

**From:** Springer, Darren [Darren.Springer@vermont.gov]

**Sent:** Saturday, October 10, 2015 11:15 AM

**To:** GPS

**CC:** Johnson, Justin; Allen, Susan; Coriell, Scott; Miller, Lawrence; Gray, Laura; London, Sarah; Pepper, James

**Subject:** Weekly Reports - Executive Privilege 10 09 15.pdf

**Attachments:** Weekly Reports - Executive Privilege 10 09 15.pdf; ATT00001.txt

Highlighted Weekly Attached.

Gov - ACCD section, we have E-Board coming up this month but GF was not ready to submit what is necessary for their award, so we'll have to do another one in December for them. Not sure how/if this impacts on our plan to do press conference at site in November, I assume we may end up pushing that back but have not heard either way from Janette yet...

AHS section Hal notes they have a proposal around social workers as requested. Shana has scheduled a meeting with Hal, Ken, Justin, me, Sue and you to discuss soon.

AOT has update from Brian Searles on pre-clearance work.

ANR, Deb asked you Gov if you want to help her fundraise for Vermont Parks Forever effort.

Agency of Admin section has good All Payer update.

DOL has update on various layoffs/closings (KMART, Selden, CitySports, etc.)

Justin - Many updates on agency/JFO meetings

Thanks,

Darren

# WEEKLY REPORTS

Checklist  
10/9/15

Darren Springer

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

Sue Allen

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

Sarah London

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

Jessica Gingras

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

TBD

- ☒ Department of Labor – Annie Noonan
- ☒ VT Commission on Lottery – Greg Smith

To: Governor Peter Shumlin  
From: Patricia Moulton, Secretary - Agency of Commerce and Community Development  
Date: October 9, 2015  
Re: Weekly Report

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**PATRICIA MOULTON, SECRETARY:**

**GOVERNOR'S PRIORITIES:**

- **GS Precision:** Things are progressing well on the project. We now have a tentative closing date for mid-December. I'm working through the issues of ACCD lending vs. granting with Sara and Jim Reardon.
- **Aeolus Mountain Hotel and Spa:** I met this week with three individuals planning a \$44 million, 80 room hotel, 160 seat restaurant and spa in Manchester. This is a very large financing and I have concerns about the ability for them to pull it off in the timeframe they hope. They want to start construction in the spring. The project would create 90 full-time jobs. They want to specialize in locally sourced food, creating a Vermont experience that connects guests to the area and a high end experience. It sounds like an exciting project, I just have concerns about financing. They may need to slow down to raise more equity.
- **Emergency Board:** We thought we had a bit more time with the board meeting moved to the 19th. But now I'm hearing that Janet Ancel and Tim Ashe will be traveling starting next Tuesday until the following Sunday therefore JFO wants materials today to send out. We have materials ready but they have not been reviewed and signed by the Governor. I will be forwarding those to Steve as drafts. Global Foundries is not ready to come in on the 19th and would like an emergency board meeting in December. I have corresponded with Darren and we're working on setting that up.
- **Vermont PBS:** I learned this week Vermont PBS will be running a series on Innovation in Vermont. It is still in the drafting stages but is a go. This will help us with our marketing efforts and will pair nicely with the economic development marketing work Joan and team are preparing.
- **Green Mountain race track in Pownal:** I met this week with Steve Soler who is trying to develop the track as a music and outdoor venue. They have run into a serious roadblock with Pan Am Railroad regarding crossings. We have some strategies to try to resolve. Steve is an experienced real estate developer and has many ideas for potential's at the track should the music venue not work out. If he is successful with his plans, it will be transformative to the local economy. The town is supportive.
- **JFO meeting:** See Lucy's report below. The meeting was not productive. The goals of the approps chairs was to think long term. While the policy chairs were looking for nuggets for this session. They did not seem on the same page.
- **EB5:** We continue to wrestle with the fire hose!
- **Kiersten Bourgeois reports: Breakfast Networking Meeting – FCCQ/VQEI:** I have been working very closely with the FCCQ to organize an event in Montreal prior to the Governor's press event with Premier Couillard in October. The FCCQ has invited Pat M. to serve as a keynote speaker for the event and there will be three working sessions that will focus on IT, Energy and Advanced Manufacturing. We have identified three "leaders" in each of those sectors and will be reaching out to them ASAP. This will be a relatively small event that will serve as a good introduction to both organizations for participants. It also will be, as the FCCQ has indicated, an opportunity for them to talk to attendees about the MOU that was signed with the VQEI in advance of the press conference.
- **AMCHAM Luncheon:** Have been organizing panelists and all have been confirmed: Jake Holzscheiter, President & CEO of Deringer, Greg Maguire from Revision and Mr. Len Gold, Esq. from Burns & Levinson of Boston have agreed to participate in the panel to talk about doing business in Vermont, logistics and address other general issues that arise as a Quebec company is seeking a business opportunity here.

**Recruitment**

- **Project Composites:** Yesterday, met with the BHS team in St. Johnsbury. They received the good news that their production process will not exceed styrene limits in Vermont. Doug Elliott from DEC came for part of the meeting and was incredibly helpful. The company representatives were ecstatic. The rest of the discussion

focused on the lease agreement for the property, potential buy-out of the facility after an agreed-upon time and also timing for decisions around VEF and VEGI. Follow-up on my side only included an introduction to VEDA.

- **Energizer:** I think that it is safe to assume that Rolute is squarely on hold. Despite repeated attempts to discuss next steps with them, we haven't heard a word from them. I will keep nudging them when appropriate. We will start pitching the Energizer facility to others; the deal is almost finalized. Thank god.
- **Dan Towle reports on Captives: Physician Group of Florida Doctors Prospect:** Dan is working with an existing Risk Retention Group based in Kentucky about redomesticating to Vermont. Dan first met with them last year at the Risk & Insurance Management Society (RIMS) Annual Conference. Dan met with them again at the National Risk Retention Association (NRRA) Annual Conference. Dan is expecting them to apply to redomesticate to Vermont.
- **19 New Captives Licensed to Date:** Dan is pleased to report that 19 new captive insurance companies have been licensed. This is a very strong start to the year with the 4<sup>th</sup> quarter always being the strongest month for new formations. Vermont licensed only 16 captives last year. One of the latest new captives is National Life of Vermont, who we have spoken to about forming a captive for the past several years.
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#### LUCY LERICHE, DEPUTY SECRETARY

- **Parcel Mapping:** This project has two major components, getting all parcel data collected and then keeping it all updated. Lucy met with Rich Tetreault from VTrans and Noelle MacKay to discuss a plan for moving this project forward. VTrans is contributing 80% of the funds for the first part of the project and will take the lead. The size and scale of the project necessitates the participation from many partners. Noelle's Housing and Community Development CP & R team will assist.
- **Budget Discussion with Money and Policy Chairs:** The discussion was unfocused and unproductive. The legislators in the room did not seem to have a common vision or understanding about what they wanted out of the meeting. Pat and Lucy hit some high points, challenges around Vermont Life, the CMO's role, workforce development, and housing, and various efficiency measures the agency has undertaken. Overall though, seemed like a phenomenal waste of time.

#### KIERSTEN BOURGEOIS, SENIOR PROJECTS MANAGER

##### Vermont Quebec Enterprise Initiative/Other Quebec Work

- **Monteregie-Ouest B2B Roundtable:** The team that visited Vermont in May would like to organize another business-to-business event here. They were very impressed by the caliber of VT participants during the first meeting and want to bring another group here. We continue to stay in contact with the companies that came in May, but no one has committed to locating in Vermont, yet. With respect to the next meeting, they suggested that we consider a value-added agriculture focus, but I think that has changed. The team organizers from the Quebec side will be in Vermont next week to meet. I also asked VQEI staff to follow-up with the contact of the food association (CTAQ) to see if there is a possible collaboration that we can further explore.
- **Sherbrooke Roundtable:** We are working to organize a similar event as the above with a group of businesses from the Sherbrooke area. According to the economic development contact (CEDEC) in Sherbrooke, many companies in that region are interested in Newport as a place to set up an office or warehouse/distribution. They would like to have an event in Vermont – likely at Jay Peak – in the early spring. Dave Snedeker was part of the visit with VQEI staff. I have found the information from our visit to that region in 2012 that I will share. During that meeting, we met with representatives from Bishop University, two incubators and economic development officials. I will be following up with the Sherbrooke team directly.

##### Recruitment:

- **Kennametal:** Two parties interested in this Lyndonville site; working with DEC to address contamination concerns. Once this facility is occupied, we will have a major space challenge in the NEK; Revision has taken the last of the REM space, the St. J building will (hopefully) be assumed by BHS and there is almost zero available space left.

- **QFI:** Met with this small biofuels company in St. Jean sur Richelieu last week. They want to set up a small office and distribution facility in either Swanton or St. Albans. Asked Tim Smith to follow-up and keep me apprised. Only about jobs to be created, but it would be a nice little win.
- **drinkMaple** is signing a lease on a site in the City of St. Albans. Another nice little win that I handed off to Dom and his team. The company uses a lot of sap from Franklin County producers to make their product which is exported to Canada, South Korea and Australia. Again, a small one, but good little success story.

#### **Brownfields**

- **EPA Award:** I confirmed that we received the highest award in the US this time around – we beat the State of Maine by \$17.

#### **DEPARTMENT OF ECONOMIC DEVELOPMENT: Joan Goldstein, Commissioner**

- Held an economic development partners meeting with RDCs, SBDC, VMEC, congressional delegation field reps, USDA, SBA, US Commercial Service, and had Michael Pieciak of DFR talk about the changes to the Vermont Small Business Offering Exemption and how active this has become. We want to include this VTSBOE vehicle as often and as applicable as possible. It is apparent that some of the technical assistance providers in the state perhaps need more assistance/networking in order to properly refer businesses to the appropriate funding sources. We may be able to help here as some of the newer members of DED do have experience raising equity for new or growing ventures. We discussed the financing roundtables held around the state and how to include more info on crowdsourcing and growth capital. We also touched on energy costs and how the current CEP does not include the voice of the largest users. The agency's Ken Jones may coordinate with the RDCs to get this voice heard. We will probably hold these 'partners' meetings 2x per year as it is a good opportunity for networking and learning more about what others are doing around the state.
- Interesting feedback from the continuing peer to peer lending study group. There is a gap in funding sources for the over 100k but below 1mm mark. The VEDA non-asset based lending vehicle is there but according to one participant – who is fairly influential in the capital raised in VT - it may miss the mark. We will do more research on this 'availability of capital' question and include in our study.

Working with UVM on the legislative summit to be held on 11/17. We have invited GW Plastics and Global Foundries to talk during the advanced manufacturing segment. Expected to be 60-70 legislators in attendance.

#### **BUSINESS SUPPORT - Economic Development ♦ Jared Duval, Director**

- Met with Connor Homes (Middlebury) about their VTP application draft, alongside John Young. Connor Homes has seen some phenomenal growth in the past couple years (from about 32 employees in 2013 to 95 today). Connor is currently experiencing incredible demand for a new window line. Effectively responding to this demand with expanded skill training is the primary focus of the VTP application in progress.

#### **BUSINESS SUPPORT ♦ Brett Long, Senior Economic Development Specialist**

- Wednesday traveled to Newport to meet with Revision Military to learn about their proposed expansion to the helmet manufacturing facility with Dave Snedeker from NVDA.
- Wednesday followed-up with Solaflect, Vermont Prototype (Zach Dutcher), Entrepreneur's Seed Capital Fund and research on CRM options.

#### **FINANCIAL SERVICES ♦ Dan Towle, Director**

- **State of Vermont & Vermont Captive Insurance Association (VCIA) Chicago Road Show:** Dan Towle, Director of Financial Services will be in Chicago next week co-sponsoring an event with the VCIA. These events, which typically attract between 75-100 attendees, prove to be an excellent way to both identify new prospects, but also to stay in front of our existing captive insurance companies and referral sources. Dan will be presenting, along with Dave Provost, Deputy Commissioner of Captive Insurance on an educational session called the "Strategic Advantages of Captive Insurance".
- **Community Hospital of Monterey Peninsula (CHOMP) Board Meeting:** Dan attended the Board Meeting for this California based Vermont Captive. CHOMP has been an excellent resource for new captives as they have been outspoken about their support for Vermont. They are also doing some unique things by having the hospital partner with large community employers to assist with medical stop loss coverage.

#### **INTERNATIONAL TRADE AND ECONOMIC DEVELOPMENT ♦ Krista Conley, Director**

- International is fully underway with travel preparations for October and November. Much of this past week was spent in meetings with businesses to prepare them to leverage every opportunity for international engagement. Upcoming meetings include:
  - IIUSA - National EB-5 Meeting in Dallas, Texas, October 20-23

- Vermont Quebec Alliance Meeting in Montreal, October 26-27
- Medica, with Chroma Technology and Mobile Medical International Corporation, Dusseldorf, Germany, November 14-19
- Eastern Trade Council, Meeting of East Coast International Trade Directors, Boston, MA, December 1-2
- We spent three hours with the leadership of Mobile Medical this week, toured their systems and discussed a go-to international plan. They have current opportunities in Oman, as well as a significant opportunity in Germany using their mobile surgical unit and mobile shelters to help the German government with the 800,000 refugees. We have had conference calls with our matchmaking support in German and expect to have a full plate of meetings for both companies.
- We continue to process information from the business meetings to fully understand how best to make Vermont compete internationally and to best serve the Vermont ecosystem. Working to nullify fear is key, as well as to assist with plan development and deep relationship development. In the energy renewable area, one of the biggest company concerns is intellectual property protection. Like with Foreign Trade Zones, we are working with partners to develop a relatable seminar that will allow VT companies to look more closely at major markets such as China and India, as well as Europe and Latin America, with the requisite IP knowledge.

#### **VERMONT EB-5 REGIONAL CENTER ♦ Eugene Fullam, Director**

- Finalizing VT EB-5 program participation for upcoming iiUSA conference Dallas, TX (Oct 21-23).
- Quarterly due diligence performed this week with SouthFace Village at Okemo, which will connect to the existing Okemo ski resort in Ludlow, is well underway.

#### **VERMONT ECONOMIC PROGRESS COUNCIL ♦ Fred Kenney, Director**

##### **VEGI**

- VEPC board gave Final Approval to National Hanger, No. Bennington for \$272,369 in VEGI Incentives.
- Worked on Final Application prep with Cabot Hosiery, Revision Military, and Revision Ballistics for October VEPC meeting.
- Provided Pre-Application estimate to Imerys Talc, Ludlow. Will likely file Initial Application for December 3 meeting.
- Worked on Pre-Application with Stone Path Malt, new prospect looking at Randolph and other locations.
- With John Kessler, responded to Public Records request from Alexandra Thayer.

##### **Miscellaneous**

- Prepared material for EBoard consideration of VEF allocations.

#### **VT PROCUREMENT TECHNICAL ASSISTANCE CENTER ♦ Robin Miller, Director**

- The PTAC team held a Compliance Landmines: Avoiding Costly Small Business Mistakes at the Sheraton in Burlington on October 6th. Mark R. Thomas from the Reid Group presented to attendees about the most common compliance pitfalls impacting federal contractors and looked at key compliance issues that demand the attention of business owners seeking to become or remain exemplary federal contractors.
- The PTAC Team will be holding a GSA Schedules Workshop at the Fairfield Inn & Suites in White River Junction on October 20th. GSA Representatives will be present to instruct attendees on locating the schedule that fits their business and how to apply for that schedule. GSA representatives will also go over life after receiving a schedule like how to market your schedule and compliance issues.

#### **Companies PTAC is currently working with**

- |   |  |
|---|--|
| – Aeroparts Plus, Inc. – South Burlington             | – J.B.M Sherman Carmel, LLC – Bennington                   |
| – Agilion LLC – Ferrisburgh                           | – JP Sicard Inc. – Barton                                  |
| – Basicparts – Charlotte                              | – Kalow Technologies, Inc. – North Clarendon               |
| – Batres Adventures dba Climb High – Williston        | – Liquid Measurements Systems, Inc. – Milton               |
| – Boss Inc. – Killington                              | – Mansfield Heliflight – Milton                            |
| – Classic Dental Laboratory – Milton                  | – Mike's Electric Inc. – Jay                               |
| – Ducharme Excavating LLC – Derby Line                | – Nedde Real Estate – South Burlington                     |
| – Foxfire Energy Corp – Chittenden                    | – Northwoods Ecological, LLC – Burlington                  |
| – FW Cowen & Sons Inc. – Canaan                       | – Real Supplies, Inc. – Newport                            |
| – G W Savage – South Burlington                       | – Reyes Holdings LLC dba Reinhard Foodservice – Colchester |
| – Green Mountain Marketing & Advertising – Killington | – Select Designs – Burlington                              |
| – Innex Technologies Inc. – Norwich                   |  |

- Tech Vault Inc. – South Burlington
- Tivoly, Inc. – Derby Line

- Vermont Heritage Distributors – Newport

## **DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT**

### **Commissioner MacKay and Deputy Commissioner Hanford**

#### **Commissioner MacKay**

##### **Vermont Economic Resiliency Initiative (VERI)**

- **Final Report Out:** The final report, all 730 pages including the five community studies is on the web and press releases sent!
- **Vermont Edition:** Taped a segment for Vermont Edition on the release of the report, what communities are working on and what others can do to protect their infrastructure and local businesses.

#### **Deputy Commissioner Hanford**

- **Council of State Community Development Agencies (COSCDA):** Spent most of the week attending this annual training conference held this year in Indianapolis, Indiana. The conference is a good way to share resources, problem solve and learn from other state agencies that have a similar mission. Moderated a particular relevant session titled Hazard Mitigation for Sustainable Communities, in which Professor Bob Barr from Indian University's Center for Earth and Environmental Science provided a passionate overview of the science of Fluvial Erosion Hazards (erosion from moving rivers & streams) and how communities must understand how rivers move over time to be better prepared and more flood resilient. He gave the State of VT all the credit for being the leader in this field and pushing for policy & regulatory changes that would save \$ protect communities!
- **Town of Richmond- Creamery Project:** Held discussions on how to move this project forward now that it appears they have a developer on board. Although a number of meetings and discussion have taken place over the last few year on this project, it appears the new developers are poorly informed of the timing and requirements of several funding sources.

### **COMMUNITY PLANNING & REVITALIZATION ♦ Chris Cochran, Director**

#### **Partners**

- **Governor's Commission on Aging:** Following up on a subcommittee meeting on Livable Communities this week, Faith reached out to Efficiency Vermont about discussing ways to coordinate their upgrades to existing homes to achieve energy efficiencies while implementing universal design improvements to help elders age in place. No funding source or mechanism for financing universal design modifications have yet been identified but the Commission aims to at least identify the need for targeting such improvements in state designated areas.

### **HISTORIC PRESERVATION ♦ Laura Trieschmann, State Historic Preservation Officer**

- **VTrans Bridge Documentation:** The current staff of the Cultural Resource section has uncovered a number of bridge projects both completed and ongoing where the final documentation had not been completed as required by federal law. This was done by previous historic preservation staff of the section. The Division only heard about this issue informally and inquired to find the details, current undertaking, and planned solutions. A consultant has been hired to review the documentation and will be preparing a status report that will be shared with the Division. They have been working with the Federal Highway Administration, which seems to have already been alerted to the current situation, on process review standards to ensure compliance with federal laws.
- **Chester Arthur's Birthday Celebration Fun:** On Saturday, October 3, the much-anticipated President Chester Arthur Birthday Party was held at the State Historic Site in Fairfield. Approximately 70 people attended the event and, as the photos will attest, a good time was had by all. Special thanks go to the party planning committee: Jesse Blondin, Matt Goguen, Jenni Lavoie and Debra Sayers. Whoever was put in charge of the weather for the day certainly outdid themselves. Thanks are also due to our friends in Fairfield, Town Clerk Amanda Forbes, Principal Jennifer Wood and the students of Fairfield Center School. We are grateful, as well, to all the VDHP staff and family members who came along (and brought snacks) just for the fun of it.



### Project Review

- **Solar Projects:** Scott and Yvonne visited five proposed solar installations on Tuesday. The site assessments took them to Hinesburg, Cornwall, and Granville and several sites in between.

### State-Owned Historic Sites

- **Bennington Battle Monument:** Week 24, buses have increased to 26 with **over 1500 visitors**, and two school groups. Australia and Germany are the predominant countries we see visitors that travel on their own, the motor coach groups are from everywhere. Genealogy has been bringing us visitors, we have been visited by three 'descendants' of early Vermont heroes and settlers, most are '5<sup>th</sup> great grand' sons and daughters, including the Robinson family (early settlers in Bennington), the Breakenridge family (an historic marker to them is near the Monument) and John Stark's brothers family from Wisconsin. The leaves are slow in changing so we are looking forward to 3 more weeks of fall.

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

- On September 30, Arthur participated in a meeting of the Manufactured Housing Innovation Project. Originally started by VHCBC to design replacement housing for mobile homes lost due to flooding in 2011, this effort is now being led by Brian Pine of the Vermont Energy Efficiency Corporation. The most visible result of the project has been development of the Vermod High Performance Home. To date, 25 Vermod homes have been sold and the company expects to produce up to 40 more in the next year. Fourteen duplex units are planned for the former Gevry Mobile Home Park in Vergennes, now called "McKnight Way" in honor of the late former Executive Director of Addison County Community Trust Terry McKnight. Lamoille Housing Partnership is looking into placing a dozen Vermod's for rental in the Evergreen MHP in Hardwick. Ann Duncan Cooley also gave an update on the "Irene Cottage" concept. In spring 2016, the Upper Valley Housing Coalition and Twin Pines Housing Trust expect to begin construction of an "Irene Cottage" for sale on a parcel in Wilder and are looking at a site for up to six units in Norwich.

There are several municipalities that are considering or have passed bylaws making it difficult to site shelters to provide services to the homeless. Shaun met with representatives from the Agency of Human Services to discuss if there is any role for our agencies to play in raising the awareness of the growing homelessness problem in the state and discouraging bylaws that disallow shelters where they are needed. Similarly HUD has indicated that they maintain the right to deny funding for homeless services from communities that have statutes with the effect of 'criminalizing homelessness'. This could be a problem for service providers working in municipalities that have made it illegal to sleep in cars or sit on sidewalks, examples of what HUD considers the criminalization of homelessness. This policy could have the perverse effect of removing financial supports for vulnerable people who are in areas where it is already being made difficult to survive in a state of homelessness.

### VERMONT COMMUNITY DEVELOPMENT PROGRAM ♦ Josh Hanford, Director CDBG-Disaster Recovery Work

- **Waitsfield United Church of Christ:** This non-profit church, which operates as the Village Meeting House, submitted a \$640,000 DR Grant application for a \$1M project to flood proof the building and construct life safety and ADA/accessibility improvements. The project will include stabilizing and flood proofing the basement and moving all mechanical and electrical system components out of the basement and to locations more than 2 feet above the 100 year flood. This will require a small addition at the rear of the meeting house as well as major reconfiguration and renovation of the lower floor and the existing back wing on the building. The threshold

review is not yet complete but there does not appear to be any major issues preventing the application being considered at the November CD Board meeting.

#### **CHIEF MARKETING OFFICE ♦ Heather Pelham, Chief Marketing Officer**

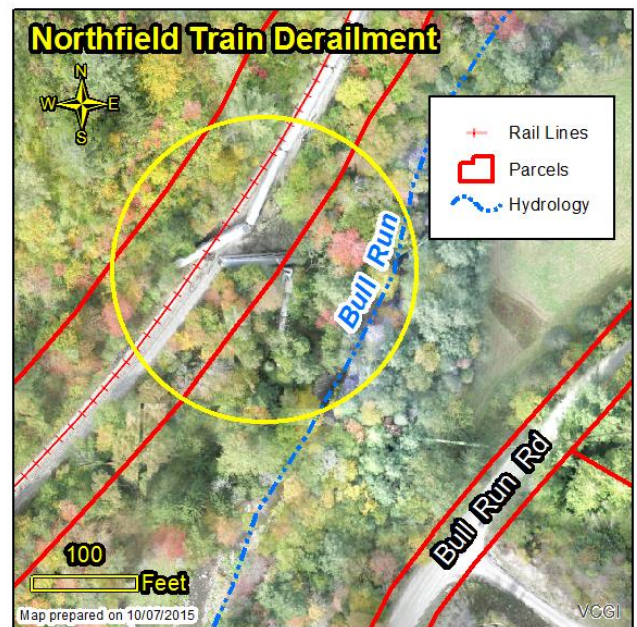
- **Economic Development Marketing Plan:** The deadline for RFP submissions has passed and the final tally of responses is 13! The review committee (Commissioner Goldstein, Deputy Commissioner Cook, Heather Pelham, Kiersten Bourgeois and Mary Nowlan) is now in the process of reviewing and scoring responses. The top choices of the committee will be asked to come in for an in-depth interview/pitch session with the senior management team.
- **Leveraging the Vermont Brand:** Heather attended a branding presentation sponsored by the UVM Center for Leadership & Innovation last week with a diverse group of attendees from Vermont retail and service businesses. The discussion ranged from basic branding concepts, to various perspectives on how the Vermont brand can evolve and how we all have a part in the Vermont experience that defines our brand.
- **Governor's Commission on Successful Aging:** With the brainstorming support of Laura Peterson, Heather developed a conceptual framework and draft copy for outreach materials to support an awareness campaign on the unique advantages mature workers bring to the workforce. Under the umbrella "Experience Matters," Heather will continue to advise and support the efforts of the Dept. of Labor and Dept. of Aging and Independent Living on how best to bring this message to Vermont employers.

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

- **GIS Data**
  - **New/Updated Data and Web Services:** Per request from Vermont Agency of Transportation, the UVM UAS (Unmanned Aircraft Systems) team was deployed to the area of the Northfield train derailment on October 5. The team coordinated a UAS aerial imagery acquisition area with incident commanders. Within 60 minutes, the UVM UAS team provided a set of more than 280 aerial images with ties to ground locations, in Google-KML format, of the derailment site and the surrounding area to incident commanders.

The UVM UAS team then processed the imagery at a lab to produce a seamless mosaic of digital orthophotos (an orthophoto is the product transforming a raw aerial photograph into an aerial image that has geo-spatial intelligence and reduced distortion). The digital orthophoto mosaic derivative adds an enormous amount of value to the data collection because it is suitable for mapping, measurement, and overlay to other GIS data sources.

UVM provided the digital orthophoto mosaic to VCGI. On October 6, VCGI incorporated the orthophoto mosaic into its prototype web data service (data feed) for UAS data. This allows consumption of train derailment site aerial imagery by various systems and applications. Since the summer, the UAS web data service has been serving UAS imagery taken from the flood-impacted Plainfield and Barre areas.



- **Projects and Technical Service Contracts**
  - **Solar LiDAR Potential Mapping:** The solar potential mapping data project is sponsored by the Vermont Sustainable Jobs Fund (VSJF) and will be made publicly available and directly support many private, non-profit and state renewable energy priorities, e.g., The Vermont Solar Siting Task Force (created with the passage of Act 56) and the Vermont Department of Public Service's [Comprehensive Energy Plan](#), calling for 90% renewables by 2050. VSJF, a public non-profit created by the state in 1995, originally contracted with VCGI, Inc. in 2014 to create a custom application that would derive solar potential data using highly accurate "Light Distance and Ranging" (LiDAR) data. VSJF now has the additional funding needed to complete the project, subject to a completion date of 12/31/15. The final data will be integrated with a custom webpage

(Community Energy Dashboard) on the Energy Action Network (EAN) website to help Vermonters visualize and analyze their energy future. The “EAN is an active network of nonprofit, business and government leaders working to transform Vermont's energy economy.” The solar LiDAR data layer will provide users of the Dashboard with incredibly detailed data for visualizing and planning for potential solar resources. The solar LiDAR data layer is particularly important as towns and planning entities are seeking greater say in how and where solar projects in Vermont are developed.

#### **DEPARTMENT OF TOURISM & MARKETING: Megan Smith, Commissioner**

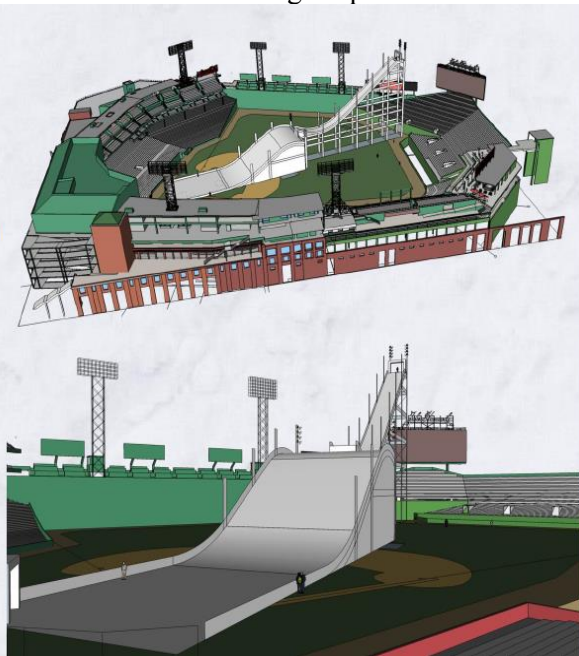
- **France Sales Mission:** Megan is currently attending a sales mission in France. Last year 93000 French visitors came to New England, which was a 16% increase over 2013. Since this is a mature market, many of the French have already visited the big destinations in the U.S., they are very interested in our region. Vermont's proximity to Montreal is proving to be a big selling feature for this market as AirFrance has many daily flights.

#### **Steve Cook, Deputy Commissioner**

- **Toronto Snow Show:** Next week Steve will be in Toronto at the winter snow show with Porter Airlines and Ski Vermont.
- **Winter Media:** VDTM has been securing winter advertising. This year will be the first ever Fenway Park big air competition. While full sponsorship is out of our financial reach at \$150K, VDTM did secure full station domination of the Kenmore T stop, the closest stop to Fenway, as well as digital display boards outside of the event. This will be an exciting event and Vermont will have large exposure.

#### **The Ramp**

- 140 - foot ramp to be constructed in centerfield
- 14 - foot high jump
- Nearly 4 times the height of the Green Monster
- Athletes reaching speeds of up to 40mph



#### **COMMUNICATIONS ♦ Laura Peterson, Director of Communications**

- **World's Best Foliage Campaign:** Laura did a live radio interview with a Philadelphia station about foliage season and the African American Heritage Trail. #WorldsBestFoliage continues to attract media attention and gain traction. A Facebook posting about our Reason #7 (Vermont's views go on forever) reached 26,528 people. Overall FB page visits were up 155% week-over-week.
- **Australian FAM trip:** Laura spent two days with representatives from two Australian group tour companies, taking them from Montreal to Burlington, Shelburne Inn, Ben & Jerry's, Cabot outlet, Smuggler's Notch Distillery, Lake Champlain Chocolates, Stowe, Montpelier, Rock of Ages, Woodstock Inn, Quechee Gorge, Billings Farm & Museum, Marsh Billings Estate, and Simon Pearce.



**State of Vermont**  
**Department of Financial Regulation**  
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[All Insurance] 800-964-1784  
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[Banking] 888-568-4547

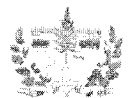
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*Susan L. Donegan*

**To: The Honorable Peter Shumlin, Governor**  
**From: Susan L. Donegan, Commissioner, Department of Financial Regulation**  
**Date: October 9, 2015**  
**Re: Weekly Report**

**Captives Insurance Division:**

This week captive insurance license number 1,048 was issued to Golden Gate Captive Insurance Co. Redomesticating from South Carolina, the parent company is Protective Life Insurance Co. of Birmingham, Ala. Protective Life was founded in Alabama in 1907 by Gov. William Dorsey Jelks. In 2010, it boasted more than \$427 billion in coverage and in 2013, it acquired MONY Life Insurance Co., bringing its number of subsidiaries to four. Protective Life has offices in Alabama, California, Illinois, Nebraska, Minnesota, Missouri, New York, Ohio, South Carolina and Tennessee.





**Privileged and Confidential**

**MEMORANDUM**

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

From: Christopher Recchia, Commissioner

Date: October 9, 2015

Subject: Weekly Report

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**Governor Level Issues:**

**Status of Priorities and Cases of Interest:**

VGS - After much negotiation, PSD and VGS reached agreement on an MOU providing a cap on the amount VGS can seek to recover from ratepayers for the Addison Natural Gas Project. The total is \$134 M, or \$20 M less than the most recent cost estimates from VGS. Jim Dumont on behalf of AARP was livid and filed a "motion to strike" yesterday – we do not believe they have any merit to their motion.

Comprehensive Energy Plan – First public hearing on the draft plan was held at Lyndon State. Turn-out was under 20 with 8 people providing comments. Rep. Marty Feltus and Senator Joe Benning were present. Mostly an anti-wind crowd (Steve Wright, Kim Fried, Mark Whitworth) concerned about siting issues. Joseph Creaser from Barton Chronicle was there.

Renewable Energy Vermont - Multiple staff participated in the Renewable Energy Vermont annual conference.

VLCT Town Fair Days – While Darren and Asa were enjoying the friendly audiences at REV, I was blessed with two discussion groups at the VLCT conference – one on the 248 process, and the other on the CEP. In both, Town officials expressed extreme frustration about their (lack of )

role in the energy siting process, but I made some headway with explanation about what we are doing, and the discussions were good.

Rule 4.100 Proposed Contracts – Docket Nos. 8586 – 8591 - On September 25, the Board noticed six proposed Rule 4.100 contracts. Five of these are Ranger Solar's 20 MW solar projects in Ludlow, Barton, Highgate Center, Sheldon, and Brandon. On September 15, Ranger Solar moved to amend its currently pending Rule 4.100 contracts to specifically request waiver of a strict reading of 4.104(H) and to allow them to demonstrate the 248(b) criteria after contract approval. The Department's response will be a motion to dismiss, similar to the earlier batch. That filing is due October 9. In addition, there was a request for a one year contract extension from Boltonville Hydro in this batch. Similar to the revised filing from Great Bay (which is now one year), the Department will likely not oppose this one year request because it eliminates the concerns raised by the Department in the motions to dismiss the earlier batch of contracts.

Irasburg/Blittersdorf MET Tower Penalty Investigation – Docket 8585 – The Board's hearing officer held a prehearing conference where deadlines for intervention and responses were set. Members of the Irasburg selectboard attended the hearing and indicated that they would move to intervene on behalf of the town. Sen. Starr also attended but did not speak. Intervention motions are due Oct. 20. The hearing officer tentatively set a Nov. 12 date for a status conference after an intervention order has been issued.

Investigation regarding the Construction of a Met Tower located in Swanton – Docket 8561 – Discovery on Travis Belisle's testimony must be filed by October 12<sup>th</sup>. The Board has not yet ruled on the Langs' Motion to Intervene. Belisle's attorney had promised to file testimony addressing all of the criteria of § 30 (the penalty statute) but notably omitted any information regarding Mr. Belisle's economic resources.

GMPSolar – Williston, LLC 4.69 MW Net-Metered Facility in Williston – Docket 8562 - By Order dated October 02, 2015, the Board concluded that the proposed project does not qualify for net metering under 30 V.S.A. § 219a(m)(3) and that the agreement between GMP and Global Foundries should, instead, be reviewed as a special contract under § 229. The Board reached this conclusion on the basis that Global Foundries had a discretion to consume anywhere between 2% and 66% of the project's output, which did not satisfy the requirement that the facility's output be consumed "primarily" by the customer. The Department served informal and formal discovery on the Petitioner on October 7, 2015 with respect to the § 248 criteria. The Department will file discovery with respect to the special contract on October 19, 2015. It is not clear that the proposed arrangement is approvable as a special contract. PSD is seeking to have a further conversation with GMP's lawyer and financial team.

Commissioner and State Nuclear Engineer Attend Decommissioning & Spent Fuel Strategy Summit - Nuclear Energy Insider sponsored the Reactor Decommissioning & Spent Fuel Storage Strategy Summit, held in Charlotte, NC. The Public Service Commissioner and the State Nuclear Engineer jointly provided a presentation on Decommissioning Stakeholder identification and engagement in Vermont. Kate O'Connor, Chair of VT's Nuclear Decommissioning Citizens Advisory Panel, also spoke at the Summit, discussing the Panel's mission, development, and activities during its first year of public meetings. Both presentations were well received. The

Summit provided the State's delegates with ample opportunity to network with decommissioning industry experts.

**Meetings/Calls this Week:**

Oct 5 – Nuclear Decommissioning Summit in North Carolina,  
Oct 6 – Nuclear Decommissioning Summit in North Carolina and Fairpoint meeting in NC.  
Oct 7 – CEP Public Meeting  
Oct 8 – VLCT Annual meeting, REV Conference  
Oct 9 – REV Conference

**Meetings next Week:**

Oct 12 – National Energy Marketers Association NE Energy Policy Summit  
Oct 13 – National Energy Marketers Association NE Energy Policy Summit, CEP Public Meeting  
Oct 14 – National Energy Marketers Association NE Energy Policy Summit  
Oct 15 – EAN Annual meeting, LCC Legislative Reception  
Oct 16 – EAN Annual meeting, NECPUC Administrative/Executive Directors meeting

**Media:** Extensive coverage of the MOU between PSD and VGS. Seven Days story by Terri Hallenbeck regarding proposed wind projects and the challenge of signing power purchase agreements with Vermont utilities. Coverage of REV and of the CEP meeting in Lyndonville

**Public Official Contacts:** Assorted legislators at REV Conference and the CEP public hearing

**Everything Else:**

***PERD***

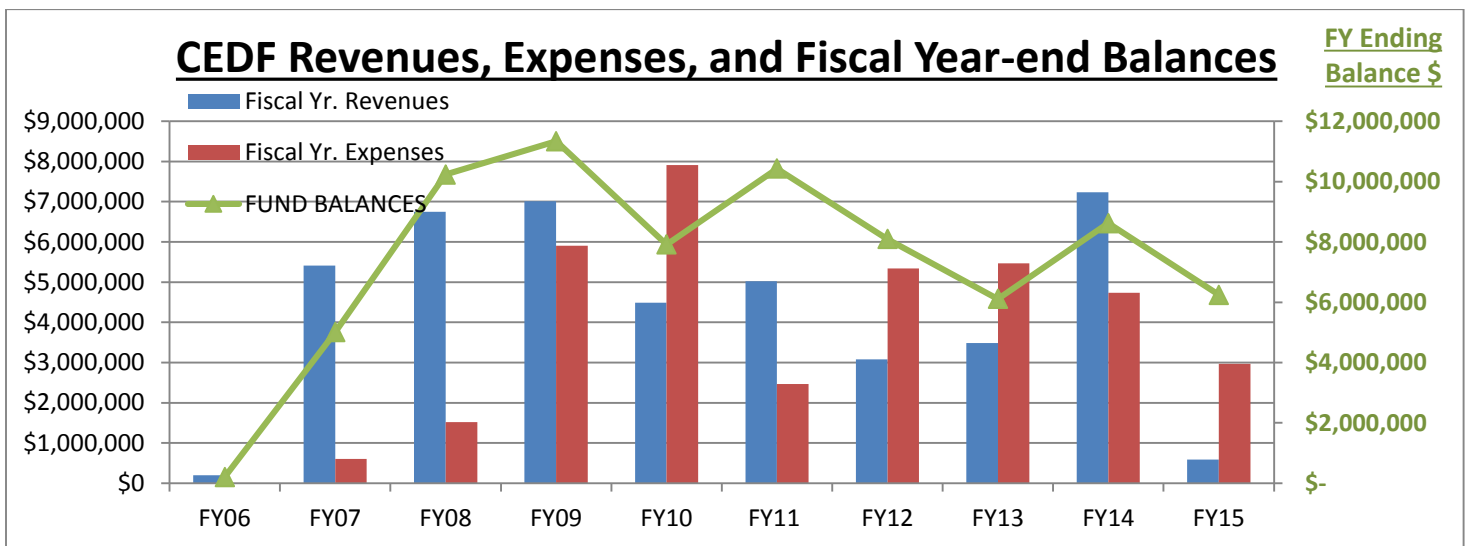
Thermal Energy Finance Pilot – Heat Saver Loan

- HeatSaverLoan.com website was successfully launched on Wednesday. A press release was sent out on October 1st and media coverage observed on WCAX website, in the Times Argus and elsewhere. Staff received calls the next day.
- Projections for expenditure scenarios for IRBs from low to high rates submitted for review. How far current program funds carry will depend on how many customers respond to the new marketing efforts during this heating season.
- Quarterly reporting has begun, and staff will prepare a first year review of program activities next week.
- VLITE will entertain a request from PSD for follow-on funding to help support the Heat Saver Loan pilot program until December 2016. Decisions are made quarterly.

Clean Energy Development Fund

- Reviewed and approved the smallest SSREIP invoice yet: \$3,438 for one pellet system (\$3,000) and one small solar hot water system (\$348) in incentive payments for the SSREIP.
- Drafted a \$10,000 grant agreement for a wood pellet heating system for the Pittsford Elementary School and communicated with the school that they still need to verify that the system they are installing meets the “advanced wood heating” conditions of the grant award.

- Reviewed and approved the final 5% (\$2,275) invoice from the Richford Town High School for their 50kW PV system.
- Approved final contract between Leigh Seddon and CESA for an analysis of installation costs and generation differences between commercial roofs and open ground mounted systems.
- Revised the CEDF fiscal year 2016 Budget based on a more through auditing of the fiscal year 2015 financials, which showed the CEDF had more funds than had been budgeted for in May when the FY 2016 budget was drafted. The Board will review and vote on the new FY '16 budget (and annual plan) at their next meeting. The Board's next meeting is October 14<sup>th</sup>, 2015.
- Created the following graph showing the CEDF's annual revenues, expenses and ending FY balances since the CEDF was created through FY '15:



### Net Metering

#### Net Metering Activity 9/25/15 –10/2/15

	Registrations	Applications	45 Day Notice	CPGs Granted
<b>Count</b>	71	5	0	19
<b>kWAC</b>	437.78	617	0	656.32
<b>Ave Size kW</b>	6.1659	124.42	0	16.008

#### **Cumulative Capacity of ALL Formal Notices Submitted\*\***

<b>Year Total to Date</b>	<b>Total Since 1999</b>
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2014 kW	2015 kW	1999 – 2015 kW	% of 15% NM Cap
24777.77	43068.19	120730.54	~ 80.5%

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

#### RES (Act 56) Implementation

- Staff attended the second set of meetings for the working groups for tier 1&2; and tier 3. For Tier 1&2, discussion focused on treatment of banking RECs in the New England states.
- For Tier 3:
  - DPS staff presented an example of converting the net reduction in fossil fuel consumption resulting from energy transformation projects to a MWH equivalent of electric energy using EIA's heat rates. The example provided was for heating oil and the group has requested that DPS provide examples for all other heating/transportation fuels prior to the next meeting.
  - VEIC presented an overview of the Technical Reference Manual and TAG with an example of a residential efficient space heating system measure. The WG requested a full list of all the relevant measures currently in the TRM by the next meeting.
  - Questions were raised about whether all measures should be screened through the existing tool using the societal test.
  - PSB hearing officer pointed out that in Section C of Act 56 it states that tier 3 projects that employ biomass must comply with renewability standards adopted by the Commissioner of Parks & Rec. and we'll need to have a discussion on how this would/could come into play for those switching to cord wood, etc. How would you insure this?
  - Next meeting will include a review of all of the existing thermal TRM measures and identification of all the other measures that need to be developed with a discussion on prioritization of the measures to characterize.

#### ***Engineering***

##### Construction of Vermont Gas Systems' Addison Natural Gas Pipeline (ANGP) Project

Approximately 440 feet of pipeline was installed last week. Contract crews are continuing to drill an additional one-third mile under the Colchester Sandplains. Approximately 9.83 miles of "Segment One" (the 10.65 mile long pipeline segment between the existing VGS transmission line in Colchester and the newly constructed pressure reduction station in Williston) have been installed. The Department continued to utilize a contract Gas Pipeline Inspector for inspections of this project, during this report period.

##### State DOE Distributed Generation Grant - Update

Engineering participated in a bi-weekly conference call between GMP, PSD, and DOE to discuss the status of the DOE grant. The GMP solar mapping project is well underway with an aggressive calibration time line developed by GMP and their contractor CYME. We also

discussed work on the Act 99 PSB rule revision process and the question of including specifications on “smart inverters” that can allow a PV solar project to “ride through” minor system disturbance. The conclusion of the group was that it is pre-mature to make this inclusion at this time.

### ***Regional***

#### **NYPA St. Lawrence Contract**

- The Vermont DPS is the purchasing agent for New York Power Authority power on behalf of the Vermont municipal and cooperative electric utilities. There are currently two contracts, one for the Niagara hydro project and a second for the St. Lawrence project, with the St. Lawrence contract ending April 2017 and Niagara contract ending in 2025. The total amount of power purchased is relatively low (1 MW from St. Lawrence and 14.3 MW from Niagara); however, the price is at \$0.00492/kWh, below the average New England wholesale market prices.
- On October 6, the six neighboring states that receive St. Lawrence NYPA power (Vermont, Connecticut, Rhode Island, New Jersey, Pennsylvania, and Ohio) had a call to discuss strategy for contract negotiations regarding St. Lawrence power. Previously, contract negotiations have taken up to a year and have involved significant litigation.
- Some background – during the last contract negotiation process in 2003, Massachusetts litigated at FERC to demand a certain percentage of power from NYPA. In response, NYPA wrote Massachusetts out of the new contract (they had previously received about 4% of St. Lawrence power) and FERC upheld NYPA’s actions.
- On the October 6 call, three issues were identified – (1) the role of Massachusetts in the negotiation process, (2) potential strategies to address transmission congestion in New York, which increases the cost of delivery, (3) the need to obtain renewable energy credits specific to the St. Lawrence project, and (4) the likelihood of receiving a greater allocation of the St. Lawrence output. With respect to the last point, the participants on the call who had previously participated in contract negotiations stated that the best strategy would be to try and retain the existing delivery amounts from NYPA rather than trying to increase the percentage. Staff will be working through the litigation history over the next month in advance of a November call with the neighboring states.

### ***Public Advocacy***

#### **Summary of Key Public Advocacy Activity:**

VT v. NRC – D.C. Cir. 15-1279 – The Court granted an Entergy request for a 45 day extension of time to file dispositive motions in the proceeding. Motions are now due Nov. 16.

VY ERDS License Amendment Request – NRC 50-271-LA – The NRC upheld the ASLB decision to deny the State a hearing on its contention related to the LAR. The Commission generally tracked the ASLB’s reasoning in denying the hearing request. The State is evaluating its option to appeal the NRC ruling to federal court.

VY 30-Day Notice License Amendment Request – NRC 50-271-LA-3 – The State filed a response to Entergy’s request to withdraw its LAR without conditions attached. It requests that the ASLB impose conditions on withdrawal of the LAR with prejudice, and bar vacation of the underlying ALSB order granting the State a hearing on two contentions; alternatively, to order Entergy disclosure of the details of specific past and future NDT withdrawals. The State now awaits ASLB action on the motion.

VY Financing Petition – NRC 50-271 – The State is finalizing a draft of a petition to the NRC to review Entergy’s planned use of the VY NDT funds, the Staff approval of Entergy’s exemption request allowing NDT funds to be used for spent nuclear fuel costs, and the assumptions underlying Entergy’s cost analysis showing an excess of funds at the conclusion of SAFSTOR decommissioning.

VY 2<sup>nd</sup> ISFSI – Docket 8300 – ANR and Windham Regional Commission issued responses to Entergy’s first round of discovery requests. No requests were made of the Department. Entergy’s rebuttal testimony is due Oct. 21.

Sheffield Wind – Docket 7156 – The Department’s comments to the Board in response to Paul Brouha’s request for relief are drafted and undergoing final review prior to filing.

TDI New England Clean Power Link Project – Docket 8400 – The petitioner shared its 194 page proposal for decision with the PSD. The PSD is reviewing the document, as well as preparing witnesses for testimony. The PSD plans to file supplemental testimony correcting Mr. McNamara’s testimony. Additionally, Mr. Jordan may file supplemental testimony confirming that TDI-NE adequately addressed his concerns. The PSB issued a technical hearing notice for October 20<sup>th</sup> and, if needed, October 21<sup>st</sup>.

VGS Renewable Natural Gas Proposal – No Docket – VGS has had informal discussions with the Department over the past couple of months about the structure of a proposed voluntary RNG program. VGS provided a draft to the Department, but staff has not yet had a chance to review.

Vermont Solar Farmers 2.2 MW Solar Project in Bondville, VT – Docket 8443 – Following Department comments on the Decommissioning Fund condition suggested by Board staff in the Proposal for Decision, the Department reached an agreement with the Petitioner to increase the amount of money in the fund by approximately 50%. This addressed the Board’s concern that the fund amount was too low, which the Department shared. The Department withdrew its request for an independent review of the proposed amount, but PA believes it would be a good idea to obtain some expert assistance on evaluating decommissioning funds for future projects.

Commercial Building Energy Labeling and Benchmarking Investigation – Docket 8488 – The Board initiated a proceeding to investigate aspects of Vermont’s effort to initiate voluntary labeling to quantify a building’s energy use. A working group, convened at the direction of the Vermont legislature had recommended that the Board investigate specific issues including 1) energy data aggregation and storage; (2) a standard energy data access format; and (3) automated energy data transfer. The Department and representatives of the working group will make

presentations at an initial workshop, scheduled for 10/13/15.

GMP New Haystack Substation - Docket 8541 – The Department is in the process of sending out a second round of discovery requests. The record demonstrates that expansion plans for a nearby ski resort are the cause for certain additional components of the proposed substation, (an additional circuit and certain larger capacity regulators). GMP responses to our first round of discovery state that the proposed cost allocation methodology between GMP and the resort was previously reviewed and approved by the Department. The deadline for a stipulation for this project is October 21, 2015.

Brockway Mills, LLC application to net meter an existing hydro facility – NMP XXXX - Brockway Mills, LLC is an existing hydro facility in the Town of Rockingham. It has been operating for several decades. On September 8, 2015 Brockway Mills applied for a certificate of public good to net meter the hydro facility. The Department filed comments on October 1, 2015, stating that the application raises a significant issue with respect to the conditionally waived criteria under 30 VSA § 248(b)(4) (economic benefit). Specifically, the Department believes that further process is required to resolve the question of whether allowing this existing facility to engage in net-metering, rather than other means of offering their output, will result in an economic benefit to the State and its residents. There is a concern that allowing net metering treatment for existing facilities may result in Vermont ratepayers paying higher electricity rates than under other programs available for existing small hydro facilities. This case will likely set precedent for other small hydro facilities coming off PURPA contracts. Another petition of this nature (for Emerson Falls) was received this week.

### ***Telecommunications***

VIT Working Group - Proposed Successor VIT Network – VT AoE and PSD have jointly proposed that the VIT equipment be moved to the Vermont career and technical centers for a new VIT 2.0 network. The Vermont State Colleges have proposed to expand the VSC video conference network into four career training centers. VSC has indicated that while the public may not use VSC video network on VSC premises, the video gear to be installed at CTE centers may be used for VIT 2.0 when it is not in use for VSC. PSD staff will meet with CTE center directors this week to further discuss the proposal.

Broadband Data Inquiry – FairPoint responded to the broadband data inquiry and provided address based information about availability, but as for speed only stated that all locations have access to at least 768/200, and could not say which locations have access to higher speeds. This means that FairPoint will have to be excluded from reports showing areas with access at 4/1, 25/3, and 100/100, even though it may offer such services.

Cavendish – At the request of town officials, PSD staff analyzed cable availability in the town. Of the 948 buildings in the town, 607 have cable and 341 do not. The locations that do not have cable lie on 56 miles of road. It will cost approximately \$1.7M to extend cable service to these locations, or about \$5,000 per location. If all of the customers subscribed to cable, under the current PSB rules Comcast would absorb about 1/3 of the cost, and leave \$3,000 per customer.

Justin

VUSF & E911 – The Vermont Universal Service Fund supports the Enhanced 911 budget. Enhanced 911 is appropriated money from the General Fund and the General Fund is reimbursed by the VUSF in monthly installments. E-911's budget this year is \$4,604,830. The fiscal agent has been instructed to pay the state \$383,375.83 each month to support E-911. The previous fiscal agent paid for 11 months of FY15. The fund owes E-911 for the months of June, July, and August. September is paid. There are two ways to make up for the delayed disbursements. One way is to pay the \$1.5 Million all at once. This would present a significant strain on the fund. The other option is to make repayments over time, such as two payments this month and two payments next month.

M&T Bank – Staff requested lockbox account and trust account statements about the USF from M&T Bank. M&T Bank refuses to provide the Department with the account statements. M&T Bank believes that its contractual relationship with RolkaLoube prevents it from providing the state with bank statements for its own account. Staff has no faith that Rolka Loube will provide the Department with the bank statements. The Department has sent Rolka a demand letter in which it has given Rolka 5 days to comply with our information requests and request for data. In the event that Rolka does not respond by the deadline, the Department should meet with AG staff to discuss the next steps.

GAW Settlement – Great Auk Wireless has agreed to repay the \$18,000 dollars it took in grant funding from the VTA. GAW failed to construct the project for which it was awarded \$65,000. The funds will be repaid over a six month period. The AG's office is drafting a settlement agreement.

FairPoint Service Quality Investigation (Docket 8390) – The Department and FairPoint intend to file a joint proposal for decision to the Board on October 8, 2015. The parties are in the process of exchanging drafts and finalizing language for the draft proposed decision.

Comcast CPG Renewal (Docket 8301) – Comcast filed its petition for a CPG renewal on September 23, 2015. Division staff are reviewing the petition and Comcast's prefiled testimony and exhibits. The Department is preparing its first set of discovery requests, which will need to be served Comcast by October 28, 2015. Division staff have also received several media inquiries related to the docket. The media questions mostly related to issues related to PEG channels and the access management organizations. Stories relating to the docket were published by VPR and VTDigger.

VTel Calais 248a Petition (Docket 8535) – The Town and VTel have agreed to change the date for depositions to October 14 because the Board has not entered an order for the protective agreement in the docket. The Town would like to review all confidential exhibits and discovery responses before conducting depositions. Due to the delay in depositions, it is likely that the schedule for prefiled testimony and the hearing date will also be pushed back.

VTel Cabot 248a Petition (Docket 8549) – The Board has indicated to the parties that a technical hearing will likely be held on October 30.

Verizon Waterbury 248a Application – Division staff attended a Waterbury Selectboard meeting on Monday, October 5. The Selectboard discussed a 248a application from Verizon to construct a 90 foot tower on a parcel of land located in Waterbury adjacent to the boundary with Stowe. There has been considerable opposition to the application from local residents. Division staff explained the 248a process to the Selectboard and addressed the possible options for Town participation in the PSB docket. The Selectboard voted to intervene in the docket, but has not taken a formal position with respect to the application. They have also requested that the Department retain aesthetic and RF experts to review the application. Approximately 15 members of the public attended the meeting and spoke against the tower. An adjacent landowner has also filed a motion to intervene. The Stowe Selectboard has requested that the Department attend a meeting on Tuesday, October 13 where it will discuss potential intervention in the docket.

AT&T Bennington 248a Application – Division staff attended a meeting of the Windham County Planning Commission on Tuesday, October 6 in Brattleboro. The planning commission met to discuss an application from AT&T to construct a new tower in Brattleboro near Exit 3 on I-91. AT&T initially proposed to construct a 140 foot tower, but has since revised its proposal to a 120 foot tower based on negative feedback from the Town of Brattleboro and the planning commission. AT&T claims that it cannot further reduce the height of the tower without sacrificing coverage for the I-91 corridor. The planning commission decided to revise its prior negative recommendation. It will now file a letter with the PSB stating that it supports the project. The Town of Brattleboro still opposes the project. The Department must file comments in response to the Town by October 13.

Nextel Boost of the Mid-Atlantic, LLC Request for CPG Revocation – Division staff filed a letter with the Board supporting Nextel Boost's request for a revocation of its CPG. Nextel Boost reported that it no longer has subscribers in Vermont and does not intend to offer new services in Vermont.

Legislative Report on Telecommunications Facility Review Process under § 248a – Division staff submitted a legislative report on § 248a applications for the House Committee on Commerce and Economic Development and the Senate Committee on Finance. The report, as required by Acts 190 and 199 of 2014, documented for the calendar year ending on August 31, 2014: the number of § 248a applications filed with the Board; the number of CPGs issued by the Board; the number of applications that were withdrawn by applicants; and the number of times the Department used its bill-back authority to retain experts to review applications.

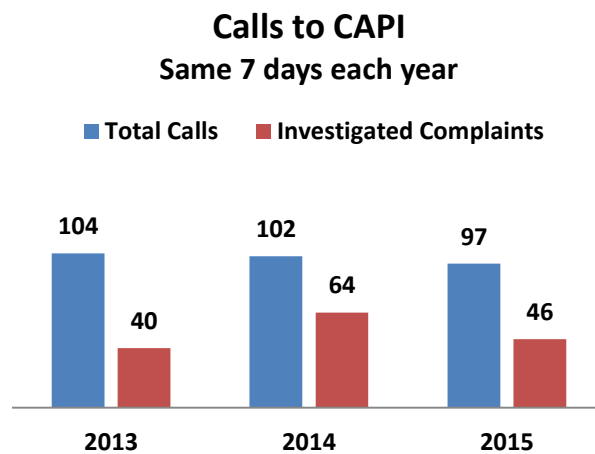
Other § 248a Applications – The Department filed favorable recommendation letters with the Board in response to the following applications:

- VELCO & AT&T application to construct a 140 tower in Barnet (the tower will be owned by VELCO);
- AT&T application for *de minimis* modifications to the facility installed at the Williston rest-stop on I-89.

Wireless Telecommunications Facilities Licensing: Staff began the process of editing the application for licensing use of telecommunications facilities for wireless carriers. Staff continues to work with ANR, BGS, and DII on streamlining this process.

Comparative research: At the recent Digital New England conference, Connectivity staff recognized the good work of its sister agency in Maine. Connectivity staff has been researching the Maine state programs to determine strategies that can be deployed to promote broadband expansion in Vermont. Staff reviewed information on Maine’s prioritized expansion goals, legislative changes benefiting the mission of broadband expansion in a rural state, the ConnectME Authority, the 3 Ring Binder fiber project, as well as taxes and funding mechanisms.

## CAPI



**Privileged and Confidential**  
**Memorandum**

**To:** Peter E. Shumlin, Governor  
**From:** Hal Cohen, Secretary, Agency of Human Services  
**Re:** AHS Weekly Report  
**Date:** October 9, 2015

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**Secretary's Message**

The Agency recently partnered together with Vermont Care Partners and four Designated Agencies on an application for a planning grant from SAMHSA. The planning grant would have funded activities to plan for integration of mental health, substance abuse disorder services and payments through a certified community mental health clinic provider. The State requested \$2M to support the activities required under the planning grant.

Last week, SAMHSA approached the State to offer an award amount of approx. \$987K, a little less than half of the amount requested. The State met with all partners involved in a budget reduction exercise and it was determined that we could not be successful fulfilling the planning grant requirements with the reduced funding amount that was offered. It's never easy to make the decision to not accept a million dollars, but we believe this is the right decision. As an alternative commitment, AHS and AOA agreed to prioritize payment and delivery reform for mental health and substance abuse services in year three of the SIM grant and in alignment with the State's pursuit of an All-Payer Model waiver from CMS. The State has received multiple messages of support from DA stakeholders regarding this decision and is actively moving forward with the plan under the SIM governance structure.

This week, my commissioners and I met with the Joint Fiscal Committee. We provided a high level overview of the challenges we are facing and our priorities (performance management, child protection, substance abuse, recidivism and homelessness). The committee was interested in accumulative cost in services provided across the departments specifically for disability services caseloads, community based programs, models of care and what we are doing for prevention efforts. They are particularly interested in reviewing our grants and contracts to see where we might have duplicative or ineffective services. My staff is currently working to address duplicated services and hope it will aid in building our budget in FY 17. Ann Pugh expressed some dissatisfaction that COTS is doing a warming shelter, she thinks they are more bureaucratic and expensive than CVOEO, who did the warming shelter last year. CVOEO has articulated that they do not want to do it this year, and were unable to find an alternative space. I am very pleased with what COTS will be doing. They will be housing 40 beds, which will be connected to their day program and other support services.

As you requested, we have put together a plan to address current child protection needs. Our plan is to increase the number of social workers and case aids along with some additional supervisory and support staff. I believe this effort will make a real impact in our current case load average of almost 18 families per worker. This plan aims to get the number down to 15 per worker, but with the additional case aids, the pressure on social workers will significantly decrease. We are also working on a teaming approach to support open cases in the family services department. Additionally, we know that much of the child protection issues that we are facing are driven by the epidemic of opiate addiction. Currently, 80% of the children going into our custody are coming from families with opiate abuse. We presently have a case load of 500 across the state and 300 of which are out of the Chittenden county hub. I

believe it's essential that we bring the waiting list down to 0. Dr. Chen's plan is to open up an additional hub in St. Albans that could provide resources for an additional 250 caseloads. This could cost between \$1.2 - \$2.5 million dollars. I believe this is an important step in the right direction, but I'm convinced we need to do more. I will continue to bring you additional ideas as they are developed.

### **AHS Highlights:**

#### **AHS-CO:**

##### **Designated Agency Master Grants**

Designated Agency Master Grants are due to be executed annually effective 7/1, the start of the state fiscal year. The Master Grants contain a 90 day extension clause which may be invoked if parties are still actively negotiating terms of the grants. This year the 90 day extension clause was invoked and the DAs, SSAs and AHS Departments have used that time to come to terms on the usual types of programmatic changes that we expect to occur annually. Additionally, the AHS General Council has spearheaded a review and proposed revisions to the General Provisions of the Master Grants. AHS and the DAs and SSAs have been meeting and making progress in the negotiations of the General Provisions, however, revised terms were not agreed to within the 90 day extension period.

Today, the State has executed an extension of the current Master Grants in order to continue the work with the DAs and SSAs and expects to come to agreement by the end of October. The extension has a deadline of 12/31/2015 or when Agreement is reached, whichever is sooner. We have a number of improvements that we wish to add into the Master Grant and this extension will give us the time needed to get them into the contract.

#### **FMAP**

Through Federal Funds Information for States (FFIS), AHS has learned that our Federal Medical Assistance Percentages (FMAP) is increasing for FFY17 – which means we will be earning a higher rate of federal funds than previously anticipated. The federal match rate will increase from 53.90% to 54.46% or .56. The FMAP is the share of state Medicaid benefit costs paid by the federal government. To receive an increase in the FMAP, a state must experience a decline in its share of U.S. average per capita income.

#### **DMH:**

##### **Vermont Psychiatric Care Hospital**

VPCH census is 19 this week. VPCH is opening the closed D Unit later today, as the recently hired traveling nurses have completed orientation. The hospital had two discharges and 2 admissions earlier this week, and anticipates a discharge and admission tomorrow. We continue to interview candidates for open positions, are awaiting background check verification on others, and have had 2 new nurses accept positions at VPCH.

##### **DMH Conference**

DMH's Annual Conference was held 10/6 with approximately 350 in attendance. The focus of the conference was Health, Wellness, and Recovery. The audience included AHS representatives, DA Adult and Child Program participants, hospitals, law enforcement, DOC staff, advocacy and peer organizations, and peer and family members. Dr. Courtenay Harding addressed the groups on the findings of the 30-year longitudinal study of some of the most seriously mentally ill patients discharged from the former Vermont State Hospital and their progress in recovery over time. This is a landmark study in patient recovery, often referenced nationally and internationally, which positioned Vermont at the forefront of rehabilitation services in the community and its positive long-term

outcomes. Drs. Chen, (VDH) and Hughes (UVM) provided a public health overview and clinical care perspective on the benefits of smoking cessation for individuals with mental health conditions.

#### Emergency Departments

During this past week there were a total of 28 people in need of in-patient psychiatric beds with 22 being admitted. Of the 6 remaining, all but one has been waiting less than 48 hours. The bed capacity this week was 89% full throughout the system, with Level 1 and high acuity units running at or just below 100% capacity.

#### DAIL:

##### VNA and Hospice of Vermont and New Hampshire Planning to Affiliate with Dartmouth

The Visiting Nurses Association and Hospice of Vermont and New Hampshire are planning an Affiliation with Dartmouth Hitchcock Health in order to improve the coordination and delivery of home health and hospice services to citizens in the Vermont and New Hampshire service area. The hope is that this integrated delivery system will optimize quality outcomes and access to care while reducing the cost of care. Because there are specific rules related to designation for home health agencies, we will need to work with the VNA to ensure that this proposed affiliation stays within the boundaries of those rules.

#### DOC:

##### A.G. William Sorrell

Attorney General Sorrell met with Commissioner Menard on 10/7/15. The AG wanted to discuss some ideas he was working on. These include a 24/7 voluntary program for community based clients and a variation of the Hawaii HOPE model. He also discussed putting together community meetings to get a sense of the public's feeling on reducing reliance on incarceration. He will keep us informed if things progress in any of these areas.

#### GEO Group

Dave Donahue, a Vice President of GEO corporation called to speak with Commissioner Menard on 10/7/15. It was a very pleasant conversation; the only notable issue is that they are requesting to change some trips to ground transportation versus air. This request is based on our recent transfers that were all returns to VT and no transfers to Michigan. The cost of sending the plane back empty is significant. This makes sense to us; however, the air travel was certainly a positive for the advocates. I believe it is easily explainable that ground travel allows us the flexibility to return more inmates more often. We had been concerned the call would be less positive and possibly regarding rates based on the reduced census out of state.

#### Population

The Department's incarcerated population averaged 1786 for the previous week. The Department's incarcerated male population averaged 1641 for the previous week. The out of state population is currently at 270. The female population averaged 145 for the previous week.

#### DCF:

##### Shelter Space in St. Johnsbury and Rutland

During the past several weeks, DCF's efforts to create additional community-based capacity to serve homeless Vermonters during this upcoming winter have been met with strong resistance by municipal leadership in St. Johnsbury and Rutland. There is recognition and support in both communities that additional shelter capacity is desired in order to meet the need; objections are around creating the

shelter in the downtown area. The media has been widely reporting on these efforts in both communities and at times the discussions have been divisive. DCF is sensitive to the leadership concerns in both communities and will continue to work to find a solution that meets both the needs of the homeless Vermonters we are trying to serve and the concerns raised by the municipal leadership. In Rutland, BROCC had stepped forward as a potential location for a warming shelter for individuals.

### **DVHA:**

#### **Vermont Health Connect Project Update:**

The Vermont Health Connect Release 2 code was implemented to production on the night of 10/1 and continued into 10/2. User Validation Testing (UVT) was successfully completed for Qualified Health Plans (QHP) cases on Saturday, 10/3 and the VHC website was opened back up to the public on the morning of 10/5.

Medicaid validation was completed on Thursday, 10/8 and additional post-deployment validation will be performed with Delta Dental and MVP; targeted for completion by 10/11 to address items that had failed, specifically with these carriers, but had passed with others. The Stage (Testing) environment will be updated to include new code on 10/12 in support of an Emergency Break Fix (EBF) from Exeter that is currently in development. This EBF will contain prioritized defect fixes which were found during R2B testing. The EBF is scheduled to be delivered to Optum on 10/9. Optum will then need to integrate the code into the Development & Stage environments and complete System Integration Testing & User Acceptance Testing prior to releasing the code to production. The EBF is scheduled to go into production on 10/18 prior to renewals batch processing and the passive renewals file delivery to Carriers at the end of October. The VHC team is collaborating with Optum Maintenance & Operations to perform data quality activities to prepare VHC enrollment for the renewals process which will run around the middle of the month. This includes notices preparation, eligibility re-run for 2016 and assignment of 2016 plans for passive renewal with carriers.

#### **Vermont Health Connect Operations Update:**

Operations staff are organizing and prioritizing their work in preparation for Open Enrollment. A dashboard is being created in order to report out on progress to leadership and is expected to be completed by the end of this week.

## **Agency of Human Services Secretary's Office**

### **ICD-10 upgrades finished in time for 10/1 deadline**

AHS development staff and HP successfully completed upgrades required by CMS for the transition from ICD-9 diagnosis and procedure codes to ICD-10 as required by law on October 1, 2015. Systems affected: Mental Health (DMH and DAs) and Medicaid Systems (DVHA/HP)

More info:

<http://www.medicaid.gov/medicaid-chip-program-information/by-topics/data-and-systems/icd-coding/icd.html>

### **Legislative Budget Meetings**

Each of the AHS departments participated in meetings with key legislators from the JFO to have big picture, high-level budgetary discussions. Legislators included Senator Kitchel and Representative Johnson. The meetings were intended to provide a more in-depth understanding of the AHS budgets.

### **Repatriation Program**

A Vermont resident was scheduled for repatriation this week from Turkey, but a medical emergency postponed his arrival. AHS and Howard Center communicated with his parents and local health team to inform them. We are waiting to get information about his new arrival date and developing a plan with considerations of his complex medical history.

### **State Preparedness Report Workshop**

Threat and Hazard Identification and Risk Assessment (THIRA) is a yearly report to FEMA. The THIRA for 2015 will be reviewed and edited as appropriate in three workshops in Waterbury this week. Two sections involve AHS (Mass Care Services, Health and Social Services) and one primarily VDH (Public Health and Medical Services).

## **Vermont Department of Health (VDH)**

### **Regional Partnership for Prevention Training**

On October 19 – 22, community providers and prevention professionals will participate in the nationally developed Substance Abuse Prevention Skills Training. Participants will gain the skills necessary to guide communities in developing substance abuse prevention strategies. The course focuses on assessment, capacity building, planning, implementation and evaluation.

### **Tuberculosis Investigation Training**

On October 1, VDH hosted a day-long TB Contact Investigation Training. The conference was co-sponsored by the Global TB Institute at Rutgers which serves as the TB Regional Training and Medical Consultation Center for Vermont.

### **Maternal and Child Health**

VDH is working with other AHS departments, health care providers, and community agencies to develop a strategic approach to the critical issue of perinatal mood and anxiety disorders (often referred to as postpartum depression).

### **Diabetes Program to Edit Nationally Recognized Self-Management Program**

VDH will work with the Stanford Patient Education Research Center to edit the nutrition-related content of their Diabetes Self-Management Program. This program, known in Vermont as the “Healthier Living

Workshop for Diabetes,” is currently offered free of charge in eight of the state’s 14 health service areas and is an important strategy to improve diabetes control.

#### Vermont EMS Squads Raise Awareness for Falls Related Injuries

September is Falls Prevention Awareness Month and Emergency Medical Technicians statewide are spreading the word about preventing falls. FallScape, an evidence-based falls prevention program uses motivational interviewing and the readiness for change model to work with older adults. The EMTs are also working closely with Vermont Area Agencies on Aging and SASH.

#### **Department of Disabilities, Aging and Independent Living (DAIL)**

##### DAIL Developmental Disabilities Services Division Staff Awards

Two DAIL Staff, Ed Riddell and Diane Bugbee, received awards at an event at the BellCate School. BellCate provides education services to students who receive DDS supports. The award recognized both Ed and Diane as community collaborators and applauded their hard work, positive and collaborative relationships with partners and their willingness to share expertise and work to resolve challenging situations

#### Adult Protective Services (APS) Subcommittee

As a by-product of the legal settlement related to APS, an external APS subcommittee has been meeting and participating in file reviews for the last two years. October marks the final file review required by the settlement. The Subcommittee presented a list of recommendations to the Department which included the continued existence of the subcommittee as an advisory group and a continued file review process. Commissioner Hutt and DLP Division Director Clayton Barnes will speak with the group and try to negotiate mutually acceptable terms but are inclined to support a continued partnership to foster continued transparency and quality.

#### Overtime and Temp Usage in Adult Protective Services

Adult Protective Services processes 45,000 records checks every year against the Adult Abuse Registry. August and September are extremely busy months due to the resumption of school and the need to accommodate records checks for all school staff and volunteers. DAIL has received some complaints from community providers related to timeliness for these background screens. This is problematic for providers and employers who need to be able to hire staff in a timely fashion. The general standard is 10 business days, APS has been running closer to 14 days. In a concerted effort to address this issue, we have authorized temporary staff and some overtime hours and are pleased to report that our oldest check is now at 8 business days.

#### **Department of Corrections (DOC)**

##### Commissioner Menard to attend NEACA

Commissioner Menard will be attending the Northeast Association of Correctional Administrators business meeting from 10/9 through 10/11. The meeting is being held in New Jersey. In her absence Facility Director Mike Touchette will cover the Deputy Commissioner role and Commissioner Menard will remain available as necessary.

## **Department of Vermont Health Access (DVHA)**

### **Blueprint for Health**

The contract with Capital Health for the management of the Clinical Registry is routing – as soon as the contract is signed, the Blueprint team will move quickly to get the Registry user ready and live.

Population Health Management has just published an article by MaryKate Mohlman and the Blueprint team showing six years of results from the Blueprint program, results that closely align with the fourteen quarters of results recently released by the CDC. The Blueprint will distribute a link to the full article online in order to share these successes with program stakeholders.

[http://blueprintforhealth.vermont.gov/reports\\_and\\_analytics/journal\\_articles](http://blueprintforhealth.vermont.gov/reports_and_analytics/journal_articles)

Regular meetings with ACO/Provider Network partners are currently focused on finalizing the structure of the performance payment, in particular the scoring system that will assign scores to outcomes on ACO core quality measures, enabling translation of those outcomes to payment amounts due to each practice (beginning January 2016).



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**CONFIDENTIAL AND PRIVILEGED  
MEMORANDUM**

TO: Governor Peter Shumlin *PS*  
FROM: Rebecca Holcombe, Secretary, Agency of Education  
SUBJECT: AOE Weekly Report  
DATE: October 9, 2015

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**Media Contacts:**

- Terri Hallenbeck, Seven Days, requested and was provided information on Craftsbury School's finances and assessment results for a story on Act 46.
- Allan Stein, Eagle Times, requested comment on Westminster School Board's vote to repeal Act 46.
- Haley Dover, Burlington Free Press, requested information on medical hemp oil for children in schools and was referred to the Health Department.
- Alex Nuti-de Biasi, Journal Opinion, was provided the School Food Audit for Oxbow High School.
- Tiffany Pache, VTDigger, requested Secretary Holcombe's written comments at the upcoming Extended Learning Opportunities meeting. There are no prepared comments in advance of the discussion.
- Lola Duffort, Rutland Herald, requested comment on Act 46 related to the discussions in Rutland Town, Chittenden, and Mendon.

**Perry Thompson:**

- Josh O'Gorman, Vermont Press Bureau, requested comment on the arrest of Perry Thompson and was provided with our statement.
- Mike Donohue, Burlington Free Press, requested comment on the arrest of Perry Thompson and was provided with our statement.
- Jennifer Costa, WCAX, requested comment on the arrest of Perry Thompson and was provided with our statement.
- John Gregg, Valley News, requested comment on the arrest of Perry Thompson and was provided with our statement.
- Charlotte Albright, VPR, requested comment on the arrest of Perry Thompson and was provided with our statement.
- Tiffany Pache, VTDigger, requested comment on the arrest of Perry Thompson and was provided with our statement.

## Updates for the Governor:

Hell of a week. Still standing. Have not done much but manage crises. We have pulled evidence from the police affidavits to initiate termination proceedings for the employee involved in this recent terrible set of events. It is truly horrific and sad. Enough said.

I'm also trying to manage continuing security concerns at Barre City Place, the most recent being Jody Herring's daughter's onsite reenactments of the shootings. People are really shaken up, especially one of our employees who has custody of the daughter's child.

Oliver Olsen is working overtime to model different consolidation scenarios under Act 46. It is either terrifying or extremely helpful or both. He is becoming the biggest proponent of Act 46 in the field.

We piloted the first round of Education Quality Reviews. This work is the sleeper hit of the year. It is getting LOTS of public support. We just sent a template to Senator Sanders' office to use as a model in Senate HELP of what a state accountability model could look like. The biggest question at the VSBA regional meetings was whether we would be able to continue to afford the Education Quality Reviews, given the cuts.

Thanks to HR: Maribeth Spellman and Michelle Anderson and Heidi Dimick, who seem to be working for us almost full time.

**JUSTIN**—I will get to the response to the lost retirement positions late today or tomorrow morning. We just have not had time.

## Meetings:

**Mark Tashjian, Head of Burr and Burton, and Tom Lovett, Head of St. Johnsbury** to discuss shared priorities with respect to the legislative session. We agreed:

- To resist licensing changes, including requirements to license all independent school teachers (pushed by Sharpe).
- To collaborate on new legislative language that would clarify and simplify special education rate setting in independent schools.

**David Cohen of Senator Sanders' office** about ESEA

**Joel Cook of NEA**, offline meeting to try to identify some common ground prior to the session. I am going to also try and broker a better relationship between him and the VSBA

**VSBA regional meeting** in Montpelier

**VSBA regional meeting** in St. Albans

Press conference on **Farm to School initiatives** with Chuck Ross and Harry Chen and the new superintendent of Burlington.

Met with **Senate and House appropriations** for their informal budget talk.

Spoke at Annual **VTPBiS Leadership Forum** at Killington

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**Executive Privilege**

**TO:** Governor Peter Shumlin  
**FROM:** Secretary Chris Cole  
**DATE:** Friday, October 9, 2015  
**SUBJECT:** VTrans - Confidential Report to the Governor

**NOTES FOR GOVERNOR**

**The Peak Foliage Weekly**

**The Vermonter to Montreal Project Update from Brian Searles**  
**(Confidential - Distribute on Need to Know basis)**

Over the last several days I have had meetings in Washington D.C. with the transportation, business (Maggie Gendron), Judiciary (Lara Flint), and Appropriations (Lauren Brackett) staff of Senator Patrick Leahy. In addition I met with Alan Bersin, Assistant Secretary for International Affairs of the U.S. Department of Homeland Security; Todd Owen, Director of Field Services for U.S. Customs and Border Protection; Edgar Coutremanche, of Amtrak; and the Quebec team on the project, former Ambassador Raymond Chretien, Emissary; Daniel Picotte, Assistant Emissary; and Frederic Tremblay, Director of the Quebec Government Office in Washington. I had less formal conversations with Tom Winkowski, former Director of the CBP, now President of Global Border Solutions, LLC; and Steven Covey, Chief of Police for Canadian National Railroad.

The following is a summary of where I think we are in terms of tasks and timeline:

There exists at the highest level of US DHS a desire to enter a new era of thinking about the movement of people and goods back and forth across borders in general and the Canadian border in particular. It is rooted in the idea that we should be thinking north/south and not east/west. By concentrating on border security at specific places on the border itself we risk missing the bigger picture of where people and goods are coming from and where they can best be screened and often that is many miles from the border itself. This makes preclearance an important issue for DHS as it has the potential to improve the security of the border, along with making travel more convenient.

The problem, at this moment, is the stalled legislation known as CEJA (Criminal Extradition and Jurisdiction Act), sponsored by Senators Leahy and Schumer. The bill is considered "must have" enabling legislation by CBP and spells out procedures and protections for US CBP officers along with specifically allowing preclearance activity in Canada. Unfortunately, this bill does not have Republican support, particularly in the House, where it has been linked to Immigration Reform and has led to fears that it will be easier for illegal immigrants to cross the border from Canada.

The work over the next few weeks, done mainly by the sponsors in the Senate, is to win the support of Republicans in that chamber. They have the support of Senators Graham and Johnson, the former because of Porter Air's desire to serve Myrtle Beach and the latter because of the potential rail and air links to Wisconsin.

The potential of this bill passing anytime soon is not good but Leahy staffers describe some progress in their discussions in the last couple of weeks. They fear, however, if it becomes an obvious part of the immigration debate it will also become part of presidential politics and not be considered until after November, 2016.

On the Canadian side there is a real fear that the October 19, 2015 election will result in a minority government. This would not bode well for legislation that has to pass Parliament and is unlikely to result in any financial commitment from P.M. Harper, who would still be in office but with reduced power. Officials from both sides of the border see no real movement on needed legislation until Spring, 2016 at the earliest unless a breakthrough comes soon on CEJA in the US Senate. I will remain in close contact with Leahy staff on this issue. There is some concern on the part of both governments that one not be seen holding up the other on the issue of preclearance.

In the meantime, all parties believe that there are things that can be done over the next few months:

- We should learn all we can about the Vancouver-Seattle rail preclearance project that is farther advanced than ours and could be customized to meet needs in Montreal. This will involve continuation of the design of the Montreal facility with consultation between MTQ, CBSA and US CBP to ensure that all needs are met.
- We should begin now to build support for CEJA in the US House of Representatives. This is largely an educational effort to deal with the fear that House Republicans have that this bill could enable illegal immigration. In fact, the opposite is true. I will be discussing strategy in this regard with Peter Welch in the coming weeks.
- Raymond Chretien will be closely reviewing the progress made in CN labor agreements to ensure that we will not have those issues again. Mr. Chretien

expressed that if those issues are resolved, he will urge Amtrak to take *The Vermonter* into Central Station even before the facility is built. I have not discussed this possibility with Amtrak but it is on the agenda for further discussion in the next few months.

- Mr. Chretien will host me (and possibly others from VTrans) in Montreal later this year to look at Central Station and the rest of the infrastructure needs north of the border.

It appears to me that we have the attention of the partners in this effort. It also appears that airports are likely to have an easier time of it on the preclearance issue due to fewer perceived security and illegal immigration issues. At this time the CBP Office of Preclearance is focused on nine large airports around the world to develop preclearance facilities, none of them in Canada. However, their efforts were stymied temporarily by a Congress that wants oversight of this entire matter. Thanks to Senator Leahy, Canada was exempted from this power and control effort and that should help us a great deal as our project progresses.

#### **Brattleboro IM 091-1(65)**

The Traffic Congestion Strategy for Exit 3 was implemented on Sunday, October 4, 2015. No traffic delays noted. The next targeted dates for implementation are Monday, October 12 and Sunday, October 18, 2015. The third Segment is being formed on Pier 1. There are 54 segments to be cast to complete the bridge. The team is working through some minor cracking and concrete quality issues with the segments; some of the issues are unique to this structure and some are basic quality issues. The goal remains opening the bridge in the late fall of 2016 but this depends on production. There is a meeting scheduled for early November with senior management of PCL and VTrans to discuss the project. PCL has recently renewed interest in global settlement discussions.

#### **NOTES FOR STAFF**

##### **Putney CMG PARK(26) Update**

National Grid has confirmed through communications this week that they are still on track to move the pole at the end of the month and that the ISO New England has scheduled the outage. National Grid's engineer has been provided the name of the state's resident engineer for appropriate coordination. Contact has been made with the town and fire department, located immediately adjacent to the facility, to apprise them of the situation as well as other interested parties such as local transit and the regional planning commission. It is anticipated that the facility will open to the public in mid-November.

##### **Amtrak Derailment**

PPAID staff assisted the Secretary's office in responding to Monday's Amtrak Derailment in Northfield. Erik Filkorn coordinated communications between VTrans/DEMHS and

the Governor's office per PIO protocols and assisted at the passenger staging area. Trini Brassard coordinated onsite response-related communication. Dan Delabruere coordinated Amtrak and G&W, communications with the Governor's office and DEMHS and locals. Steph Magnan staffed SSF1 at the EOC. On Wednesday all rail cars were removed from the derailment site. The locomotive could not be moved up the hill to the rail bed. It is being pulled over a small stream into a neighboring field where it will be dismantled and moved out by truck. Track repairs were completed late Wednesday.

#### **Newport Rail Bridge over Landing Street**

The rail bridge on the CMQ to Columbia Forest Products in Newport was opened to trains on Monday. As a direct result of us engaging CMQ and CFP in discussions to get the bridge repaired, they are now exploring moving all their sawdust by rail to Quebec (5 cars per week) and the staff of CMQ is meeting with a propane company about using this same siding to get their propane brought in rather than having to go up into Canada for it. Conversations are also taking place with Poulin Grain about increasing car counts into their site in Newport Yard as well as additional fuel distribution.

#### **Storage of Rail Cars in the Town of Chester**

The Chester Town Manager and Fire Chief have been in contact with VTrans, DEMHS, Senator Leahy's Office, and VRS to discuss the ongoing storage of rail cars which appear to have fuel stored in them – in the center of Chester, adjacent to the Fire Department and other critical community resources. VTrans is working with VRS to determine if the cars can be stored elsewhere.

#### **Lamoille Valley Rail Trail**

Michele Boomhower met with Cindy Locke, Executive Director of VAST, this week to discuss the progress made on the trail this summer and their plans moving forward. Sections 1A & 1B – Cambridge to Morrisville and West Danville to St. Johnsbury are nearly complete and mostly open. They plan to host a rolling ribbon cutting ceremony, moving from town to town, in the spring. They received a \$240K grant to develop and implement a two-year capital campaign to raise \$10-12M to construct the remainder of the trail. The next focal area is Section 1C – Swanton to Sheldon – design and permitting will occur in 2016 with construction anticipated for 2017. Additional focus right now is on a large FEMA project in Sheldon and Bridge 68 over the Lamoille in Jeffersonville which will need to be removed soon due to its state of deterioration.

#### **Lamoille Valley Rail Trail Trailheads Project (Hyde Park)**

The town is moving forward with the local permitting of the trailhead site. Two individuals (Howard Manosh and David Ring) have come forward to make claims on ownership of the state-owned railroad property. Staff have met with Howard Manosh to inform him that he has no rights and must enter into a temporary lease agreement with VTrans until the soil he has stored on our property is removed. The request is for the soil to be removed promptly so that the Environmental Assessment of the property can be carried out before winter. VTrans AG has advised that we not engage with David

Ring; he will need to bring a claim against VTrans. He recently brought a claim against H.A. Manosh, thinking that Manosh was using his property.

### **Middlebury Tunnel Project**

The Local Project Management Team is meeting regularly with the consultant to advance to final design and cost estimates for the project. Updated cost estimates are expected in late October. A communications plan was approved by VTrans on Tuesday – this will allow the town to hire a local communications liaison for the project. The ad is expected to be posted locally soon with a plan to hire by the end of the calendar year.

### **CIRC Alternatives Project**

Michele met Monday evening with the Williston Selectboard. They are anxious to have the balance of their CIRC Alternatives projects scheduled. We explained that the Phase III projects are competing with other projects statewide to get into the program and that there is currently not a process in place to slot new capacity projects into the program – VTrans will be working on this over the coming year. One of the new SB members, Ted Kenney, was very disappointed in the report and process and wanted us to let leadership know.

— Sarah

### **Newport Airport**

QResorts has until COB Thursday to sign an agreement with Eastern Aviation on the installation of a fuel farm – an integral part of the current airport upgrades. If it doesn't come through, this element of service will return to the state and be removed from Q's lease. A meeting has been scheduled for October 30 with Bill Stenger to discuss the Airport Terminal development and financing plans. They have indicated that they are going to permit the facility this winter and go to construction next year. We need to determine if they will actually have the financing capacity to advance the project.

### **Middlebury Airport Runway Safety Project**

A public meeting was held on Tuesday, October 6<sup>th</sup> to review the 25% design plans to be presented by the project consultants. VTrans has a meeting scheduled with the FAA on October 23<sup>rd</sup> to discuss what, if any, limitations on future project development or airfield activity parameters, the State can place upon the airport. A meeting will be held with leadership from the Town of Middlebury on October 23 to discuss the Town's interests in the airport and future development of the airport.

### **Highgate Airport**

Working with Legal on issue with proposed wind farm in Swanton. The turbines will greatly reduce the functionality of the airport and cause undue hazard to the flying public. Legal sent letter to PSB with our concerns.

### **Northwestern Medical Center, VT36 (Fairfield Street), St Albans**

An Act 250 application has not been submitted yet, but may be soon. May need to assess Act 145 fee for the VT 104-SASH Intersection (roundabout) and US 7-Saint Albans

State Highway (Federal Street Connector). Craig Keller will give the applicant a heads-up that Act 145 may apply in this case. Joe Segale will review and develop a fee recommendation if applicable.

**Construction Report**

We have 44 active work zones: 21 bridge, 5 reclaim, 6 paving, 5 safety, 5 roadway and 2 rail. We anticipate a total of 105 projects in 2015. 42% of the program has an active work zone.

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Chuck Ross, SECRETARY

STATE OF VERMONT  
AGENCY OF AGRICULTURE

**Confidential and Privileged**

TO: Gov. Peter Shumlin  
FROM: Chuck Ross, Secretary of Agriculture  
RE: Weekly Memo  
DATE: October 9, 2015

**Secretary's Top Issues**

**Hemp meeting with interested Vermonters, and Hawaiian representative**

Secretary Ross met Representative Cynthia Theilen from the Hawaii State Legislature and a group of Vermonters all interested in addressing the challenges and opportunities of growing hemp. Rep Theilen asked that I consider working with my colleagues across the country to make this a compelling call at the national level and the Vermonters wanted the Agency to engage on many levels. It was made clear the Shumlin Administration supports growing hemp but the Agency simply does not have the resources at the juncture to staff the effort as it needs to be and therefore has tried to support the efforts of the University of Vermont, Sterling College and other institutions of higher education to pursue hemp as authorized through the Farm Bill. It was also agreed the Vermonters could collaborate and propose ideas on how to move forward and the Agency would be happy to review and discuss in the future.

**Preparing for Avian Influenza impact on feed industry**

Assistant State Veterinarian is working with the Deputy Secretary to organize a meeting with Vermont dairy and feed industry representatives to review movement permitting that would be required during an avian influenza outbreak. Any premises located within the control area that has poultry will have to apply to the Agency for permits to allow movement on an off of their farm, including feed deliveries and milk collection if the farm is also a dairy. Additionally, the Agency would want to coordinate with these industries to avoid truck travel near infected farms.

**Personal Protective Equipment planning for possible Avian Influenza outbreak**

Animal Health Section organized two training sessions for Agency staff on how to don and doff personal protective gear for on-farm activities during a livestock disease outbreak response. The training was led by VDH plume team members and took place at the Waterbury Center Fire Department, who volunteered use of their space free of charge. The Section is also continuing to work with the Agency's Safety Officer to coordinate fit testing of staff who have volunteered for on farm activities during an avian influenza outbreak response.

**North Lake Farm Survey Initiative**

Staff are conducting water quality surveys of farms in Franklin and Orleans Counties as part of the North Lake Farm Survey Initiative. Approximately 400 farms have been identified in the survey area and surveys are being conducted by several ARM Division staff members. Over 190 farms have been fully surveyed to date, data summary is ongoing and summary materials are being developed for presentations. The following number of farms were surveyed within the last week as part of the survey initiative:

**Ginseng season started October 1<sup>st</sup>**

The 2015 Vermont wild ginseng collection season has been open for a month as of October 1. This is the first year the state has required all ginseng certified be a minimum of ten years of age. All but ten roots have met the age threshold so far, and there has been little resistance to the implementation of the new age criteria. To date, approximately 76 pounds of fresh ('green') ginseng has been certified by Plant Industry, roughly equivalent to 25 pounds dry material. In a typical year, between 125 and 175 pounds of dry ginseng is harvested and certified.

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STATE OF VERMONT  
AGENCY OF AGRICULTURE

**Confidential and Privileged**

TO: Gov. Peter Shumlin  
FROM: Chuck Ross, Secretary of Agriculture  
RE: Weekly Memo  
DATE: October 9, 2015

**Status of Governor's Priorities:**

**Press, Marketing and Communications:**

Kristin Haas, State Veterinarian, scheduled a time to speak about the potential for Avian Influenza to impact Vermont on WDEV. The interest from this media outlet came as a result of proactive outreach on this topic performed by the Agency.

**Significant Events/Meetings:**

- Several Dairy section staff have been participating in the Avian Influenza preparation training.
- Assistant State Veterinarian worked with USDA Wildlife Services to collect wildlife traps in Burlington and process raccoons and skunks for WS's ongoing rabies bait vaccine study.
- Assistant State Veterinarian provided accreditation training for two Vermont veterinarians. This training is required for veterinarians to perform regulatory disease testing, apply official identification, and complete certificates of veterinary inspection for livestock exports. The training is held in conjunction with USDA Veterinary Services staff.
- Assistant State Veterinarian is working with the Deputy Secretary to organize a meeting with Vermont dairy and feed industry representatives to review movement permitting that would be required during an avian influenza outbreak. Any premises located within the control area that has poultry will have to apply to the Agency for permits to allow movement on or off of their farm, including feed deliveries and milk collection if the farm is also a dairy. Additionally, the Agency would want to coordinate with these industries to avoid truck travel near infected farms.

**Evolving Issues:**

- The initial round of interviews for the additional Dairy Product Specialist II position was completed this week. Much closer to having the position filled.
- A repeat debit violation hearing was held this week for a non-compliant dairy farmer. Another hearing is scheduled for next week for a non-compliant raw milk producer.
- Staff is following up on two antibiotic residues in milk this past week.
- We now have permission to fill the Administrative assistant position in Dairy. It was posted Monday.
- Dairy farm inspectors are continuing to work on updating the USA Food Safety dairy farm data in the new inspection program.
- Animal Health Section organized two training sessions for Agency staff on how to don and doff personal protective gear for on-farm activities during a livestock disease outbreak response. The training was led by VDH plume team members and took place at the Waterbury Center Fire Department, who volunteered use of their space free of charge. The Section is also continuing to work with the Agency's Safety Officer to coordinate fit testing of staff who have volunteered for on-farm activities during an avian influenza outbreak response.
- Assistant State Veterinarian presented avian influenza information at a business continuity meeting organized by Ag Dev for external partners and service providers who work with poultry producers. Service providers could assist producers with a continuity plan and have them determine long term storage solutions for products (frozen birds,

eggs) and explore alternate market options. Meeting participants recommend that the Agency intensify its outreach efforts and consider weekly radio and TV sessions.

- Kristin Haas, State Veterinarian, participated in a Vermont Animal Cruelty Task Force meeting this week in order to discuss with other stakeholders improvements that can be made in the animal welfare investigative process. A report containing recommendations from this Task Force must be submitted to the Legislature by mid-January 2016.
- State Veterinarians continue to work with legal counsel on a long standing enforcement case that dates back more than a year. Progress has been extremely slow due to competing Agency priorities that consume the only attorney's time.
- State Veterinarians met with VT 211 this week to discuss the role that that organization could potentially play during an Avian Influenza response. It has not yet been determined whether the Agency can afford to utilize VT 211 as call takers during a response, and more discussion on this topic is needed.

### **Summary of Key agency Department Activity**

#### **Agricultural Development:**

##### **Secretary of Agriculture Joins Secretary of Education and Commissioner of Health at Press Conference Celebrating Farm to School Month And The Release of the 2016 Vermont Farm to School Grant Program RFP at Burlington's Sustainability Academy.**

- SOV leadership was introduced by new Burlington's new Superintendent, Yaw Obeng, in his first public appearance. Legislators, representatives of Senator Leahy's office, SOV staff, school board members and other farm to school network partners were also present.
- Following remarks by each leader, all were invited to the cafeteria to enjoy a local lunch prepared by Burlington School Food Project.
- During lunch, diners were presented with a taste test featuring kale pesto made with kale grown in Burlington school gardens, served by 4<sup>th</sup> and 5<sup>th</sup> graders from the school garden club.

##### **Local Foods Administrator and Senior Agriculture Development Coordinator Meets with Staff from Agency of Agriculture Child Nutrition Programs, NOFA-VT and Salvation Farms to Discuss Local Food Procurement Via Gleaning Programs.**

- Last year, Salvation Farms' gleaning, cleaning, packing and distribution program housed at Southeast Corrections facility produced 300,000 pounds of local Vermont product.
- Currently, Salvation Farms is seeking a new location for the program, as well as a partner to continue and enhance the program, with the goal of getting more local product into the institutional setting.

##### **Senior Agriculture Development Coordinator Discusses Cabot Cooperative's New Farmer Training Program for Veterans**

- Development of this program is in early stages, but there are 6 farms that are already interested in hosting a veteran. VAAFM can offer assistance in identifying funding sources, as well as other partnership opportunities.
- The overall goal of the program is to provide workforce development, as well as an opportunity for veterans to engage in the positive benefits of working with animals, which has been a proven method in helping veterans overcome trauma.

##### **Senior Agriculture Development Coordinator Attends The Annual Vermont Student Nutrition Association Conference at StoweLake Resort in Stowe.**

- The annual meeting brings together food service staff, managers and directors from across the entire state. Vermont SNA leaders have actively promoted the procurement of Vermont products, especially through farm to school, providing VAAFM with an excellent opportunity to connect with cafeteria leaders on increasing local food procurement.
- The conference is supported by several organizations, including the Agency of Agriculture, Department of Health, with major support from Agency of Education Child Nutrition Programs.

##### **Transfer of Mobile Individual Quick Freeze (IQF) Unit to Patricia Hannaford Career Center**

- The Local Foods Team completed the transfer of the Agency's mobile quick freeze unit to the Patricia A. Hannaford Career Center of Middlebury. A press release to announce the transfer will be released on Monday, October 12.
- The freezer unit sits inside an 8 x 18' trailer and is designed to quickly freeze berries—although it can also be used for other types of produce and value-added products such as tomatoes, greens, and pesto.

- PHCC will utilize the unit to flash freeze locally grown fruits and vegetables and partner with Helping Overcome Poverty's Effects (HOPE), also of Middlebury, to distribute frozen produce through the Addison County Food Shelf.

### **Date and Location Confirmed for FDA Food Safety Modernization Act Public Meeting on Final Rules**

- The Local Foods Team will host the Federal Food & Drug Administration (FDA) for a public meeting this December in Brattleboro.
- FDA subject matter experts will present major provisions of three final Food Safety Modernization Act (FSMA) rules at this meeting: Preventive Controls for Human Food, Preventive Controls for Animal Food, and Produce Safety.
- The meeting will be held on December 14, 2015 at the Latchis Theatre in Brattleboro, Vermont and will be the only FSMA roll-out meeting held in the Northeast.

### **Food Safety and Animal Health and Consumer Protection:**

#### **Meat Inspection:**

- Working on the annual audit of the program for the USDA FSIS.
- Continuing to work on Budget request for USDA Federal Fiscal Year 2016 for 50/50 funding of the State Meat Inspection Program.
- A custom processing facility had a fire, and compliance personnel will be assisting in condemning affected product.
- Working on creating a Limited English Proficiency plan for the Agency to meet compliance with the Dept of Justice and the USDA for addressing discrimination and equal access.
- Continuing to follow up on the federal slaughter/processing facility that has been closed by USDA FSIS, to ensure animals are handled correctly and are continuing to be fed.

#### **Animal Health:**

Kristin Haas, State Veterinarian, spent a majority of the week "cleaning out" an overflowing email inbox. The amount of junk mail and spam that she receives is ridiculous, and if DII could determine some better way to lessen this flow, it would save state taxpayers money and allow the state workforce to be much more efficient. These spam emails can't be ignored as their presence results in inboxes that are over the allotted size, which in turn prevents receipt of important email messages that are work-pertinent.

#### **Dairy:**

- Dairy is working to fill the two open positions in Dairy (1 plant inspector, 1 administrative assistant)
- Computer Farm inspection program data entry should be completed soon.
- Dairy section continues to perform their daily duties.
- Several dairy section staff have been participating in Avian Influenza preparedness training.
- Dairy has followed up on two antibiotic residues in past week.

### **Agricultural Resource Management:**

#### **North Lake Farm Survey Initiative:**

- Staff are conducting water quality surveys of farms in Franklin and Orleans Counties as part of the North Lake Farm Survey Initiative. Approximately 400 farms have been identified in the survey area and surveys are being conducted by several ARM Division staff members. Over 190 farms have been fully surveyed to date, data summary is ongoing and summary materials are being developed for presentations. The following number of farms were surveyed within the last week as part of the survey initiative:
  - 4 SFOs

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

- Staff are processing and preparing for Farm Agronomic Practices (FAP) Program grants for fall cover cropping and other FAP Program practices. The goal of the FAP Grant Program is to encourage the implementation of soil-based practices that improve soil quality, increase crop production, and reduce erosion and agricultural waste discharges.
  - 29 grants totaling \$81,340.00 have been sent to farms to date in FY2016. The grants represent approximately 3,184 acres of programs practices on VT cropland, such as winter cover cropping and manure injection.

- Staff are working on and revising the North Lake Farm Survey Initiative Interim Report which highlights findings from the survey effort.
- Staff are working with LFOs regarding permit amendments for authorization to construct additional animal housing, waste storage, increase animal numbers and importation of wastes for digesters.
- Staff are drafting reports and memos related to inspections and enforcement cases and following up as needed.
- Staff are continuing to work on and test the FoodSafety Water Quality database. We are currently going through a business use case for the MFO program to test, identify changes that need to be made and learn how to use the database.

### **Conservation Reserve Enhancement Program (CREP):**

- Staff visited a MFO and then a SFO in Orleans County to assist Natural Resource Conservation Service (NRCS), US Fish and Wildlife Service (USFWS), and Farm Service Agency (FSA) staff in identifying, geo-locating, and mapping invasive woody plants mistakenly planted in large CREP buffers, so that they can be successfully eradicated by a contractor from CREP plantings.
- Staff visited to Caledonia County to meet an excavator to develop an estimate for a stream crossing that will be part of a CREP project and also marked out a fence line location in preparation for a pre-install meeting with fence contractor that will occur next week.
- Staff met in Franklin County with VT State parks staff, additional AAFM staff, ANR-DEC, NRCS staff, and a farm owner to discuss new lease conditions for crop land between Lake Carmi State Park and the farmer.
- Staff visited a MFO in Franklin County to see if the farm would consider working with a Norwich University professor and senior engineering students on “real world” problems such as looking at tile drainage effluent treatment.
- Staff visited a SFO in Franklin County with a NRCS Soil Conservationist to discuss CREP and BMP opportunities.
- Staff are continuing to process and prepare for CREP and BMP related contracts and site visits. This includes mapping, estimates and outreach to land owners, partner organizations and contractors.

### **Hemp/Medical Marijuana**

On Monday, October 5, Secretary Ross and Plant Industry staff met with Representative Cynthia Thielen of Hawaii (R, 50<sup>th</sup> District, Hawaii), Vermont Senator David Zuckerman, Tom Berry with Senator Leahy’s office, representatives from Rural Vermont, University of Vermont, Sterling College, the Vermont Hemp Industry Association, hemp industry interests, and other parties to discuss the possibilities and limitations for cultivation of hemp in Vermont. This was part of an ongoing discussion around hemp and the Agency role in establishing a viable hemp industry here in Vermont. Topics covered included whether the Agency should obtain DEA certification to import seed from abroad, if a seed certification program should be established to develop domestic seed sources, how testing of cannabinoids could be undertaken by the Agency or third parties, and whether the resources exist within State government to be able to provide these services (they do not currently, and right now, all AAFM is charged with under applicable statute is maintaining a hemp growers registry.) Rep. Thielen agreed to provide contacts for Vermont who had aided Hawaii with their hemp program, and the group adjourned after discussion and consideration of the issues.

On Thursday, October 8, the Department of Public Safety presented the third draft of the revised Rules for Regulating Cannabis for Symptom Relief. There was concern among the hemp farming community that the revisions to the rules might impact their hemp farming operations, as the proposed rule makes a specific allowance for the cultivation of hemp (cannabis with a THC level below 0.3% by weight) by the dispensaries. The revision to the rule makes it clear that the rule applies only to the dispensaries and other growers of hemp are not included or captured accidentally by the new DPS rules. Thus, hemp cultivated by anyone other than a licensed cannabis dispensary remains subject to the Agency of Agriculture’s authority to regulate hemp as an agricultural product.

The Agency hemp registry remains the only authority overseeing hemp cultivation by non-dispensary growers for the state of Vermont.

### **Ginseng**

The 2015 Vermont wild ginseng collection season has been open for a month as of October 1. This is the first year the state has required all ginseng certified be a minimum of ten years of age. All but ten roots have met the age threshold so far, and there has been little resistance to the implementation of the new age criteria. To date, approximately 76 pounds

of fresh ('green') ginseng has been certified by Plant Industry, roughly equivalent to 25 pounds dry material. In a typical year, between 125 and 175 pounds of dry ginseng is harvested and certified.

### **Entomology:**

- To date 97 batches of mosquitoes have tested positive for WNV in Vermont.
- A single EEEv positive mosquito sample has been found this year, in a trap collection from Swanton made on August 14. No additional EEEv has been detected.
- This week 110 samples were submitted for testing.
- VDOH has tested 3755 batches of mosquitoes collected and identified by VAAFM.
- The mosquito surveillance season will end on Friday, October 16.
- The fall deer tick survey will begin on October 21.
- Ticks will be tested for three tick-borne pathogens: Lyme disease (*Borrelia burgdorferi*), Anaplasmosis (*Anaplasma phagocytophilum*), and Babesiosis (*Babesia microti*)

### **Secretary's Comments:**

#### **Hemp**

Secretary Ross met Representative Cynthia Theilen from the Hawaii State Legislature and a group of Vermonters all interested in addressing the challenges and opportunities of growing hemp. Rep Theilen asked that I consider working with my colleagues across the country to make this a compelling call at the national level and the Vermonters wanted the Agency to engage on many levels. It was made clear the Shumlin Administration supports growing hemp but the Agency simply does not have the resources at the juncture to staff the effort as it needs to be and therefore has tried to support the efforts of the University of Vermont, Sterling College and other institutions of higher education to pursue hemp as authorized through the Farm Bill. It was also agreed the Vermonters could collaborate and propose ideas on how to move forward and the Agency would be happy to review and discuss in the future.

#### **Climate Change**

Secretary Ross attended the Al Gore presentation at UVM. Vermont's action and leadership were noted. Also spoke to the VCRD's Climate Economy Initiative Group and explained some of the things that could be pursued and contributed from agriculture to contribute to the issue and potentially build employment opportunities while addressing climate change. Renewable energy production on farms was one of a number of topics.

#### **Water Quality**

Secretary Ross participated in the system analysis meeting on water quality called Voice for the Lake being sponsored and hosted by ECHO. The focus of the meeting he attended was on the role of agriculture. The intention of the overall effort is to create a new culture around water quality throughout the Lake Champlain Basin and in Vermont.

CLF Petition meeting was rescheduled from this Friday the 9<sup>th</sup> to November 12<sup>th</sup> in St. Albans. There were real concerns that there would be poor attendance and adequate notice was not provided to generate the public input that would be necessary to advance the draft settlement agreement reached by the Agency and CLF. CLF understood the need to reschedule.

#### **Dairy Issues Leadership Meeting**

Sec. Ross and Deputy Sec Bothfeld will attend the second meeting of this dairy group at the St. Albans Coop office in St. Albans Friday morning. The purpose is to engage the dairy leaders as to the challenges, opportunities and current events and long term plans for dairy in Vermont.

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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:** October 9, 2015  
**Subject:** ANR Weekly Report

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**Governor Level Issues:**

*Gov ✓*

**Vermont Parks Forever:** We are starting our active fundraising effort to support our partnership with ECHO to modernize the environmental education in our parks. I will be reaching out personally to a number of foundations and philanthropists - but am careful to avoid soliciting folks who have regulatory business with the agency. If you are interested in helping out with this effort, I would be happy to get you involved.

**Mt. Snow Snowmaking Ponds:** The NRB and has been working with ANR on an issue related to completion of work on a new snowmaking pond at Mt. Snow. Mt. Snow has violated a condition of its Act 250 permit related to filling areas on the property. The areas include a stream in accordance with Act 250 and ANR permits must be restored as part of the project. The NRB and ANR are working on a proposal that would allow Mt. Snow to complete the project, and address legal issues regarding compliance with Act 250 and ANR permits.

**9L Stakeholders Meeting:** The NRB, ACCD and ANR held a meeting for stakeholders on the draft 9L Guidance it worked on this summer. The meeting was attended by business groups, environmental groups, and planning groups. The Guidance was generally well received. There were a number of specific comments that the NRB, ACCD and ANR will address as we move forward.

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## **EVERYTHING ELSE:**

### **Legislative Issues/Testimony:**

**JFO Budget Future Trend Meeting:** We had a productive meeting with the JFO and chairs/members of the appropriations and natural resources/fish and wildlife committees of the House and Senate. I am happy to share with you my presentation to them about what we are seeing as future trends for ANR. Most notably I let them know that the Lands and Facilities Trust Fund and the Environmental Contingency Fund were both heading toward deficits in the very near future.

### **Press Issues/Releases:**

**F&W Releases - VT's Big Game Reporting Stations for 2015:** Hunters who take a bear, deer, turkey, or moose during the VT hunting seasons must bring the animal within 48 hours to the nearest game warden or to the nearest VTFWD reporting station. **Hunters Reminded of Rules on Importing Deer, Elk:** Hunters traveling outside VT to hunt deer or elk need to keep in mind that the regulation designed to protect VT's wild deer from chronic wasting disease remains in effect, according to a reminder from the VTFWD. **Leashed Tracking Dogs for Recovery of Game:** The VTFWD provided a list of certified leashed tracking dog owners who will help locate deer, bear or moose that have been shot during hunting season but not yet recovered. The leashed tracking dog owners must pass an extensive exam administered by VTFWD in order to be certified and licensed to provide their services.

**Foliage News:** Autumn color in Vermont continues to be a hot topic in the news, and Commissioner Snyder continues to receive calls from the media to talk about foliage including the Burlington Free Press and Boston Globe.

### **Significant Events/Meetings:**

**Stormwater "Net Zero" in Effect in Lake Champlain Basin:** Per Act 64, as of Oct 1, because the Champlain TMDL has not been adopted, all operational permits within the Champlain basin will be required to demonstrate they are not increasing phosphorus. This requirement will be in place until the TMDL is adopted. The Department has issued a procedure, and will be developing more guidance in the near future. Permitting will still be possible, but significantly more complicated and slower. We are doing outreach around the procedure to the regulated community.

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## **SUMMARY OF KEY DEPARTMENT ACTIVITY**

### **Office of Planning (OP)**

**Mt. Snow (Carinthia Lodge):** The Act 250 District Commission held a hearing for the Carinthia project on Oct 6. Given the unresolved issues related to buffer impacts and compliance with the state's flood hazard and river corridor procedure and stream alteration rules associated with Mount Snow's plan to culvert and bury ~200' of a perennial stream, the Commission deferred action on the stream criteria, 1D and 1E, for a later hearing, that will likely occur in late November or early December. Mount Snow's consultant, VHB, is set to deliver to ANR next week an analysis of parking alternatives at the resort, which is intended to show the parking expansion that relies on the culverting of the stream is the only feasible alternative available for Mount Snow to reach their project goals and comply with local zoning. VHB is also working up a proposal on the river corridor/stream alt issue.

**Anbaric Green Line:** ANR will provide Anbaric preliminary feedback today, Oct 9, on their sediment and benthic sampling protocol for Lake Champlain. Anbaric provided a draft to ANR last week and requested comments by today. This is a fast turnaround to review the over 90 page, highly technical proposal, but staff from DEC and DFW have been able to conduct an initial review and ANR will provide some general comments today. Anbaric plans to collect samples and data in October and analysis and model the data over the late fall so that they can begin to discuss the potential water quality impacts of the project with ANR this winter, in advance of their planned April '16 filing with the PSB.

**GMP/groSolar 5MW Solar Projects:** OPP staff met with representatives from GMP and groSolar on Oct 5, to discuss the 3 large solar projects occurring under review by the PSB and five additional 3-5MW projects in the pipeline. GrowSolar will provide ANR with draft MOU's next week for the 3 cases underway, with the goal of resolving all issues prior to ANR filing testimony in those proceedings. GrowSolar and GMP have been proactive and willing to address concerns raised by ANR staff, so an agreement is likely. GMP/growSolar are about to file petitions for three more 5MW solar projects in Pownal, Williamstown and at the Greater Upper Valley Solid Waste District; another two large projects are also in development.

GMP informed the Agency that the larger Windsor Prison solar project is officially dead. They have not confirmed this publicly yet, and may defer to BGS on the final decision, as BGS may still want to develop the site for solar, but GMP's involvement is over. GMP sited local opposition as the primary reason they have abandoned the project.

**Verizon Cell Tower (Waterbury Center):** Verizon's proposal to build a cell tower and associated access road off Ruby Raymond Rd. in Waterbury center raises habitat connectivity issues. The proposed location of the tower and road is in the heart of a critical travel corridor between the Green Mountains and Worcester Range. Due to development along Rt. 100 from Waterbury to Stowe, this area – known as Shutesville – is the best remaining highway crossing and habitat corridor connecting these two major forest habitat blocks. DFW and the town have been working for years to learn more about the area and to explore conservation options. Initial

comments were filed Monday, Oct 5, which raised this issue generally, but the comment period for the project was extended by the PSB, so DFW may choose to file additional comments that further condition any permit to reduce impacts on the connectivity values of the area, or that encourage relocation of the tower out of the heart of the corridor.

**New Applications Week of Sept 28:** Planning received 6 new Act 250 applications and 3 new Section 248 petitions.

### **Environmental Conservation (DEC)**

**Combined Sewer Overflow (CSO) Policy Revision:** The wastewater management program has released a draft of revisions updating the 1990 CSO Policy for public comment. There were 171 CSO outfalls in Vermont in 1990. Today there are 69. The policy updates and clarifies what is required for CSOs to meet state and federal law (Vermont Water Quality Standards and Clean Water Act). It also outlines the funding mechanisms for control and elimination of CSOs. The comment period closes Oct. 30. Public informational meetings will be scheduled.

**Potential Biodiesel Production Operation:** The Agency of Commerce & Community Development has inquired about air quality issues with biodiesel production. They are working with a Quebec company that may be looking to establish a US-based operation. Biodiesel production uses and emits large amounts of methanol which is regulated as both a VOC contributor to ozone pollution and a toxic air contaminant. An air permit would likely be required.

**Plastic Composites Production Plant:** Air Quality and Climate Division is working with Agency of Commerce & Community Development regarding a potential new plastic composites production operation that would be located in the St. Johnsbury / Lyndonville area. The facility will likely require an air permit but potential emissions are expected to be below significant thresholds.

### **Fish & Wildlife (FWD)**

**800 Acres Managed for Wildlife Habitat:** Staff met with NRCS staff in St. Johnsbury to head to Bloomfield for the day to look at 800 acres of land that these landowners are interested in managing for birds, bees and wildlife. Staff met with the county forester, NRCS forester, and the USDA to all walk the site and make recommendations. The landowners had implemented some very good strip cuts and want to do more. The cuts had great regeneration and the bird life here was excellent. Staff did find a nice orchard that will implement some ES work to open up the apple trees and create some new young habitat for the grouse and woodcock that live there.

**Moose Activity:** The VT moose archery season opened this Thursday. A new archery record breaking moose was taken in Norton, the moose weighed 931 lbs. Other reports involving moose

included a moose playing in traffic in Burlington and there was another moose that was killed by motor vehicle in NEK.

**Facebook Posts Incriminate Hunter:** A “successful” hunter posted to Facebook that he “doubled up” on Saturday, showing himself posing with two nice doe. VTFWD records show that he purchased his second archery tag Sunday, after shooting his second deer. This subsequently led wardens investigate the situation and when they found his stand there was bait underneath it and a litany of other violations were uncovered. Good work Facebook administrators!

**Funding Proposal:** Staff presented a proposal for funding to the committee that administers the Lake Champlain and Tributaries Restoration Fund. The proposal is for a physical assessment of potentially suitable lake sturgeon spawning habitat in the Lamoille River. The quantity of sturgeon spawning habitat downstream of the first dam is very limited. Detailed baseline information on this reach will be obtained and used to determine what physical habitat alterations may be feasible for effectively increasing the quality or quantity of lake sturgeon spawning habitat.

### **Forests, Parks and Recreation (FPR)**

**Land Transactions:** We received three qualified bids for the Lafreniere sale parcel by the September 30 deadline. All bids met or exceeded the minimum bid requirement of \$80,000. We will be evaluating these bids and will select the winning bid over the coming weeks. We have sent the final title update and related closing documents along with a request for release of project funding to the U.S. Forest Service for the Molly’s Falls Pond acquisition. We are also working to finalize a stewardship agreement with the Vermont Land Trust which will provide the Department with supplemental funding for startup and ongoing management costs associated with the Molly’s Falls Pond property. Once this stewardship agreement has been finalized and the closing documents have been reviewed and approved by the Forest Service, we will schedule a closing with the Vermont Land Trust for this property. We met with attorneys for the Davidson donation this week and are making progress in working out the many details associated with this project. Work is ongoing on other ANR land conservation projects including Dowsville Forest Legacy acquisition in Duxbury, Muckcross donation in Springfield, Jim Jeffords State Forest parcels, and other priority acquisition projects.

**PILOT Meeting with Bolton Selectboard:** Commissioner Snyder and ANR Lands Director Mike met with the Bolton Selectboard this week to discuss ANR’s Payment in Lieu of Taxes (PILOT) program. The meeting provided an opportunity for the selectboard to ask questions about PILOT and express their concerns regarding potential loss of PILOT funding associated with proposed options for changing the PILOT formula. We shared the Department’s new proposal regarding PILOT, which if approved by the legislature, would significantly reduce the negative impact on Bolton and several other towns. We expect that this new proposal will be recommended by the legislative study committee on PILOT as the preferred option for moving forward.

**Maple Advisory Committee:** We will be meeting this week with the Department's Maple Advisory Committee to discuss the Department's current tapping fees associated with sugaring licenses on Department lands. The current formula is established in statute and is based on the old maple syrup grading system. This formula will need to be changed so that it references the new grading system in place. Additional changes may also be proposed to ensure that tapping fees are reflective of the true value of this intensive use of state land.

**State Parks Still Busy:** State Park visitation is remaining strong through the upcoming final weekend of the primary operating season. Operation of the last 24 campgrounds will end for this year after the Columbus Day weekend.

**WMA Sale:** The Joker's Junction Timber Sale was sold to Catamount Forest Products, based out of Groton. They bid \$123,319 for the sale on the Pine Mountain WMA. This is their first job on State land.

**JSC Harvest:** Diana Frederick, State Lands Forester has taken over the active timber sale on the grounds of Johnson State College. This operation had been handled by Ray Toolan, recently retired Lamoille County Forester. Most of Ray's other duties have been transferred temporarily to Jared Nunery, the Orleans County Forester.

**OPMD:** Barre staff completed the preliminary assessment of state lands for access by Other Personal Motorized Devices. Some field checking will be needed next summer.

**VAST Trail Prep:** The State Lands staff is working with VAST to see that they complete trail work this month to avoid shutdown of a trail in the Cotton Brook area.

**Bike Trail Planning:** Susan Bulmer, State Parks Manager and Diana Frederick, Stewardship Forester walked the proposed new mountain bike trails at Little River State Park. The trails will incorporate some "one way" design to keep them safer.

**Education and Outreach:** Rutland County Forester Chris Stone partnered with the Rutland County Conservation District and Lake Champlain Sea Grant to present a training for real estate professionals, approved for 4 CECs by the VT Real Estate Commission. Chris's portion of the presentation was a 2-hour talk on the UVA program. The second part of the program was on FEMA flood mapping by Ned Swanberg from DEC. They have plans to present additional courses elsewhere in the state. Chris also participated in a Stafford tech advisory board meeting.

### **Natural Resources Board (NRB)**

**Kohls:** Kohls in Berlin appealed the condition in its Act 250 permit related to an illuminated sign along Route 62 in Berlin. Kohls did not challenge any other condition of its permit. The NRB is in the process of examining the sign condition in question in order to determine what

position to take in the appeal. This is a new issue that was not part of the motions to alter Kohls filed.

**Meeting with Central Vermont Chamber of Commerce:** The NRB Chair met with the Legislative and Policy Committee of the CV Chamber of Commerce. The Committee mostly asked questions about the Kohls application. I informed the Committee of the training and management initiatives I am implementing to address some of the issues that arose in Kohls. I explained the high volume of applications in District 5, which is good for business, but does put some stress on the system. I explained that we are assigning Coordinators in other Districts to assist with the workload. I discussed having trainings focused on some of the concerns of the CV Chamber members. Legislatively, the Committee asked about 9L and Record Review. I informed them of the 9L Guidance development process, and referred them to DEC for more information about their Record Review initiative, which the Committee supports. Representative Klein also attended the meeting.



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**Department of Public Safety**  
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**To:** The Honorable Peter Shumlin  
**From:** Joe Flynn, Deputy Commissioner of Public Safety  
**Date:** October 9, 2015  
**Subject:** Weekly Report

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Priorities:

Trisha Conti, Director, Vermont Forensic Laboratory met with the Commissioner and Deputy to discuss ongoing areas of concern in the Lab. Most, if not all of these issues result from construction practices or equipment not functioning properly, much of which since the lab was constructed. Some of the reoccurring issues are: leaks, down draft rooms, air handling frequently goes down, fume hoods and humidity, to name a few.

The Burlington Parallel Justice Commission has requested someone from the Sex Offender Registry attend a meeting in late October concerning High Risk Offenders being released in the community. As this is a public meeting the registry (Director, VCIC) plans to attend to answer specific registry-related questions (reporting requirements, etc.), but make no specific policy statements.

A final hearing for the rules (LCAR) governing the Marijuana Registry was held. Minor updates in areas around hemp regulation and the general definition of Terminal Illness (and its effect on qualification for the registry) were provided. LCAR approved the changes.

The Korey Stringer Institute (KSI) at UCONN confirmed it will work with DPS to review the Trooper Young death and provide assistance to Dr. Suzanne Elliott and Denise Alosa developing practices and protocols to address Exhaustive Heat Stroke as it applies to "controlled environments and activities" across the department. KSI quoted \$5,000 plus travel for this effort.

Maida Townsend inquired about the progress getting information from the military regarding her concern over airborne toxins in the skin of the F-35 fighter jet and specific emergency responder training for first responders in the event of an F-35 crash. The Deputy Commissioner is working with General Heston at the VT National Guard for a response.

The Workplace Safety demo was rolled out this week.

## CJS

Coordinated efforts in the Forensic Lab have reduced the DNA (CODIS) queue by roughly 25% over the last several weeks. By calendar year end the expectation is to be in the 100's from 2200. The process is working, however this is primarily a staff vs. workload matter.

Staff from Senator Leahy's Office reached out to the Marijuana Program with some questions about the Medical Marijuana Program and how it currently operates in Vermont.

Automated Fingerprint Identification System (AFIS) is still under review by the Office of the Attorney General (AG) and additional information was provided this week. Maine and New Hampshire report progress and it is hoped that all three states will complete necessary contract work this year.

## Fire Safety

The Division received \$13M in new plan review construction, collecting \$68,500 in permit fee revenue.

The HazMat team assisted law enforcement with a meth lab in East Burke.

Todd Cosgrove, newly appointed Chief of the HazMat Team started work this week. The team also participated in the train derailment, but the involvement was minimal.

## Vermont State Police

### A Troop

FF

14 Total Arrests, 7 DUI

Jeffrey Nichols was arrested in connection with an LSA crash that occurred on 9.25.15 on I-89 in the town of Georgia. During the course of the investigation, it was discovered that Nichols had taken a truck from an acquaintance's residence in Highgate without permission. It is estimated that Nichols was traveling at a speed of approximately 123 mph at the time of the crash. Nichols has been issued a citation to answer to the charges of Leaving the Scene of an Accident/Grossly Negligent Operation, Agg. Operation without Owner's Consent, & Unlawful Trespass.

BCI

Fire investigation in St. Albans, one level apartment with two bedrooms, FD saved the building and confined the fire to one bedroom, likely caused by a cigarette.

Fire investigation in Williamstown, vacant home set on fire, two juveniles confessed ages 16 and 14, will be charged.

WCISI, L&L case involving a female juvenile and oral surgeon in Plainfield.

NUSI, 3 new cases involving a 16 year old male and three other juvenile females.

NUSI, allegation of an L&L case between a 24 year old male and 5 year old male, investigation continues.

NUSI, L&L case involving an adult male kissing and groping an 11 year old girl in Richford.

CUSI, investigation involving a 4 year old female with an unexplained tear in her vulva, LE investigation closed, DCF to continue follow up.

CSST A-Troop members assisted CRT and Essex PD with a crash investigation.

Continued work on Trooper Kyle Young death investigation.

Human remains located in Orange, likely belong to that of Philip E. Jackman who went missing 11 years ago (suicide), rope found with remains by a tree.

Drug case at NWRCF in St. Albans, inmate with 5 grams of MJ.

## B Troop

FF

11 Total Arrests, 1 DUI

Completed school checks within the 30 Towns we are responsible for.

Troops responded to a one vehicle (commercial vehicle) roll over on Route 102 in Lemington, VT. The operator and sole occupant was deceased.

Troops responded to Irasburg for a reported assault. It was learned that a male subject has used a hammer to smash a car window and then chased the occupant around the yard. Subject was arrested for domestic assault.

BCI

Death Investigation in Troy, 90 y/o female – natural.

Death Investigation in Albany, 58 y/o male while tree cutting – accidental.

Death Investigation in Charleston, 74 y/o male – natural.

Death Investigation in Groton, 44 y/o male with TBI as the result of abuse when he was an infant – if died of TBI could be a possible homicide – pending autopsy.

Fire Investigation in Williamstown – 2 arrested for Arson.

Sex Assault Investigation in Lyndonville, vulnerable adult victim reportedly sexually assaulted by acquaintance.

Fire Investigation in St. Johnsbury – Accidental.

Court Depositions for Danville school embezzlement case and State vs Pelletier (C Troop homicide).

EOD Bomb Call in Barre City.

## C Troop

FF

17 Total Arrests, 4 DUI

DPATS in Benson concerning illegal ATV operation on the roadways.

Received a tip regarding a possible suspect in the recent burglaries. The male sold some of the stolen jewelry at a local pawn shop in Rutland and provided his identification. This male is also a suspect in an armed robbery of a convenience store in Fair Haven. The male upon arrest was wearing the same clothes and possessed the similar firearm that was used in the robbery.

Trooper arrested an operator of a MV crash for suspicion of DUI.

Troopers assisted Middlebury Police with a fatal MV crash.

Visited the Woodford and Arlington Schools.

BCI

Bomb threat complaint towards DCF and foster family, subject known to area LE. Information unable to be traced to direct statement by accused (accused interviewed). DCF director updated with info.

Follow up with AG's office regarding new target dealer in Dan Grant death case (OD)

Follow up with Orwell Bank regarding new checks issued in fraud case; additional discovery to S/A's office

Continued case follow-up - Missing person Denise Hart.

New case, sex offense: 12 y/o fondled 6 y/o nephew.

Depo in Pellitier homicide case.

New case - Assist to FHPD armed robbery.

New case – Assist Mass State Police with DNA collection of inmate at MVRCC.

New Case - Arrested Whalen Goucher for Disorderly Conduct at the correctional center.

New case - Completed phone dump for Rutland PD on pending domestic assault case.

New case - Death investigation involving 59 year-old female with hypertension. OCME signed off as natural.

Assisted uniform with search warrant for cell phone on Pittsford fatal accident. Met with State's Attorney.

Assisted uniform with domestic assault complaint.

New case, sex offense at Bennington College. Interview pending with female student/victim.

D Troop

FF

4 Total Arrests, 0 DUI

MV crash Route 5 in Dummerston; vehicle turning left onto Schoolhouse Road pulled in front of a vehicle SB on Route 5. Operator of vehicle #2 was DLS criminal.

BCI

Death Investigation: Four month old infant staying overnight at its aunt and uncles house; they were babysitting. The baby did have a history of some medical issues, to include recent chest cold and chest congestion.

Sex Offense – SSCF – Follow-Up on Prison Phone Audio Files.

Home Invasion Townshend - discovery completed and submitted to SA's office, Facebook Records received, over 300 pages of text messages and material reviewed and report completed.

Meeting with SA and DCF on Wednesday regarding sex assault Westminster.

Assisted Springfield PD with cell phone search using Cellebrite while they were conducting search warrant.

Perkinsville, child sexual assault investigation, 4 year old female victim, 62 year old male offender

New Death investigation - Bethel (natural causes).

New case - suspected child abuse.

#### MAJOR CRIMES

Delivered CSST Report for Schneider Homicide to Orleans County SA.

Depo prep for Vreeland Homicide.

Meeting with SA on Vreeland Homicide.

Follow up for Colchester OSI.

Lott Homicide – Depo / Prep.

Middlesex OIS, submitted requests for subpoenas and an NTO.

Townshend Homicide, prepared for depo, testified at depo. Photographed some evidence for SA's office.

Middlesex Officer involved shooting; follow up on subject at RRMC.

Went to ICAC and reviewed and received phone extractions information for Herring homicides  
Reviewed material and records received from phone extractions.

#### DEMHS

SEOC activated in support of Amtrak train derailment response and recovery operations in Northfield. Several state support function staffed the SEOC. Prepared press releases on state response - including EOC activation and involvement on the scene.

FEMA responded to a request from the Director for authorization to receive income from towns for 25% non-federal share for Advance Assistance HMGP projects. The response was that this scenario is not considered "program income", and it is therefore permissible and was approved by FEMA. This addresses a concern raised by DPS Finance.

RERP Staff finalized and distributed updated school transfer MOU for EPZ districts.

Vermont Intelligence Center (VIC) in coordination with DEMHS VTALERT staff finalized Amber Alert notification protocol shifting the notification process to the VIC staff.

A VT Alert presentation was provided to the town of Wilmington and Addison County CSAC. There are now 7,959 VT Alert public users.

VT Digger printed a story on trains carrying crude oil through Vermont which contained a quote from PIO Mark Bosma regarding a report of one such train in March of 2015. It contained a second-hand quote from Director Herrick taken from the Burlington Free Press when he was state HazMat Chief.

Deputy Director spoke to Rutland Herald about the city of Rutland using Vermont Alert for citizen notifications.



State of Vermont

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*Justin*

**PRIVILEGED AND CONFIDENTIAL  
MEMORANDUM TO THE GOVERNOR**

**TO: Governor Peter Shumlin**

**FROM: Secretary Justin Johnson**

**DATE: October 9, 2015**

**SUBJECT: Confidential Report to the Governor**

**BUILDINGS AND GENERAL RESOURCES**

**Of Special Interest to 5<sup>th</sup> Floor from BGS Directors**

Thanks to the Governor for participating in our excellent Book Launch last week! It was a huge success with well over 5K worth of books selling in just the two hours of the Launch. Orders are coming in rapidly and Nancy and I are booking appointments for signings and media appearances.

**Battle monument** - The elevator work is to start after the site is shut down. There will be a walk thru with Bay State this week.

**108 Cherry Street** –Drug Addicts are shooting up and defecating/urinating on the floors and walls in the Economic Services bathroom. The custodians are routinely cleaning up blood and picking up needles.

**Bennington SOB/SC – Geo Thermal well** issues are ongoing. Well cleaning has been cancelled or postponed due to unavailability of well cleaning contractors. We are getting pricing for the boilers for the winter. We are getting bids on a test well and report is due by Wednesday. Permanent closed loop solutions are to be installed next spring. If the installation looks like it will take more than a month i.e. into mid-May, then cleaning will be revisited as cleaning contractors will be available.

**Waterbury State Office Complex Historic Core – Tenant Fit-up:** We met this Tuesday with AHS's IT staff, Assistant Attorney Generals, and DCF Family Services to tour the campus and update their areas for

programming. Staff changes are in preparation for ordering their modular offices. Discussed move dates and move requirements. We have reviewed final color selections for conference room tables, chairs, soft seating and café furniture with OEI interior designer. Plumbing Inspector - The inspector toured the site on 10/06/2015 and questioned the distribution and number of drinking fountains throughout the Historic Core buildings. Design Team preparing response – Art in the State Buildings Program – Artist, Gordon Auchincloss has installed three wind sculptures in the Central Courtyard Space on 10/06/2015 and it looks terrific! It is a great addition to the State's collection of original commissioned art. David Schutz is to view the installation this Wednesday.

#### **Chief Operator's Office:**

**Montpelier Heat Plant Construction True-up:** We are waiting for the City's response to letter on final true up costs. There is a meeting scheduled for October 9<sup>th</sup>.

### **FINANCE AND MANAGEMENT**

#### **Issues and Updates**

The budget office continues to meet with departments to assess FY2016 Budget Adjustment needs and FY2017 needs.

Our goal is to have a conversation with Joint Fiscal next week to assess the current estimated 2017 budget gap. Waiting on further fine tuning of DCF BAA in order to start finalizing numbers and discussing strategy to address. FY2016 BAA needs identified to date greatly exceed available funds. Medicaid caseload and utilization continue to drive the need.

Finance and Management and Joint Fiscal Office will be testifying in front of the House Health Care Committee next Wednesday morning to discuss Medicaid pressures for both FY16 and FY17.

Financial Operations is hoping to close out the Needs Requirement Project within the next two weeks. Final deliverables are being reviewed and should be accepted by the end of this week.

FY2015 Financial Audit continues on course with an estimated completed date of December 18, 2015. No significant issues to date.

### **HEALTH CARE REFORM**

#### **All Payer Model**

The All Payer Model (APM) project is making steady progress internally and externally. A major task for the month of September was to fully engage AHS/DVHA in the APM project. We accomplished this goal through a series of meetings, first with all AHS staff and contractors likely to be called upon in the project and then in a series of seven meetings with smaller groups of policy and operations subject matter experts where we explained the project in more depth in their specific area of expertise. The result is a high-level draft work plan to align AHS/DVHA and the Global Commitment waiver renewal process with the APM. That work plan has been vetted at the staff level (Michael Costa from AOA, Ena Backus from GMCB, policy leads at AHS/DVHA, and DVHA Deputy Commissioner Tom Boyd), and the next step is to bring the work plan to the Secretary/Commissioner.

Additionally, the GMCB, with significant AOA help, is starting to make real progress on how to restructure the Board's regulatory process to accommodate an APM. This was previously identified in the weeklies as an issue of major concern, given that some regulatory changes need to be made in 2016 to allow for a successful APM.

launch on 1/1/17. AOA staff remains concerned that the rulemaking timeline would allow almost no margin for error unless the GMCB files draft rules soon.

Externally, the SOV negotiating team continues to make progress with our federal partners. The SOV and CMMI negotiating team held a webinar last week to ensure that both parties fully understood and agree upon the progress made during our in person negotiation two weeks ago. The goal remains to have a term sheet signed stating the big picture elements of a deal prior to the end of the year.

Stakeholder engagement is a more turbulent aspect of the project. The Vermont Medical Society, through Paul Harrington, announced at a stakeholder meeting that VMS will not support the APM unless the Medicaid cost shift is addressed, and Medicaid pays at least as much as Medicare. To be blunt, some stakeholders seem to believe that the APM will immediately fix the cost shift and guarantee steady annual Medicaid funding growth. This idea persists despite strong and clear statements to the contrary by State staff and Al Gobeille. Given this belief that Medicaid rates should go up, the announcement of major Medicaid budget cuts and related Medicaid provider rate cuts may fracture the coalition of stakeholders working on the project and pose a significant challenge to the project's overall viability. The stakeholders also would like a budget meeting prior to the budget address, which we have indicated is not likely to happen.

### **Excise Tax/Large Group Market Study**

The excise tax study is nearly done the first two phases of the project. Phase one: design consensus educational materials to explain this complex tax and have our stakeholder group confirm that they are straightforward and helpful. We will use these materials with the Legislature. Phase two: estimate the tax liability of public employers: SOV, VEHI, municipalities, and the Vermont State Colleges. Overall, initial tax estimates are much lower than anticipated in the near term. Why? Initial studies and JFO estimate may have ignored the complexities of the tax. Specifically, the two major data points needed to calculate the tax are subject to a series of potential adjustments, and thus far these adjustments all serve to lower the potential tax liability of Vermont's public employers.

The short term outlook is improved, but the long term outlook has not changed. Vermont public employers will be subject to the tax without employee benefit changes. The tax amount will increase enormously in annual percentage terms. The tax begins to skyrocket in 2024 because at that point every dollar spent on employee health insurance above inflation becomes subject to the 40% excise tax.

Now, the study enters phase three: testing strategies to reduce the tax. AOA staff and the actuaries are meeting on 10/9 to finalize the policy assumptions needed to test potential policy changes.

The study is due November 1<sup>st</sup>. We are requesting an extension until December 4, 2015. Meeting the statutory deadline depended on the assumption that the actuaries could reuse existing data sets from previous health care reform studies. This assumption proved too optimistic. The tax is complex, requiring multiple employer specific adjustments and trends to compute the tax. Federal guidance is incomplete, which militated towards collecting a more complete data set that might accommodate future federal guidance. Additionally, the State is seeking to test a wide variety of potential policy changes to reduce potential tax exposure for public employers, including scenarios that require combining the claims data of multiple employers. Given these factors, the actuaries concluded that the study required specific and extensive data sets from each employer involved in the study. The data acquisition is complete; however, it delayed the analysis required to complete the study. The study is due to 13 committee chairs, and Robin reached out to the primary chairs who had expressed interest to give them a head's up. Nobody voiced an objection. Michael reached out to the Speaker and Pro Tem's office to let

them know our extension request would be coming. They asked for a day or two to chat about the issue and the timing of the letter.

### **SIM/VHCIP**

The SIM Team is still awaiting approval of our Year 2 budget (still). We provided additional information to OAGM on Wednesday and believe this is all that is necessary to gain approval in the coming days. This will allow us to execute the remaining agreements for 2015.

The SIM Team spoke with CMMI this week about our Year 3 milestones and budget as part of our planning for 2016. The conversation was productive and provided some clearer guidance on document submission for 2016. The Core Team will be approving our Y3 milestones and Y3 budget at their meeting next week. The SIM Team has begun developing our Y3 Operational Plan, due 11/2, which is a huge deliverable.

On 10/7, SIM hosted a symposium for our sub-grant program. This convening discussed opportunities and challenges our sub-grantees face and shared lessons learned.

### **Universal Primary Care**

We received the second round draft cost estimates from Wakely on 9/30. We continue to judge the numbers to be consistent with what we expected. For the past two weeks we have been reviewing data questions and methodology and incorporating the numbers and assumptions into our draft report. Wakely is currently doing a technical review of the report. We reviewed the cost-estimates with Deb Richter on 10/8 as well as got her thoughts on stakeholder engagement. We are scheduled to meet with Lawrence and Justin on Tuesday, 10/13 in preparation to submit the draft estimates and report to JFO 10/15. JFO then has 6 weeks to provide feedback and we have an additional 2 weeks to finalize and submit. We are considering providing the draft to stakeholders when we submit to JFO and allow for a 2-3 week input period. This will both allow JFO to consider their feedback as well as give us time to incorporate the feedback in time for a mid-December due date.

### **Federal Exchange**

We are nearing the finish line. Assuming Robin receives final numbers from AHS/DVHA this week, the report will be ready for publication by the end of next week. We are intending to brief the Governor next Tuesday.

### **Press/Media**

↪ Swah

We are in the process of preparing a public records request by Morgan True received 9/24 for all correspondence between our office, Lawrence, and CMMI regarding the SIM project. On 9/24 we invoked our right for additional time to collect and review the records, which so far total 2200+. The due date is 10/8, however, Marisa prepared and sent Morgan a cost estimate of the charges to fulfill this request and he has asked to narrow it. Robin has contacted him with the categories of information that is responsive and offered to discuss how to narrow. She has also indicated that we will not do any further review until we've heard back from him, in order to ensure we minimize the costs as he has requested. No word back yet.

### **Other/Significant Meetings**

DVHA provided an update to Sec. Johnson and Lawrence about the HIT Plan progress and next steps. This plan will be provided to AOA in draft form in November and then, hopefully, go to the GMCB for approval in January. To date, the activities have focused on soliciting stakeholder and provider input.

## **HUMAN RESOURCES**

### **Legislative/Policy Update**

DHR testified in front of the Joint Rules Committee to discuss a timing issue with legislative pay that impacts whether the state can draw the employee share of FICA. We coordinated with Legislative Council and the Joint Fiscal Office to propose solutions. The Committee decided to withhold 2-3 days of pay at the end of the session to ensure there was taxable income to draw the tax from.

### **Communications Update**

We met with the VTAlert team from Emergency Management. DHR plans to use VTAlert to communicate with state employees in the case of a state government closure/delay and other emergency situations.

The September edition of HR Connect was sent. It continues to be an effective and well received communications tool.

### **Press Requests**

Mike Donoghue of the Burlington Free Press requested the names of those who were offered and those who took the retirement incentive. We directed him to the Treasurer's Office and gave Beth a heads up.

Mr. Donoghue and Tiffany Pache of VTDigger requested information regarding Perry Thompson, the AOE employee charged with sexual assault of a minor. We are coordinating with the Scott Coriell and Rebecca Holcombe.

Anson Tebbetts of WCAX inquired about a police dispatcher named Sally Dillon who he believed to be suspended. We confirmed she was a state employee but did not comment further due to employee confidentiality.

We advised Jim Condos on state employee political activity policy as part of his effort to respond to the GOP Chair's concerns regarding an elections division employee.

### **Significant Events/Meetings**

A great deal of time has been consumed with AOE employee Perry Thompson who was arrested on charges of child sex abuse. Thompson is on relief from duty. Working closely with Secretary Holcombe on investigation and messaging. Governor's office is being kept in the loop.

Attended the Vermont Recruiter's Association September meeting. Good networking. Learned that University of Vermont Medical Center is dropping Oracle/PeopleSoft for their HRIS and Recruiting solution for a "cloud-based" product called Workday.

Workplace violence training. AHS trauma experts provided feedback on content. Revisions continue. Pilot will be this Friday at DPS in Waterbury. We have asked that Administration provide some context for this session, as it will be important to let folks know this training is not the only problem-solving going on.

Nurse classification/MFA committee continues to outperform. We are ahead of schedule on review of the class actions RFRs. A very exciting and integrated new structure to nursing job classes is coming into vision. This process is very important to AHS and will reshape the nursing salary structure across state government. Bargaining continues.

## **INFORMATION AND INNOVATION**

### **Status of Governor's Priorities:**

#### **Healthcare**

HSEP Status - Security

#### **VHC**

NuHarbor (vendor) closed 4 moderate risks

DII-Security is withholding payment on two deliverables until the 2 High risk findings are closed.  
Anticipated close date is 10/15

Here is the current count:

HIGH	2
MODERATE	46
LOW	58

### **Legislative Issues/Contacts:**

Richard met with Mitzi Johnson, Peter Fagan, Jane Kitchel, John Campbell, Peg Flory, Alice Emmons and JFO for "informal" future budget impacts. The following is a high level of what was discussed:

#### **Funding related**

No strategic funding for IT means we aren't using our IT strategically. Viewing IT operationally means we are making future problems larger. Few of our systems are sustainably funded.

#### **Workforce related**

It is increasingly difficult to find people with the knowledge needed to support our legacy systems and training in these technologies is no longer available. As services get more common, we will increasingly move to cloud services to take advantage of the economies of scale. This will require a transformation in our workforce from one that provides technology to one that facilitates its use

#### **Risk related**

Risks and potential costs due to those risks are much higher for older technologies.

The longer upgrades/refreshes are postponed, the greater the cost and risk of its success.

Discussion that included them asking for what changes I would propose to legislation, which I deferred. They still want my "wish list".

Discussion of Integrated Eligibility where they stated that they thought they had stopped IE in their last session and why was it still going. I responded that no contract had been signed and that ongoing negotiations were needed to get the more detailed analysis they asked for at the conclusion of the last session. Jane also wanted a copy of the updated IE ABC. I acknowledged there was an update, but that AHS had asked that it be held confidential while negotiations were proceeding, so they should make the request directly to AHS.

John Campbell shared that he had much more respect for DII now that he had information from other sources (I assume John Burton, but can't be sure) and was supportive of the role we were taking. He did acknowledge that he still had some issues regarding separation of powers.

**VOIP** - The cutover for DII to VOIP phones is Friday, 10/23 at 4:30 PM.

## **LIBRARIES**

NOTHING TO REPORT

## **TAXES**

### **Legislative Update**

#### **Website**

Our new website is in DII's hands – should go live next week. Ironically, given how old and clunky the current website is, one division in particular was wary of signing off on updating the content, slowing the launch by a few weeks.

#### **Current Use**

The online application will go live at a slow crawl next week.

### **Compost**

Although I cannot speak to specific cases, it has come to our attention that a compost vendor has asked his prior customers to pay tax on past sales to cover his assessment from the Dept. Compost is in that bucket of complex ag product rules – it had been taxable, although the legislature did this past year pass an exception for bulk sales (after numerous committee discussions). Audited vendors do have the right to seek payment from prior customers, although for obvious reasons it is rarely invoked – there is a general perspective that vendors are in the business and should know whether to charge their customers at the time of sale. A new Digger reporter asked for comments. Sen. MacDonald also called on a related topic – we are planning a meeting with Agency of Ag and then legislators before the session.

### **Administrative Garnishment & Levy**

We are gearing up to start these programs that were authorized in the last session (and expected to generate over \$2M). We are finalizing a contract with VT Legal Aid, funded by the legislature, to act as an advocate, and we are negotiating with a vendor who has contracts with numerous state agencies to facilitate bank levies.

### **VT Advisory Board**

The Board's membership subcommittee has done a great job bringing on new members – including a Rutland Tax Attorney who worked for the IRS, VT Soap Company and Global Foundries. Feelers are out with other practitioners and the Ag community. We had a great, wide ranging discussion including delaying refunds to address fraud, publicity around the imminent launch of VTax Phase 2, prioritization for the Dept with limited resources, our new audit and appeal processes, the legislative studies on sales tax on services and property tax adjustment timing, and finally, possible changes to our corporate income tax structure to be more in step with other states.

### **Meeting Brann & Isaacson**

The Commissioner had a productive discussion with partners at this national tax firm. Concrete suggestions they had for the state included adopting a model of mediation with retired federal judges that they have successfully used to resolve client matters in several states (taxpayers will pay if they receive assurances that the state will not divulge the resolution), and to encourage companies to come forward and acknowledge current nexus by agreeing not to audit on past periods (companies often are willing to subject to jurisdiction going forward, but they fear the exposure on nexus audits which are very complex). Interestingly, we discussed these

ideas with our Advisory Board, and all were in favor of mediation but there was a split on the nexus amnesty – some feeling it would encourage game playing, and others arguing that we don't have the capacity to conduct nexus audits anyways.

### **VTax**

Focus groups evaluated the new My VTax portal this week, and our leadership team will be evaluating the results. We are reaching the critical point to hammer home to sales&use, meals&rooms, and withholding tax filers that they need to migrate from our current online filing system to the new My VTax portal.

Communications include emails to all current e-filers, as well as publicity through our practitioner groups and newsletters. The Advisory Board suggested that we do a press release and snail mailings – we will consider.

**CONFIDENTIAL and PRIVILEGED**

**To: Governor Peter Shumlin**  
**From: James Giffin, Interim Commissioner**  
**Date: October 8, 2015**  
**Re: Weekly Report**

**Vermont Department of Liquor Control**

Legislative Issues/Contacts/Updates: I notified the Senators and Representative in Norwich of the actions taken with the Agent.

Press Issues/Releases/Contacts: None

Significant Events/Meetings: Next week DLC Board meeting

Summary of Key Department Activity:

*Agency Issues:* Tracking down who (DCF? Treasurer's Office?) is stopping the use of ATM machines in our Agent stores. Federal law prohibits the use of TANF EBT cards in liquor stores, but allows it in stores that serve food items. Most Agent stores have a discrete liquor section, but sell other food products. It may be an issue of DCF educating TANF feds about Vermont. DLC Staff are working with DCF on the issue.

The Agency in Norwich was notified they needed to comply with the terms of their contract and provide a letter of credit or \$10,000 bond. I have notified him that we will stop deliveries next week and plan for their closing next month if they do not provide the required information.

*IT POS system:* Week two of the 178page amendment circulating for informal review before we submit for electronic approval.

*Warehouse:* The Modernization Study Committee has asked me to speak about the final warehouse evaluation report at their next meeting.

*Enforcement:* Routine investigations.

Commissioner's Commentary:

Some of the information reported by Manufacturers and Distributors of break-out tickets in the DLC database does not make sense now that we have almost three quarters of the information. We will be following up with the manufacturers and distributors, but the Department has little or no leverage with either of them to ensure accurate reporting. We will follow up with tax department once we have a sense of the magnitude and types of errors we can identify.

Memorandum

To: Governor Peter Shumlin


From: Comm. Annie Noonan, VDOL

Re: Weekly Report - week ending October 9, 2015


Issues of Note:

Confidential

Update on layoffs --

- 
1. KMart - 57 employees, Jan 1st closing. RR scheduled for December
  2. Bombardier Capital - Colchester  
Closing Vermont operations, moving the 11 jobs back to Montreal. VDOL filing Trade petition and this will be certified for sure. We are scheduled for RR.
  3. Seldon - Windsor: RR
  4. Ashgate Publishing Burlington: RR scheduled for 10/21. VDOL filing Trade petition. This will likely be Trade certified unless the jobs are also eliminated in the UK.
  5. Burlington City Sports, chapter 11 closing;; 15 employees, but only 3 FT; RR in mid-Nov.
  6. Vermont Hard Cider - (Woodchuck), Middlebury; 8 employees, marketing division; not likely to be trade unless work is picked up in Ireland.
  7. Energizer, Bennington - to date, we've heard 18, and that the jobs are going overseas, so very likely Trade petition will be certified.

Meetings of Note:



JFO/Legislative Meeting: 10/07 - went fine - most interested in big picture issue on jobs and workforce training. Seemed to be baiting us to criticize other departments/agencies, which we refused to do -- very strange conversation in some ways.

Governor's TaskForce on Misclassification 10/07 - good meeting. Will send minutes over next week. VDOL presented our suggested legislative language to address the issue(s) relating to independent contractors/misclassification. The workgroup spent considerable time reviewing it and gave positive and constructive feedback. There were many labor and business representatives in the room. Most of the comments were positive; not so much from David Mickenberg who said he needed to 'reserve comments' until the next meeting, which translates to: he has to tell Labor that they have to object to it (even though they really don't object to it).

- \*Rutland WIB wants money for a pilot on workforce training. Working with Nancy Burzon on her idea but she has to tie up the loose ends before VDOL can commit funding in any amount.
- \*Worked on changes to the VDOL Employment Security Board Rules, with goal of filing by end of October. This will help move forward the UI penalty section for misclassification.
- \*Worked on finalizing federal Eligible Training Provider requirement documents.
- \*Worked on Worker Comp Investigator Protocols, including issues raised by hoffer report.
- \*VDOL working on a myriad of IT issues - the federal TOPS and OCS debacle, as well as UI Consortium and WC computer.
- \*VDOL working on the USDOL Home Care rule guidance, as we know we will get the questions. USDOL wants VDOL to work with the Governor's Office on National Apprenticeship Week (sometime in early November). I will coordinate with Scott.

**+CONFIDENTIAL and PRIVILEGED**

**To: Governor Peter Shumlin**  
**From: Greg Smith, Executive Director, VT Lottery**  
**Date: Oct 9, 2015**  
**Re: Weekly Report**

**Status of Governor's Priorities:** .  
none

**Legislative Issues/Contacts:**  
none

**Press Issues/Releases/Contacts:**  
none

**Significant Events/Meetings:**  
none

**Evolving Issues:**  
none

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**Summary of Key Agency Department Activity:**

We resolved the annuity issue with Delaware Life last week and they paid the final prize payment to the winner.

Our 2<sup>nd</sup> selection of a winning school for tablets that we do in coordination with the Ag. of Educ. will occur next week. The winning school will be awarded approx 20 tablets and let us film the event at the school.

Our 1<sup>st</sup> quarter results show sales & profits up over LY by 4.7% and 3% respectively. We are down to our forecast for sales & profits by 6% and 5% respectively but should recover this over the course of the next two quarters.

We launched the first of two new websites this week with good success.

**Executive Director's Commentary:**

After getting our new Powerball Rules approved by LCAR I discussed with the committee our approach to game rule changes and Emergency rule procedures. LCAR chose not to act on the Emerg Rule filing as it did not have a critical impact on health or safety. I told them I anticipate another need to do an Emerg Rule filing with the next 6 months and they made a suggestion for initiating legislation to allow Lottery to have game rule changes bypass the rules process like Fish & Wildlife does with herd counts and hunting permit limits (I think I understood that correctly). They will be contacting House General Comm about this during the next session. If we do have another Emerg Rule situation they suggested doing exactly what we did this time.

I am at a conference in Dallas all next week with two of my board members.

Sent from my iPad