

WEEKLY REPORTS

Checklist
8/26/16

Darren Springer

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

Sue Allen

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

Sarah London

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

Jessica Gingras

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

Laura Gray

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

James Pepper

- ☐ Department of Labor – Annie Noonan

To: Governor Peter Shumlin

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

Date: August 26, 2016

Re: Weekly Report

PATRICIA MOULTON, SECRETARY

GOVERNOR'S PRIORITIES:

- **Irene 5 yr. anniversary:** ACCD along with ANR, Vtrans, DEMHS, the City of Barre and others are holding a press event in Barre this noon time. The event will emphasize not only how we have rebuilt Vermont better than Irene found us but the resiliency work communities are doing around the state. We will also be signing a charter formally establishing the "Silver Jackets" Interagency Flood Risk Management Team. The charter involves all the agencies mentioned above and then some. It should be a good event!
- **EB5:** We have successfully submitted the response to USCIS's Request for Information (RFI). It was due yesterday and after a lot of work piecing together the information and with the assistance of Locke Lord legal firm, we have a good product. We believe and hope, this will give USCIS a far better understanding of who and what our Regional Center is. As well as how we are breaking new ground nationally in oversight at our Regional Center. We also hope it will show them we were on top of the Jay Peak issues. Mr. Calucci of USCIS has been saying publicly oversight and monitoring is critical for Regional Centers. Hopefully USCIS will understand that is exactly what we have been doing. This was a huge endeavor and took up a lot of Joan Goldstein's and my time.
 - **Joan reports:** In the meantime, Dave Pendle from Senator Leahy's office has indicated that USCIS is about to issue policy guidance around what to do in cases of fraud so we will see how this unfolds. Additionally, the reauthorization bill is a lift this year for so many reasons: general gridlock, election year, and immigration sensitivities. Goldberg, the receiver, has been in contact with Pendle about the legislative changes which would help the investors in cases of fraud. Goldberg's and our concerns will be integrated into the recommendations going to USCIS for consideration. We also reiterated these sentiments into our RFI response.
- **PayPal:** I reached out to the team we have been dealing with at PayPal, Devin Whitney and Dan Shulman. They did not tell me Vermont was off the radar. We will continue to stay in touch. We all agree it is a long shot, especially for Brattleboro.
- **Commonwealth Dairy:** Diane Snelling was at Commonwealth Thursday with her enforcement person, Aaron Brondyke to review the tress that were cut. Diane still agrees not to issue an Notice of Alleged Violation (NOAV) but she will be proceeding with ANR to develop a corrective plan for the cutting. That should be part of the Act 250 permit the company will be applying for. There will be a fine at some point, not sure how much or when at this point.
- **Transition:** I am handing more and more things to Lucy, Joan and Josh Hanford. I am trying to get files sorted out and ready to hand over. I am also working on a transition memo which I will hand to Lucy for final work and submittal on 9/20. I have also spent some time at VTC during lunch mainly and last Saturday to welcome the incoming freshman(that was fun). Jeb has stopped pestering me about coming early!!
- **Joan Goldstein reports: Lake Champlain Chamber:** The chamber is working with the VT Brewer's Association to set up meetings in Quebec with regulators there to see if we can help the craft brewers export their product to Quebec. DED will assist in this effort. An event is planned in Sherbrooke for 9/29 and I have promised a presence from the state at the event. As we further this effort, the SBA funds may help to defray any expenses associated with the effort.

LUCY LERICHE, DEPUTY SECRETARY

- **Newport City Council Meeting:** Lucy attended this meeting on behalf of ACCD to discuss the economic development resources the Agency can offer. Also on hand were representatives from: Senator Leahy's Office, Congressman Welch's Office, USDA RD, VHCB, NVDA, NCIC, VCRD, the Land Trust, and Newport City Renaissance. Next steps include a VCRD community visit process (funded by NBRC) to create the structure to action. ACCD is in discussions with the Town to apply for a CDBG Planning Grant.

KEN JONES, ECONOMIC RESEARCH ANALYST

- Ken Jones attended a workshop that described Vermont's report on Critical Infrastructure. This report is titled "Vermont Infrastructure Protection and Resilience Plan". This federal project is managed from the Division of Emergency Management and Homeland Security. The report that will be completed in September outlines how Vermont will identify its critical infrastructure in each of 16 sectors. The primary ("lifeline") sectors include Transportation, Energy, Water and Wastewater, Healthcare, and Emergency Services. ACCD is responsible for providing information on three sectors: Commercial Infrastructure, Critical Manufacturing, and Defense Industrial Base. In addition to our primary responsibility that is related to our Economic Development functions, we have important input on the other sectors, including the Lifeline sectors. Our work with individual communities (e.g. VERI) and general work with Regional Planning Commissions may help to inform the identification of critical Transportation, Energy and Water and Wastewater infrastructure.

DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT: Deputy Commissioner Hanford

- **VHFA- Joint Committee on Tax Credits:** Attended the first public hearing on proposed changes to VHFA's Qualified Action Plan (QAP), which is the funding plan for the Low Income Housing Tax Credit program. ACCD along with VHFA, AHS, VHCB and VSHA are represented on the committee. VHFA staff walked through potential changes for 2017 which are minor and technical in nature such as updating the homeless definition to be consistent with the HUD definition used by AHS and ACCD and adding the Governor's goal of making 15% of all publicly funded permanent rental housing available to families and individuals experiencing homelessness. VHFA is also proposing updates to the 2018 QAP at the same time to give housing developers adequate time to adjust to more substantial changes that may be adopted for 2018. These include recommendations from VHFA staff to help with ranking/scoring applications, addressing the readiness of each project, cost per unit and minimum tax credit equity needed. These are important factors since LIHTC's are oversubscribed 3 to 1 and only allow for one funding round a year with forward commitment of funding now approaching 2 years. More discussion on the sharply rising cost of affordable housing development vs achieving other policy goals (Energy Efficiency, Historic Preservation, Downtown Re-development) will continue as the increase in cost per unit built will result in less units built with the available resources.
- **Vermont Roadmap to End Homelessness:** A steering committee comprising of housing and service providers, state agencies and funding organizations is overseeing an effort to accelerate our mutual work to reduce homelessness and stabilize vulnerable populations. The specific purpose is to build on existing efforts by developing a system for facilitating service-connected affordable housing options, building local capacity, determining costs and identifying available and needed resources. The Committee has selected the [Corporation for Supportive Housing](#), which has assisted cities and states across the country with similar projects. CSH is currently gathering information through interviews, facilitated meetings and an online [survey](#) as part of its assessment of current efforts and challenges encountered by experts in the field. The feedback it receives will greatly inform its recommended "roadmap" for ending homelessness. As part of this effort I was interviewed by the Corporation for Supportive Housing and completed the survey. The effort is being managed by AHS & VHCB.
- **Brownfield Brainstorming:** Participated along with Commissioner Goldstein, Brett Long and Secretary Cole in a Brownfield funding and coordination meeting with DEC Commissioner and staff. The good news is demand for brownfield clean-up funding is increasing and we are seeing more brownfield sites re-developed. In fact, VT's brownfield program has been recognized as one of the most successful in the nation. The bad news is we need access to more funding to address the sites communities and developers want to clean up. Discussions and coordination will continue.

COMMUNITY PLANNING & REVITALIZATION ♦ Chris Cochran, Director

Partner Report

- **Five Year Anniversary of Tropical Storm Irene:** Chris, Gary, Richard and Annina organized a media event to acknowledge the work Vermont has done to make the state stronger and more resilient in the face of future floods. The Friday press conference with local, regional, and state officials showcased how the Vermont Economic Resiliency Initiative (VERI) and the Vermont Downtown Action Team (V-DAT) helped Barre work to proactively strengthen its economy and minimize the risk of flooding. The event also highlighted the achievements of sister agencies and departments, federal officials and our congressional delegation. VPR ran a companion piece on Vermont Edition that featured VERI and the state's role in Wilmington's recovery.

GRANTS MANAGEMENT ♦ Ann Karlene Kroll, Director
CDBG Disaster Recovery Program – Technical Assistance

- While driving through the Town of Waitsfield, Tamera and Maria took the opportunity to stop by and take some photos of the recently opened Waitsfield Town Office, which was funded in part by a CDBG-DR grant. The GMS team is working to set a time for a second monitoring visit, to wrap up questions that came up during the first monitoring visit. In the meantime, enjoy the photos...



Front Entrance-Town of Waitsfield Offices



Town Clerk's Office

A story appeared in VTDigger on August 22nd of one of the businesses assisted through BDCC/SRDC's Business Assistance Program, funded through the CDBG-Disaster Recovery Grant. Bartleby's Books received \$30,000 in grant funds for the replacement of inventory. Lisa also serves on CD

TURNING A NEW PAGE AFTER HELL AND HIGH WATER

AUG. 22, 2016, 4:57 AM BY KEVIN O'CONNOR 7 COMMENTS



Lisa Sullivan stands inside Bartleby's Books in Wilmington five years after it was flooded by Tropical Storm Irene. Photo by Kevin O'Connor/VTDigger

WILMINGTON — Just this month, Vermont bookseller Lisa Sullivan hosted the author of a new novel about a heroine who rebuilds her life after, as dramatized on page 4, “the flames caught the edge of one of the antique velvet curtains, which ignited like flambéed cherries. And that’s when the sprinkler system kicked in.”

A comeback story about fire and flood? Sullivan relates. She was off in the Bahamas in the spring of 2011 when one of her two businesses — the Book Cellar in Brattleboro — was destroyed by a five-alarm blaze.

“I had been sleeping for an hour,” she recalls, “when I got this phone call in the middle of the night saying, ‘Lisa, I have something to tell you.’”

Four months later, Sullivan was inside her other store — Bartleby's Books in Wilmington — when flooding from Tropical Storm Irene washed away the rest of her livelihood.

“We had water coming in waves,” she says, “and then we smelled propane.”

Owning one of Vermont's two dozen local independent bookshops is hard enough in an era of Amazon e-readers that instantly beam a world of titles for as little as 99 cents. Add hell and high water and the challenge seems crushing.

HISTORIC PRESERVATION ♦ Laura Trieschmann, State Historic Preservation Officer

- **Bennington Battle Monument Anniversary/Birthday Celebration:** The celebration on Saturday was a great success, perfect weather added to everyone's enjoyment of the day. There were horse and buggy rides, a quartet of Barbershop type singers, Victorian Visitors walking about and bubbles in the air. The steps were open for tours and the admission for the day was 10 cents; 448+ visitors took advantage of the tours. Representative Kiah Morris sang the National Anthem beautifully, Don Miller of the Friends of the Bennington Battle Monument portrayed Edward J. Phelps (who gave the original oration), and David McWilliams of the Friends of the Morrill Homestead portrayed Senator Justin S. Morrill (who was instrumental in securing the funds to construct the monument). Laura, Tracy, Debbie, Marylou, Yvonne, and the whole Bennington Team worked very hard and had a wonderful time. State representatives, select board members, and neighbors were in full attendance, thank you for your support. The photograph below was posted by Vermont Digger. WELL DONE BENNINGTON CREW!



State Architectural Historian

- **Robillard Round Barn, Irasburg:** Sad news from the Robillard Flats Dairy Farm in Irasburg, where a 1905 round barn burned to the ground on Tuesday. The barn was a local landmark, and its loss means there are only eleven round barns left standing in the state. The cause of the fire is unknown at this time, and the building was a complete loss. News coverage and video here: <http://www.wcax.com/category/166239/video-landing-page?clipId=12682658&autostart=true>.

VERMONT COMMUNITY DEVELOPMENT PROGRAM ♦ Josh Hanford, Director

CDBG-DR

- **Town of Readsboro:** The bank stabilization project is complete! The work on a very unstable slope of the Deerfield River will protect 3 LMI households, the Volunteer fire station, and a town bridge just downstream from the repairs. Selectboard member Helyn Strom Henriksen was the glue that kept this project together through lots of staff turnover at the town level. The small town should be commended for seeing this project through to completion! They are in a much better position to face future flooding events.



VT CENTER FOR GEOGRAPHIC INFORMATION (VCGI) ♦ Steve Sharp, GIS Operations Manager

- **VCGI Imagery Program**
 - **LIDAR:** In mid-August VCGI attended a national webinar on the FY16/FY17 Broad Agency Announcement (BAA) for 3D Elevation Program (3DEP). This national program managed by the USGS has been the federal program partially funding the acquisition of high resolution elevation data (Lidar) in the state since 2012.

Now that the grant has been officially released VCGI and its partners will be submitting a proposal by the October 10th deadline with hopes of successfully acquiring our fifth straight grant award. If successful, Vermont would be the third state in the nation to achieve statewide coverage of this crucial resource at the “Quality Level 2” (QL2) level. For details on Quality Levels see - <http://tinyurl.com/USGS-Data-Quality-Level-Choice>

Data development efforts on Lidar web services continues with an expected completion date of early October.

- **VCGI Statewide Property Parcel Mapping Program:** VCGI facilitated a *VT Parcel Data Standard Focus Group* meeting on 8/24/2016. The meeting brought together representatives from State government, RPCs, towns, and the private sector (including vendors) to discuss the details of the newly revised (draft) VT Parcel Data Standard. The engagement was very productive, providing VCGI and the Parcel Mapping Program with lots to consider as it moves to finalize the updated standard.

DEPARTMENT OF TOURISM & MARKETING: Megan Smith, Commissioner

- **Travel Recreation Council:** At the TRC this month we announced the departure of both our Chair, Ed Stahl, from Stowe Area Association and Tori Ossola from the Vermont Chamber. Both have moved on from their positions. We worked through the details of the matching marketing grants we are establishing for the fiscal year and received excellent feedback from the group. Everyone reported strong summer business.
- **Wixhill Contract:** We have finalized our contract with our U.K. Representation firm to expand to our entire international program including France, Germany, and Australia. We have hired Spike Advertising to handle Canada (replacing the New England Tourism Center). Both decisions will allow Kathleen Kolva to concentrate on the domestic and group business which is already expanding with more shows and in state opportunities with Colleges and other partners. These additions were made possible from savings from overseas travel and overtime costs that we incurred in the past.

Steven Cook, Deputy Commissioner

- **Fall Advertising:** VDTM has completed most advertising creative for the fall advertising campaign. Media for distant travelers begins on August 8th with regional advertising starting on August 15th.
- **Market Vermont Grant Program:** VDTM will release applications for the Market Vermont grant program in early September. Market Vermont comprises \$75,000 approved by the Vermont Travel and Recreation Council for the Vermont Department of Tourism & Marketing (VDTM) to award in Fiscal 2017 as dollar-for-dollar matching grants in amounts not to exceed \$10,000. There will be a 10% retainage of grant funds until a final report is submitted.

COMMUNICATIONS ♦ Philip Tortora, Director of Communications

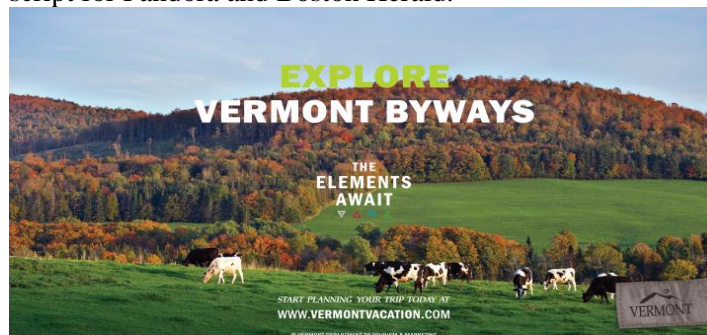
Media Correspondence

- **Boston Herald:** Philip was interviewed by travel writer Moira McCarthy for an upcoming piece that will promote Vermont’s fall foliage season. In addition to the great leaf peeping, we played up the many authentic Vermont experiences, attractions, and products that only our state can offer. We also touched upon great mid-week travel deals, as well as outdoor destinations where people can enjoy the foliage.

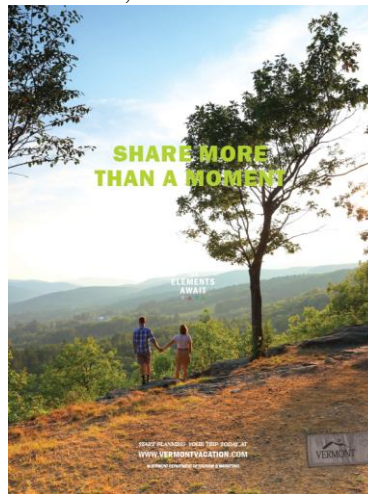
Country Living Magazine: Philip was interviewed by Arricca SanSone for a travel piece focusing on destinations and stops for visitors along the Lake Champlain Islands during foliage season. We also provided photos for the magazine to use.

MARKETING & DESIGN ♦ David Burnell, Marketing Coordinator

- **The Elements Await, Fall Campaign 2016 | Additional Insertions:** The fall campaign is close to complete, insertion wise. Still set to approve the Gannett takeover. Boston Herald insertions are out (example of print ad below). The print ads were developed to complement the stories which will run in the Vermont section. David also developed the radio script for Pandora and Boston Herald.



- **Vermont Vacation Guide | 2017 Ad Placement Development:** VDTM's placement for the 2017 Vermont Vacation Guide is below. David also included an updated listing for Vermont Tourism to include a positive description of what VDTM can do for consumers, and the resources available.



- **Apples to iPods | 2016 Campaign Development:** David led the coordination of the 2016 Apples to iPods promotion, working with Apple Tree Fruit Growers Association to gain an updated participant list. Thanks to Patrick, the list has been added to ApplestoIPods.com along with updated imagery – while there are alias' to the page, all out-facing communications will be ApplestoIPods.com. This will give VDTM user segregation for tracking purposes. To market the campaign David has developed static and motion graphics for social media, as well as an 11x17 poster for statewide distribution, shown below.



- **Student Mailer | 2016 Direct Mail:** David and Steve have been working with Vermont Colleges (Vermont Higher Education Council) and VSAC (Vermont Student Assistance Corp.) to develop the components and logistics of the student mailer. David developed a special envelope, two-sided, four-season overview, has been curating assets from the partners, aggregating print quotes for the production and direct mail services from printers, and has awarded the bid to the most competitive quote. The mailer will go out shortly to students and parents including a four season overview of Vermont (from VDTM, two-sided), a Vermont Vacation Guide, VAA VT State Map, VSAC Advantage information sheet, and letter from the Governor.



SALES ♦ Kathleen Kolva, Sales Manager

- **Young Leaders Follow-up:** The Miracle Corners of the World (MCW) Young Leader's Program was a great success. The amazing group of international young leaders, ages 16-25, were extremely appreciative of Champlain College's hospitality and of the "swag-bags" from VDTM. We look forward to these young leaders returning to their home countries and spreading the good word about Vermont!



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

- **Advertising:** The past two weeks have been strong for both Vermont Life and the 2017 Fishing Regulations Guide. We closed \$30,591 in new ad sales for Vermont Life, including brand new client Windsor Mansion Inn \$13,366 and Kate Nelson Interiors \$350, and SW Medical Center up from a 1x program to a 4x annual contract for the C2 placement +\$10,895, and annual renewals for both Geobarn \$4,800 and Dobra Tea \$1,180. We also closed an additional \$2,300 in ad sales for the 2017 Fishing Guide for new ad sales total of \$13,250, exceeding our \$10,000 goal by 32%.
Tom has been focused on advertising processing for both the Winter 2016-'17 issue and 2017 Fishing Regulations Guide, as well as ongoing work related to the 2017 Product Guide.

DEPARTMENT OF ECONOMIC DEVELOPMENT: Joan Goldstein, Commissioner

- **Brownfields:** Have met with VEDA, ANR, and others to develop a more streamlined process to administer the Brownfields Cleanup Fund from EPA. We aim to be more systematic so that we stay informed about all possible applications, comply with EPA, state requirements, and give VEDA enough lead time to process the loan applicants. Additionally, ANR called us and AOT to a meeting to brainstorm about getting further state funds or incentives for brownfields assessments and cleanup throughout the state. Our recommendation was to aggregate the list of unfunded projects to show that the gap in funding hurts redevelopment and possible grand list improvement in the affected towns. We will continue brainstorming ideas.

BUSINESS SUPPORT - Economic Development ♦ Jared Duval, Director

Forest Products Business Support Visits

- Took Christine McGowan, the Vermont Sustainable Jobs Fund's new Forest Products Program Director, to meet with three forest products businesses. This new position, supported by both WLEB and NBRC grants, exists to coordinate a statewide Forest Products Network and work to develop new market opportunities for Vermont's forest sector through value-chain coordination. Specific value-chains under development include: modern wood heat; sourcing Vermont wood for Vermont wood manufacturers; and timber frame construction. We met with:

- Rodney Rood, Catamount Forest Products, Groton: Rodney has 19 employees and has a large logging and chipping operation. He holds contracts to supply the State Parks system with firewood, the Montpelier District Heat plant, as well as 15 Vermont schools that are heating with wood. He is concerned with the low prices in low-grade and softwood markets. Following up with referrals to some mission-based/alternative loan programs and to the Vermont Training Program.
- Joel Currier, Currier Forest Products, Danville: Joel has a logging and sawmill operation. He manages 500 acres of his own land in Danville, including 250 acres of woodlot. He owns and has begun operating the first Vimek forwarder in New England. This is Scandinavian technology that allows for low-impact harvesting in wet and thick stands. This forwarder is about a third of the weight of a normal forwarder. He is also finishing a new custom kiln for drying (paid for with a WLEB grant), as well as a timber frame structure for holding dried lumber inventory coming out of the kiln. Joel is committed to supporting Vermont furniture and secondary manufacturers with Vermont wood. Multiple referrals made.
- Tabitha Bowling, Kingdom Pellet, Lunenburg: Tabitha gave a tour of the Lunenburg site (the former Dirigo paper mill, now Ampersand Energy) where Kingdom Pellet hopes to begin wood pellet production next Fall (will become Vermont's 3rd wood pellet mill, after Vermont Wood Pellet in Clarendon and Renewable Fuels of Vermont in West Windsor).

Working Lands Enterprise Board (WLEB) Meeting

- Preparing to release our Request for Proposals (RFP) for our 2016/2017 working lands business grants. Press release will go out and application made available online as of **Mon. Oct. 3rd** with Letters of Intent (LOIs) **due by noon on Wed. Nov. 9**. We should have approx. **\$700,000** available for working lands grants this upcoming cycle (business and service provider grants).
- Committee updates
 - Financing options: VEDA and VCLF getting closer to launching their alternative loan products for working lands businesses.
 - Forestry: The crisis facing regional low-grade and softwood markets continues to unfold with the continued decline of the pulp and paper industry. We have a listening and resource sharing session scheduled for Wed. Oct. 5th in Bradford, a joint event with the Green Mountain Economic Development Corp. and the Cohase Regional Chamber of Commerce. Commissioner Snyder attending.

Other

- **Olivia's Croutons**: Alongside John Young (Vermont Training Program) and Sara Gilbert (Rutland Economic Development Corporation), met with Francie to discuss the Vermont Training Program and various other business assistance.

BUSINESS SUPPORT ♦ Brett Long, Director

- Brownfield discussion on Hoosik River Hydro project
- Introductory meeting with ANR on Brownfields relationship
- Brainstorming meeting with ANR and VTRANS on 2017 initiatives
- Conversation on proposed funding for North East Precision
- Responded to inquiry from Austrian Trade Office for large steel pipe providers in Vermont
- Discussions on discounting Burke contractor receivables

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

- Met with Deputy Secretary Diane Bothfeld of Ag department as well as Lake Champlain Chamber, Autumn Harp, Food Science and Janice's Skin Care to discuss the changes in law that went into effect July 1st:
 - § 18. CERTIFICATE OF FREE SALE
 - (a) The Secretary is hereby authorized to make available certificates of free sale to applicants who manufacture or produce Vermont food regulated by the Agency for the limited purpose of facilitating the shipment of such products for sale in foreign countries.
 - (b) The Agency may adopt rule for the issuance of such certificates.
 - (c) The Agency shall assess a fee of \$30.00 per certificate to offset administrative costs.
- The Agency of Agriculture regulates the following:
- Milk and Dairy products for Human consumption
 - Frozen desserts
 - Commercial feed and seeds – all must be registered with the Agency of Agriculture and inspected
 - Meat and meat products

- Ginseng
- Apples
- Maple Syrup and Maple Products
- Eggs
- Potatoes
- Starting October 7th Vermont businesses will now need to see what product they are trying to obtain a Certificate of Free Sale from and then either contact Agency of Agriculture or Lake Champlain Chamber. The Chamber offers Certificates of Origins already for no charge to members and a minimal charge to non-members. They will duplicate this cost for Certificate of Free Sales. There will be some products that will have to now go through FDA, and companies were made aware of this. Agency of Commerce is assisting Agency of Agriculture to transition this service to the Lake Champlain Chamber to ensure no businesses see any change or have any issues exporting.
- AeroMart 2017 Planning has begun at a high level. AeroMart 2017 will take place in Montreal from April 4-6, 2017. AeroMart provides outstanding networking opportunities for Vermont's Aerospace industry. OEM's Tier1's, the entire supply chain and international services suppliers meet in Montreal (the 3rd aeronautic hub in the world).

VERMONT ECONOMIC PROGRESS COUNCIL ♦ Fred Kenney, Director

VEGI

- On July 28, the VEPC Board started VEGI program review required by Act 157. Took comments from several people on the eight review issues, including Reps. Davis, Browning and O'Sullivan, Sen MacDonald, Cairn Cross, Tax Department reps, Rob Stewart from SOH, a VEGI company, and Christine Oliver, an HR expert. Auditor Hoffer and a VTDigger reporter attended. Article in VTDigger on August 7.
- Attended July 25 JFO meeting: Presented 2016 VEGI Model updates, which were approved with one dissenting vote by Rep. Sharpe. They also established the VEGI Technical Working Group as required by Act 157.
- Continued to work with the following to file applications in September or October: Westminster Cracker (Rutland), Commonwealth Dairy (Brattleboro).
- Provided pre-application estimate to NuHarbor Security. Company decided against applying due to low estimate of incentives.
- Continued to work on potential application for: Cadcut (Montpelier), Citizen Cider (Burlington).
- Initiated contact with: Vermont Precision Tools (Swanton), NSA (St. Johnsbury), Precision Composites (St. Johnsbury), Hermit Thrush Brewery (Brattleboro).
- Met with Spencer Newman, CFO, LED Dynamics (Randolph), regarding potential expansion.
- With Pat, met with Archer and Margot Mayor regarding potential for filming Joe Gunther series in Vermont and establishing a Film Institute in Vermont (impacts WCEDP also).

WCEDP

- Met with VEDA regarding changes to the WCEDP loan program to streamline process.
- Participated in WCEDP Advisory Council meeting to review 2016 competitive grant Letters of Intent to Apply.
- Finalized grant agreements for: BDCC Partner Grant (FY17), SBDC Partner Grant (FY17), BDCC/Chroma incentives, and Windham Grows.
- First payment for Chroma project sent.
- Worked with EDA and other funders to consolidate and align reporting requirements for joint grantees.

VERMONT TRAINING PROGRAM ♦ John Young, Director

- Met with Oxbow Creative who is a small 7-person marketing company that is growing and having difficulties finding the qualified candidates to hire. They may pursue a training grant and I also connected them with GBIC and SBDC.
- Bariatrix Nutritionals have an approved grant to help train employees for 2 new production lines moving from Canada to their Georgia, VT facility. This is the first grant to be completed through Intelligrants and besides a few small glitches went well.
- VTC (paramedic training), Renewable NRG are in the review stage and should be sent to the Commissioner by the middle of the week.
- Super Thin Saws is working on a VTP grant as it is starting to manufacture its own blanks that will be used in making saw blades and a few new machines and processes will be in place soon.

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

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

CONFIDENTIAL and PRIVILEGED

To: The Honorable Peter Shumlin, Governor
From: Michael S. Pieciak, Commissioner, Department of Financial Regulation
Date: August 26, 2016
Re: Weekly Report



Securities Division:

USCIS Request for Information: DFR worked closely with ACCD to draft the Vermont Regional Center's (VRC) response to USCIS's request for information which was filed on Thursday August 25, 2016. We anticipate USCIS will be in touch with the VRC within a month regarding next steps, which could include: (1) an all clear regarding VRC operations; (2) a request for further information; or (3) an intent to terminate the VRC. It is hard to guess the direction USCIS will take, but I have confidence in the strength of our response.

Jay Peak Investigation: DFR is investigating an allegation that Jay Peak sold the same hotel units in the Hotel Jay/Penthouse to two separate limited partnerships (those being phases 2 and 3). This allegation was not part of the state or federal securities complaint. DFR intends to get to the bottom of these allegations to verify or dispel them and to do so in a timely manner; currently aiming for the end of next week.

Captive Insurance Division:

New captive: Beacon Capital this week was licensed as Vermont captive insurance company number 1,075. Beacon Capital is a real estate investment firm that manages commercial properties in select big-city markets and currently owns high-end properties in Boston, New York, Washington, DC, Chicago, Denver, Los Angeles, San Francisco, and Seattle. Beacon Capital formed the Vermont captive so it could merge with its existing New York captive and then dissolve the Vermont captive. Beacon Capital is doing this because Vermont's captive laws are more flexible than New York's regarding dissolution. Accordingly, although a somewhat unusual transaction, it highlights the relative strength of Vermont's captive laws.





Privileged and Confidential

MEMORANDUM

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

From: Christopher Recchia, Commissioner

Date: August 26, 2016

Subject: Weekly Report

Governor Level Issues:

Status of Priorities and Cases of Interest:

VGS – All VGS the beginning of the week. We filed our testimony and issued our Press Release and fielded media calls Monday and again on Tuesday. We informed VGS of our testimony and press release content over the weekend, and they theirs with us. So there were no surprises. I think the information was received well by reporters, and several did a very good job of summarizing the filing – particularly VT Digger and VPR, as a result of Jon’s briefing of them on the Friday before. I think coverage was good, and opponents must agree as exemplified by their silence. That’s about the best it gets these days.

Meetings/Calls this Week: None – Both Jon and I were “off” this week. Ed McNamara covering NEG/ECP this weekend. Telecom Director Porter meeting with CoverageCo in Boston on 8/25 (See entry below).

Meetings next Week:

Aug 28 – NEG/ECP – Ed McNamara Covering for PSD

Aug 29 – Hydro Working Group meeting

Aug 30 – WDEV Interview on VGS, Act 174 Stakeholder Gathering, Entergy Meeting

Aug 31 –

Sep 01 – EAN on 90% by 2050 meeting, Chris at BFP “The Table”
Sep 02 – NESCOE Briefing Call

Media: BFP on VGS and Protester Costs to Ratepayers; VPR, VTDigger & BFP on VGS Rate Case; Rutland Herald on VGS Harsh Sunflowers

Public Official Contacts: Senator Chris Bray on GMP Innovative Programs

Everything Else:

PERD

Act 174 / RPC Planning

- Reviewed survey responses (95 received).
- Began drafting standards document ideas.
- Prepared for Aug. 30 public meeting.
 - Prepared agenda.
 - Main hall will hold up to 100 people, two auxiliary rooms will host 20 people, and one 10. Collected RSVPs, 20 people plan to attend so far. VNRC will blast the meeting notice out again.
 - Met internally on the structure and content.
- Met with VLCT Quality of Life & the Environment Committee to discuss standards development.
- Met with VNRC to discuss standards.
- Sent draft response to constituent contact from Jim Kardas re: Act 174 to deputy commissioner for review.
- Sent all pilot regional plan comments along with cover memo to Bennington RPC (to forward to Northwest and Two Rivers).
- The contract amendment to fund the remaining RPCs is finally approved, though the long time it took for approvals means the first deliverable (LEAP analysis) will be at least a month delayed.

EEU Oversight

- DRP: Met with EVT re: scenario definition and modeling.
- There remains some tension between providing quantified limits or targets for EVT’s modeling (which would give us greater confidence that the model isn’t of EVT resting on its laurels) and providing greater flexibility in hope of getting even higher levels of performance. That is, if there is a numerical target, is it a floor or a ceiling?

Tier 3 Implementation

- DPS is due to share an approach to cold climate heat pumps this week. The approach decreases the heat pump credit in non-weatherized buildings to appropriately incentivize utilities to couple CCHPs with weatherization services.
- Discussed with GMP how they can claim a higher renewable-energy fraction than required by the RES. They had thought they could do it just by acquiring a number of additional (inexpensive) RECs. Staff clarified that this acquisition would need to be coupled with a regulatory commitment to maintain an RE% above some level each year,

regardless of sales. Expect GMP to aim for surpassing the RES Tier 1 requirements by 10% in the early years.

Thermal Energy Finance Pilot

- Continued work on development of program metrics needed for the pilot evaluation; started drafting report.

Finance Collaborative

- Held conversations with REV and BPPA-Vt. regarding their potential participation. Both were supportive of the Department's initiative. Also reached out to BED, which provided input on the draft document including a request to include the Dept. of Financial Regulation in the collaborative.
- Scheduled first tentative date for kick-off; learned that the desired date does not work for VEDA or the Treasurer. Will run a doodle poll to find an acceptable date based on input from these two offices.
- Drafted kickoff meeting agenda for review next week.

Clean Energy Development Fund

- Drafted MOUs for shared energy staff positions with PSD and AAFM and FPR
- Drafted and sent out for signature grant extensions/amendments to Casella and Grow Compost on their food waste digester projects/grants.
- Completed draft bid documents for wood energy baseline study – sent to FPR and ACD/Working Lands Enterprise Board for comment.

Integrated Resource Planning

- VGS IRP – staff met with VGS. The Company presented high, base, and low scenarios for growth. Staff sent over a copy of the IRP planning guidance that was issued with the CEP. VGS plans to come in several times over the next 8 weeks with the aim of filing and IRP that the Department agrees with. The largest unresolved issue is whether and when they plan to expand to Rutland. As VGS framed it, this largely depends on the price differential between NG and fuel oil. If the differential is high, they expect expansion will make sense, otherwise not.
- BED IRP – Staff have divided up the BED IRP and will review in preparation for a meeting with them next week.

Power Supply

- Swanton Rate Case – Completed review of Swanton's power supply cost request of \$2.7+ million and made recommendation that power supply cost request be accepted in full. Made several inquiries with VPPSA regarding different components of their filing, including their projection of CSO revenues, RNS forecast, planned resales, and RES compliance costs. In general, the request is driven by lower expected energy market prices, higher capacity prices and transmission rates starting in Summer 2017.
- Utility Resource Survey – Met with Board staff to discuss possibility of using PERD's survey form to collect the information relevant to RES compliance filing and biennial

NM reporting requirements. It was generally agreed that the form could be useful for collecting information about individual BTM projects which may only be visible in aggregate within GIS.

Regional

Integrating Markets and Public Policies

On August 11, NEPOOL kicked off a multi-month process for reviewing potential options for integrating the wholesale electricity markets and state policies that provide out-of-market power purchase agreements for renewable resources. The process is expected to continue through the fall, with a proposal for further study identified in December.

The impetus behind the IMAPP process is the passage of the Massachusetts energy bill which requires its electric distribution utilities to enter into long-term contracts with 1,600 MW of off-shore wind and 1,200 MW of Canadian hydro or new renewables. However, the issues being explored are not unique to New England, and PJM Interconnection has also initiated a process to review the issues.

A significant concern that states have had for some time is the ability of clean energy resources to clear in the Forward Capacity Market. Capacity revenues currently make up 15-20% of revenues for resources and this percentage is expected to increase to close to 45% in the next 20 years.

A component of the existing FCM is the Minimum Offer Price Rule, which is designed to prevent resources from submitting uneconomic bids intended to lower the clearing price of the market. Under the MOPR, ISO-NE develops expected bid prices for resources based on the economics of developing and running specific resource types (gas-fired combined cycle, solar, wind, etc.). To the extent that a resource bids less than its Offer Review Trigger Price, the resource has to justify its bid and demonstrate that there are no out-of-market subsidies, which does not include renewable energy credits but does include payments under a bilateral power purchase agreement. If ISO-NE identifies an out-of-market subsidy it will “mitigate” the resource’s bid by raising it to a level that would exclude such subsidy.

ISO-NE proposed, and FERC accepted, a compromise under which 200 MW of state-sponsored resources (resources which have contracts entered into to fulfill state renewable requirements) per year are exempt from the Minimum Offer Price Rule, with an ability to roll over unused amounts provided that no more than 600 MW of the exemption is used in any given Forward Capacity Auction. This limit on the amount of resources exempted from the MOPR would very likely prevent the import of 1200 MW of Canadian hydro from a new transmission line from clearing in the Forward Capacity Auction, resulting in over procurement of capacity. It’s important to note that the MOPR in PJM only applies to gas-fired plants; however, when FERC approved the MOPR in New England and New York, it applied the rule to all resources with limited exemptions for some renewables.

A general point regarding wholesale markets is that they are designed to ensure reliability at the

lowest economically efficient price. They are specifically designed to be fuel neutral and as a result do not account for lack of resource diversity (which is particularly an issue in New England with the high concentration of natural gas-fired plants) or to address public policy goals such as carbon reduction.

August 11 Presentations

At the August 11 meeting, eleven presenters provided proposed changes to the markets. Generally, the proposals fell into the following three categories: *Forward Clean Energy Market*; *Carbon Price in the Existing Markets*; and *Residual Capacity Market*:

PJM Interconnect

On August 18, PJM held a conference to discuss similar issues related to integrating markets and policies. There was general disagreement as to whether the markets are working effectively. PJM did offer a potential two-stage forward capacity market mechanism. Under this proposal, “subsidized” resources, would not participate in the capacity auction to determine the amount to be purchased. The load associated with these resources would also not be obligated to purchase that amount. The second stage would involve putting the “subsidized” resources back into the market to determine the clearing price, with these resources being assigned a proxy price by PJM based upon each resource’s technology type. The purpose of this second stage is to ensure that the capacity market clearing price reflects the unsubsidized cost of capacity.

Finance & Economics

Electric

Swanton: Tariff Filing #8617 - Swanton Village, Inc. Electric Department filed requesting for an overall rate increase in the amount of 4.52%, to take effect 9/6/16. Staff has been in communication with VPPSA and sent discovery questions. Issues include the amount of net income requested, documentation for projects included in depreciation, and the inclusion of nonrecurring expenses. Staff prepared a recommend that the PSD ask for an extension time for submitting the recommendation to the PSB.

VEC Special Contract : VEC has filed three requests for Board approval of a special contracts in connection with their Tier 3 “Clean Air Program.” A PSD recommendation on the first special contract is due on September 8th.

VEC Tariff Filing: VEC is proposing a Pilot Time-of-Use Rate. VEC provided an F&E briefing for a pilot program offering time-of-use rates to be applied towards their Tier 3 (Act 56) Renewable Energy program requirements. Bases on historic AMI meter readings VEC designed a revenue neutral tariff with on-peak, mid-peak, and off-peak rates. The proscribed rate design (for Residential customers) ranges for an off-peak low of \$.1179 per kWh to an on-peak high of \$.3201 per kWh. VEC indicated plans to file the tariff change by August 31st.

Engineering

Vermont Yankee Spent Fuel Management & Decommissioning

Systems maintenance and testing to support Spent Fuel Pool (SFP) integrity continued during the reporting period. Most notably, routine maintenance and performance checks on the Torus to

SFP Water Filtration System were completed (8/18). Additionally, monthly surveillance testing on the Station Blackout (SBO) Diesel Generator was also completed (8/24). Efforts to convert the former Condensate Storage Tank (CST) to contingency water storage for abandoned, drained reactor systems (first reported on 6/8) continue and are expected to complete by next week. No issues identified during the reporting period adversely impacted SFP integrity.

Update on VY Groundwater Management Issues

As of 8/24, approximately 307,000 gallons of intrusion water have been shipped offsite, with two shipments (~10,000 gallons) occurring last week. VY still anticipates that, as of next week, only one shipment per week (~5,000 gallons) will be required. As expected, following several recent rainstorms, the intrusion rate has increased to approximately 900 gal/day (up from 750 gal/day two weeks ago). With the stored intrusion water inventory fully consolidated into one of the two remaining holding tanks outside the Turbine Building, the second, empty holding tank was sent offsite for decontamination on 8/23 (leaving one tank onsite). The pumping of intrusion water from the Turbine Building to this storage tank will continue on an as-needed basis. Additional investigations of the seismic gap as a major intrusion source are on hold while VY reviews contractor bids to reseal the gap. VY has placed on “hold” its request of ANR to discharge directly to the CT River.

Second VY Independent Spent Fuel Storage Installation (ISFSI) Construction Activities

Efforts to relocate several underground conduits in the vicinity of the North Warehouse (the future site of the Second ISFSI) continue. Within the excavation immediately west of the warehouse (CS137 detected - reported last week), concrete forms are now in place constructing the foundation and sound-abatement enclosure for the new diesel generator to be installed with the Second ISFSI. Additional excavation between the two Dry Fuel Storage Transport Turning Pads near the VY Containment Access Building (CAB) is also underway. (This latter effort is one of the Dry Fuel Storage Transport pathway enhancements discussed in Public Service Board testimony for the Second ISFSI project.) Soil and debris from these excavations are currently being stored onsite where the South Warehouse once stood.

Vermont Gas Systems Addison Transmission Pipeline Project Construction

Approximately 5,866 feet of pipeline was installed by open-trench method last week by the primary construction contractor for the project. No pipe was installed by Horizontal Direction Drilling (HDD). Total 2016 installation between Williston and Middlebury at the end of the week was approximately 16.1 miles. The Department Pipeline Inspector performed inspections of pipe-condition related to HDD installation at Monkton Swamp, qualifications of individuals performing pipeline construction functions, quality control monitoring of pipe-coating material(s), and on-site pipe-coating application.

Public Advocacy

Swanton Village Electric Dept. Proposed 4.52% Rate Increase – Tariff No. 8617 – as reported above, the PSD’s finance division is working with Swanton in an attempt to resolve remaining concerns. Since the PSD recommendation is due 8/24, we will request an extension until September 7th.

Coolidge Solar 20 MW facility in Ludlow - Docket 8685 and Request for Rule 4.100 contract approval- Docket 8586 – ANR and BED have responded to Coolidge’s discovery requests. The PSD will finish and file responses, which are due by August 24th. The PSD is scheduling a conversation with Coolidge regarding system stability and reliability concerns. With reference to Coolidge’s motion to dismiss docket 8586, Coolidge replied to the PSD response and to the GMP response. Basically, Coolidge objects to the docket being dismissed with prejudice. The PSD is considering a further response. The petitioner is scheduled to file rebuttal testimony on September 14th.

SunE Solar Rutland – Docket 7957 – This CPG holder was ordered to show compliance with its testimony in this docket that it would preserve a 20-foot fire lane. The PSD has communicated with the fire chief, who continues to have concerns. The PSD is attempting to coordinate a meeting with the CPG holder and the fire chief.

Swanton Met Tower Penalty Investigation – Docket 8561 – This case involves a meteorological tower constructed in Swanton without prior Board approval. Respondent Belisle recently filed a notice of appeal to the Vermont Supreme Court of the Board’s Order Denying Reconsideration of the Hearing Officer’s decision to grant intervenor status to Christine and Dustin Lang. The Clerk of the Supreme Court issued a notice of record completeness on August 15th, which triggers the 30-day timeframe for filing of the Appellant’s brief. Appellees’ briefs are due 21 days after Appellant’s brief. The Department received Appellant’s docketing statement dated August 9th on August 15th. The Department filed its own docketing statement on August 19th. On August 18th, the Supreme Court issued an order directing Appellant Belisle to show cause why an interlocutory appeal is appropriate in this matter prior to issuance of a final Board order. Belisle’s response is due on August 29th, with Appellees’ comments due 10 days thereafter. The Langs have advised that they do not intend to retain counsel for the appeal. PSD will defend the PSB’s Order, but has advised the Langs that it cannot represent their interests as such.

Petition of Robert Garthwaite to Revoke CPG #NM-1771 – Docket 8774 – This case involves a complaint that the holder of the CPG, David Blittersdorf, did not construct the turbines in accordance with the CPG application. The Board’s Hearing Officer held a prehearing conference on July 29th. At the prehearing, the Department proposed that Mr. Blittersdorf be required to file a statement pursuant to 30 V.S.A. § 30(g) responding to the alleged violation, and that a schedule be determined following that filing. On August 1st, the Hearing Officer issued a Prehearing Conference Memorandum establishing dates for intervention requests and responses and adopting the Department’s recommendation that the investigation proceed in two phases: the first to determine whether a violation has occurred, and the second to determine the magnitude of penalty, if appropriate. The Hearing Officer issued a separate order requiring Mr. Blittersdorf to file an affidavit, by August 26th, pursuant to 30 V.S.A. § 30(g) explaining whether or not the project is in conformance with its CPG. The Hearing Officer will then issue a separate scheduling order requesting parties’ comments.

Vermont Electric Cooperative Special Contract with David Schurman d/b/a Little Charlie’s Sugarbush – no docket – VEC submitted a filing on June 29th requesting approval of a special contract with a maple sugar producer as part of its Clean Air Program, with the objective to contribute to line extensions and service upgrades to replace off-grid fossil fuel-reliant

installations. The Department supported this contract, and the Board issued an order on August 18th approving the contract.

Vermont Electric Cooperative Request for Approval of a Special Contract with Rick Mayotte – no docket – VEC submitted a filing on August 5th requesting approval of a special contract with a maple sugar producer as part of its Clean Air Program. The program seeks to reduce the use of fossil fuels by providing incentives for the construction of line extensions to replace fossil fuel use with electricity. The purpose of this contract is to provide Mr. Mayotte with an increase in his service capacity, which requires an underground vault, a 250 kVA transformer and associated conductors and materials. The Department's response is due on September 8th.

Vermont Electric Cooperative Request for Approval of a Special Contract with Steve Devost – no docket – On August 16th, VEC filed a request for approval of another special contract with Steve Devost, a sugar-maker, as part of its Clean Air Program. The Department's response is due on September 16th.

GMP 248(j) Petition to Reconstruct the South Brattleboro Substation – Docket 8778 – GMP filed a petition on July 5th requesting approval pursuant to Section 248(j) for reconstruction of the South Brattleboro Substation. The Department filed a letter on August 24th recommending approval of the project.

Petition of Morrisville Water and Light Department for a Declaratory Order Interpreting the Meaning of “first-come, first-served” in 30 V.S.A. § 219a(h)(1)(A) – Docket 8756 – The Hearing Officer held a prehearing conference on August 5, 2016. A schedule was agreed upon by all parties, whereby Morrisville will file testimony on August 15th and the DPS will file a response on August 29th. Morrisville's testimony filed on August 15th reports that Morrisville has since submitted an interconnection application, which the Board has previously accepted as sufficient for securing a position in the net metering queue. The Department will be considering its response and discussing its position with Morrisville.

In Re: Petition of the CLEC Association of Northern New England to Amend Board Rule 3.706(D)(1) Regarding the Rental Calculation for Pole Attachments – no docket – The Board has scheduled a Rule 3.706 workshop for August 26, 2016.

Otter Creek Solar, LLC seeking resolution of an interconnection dispute with Green Mountain Power Corporation – Docket 8775 – This case concerns a dispute between GMP and a solar net metering developer over GMP's treatment of a solar project for which the developer changed its location and GMP subsequently deemed the project's application withdrawn for reason of a “material change.” The Department, GMP, and Otter Creek Solar have submitted extensive filings setting forth their respective positions, and the Department has agreed with GMP that the application should be considered withdrawn and the Board should require the developer to submit a new application. The Hearing Officer issued a Scheduling Order on August 19th requiring parties to submit testimony by August 24th in response to a number of questions. None of these factual questions are directed at the Department and the Department intends to rely upon its previous letter outlining its legal position. GMP has filed a request seeking a one-week extension to this deadline. Parties will then propound discovery and a technical hearing will take

place on September 16th.

VGS Addison Expansion—Docket 7970- On August 23, the Board denied Kristin Lyons' July 27 expanded Motion for Order to Show Cause and Request for Sanctions which included allegations regarding wetlands delineation errors in Hinesburg, as well as the destruction of the harsh sunflower on the former Peyser property.

VGS –Investigation re: Taking of Harsh Sunflower-Docket 8791-In response to the joint request of the Department and ANR, the Board opened an investigation into the imposition of sanctions for this unauthorized taking. As requested by Vermont Gas, the Board agreed to stay the investigation and permit the separate ANR enforcement proceeding to be conducted first; neither the Department nor ANR objected to this request.

VGS-Act 250 jurisdictional inquiry re: Distribution Facilities-no docket-On August 15, Jim Dumont presented to the Rutland office of the Natural Resources Board a Request for a Jurisdictional Opinion regarding the necessity of a Land Use Permit for Vermont Gas's distribution lines; the Request was submitted on behalf of "several citizens" who reside in Hinesburg and Monkton. The District Coordinator directed the Request to Vermont Gas, the Department, the Board and ANR and asked that any comments on the Request be submitted by September 20.

VGS Addison Expansion –Notice of Probable Violations-no docket- A NOPV regarding Vermont Gas's construction practices where electric transmission lines are present was transmitted to VGS on August 8. The NOPV alleges that Vermont Gas failed to follow its own Specifications in this regard. The NOPV requests, among other things, a civil penalty in the amount of \$150,000.

A second draft NOPV regarding improper pipe burial has been sent to Public Advocacy for review and comment.

CLF declaratory ruling re: need for an amended CPG for the VGS Addison Expansion - Docket 8330 - Formal notice has been issued that oral argument-as requested by CLF- will be heard by the Board on September 7 at the Pavilion Auditorium.

GMP-St. Albans Community Digester-Docket 8673- 800 kW methane biodigester generation facility to be constructed in St. Albans. GMP and the Department met on June 28 to discuss revisions to the Project in response to concerns raised by the Department. The schedule remains suspended, but GMP has circulated a revised proposed schedule to parties for comment. The Department has declined to support a schedule until talks are concluded among staff and we receive promised documentation from GMP.

VGS-Petition for a Renewable Natural Gas Program and Optional Tariff-Docket 8667-Following the grant of an extension to file supplemental testimony, Lincoln Renewable has twice attempted to obtain additional continuances of this docket. On August 22, the Hearing Officer denied the Motions to Continue. The technical hearing will go forward as scheduled on September 2. The Department is generally supportive of the Program and met with representatives of VGS on August 24 to discuss the upcoming hearing.

VGS-Town of Hinesburg condemnation-Docket 8643-This parcel is in a park owned by the Town. Initial briefs were submitted by Vermont Gas, the Resident Intervenors and the Department on August 19 and reply briefs are due August 29.

GMPSolar Panton – Docket 8637 – GMP filed its municipal notice with the Town of Panton as required by Act 174.

Rutland Renewable Energy, LLC – City Solar Garden Project – Docket 8182 – The PSB found Rutland Renewable’s proposed new letter of credit conforms to the requirements of its CPG and approved it as a replacement to the previously approved letter of credit.

Northfield 2015 IRP - Docket 8629 – The PSB approved the MOU (among Northfield, the PSD and VPPSA) and Northfield’s IRP with the specific requirement that Northfield incorporate the methodological improvements described in the MOU in its next IRP.

Ludlow 2015 IRP - Docket 8626 – The PSB approved the MOU (among Ludlow, the PSD and VPPSA) and Ludlow’s IRP with the specific requirement that Ludlow incorporate the methodological improvements described in the MOU in its next IRP.

Telecommunications

CoverageCo Project : Vanu CoverageCo is a company under contract with the State of Vermont to provide cellular service in unserved areas. The Vermont Telecommunications Authority entered into three agreements with CoverageCo. The Economic Development Administration funds one of these projects and the other two are state funded. In 2015, the Department of Public Service became responsible for completing these projects, which were already behind schedule. As a result of all the field testing completed in the last 2 months, meetings with CoverageCo staff, the Department issued a letter to CoverageCo’s senior management last week detailing concerns about the company’s ability to deploy the state funded network. The intent of the letter was to raise important issues prior to a scheduled face to face meeting on August 25 with CoverageCo’s senior management. CoverageCo responded negatively to the letter. The CEO of the parent company, Vanu, Inc., expressed concern that the network was unprofitable and said that sites needed to be moved to higher traffic areas. The CEO said CoverageCo requires the state’s support to get additional funding from its investors. Vanu’s CEO blamed the Department’s letter for the company’s inability to lure new investment. The Department has responded. The Department’s letter expresses disappointment in Vanu’s chosen position, and reminds CoverageCo of its existing obligations to the state.

Department staff continue to have concerns about the company’s staffing levels and ability to effectively manage a network of nearly 400 small cell sites. To-date, the state has invested over \$3 million into the CoverageCo network.

Telecom staff are meeting with Mr. Bose in Cambridge, MA, on Thursday, August 25, 2016, to further discuss moving forward with the project.

FairPoint Petition to Investigate 5903 Service Metrics (Docket 8701)

Department staff are preparing its first round of discovery requests, which must be served by August 25. The Department also filed a response to a FP motion for confidential treatment of an exhibit that details the number of subscribers that do not have access to a competitive provider. The Department recommended that the Board approve the motion, but treat the subscriber information confidential only for the duration of the litigated docket. The Department stated that if FairPoint receives permission to modify its service quality reporting metrics, then the redacted information regarding subscribers without competitive alternatives should be made public. FairPoint is seeking to be relieved of service quality reporting for locations that have a competitive alternative, and instead only report service quality for captive customers. In addition, it seeks to change the metric of 70% of troubles cleared in 24 hours to 70% of troubles cleared in 48 hours. The PSD has engaged consultants to review the petition. PSD staff has directed the consultants to focus on two areas: First, how will FairPoint incorporate the list of 40,000 captive customers into its databases, and is this adequate, and second is the cleared in 48 hours proposal reasonable, or would a different metric be more likely to ensure adequate service quality.

PSB Workshop on Rulemaking Petition from CANNE

The Board will hold a workshop on August 26 for a rulemaking petition from the CLEC Association of Northern New England (CANNE). CANNE is requesting that the Board amend Rule 3.706 and the formula for establishing rental rates for attachments on utility poles. CANNE is requesting that the Board modify the rule to require that all attaching entities be billed at the same rate. The current rule presumes that cable providers utilize half of the space that all other attaching entities use, and are presumed to be billed accordingly. Numerous utilities have filed comments in response to the petition. The incumbent telecom companies are opposing the petition. Electric utilities, including GMP and VEC, filed comments supporting a rulemaking docket, but they believe that the scope of rulemaking should be expanded to touch on other issues such as dual poles. GMP also requested that the Board reexamine the formula that is used to establish default rates for attachments. The Department anticipates that many entities will attend the workshop, and it is likely that the process may become complicated by the many diverse interests that are at stake.

At this point the Department will support a single rate that is likely higher than a uniform one-foot rate. It is anticipated that we will support a revenue-neutral single rate.

VEC and FairPoint Dual Poles in Essex County

Department staff received complaints from a legislator regarding dual poles on some utility lines in the northeast kingdom. Several towns have complained that the dual poles have become a maintenance problem within the municipal-rights-of-way. DPS staff have been in touch with both FairPoint and VEC, which are the owners of the poles. VEC received federal funding to replace poles that are jointly owned by FairPoint and VEC. VEC obtained an Act 250 permit for the new poles, which have been installed over the past two years. VEC, however, has been unable to reach an agreement with FairPoint for FairPoint to move its lines onto the VEC poles. There are now approximately 200 dual pole installations. VEC has a condition in its Act 250 permit that requires removal of the old poles, but cannot do so without reaching an agreement

with FairPoint. Both sides have indicated that the other party is at fault, but VEC acknowledges that it proceeded without obtaining an agreement with FairPoint. VEC is attempting to fix the problem, but informed the Department that it is not making any progress with FairPoint. Department staff have determined that the Department does not have regulatory authority to force a solution, and anticipates that VEC and FairPoint will likely need to resolve the issue through litigation.

T-Mobile § 248a Application – Vershire (Docket 8689)

The Board held a technical hearing on August 18th. The Town presented its Selectboard chair as a witness in opposition to the project. The town's prefilled testimony argues that the project (which includes installation of a new tower) does not comply with the Vershire Town Plan. However, under cross-examination, the witness appeared to concede that it does comply with the plan. He further testified that the application should still be denied because T-Mobile did not pick an ideal location and should have spent more time consulting with the Town before proceeding with an application.

Comcast CPG Renewal (Docket 8301)

The Board completed technical hearing for the docket on Monday, July 18. DPS staff will begin preparing a post-hearing brief, which is due by September 2.

Burlington Telecom CPG Renewal (Docket 8719)

The Department will file its community needs assessment with the Board this week. The Department also intends to work with Burlington Telecom to prepare an MOU that resolves all pending issues associated with the docket. The Department does not expect that the docket will proceed to a technical hearing.

Centralized Database of Telecommunications Facilities

On July 21 Administration Secretary Johnson sent an email to the secretary of the Agency of Transportation and the commissioners of Buildings and General Services; Forests, Parks and Recreation; Public Safety; and Information and Innovation advising them that he wants to create a complete inventory of all telecommunications facilities either owned by the state of Vermont, or located on state of Vermont-owned land, buildings or property, in accordance with responsibility assigned to his office under 30 V.S.A. §§ 227b and 227e. Secretary Johnson asked the secretary and commissioners to provide site coordinates and location(s) of telecommunications facilities, as well as copies of leases and other agreements, rate schedules, and Agency/Department-specific contract terms, to the Public Service Department's Division of Telecommunications and Connectivity who will compile the information and create the inventory database. Information is to be submitted to the Division no later than Tuesday, September 13. To date, only the Agency of Transportation has submitted the requested information which division staff has reviewed and will use to begin populating a new centralized database. The Division goal upon receipt of information from the remaining departments is to complete the inventory database by the first week in October for review by Secretary Johnson.

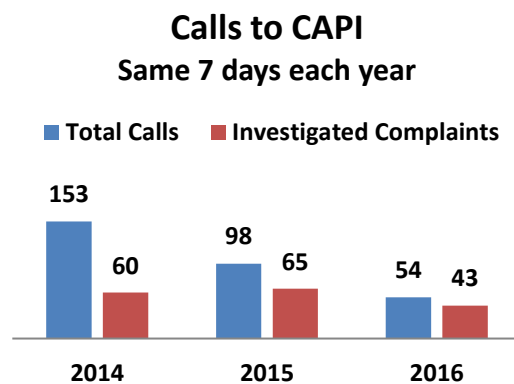
Consumer Contacts:

Ripton: Staff was contacted by a consumer in Ripton who has been directed to the division by his

local legislator. The consumer lamented his lack of quality internet service provision. He also has minimal cell signal in his area. The consumer has spent several days in the past few weeks without service. Staff discussed his concerns and potential fixes. His location is within territory designated to be covered by VTel's American Recovery and Reinvestment Act (ARRA) funding. His home is also within the FairPoint Connect America Fund (CAF II) territory. This means that he may be in an area with expansion plans for future projects. The consumer was happy with the information and thanked the division for its work. He will be working with his local municipality to get a meeting set up with the DPS Connectivity Team.

CAPI

Report period for August 15 to August 19, 2016



CPG Complaint Protocol – With input from PA and the Deputy Commissioner, CAPI made final edits to the complaint protocol. We plan to implement this version of the protocol on Sept 1st. CAPI will post the protocol on the website and invite public comments, we anticipate that the protocol will change over time and the Department has the ability to revise it as needed under Act 130.

CASES OF THE WEEK

CAPI has received three complaints from commercial customers in Southern Vermont regarding problems with MCI 800 numbers. The problems began on August 4 and have yet to be resolved. CAPI spoke to a representative at MCI on August 22 and was told that this is a Vermont specific problem and the company has not been able to identify the root cause.

SELECTED CONSUMER COMPLAINTS

FairPoint (10) or .16 per thousand customers including complaints about noise from a central office in Salisbury, right of way issues and repair delays for phone and DSL

Comcast (7) or .08 per thousand customers and complaints included disconnection made in error, problems with phone service and billing for services that were included in a consumer's package.

POST CPG COMPLAINTS

Wind – none to report.

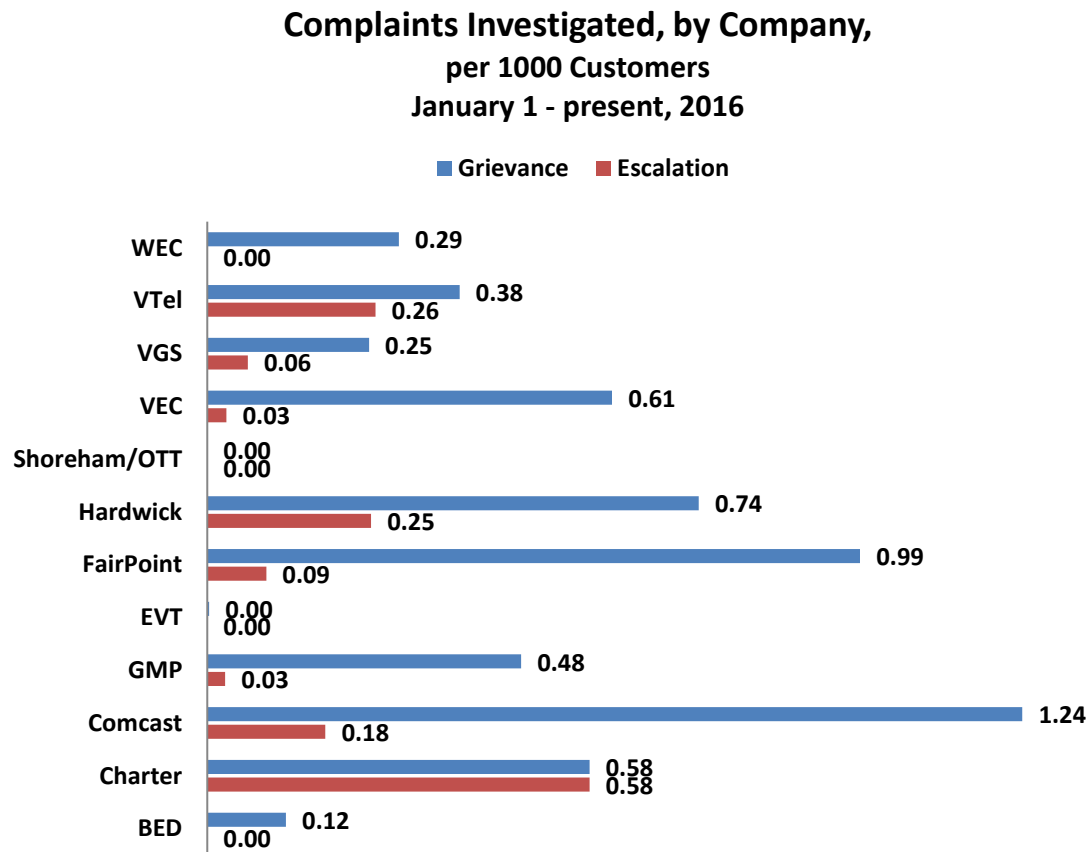
Solar – none to report.

OTHER DIVISION ACTIVITY

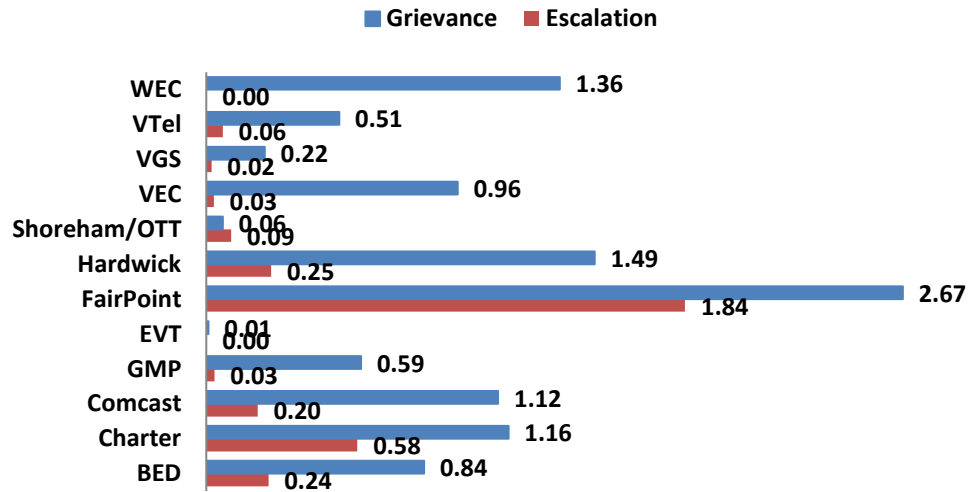
CALL DATA

NOTE: The data on complaints by company is based on companies with the highest complaint

volume. Absence from this chart does not mean there have been no complaints against a company.



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



Privileged and Confidential
Memorandum

To: Peter E. Shumlin, Governor
From: Hal Cohen, Secretary, Agency of Human Services
Re: AHS Weekly Report
Date: August 26, 2016

Secretary's Message:

After the primary, I reached out to Sue Minter and Phil Scott to offer any needed briefings on the Agency. Sue got back to me and Phil hasn't responded yet. Sue requested a two hour briefing with Harry Chen, Susan Bartlett, Lawrence Miller and myself. It was a good briefing, in particular, Sue was interested in the following topics: opiate abuse issues in Vermont, Agency integration, the status of VHC and the cost/impact of moving either to the federal exchange or to some regional exchange. Regarding VHC, she will continue to say her goal is to ensure that VHC is functional and no decisions can be made until the independent assessment of VHC is complete.

The refugee issues in Rutland heated up this week. A number of Rutland constituents have accused AHS of hiding the full Refugee Resettlement Proposal done by USCRI. Royal Bernard and Wendy Wilton have been particularly vociferous. In actuality, the proposal, (a 126-page document) is a national proposal and states are only provided with the pages that impact their own state. In our case, we have three pages for Rutland and three pages for Winooski. This was confirmed by the US State Department. I've been working with Senator Kevin Mullin on these issues. The Rutland Delegation is holding a public forum regarding refugee resettlement on Monday evening next week. Allan Sullivan, the AHS General Counsel will be attending. He has been reviewing all the FOIA requests and is well versed in AHS's resettlement role and your refugee policy.

We've made significant progress today regarding the 1115 Global Commitment Waiver. It is looking like CMS will agree to an extended phase down of our MCO Investments, one that we believe the state can fiscally handle. They are anxious to resolve as many issues as possible before we meet with the CMCS Director and you meet with Secretary Burwell.

AHS Highlights:

Agency of Human Services Secretary's Office:

Rutland County Head Start

RGHS is applying for an Early Head Start grant. If the funding is granted, they would serve 24 children from birth to three years of age, their families and pregnant women. Programming would be held for a minimum of six hours per day and would be available at least 48 weeks per year. These children would be provided comprehensive child development and family support services of the highest quality. To be eligible for the program, families must meet one of the following criteria: be at or below 100% of the poverty level, receiving public assistance, categorically eligible (homeless or in foster care) or 10% of families can be over income. They will provide programming that would reach the five STAR quality level and become NAEYC accredited to mirror their current Head Start program. They are in process of looking at potential space within Rutland City to house this new program.

Vermont Department of Health (VDH):

Family Planning Collaborative with Treatment Hubs

Currently, several Hub sites are participating in a pilot project lead by Planned Parenthood of New England. The pilot project works with Hub staff (nurses and behavioral health counselors) to conduct screenings, provide health educational materials and active referrals to connect Hub patients with long acting reversible contraception (LARC) through Planned Parenthood clinics. A Health Educator from Planned Parenthood has been conducting ongoing trainings, custom designed support, and providing materials to staff at BAART clinics in Newport and St. Johnsbury and more recently to Habit Opco in West Lebanon, New Hampshire.

Needle Disposal

Responding to a community need, a sharps container for used needles was installed at the Enosburg NOTCH health center in collaboration with VTCares. It is hoped that this will reduce the numbers of needles and syringes found in the town and village.

Department of Mental Health (DMH):

Vermont Psychiatric Care Hospital

VPCH census is currently 23. Patient acuity remains high, primarily limited to one patient's verbal threats toward other patients and physical assaults on staff. A medication application hearing for this patient is scheduled (8/25) and a decision regarding court-ordered medication will follow. The hospital anticipates lesser acuity following the initiation of injectable medication and capacity for full census next week.

Emergency Departments

This week there were 27 people in need of inpatient psychiatric admission and 19 have been admitted. Of the eight adults who continue to wait 5 are emergency examination, 1 is a court order for evaluation who has been waiting less than 48 hours, and 2 are voluntary. Five adults have been waiting for more than 36 hours. Two individuals ordered by the court for evaluation were resolved (one hospitalized and one not requiring hospitalization).

The surge of individuals needing inpatient psychiatric admission and continued high acuity on the inpatient units across the state, including VPCH, has negatively impacted the wait times this week. There are several discharges anticipated from the inpatient units early next week which should provide system relief and movement. The occupancy rate of the adult beds was at 97% this week and the children/adolescent inpatient system of care averaged 94% occupancy this week.

Department of Disabilities, Aging and Independent Living (DAIL):

Reduced Aging and Disability Resource Connection Grant Awarded

On August 22nd, the Administration on Community Living awarded the Vermont Aging and Disability Resource Connection a federal grant for \$135,000; a significant reduction from our current budget of \$400,000. The VT ADRC has worked collaboratively with ACL since 2009 on the national "No Wrong Door" initiative to provide "Options Counseling" as the first step for individuals seeking long-term services and supports.

Currently, the VT ADRC Options Counseling Program subsists purely on federal funding. We have collected a significant amount of data that speaks to the cost-effectiveness of Options counseling as a

service. Such a significant loss of funding leaves us with the dilemma of deciding if we decrease funding across the board or target specific, high needs areas only. Our congressional delegation is supportive of ADRC and continues to advocate on our behalf.

Department of Corrections (DOC):

Increased Media Calls

The Department has seen an increase in Media calls since the Department of Justice announced they will no longer be using private jail facilities to house inmates. The Media wants to know how this will impact Vermont's usage of Out of State Beds for inmates.

Population

The Department's incarcerated population averaged **1758** for the previous week. Last year at this time, the average was **+105** over the current number.

The Department's incarcerated male population averaged **1616** for the previous week. Last year at this time, the average was **+87** over the current number.

The Department's incarcerated female population averaged **142** for the previous week. Last year at this time, the average was **+17** over the current number.

The Department's overall detainer population averaged **394** for the previous week. Last year at this time, the average was **-11** under the current number.

The out of state population is currently at **251**. Last year at this time, the out of state population was **+29** over the current number.

Department for Children and Families (DCF):

Act 166 and Fingerprinting

Prequalified Pre-Kindergarten are required by the Act 166 to complete background checks and fingerprinting. Many child care providers contracted with early adopter school districts under Act 166 last year and were fingerprint cleared at that time however, it is unclear which programs and how many staff were actually cleared. The Child Development Division (CDD) has utilized various strategies to outreach and support programs who are either entirely new this year or were previously cleared but have new staff who need to be fingerprinted this year. CDD is working very closely with the Vermont Sheriff's Association and individual fingerprint Identification Centers to meet this urgent need by prior to the start of the school year by expanding appointment hours, deploying a mobile fingerprinting unit and by streamlining required paperwork on the front end of the process. Those providers who are fingerprint cleared by CDD this year will not need to be fingerprinted again for another five years. This will significantly reduce the volume of fingerprint requests and the associated costs for everyone.

Department of Vermont Health Access (DVHA):

Blueprint

Beth Tanzman, MSW, will lead the Blueprint forward as its Interim Executive Director. Before joining the Blueprint team six years ago, Beth served as Deputy Commissioner of Mental Health. At the Blueprint, Beth has helped administer the program's statewide service delivery network and served as

a trusted coach and mentor to field team staff. Beth is also the leader of “Hub & Spoke” – a program that has expanded access to evidence-based opioid addiction treatment across Vermont. Beth and the Blueprint team are currently working to launch a new initiative with specialty women’s health providers to promote the wellbeing of women and families through enhanced health and psychosocial services offered in close collaboration with the Blueprint Community Health Teams.

Other Agency Report Items for Consideration:

Agency of Human Services Secretary’s Office:

BDO

The Chittenden County Alliance to End Homelessness is preparing for the next quarterly meeting to be held on the evening of September 13 to allow for expanded participation from community members. The planning group has been working with a Funders Collaborative sponsored by the United Way and will use the information gathered through an interview process with various stakeholders as the basis of a community conversation. Statements from those who have experienced homelessness, landlords, service providers, agency administrators and housing providers will allow each group to hear multiple views and then reflect with small groups on what they have heard. The hope is this will provide a foundation to move ahead with both our Alliance Strategic Plan and assist the Funders Collaborative in their work to support better outcomes through their funding process...a more Collective Impact for all.

Parks Place, Bellows Falls opens Diaper Bank

Parks Place Community Resource Center and Windham County Youth Services have collaborated to open the first Diaper Bank in Vermont with a Diaper Shower today at Parks Place. Diapers will be available to families in the Greater Bellows Falls area. The project is run with the help of the Young Moms Group. They received a small grant from United Way and welcome donations of diapers for all sizes.

Vermont Department of Health (VDH):

Arsenic - Public Drinking Water

The Department of Environmental Conservation requested that the Department of Health review the Public Notice for Coventry Fire District #1 public water system. The Public Notice is in response to a notice of alleged violation of the maximum contaminant level (MCL) for arsenic. The MCL is 10 ppb, and the running annual average for arsenic in water at Coventry Fire District #1 public water system is 11 ppb. Health advises that the Public Notice include language to clearly communicate the health risk of arsenic in drinking water, and that the Public Notice recommend that people seek an alternate source of water that does not contain arsenic.

World Breastfeeding Week

A breastfeeding gathering hosted by the Lamoille Family Center was successful through joint efforts of the Children’s Integrated Services Coordinator, Morrisville District Office Nutritionist and Maternal Child Health Coordinator, International Board Certified Lactation Consultant RN and Appleseed Pediatrics Dulce Family Specialist. Planned to go from 10:00-11:00 am, the event continued into the afternoon because everyone was enjoying themselves so much.

Vermont Immunization Registry

As of August 2016, compliance with mandatory reporting of immunizations to the Vermont Immunization Registry continues to improve, but there remains a handful of healthcare practices that are not providing vaccination histories. The current state of compliance is:

- Overall, 81% of all primary care practices are utilizing the Registry (excluding naturopaths);
- Of that number, there is one pediatric practice that is still not using the Registry or sending any type of data (batch or billing data);
- The lowest participating category is adult practices (compared to pediatric and family practices) – only about half are routinely using the Registry.

Department of Mental Health (DMH):

Vermont Psychiatric Care Hospital

The hospital continues to prepare for a Go-Live date of October 3rd for its Electronic Health Record (EHR). Training efforts for VPCH staff have intensified to coincide with the deployment of the EHR as well.

Department of Disabilities, Aging and Independent Living (DAIL):

Adult Protective Services to Offer Monthly Mandatory Reporter Trainings

Adult Protective Services will begin offering monthly Mandatory Reporter training for the abuse, neglect or exploitation of vulnerable adults at the Waterbury State Office Complex. The trainings will be held on the 3rd Tuesday of the month, starting September 20th. In addition to the monthly in person training, APS is also developing a new video training for people to access remotely. We anticipate that these outreach efforts will increase our report volume and will be an additional step in supporting the safety of vulnerable adults in Vermont.

Adult Protective Services and National Data Project

On March 23, 2010, President Obama signed into law the Elder Justice Act (EJA) as part of the Patient Protection and Affordable Care Act. This Act recommended the establishment of a national adult protection services (APS) system, making a deliberate effort to establish Federal standards across the states' historically fragmented APS programs. A key component of this effort will be a national reporting system based on data from state APS information systems. The goal of the data collection system will be to provide consistent, accurate national data on the exploitation and abuse of older adults and adults with disabilities, as reported to state APS agencies. The national system launched in November of 2015 is called the National Adult Maltreatment Reporting System (NAMRS). The data collected will provide a national inventory of various state APS components, compile statistics on investigations and victims, and offer information and tracking regarding services for clients.

Vermont has been asked to participate in the NAMRS data collection effort. The national data collected in NAMRS could be transformed into information for Vermont APS efforts to better understand the extent and underlying features of abuse, neglect, mistreatment, and exploitation of vulnerable adults. The benefits of Vermont's participation will include improved understanding of national trends, services and best practices leading to higher quality and more efficient service provision within the state.

Department of Corrections (DOC):

Saint Johnsbury Probation and Parole threat

On 8/23/2016 a Saint Johnsbury Probation Officer received information from a Northeast Kingdom Human Services counselor that Jack Granger III (2/10/1990) had told them he wanted to kill his probation officer. On 8/21/16 a St. Johnsbury Police Officer also heard Granger make a similar statement including the ability to find out where the PO lived. Reports from the law enforcement officer and counselor were obtained and Granger was arrested for a probation violation by law enforcement. Granger's current convictions are Violations of Conditions of Release (x5), Petit Larceny and Disorderly Conduct. Granger was already pending 3 separate Violations of Probation.

Offender Arrested on Sale of Heroin Charge

On 8/19/16 offender Thomas Cross vehicle was stopped by law enforcement, After getting consent to search the vehicle, Officers discovered Thomas Cross was in possession of six-hundred bags of heroin. It is alleged that Cross was trafficking heroin to VT from MA. Cross was under DOC supervision on furlough status. He was currently serving on the following charges: DC x 2, Escape-F -x 2, PSPM, Poss. of Cocaine-F, Escape from an Officer-F, Sale of Cocaine, and Identity Theft. He is currently being held on lack of bail \$150,000. He will appear in Bennington Court on 8/22/16

Department for Children and Families (DCF):

DD and VDH Partnership

The Vermont Department of Health (VDH) received a grant to expand the reach of their drinking water program. As part of this project, VDH identified children receiving care in home-based child care programs as a vulnerable population and worked with the Child Development Division (CDD) to use this grant funding to supply free water testing kits to all family child care home providers on private drinking water systems. The timing of this project coincides with the implementation of CDD's new child care licensing regulations effective September 1st which requires child care providers to have their drinking water tested. This collaboration between VDH and CDD provides about 400 family child care home providers with an approximate \$100.00 savings, supports them coming into compliance with water testing licensing rules and assists the larger goal of ensuring safer drinking water for children in home-based child care.

FSDNet Update

FSDNet is a Family Services database containing all child abuse/neglect intakes, investigations and ongoing family notes as well as the child abuse/neglect registry. Last week a FSDNet outage was reported as likely to lead to some data loss. IT worked closely with Family Services and were able to ensure no data loss. FSDNET went down a second time last week for an unrelated issue. Family Services are continuing to work with IT researching the issue to better understand the root cause and to put controls in place minimizing future risk; a communication plan is being developed if future issues arise. The overall health of several of our critical information systems remains an issue. They are legacy systems in need of replacement.


Vermont Child Poverty Council

The August Vermont Child Poverty Council meeting concentrated on child care issues in Vermont. Commissioner Schatz, Commissioner Noonan from the Department of Labor and Karin Edwards from the Agency of Education did a joint presentation focused on child care issues they encounter in their departments/agency and how they are trying to collaborate when possible. Other presentations included an update on the progress of the Blue Ribbon Commission on "Financing High Quality, Affordable Child Care, Afterschool programs in Vermont" and an update on the June 2016 report from Let's Grow Kids, "Stalled at the Start."



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CONFIDENTIAL AND PRIVILEGED
MEMORANDUM

TO: Governor Peter Shumlin 
FROM: Rebecca Holcombe, Secretary, Agency of Education
SUBJECT: AOE Weekly Report
DATE: August 26, 2016

Good News

Child Nutrition (CN)

- ***Programs Summer Institute***

During the week of August 8th, there were 330 attendees at St. Johnsbury Academy receiving professional development for the school food service and child care programs in Vermont. These attendees included School Food Service Directors and Staff, Supervisory Union Business Managers, School Administrative Assistants and Child Care Center Directors who registered for some of the 48 classes that CN Programs staff, other AOE staff and food service professionals presented over the course of the week. School Nutrition Program employees are charged with acquiring from 4 to 12 hours of professional development and training each year. The CN Programs Summer Institute has become the major source for school food service professionals to receive training in such areas as ServSafe, Food Service Program Management, and Cooking Classes for Healthy School Meals.

- ***Congressman Welch Celebrates the Summer Food Service Program***

Earlier in July Congressman Welch visited Hunt Middle School to acknowledge the critical need for and great value of summer meals programs for Vermont's school children. The Summer Food Service Program, administered through the Agency of Education's CN Programs, provides meals and snacks to children in low-income areas during the months when school is out, ensuring that the nutritional needs of children continue to be met when school breakfasts and school lunches end in June. Vermont has 56 sponsors that have been providing meals throughout the summer at 298 sites around the state. Vermont was recently recognized for being 3rd in the nation for ratio of summer meal attendees compared to students fed during the school year.

- ***Vermont CN Programs Receives Funding to Improve School Nutrition Programs***

AOE's CN Programs was recently awarded \$475,000 from USDA to help improve program infrastructure and to provide more training, professional development and support for our Vermont schools in areas of critical need. These funds will support the web-based application and claiming system that was recently implemented to increase program integrity and accountability. In addition, new program staff will be in the field providing schools with training on the recent procurement rules and new program requirements.

Good Shepherd Evangelical vs. Vermont Agency of Education

We received the Court's opinion regarding Good Shepherd Evangelical Preschool's suit of the Agency of Education regarding their approval. The Court sided with the Agency:

"Pursuant to V.R.C.P. 75, Vermont Secretary of Education Rebecca Holcombe's February 26, 2016 revocation of the Good Shepherd Little Lambs Early Learning Center Act 166 prekindergarten prequalification approval and Vermont Secretary of the Agency of Human Services Hal Cohen's February 29, 2016 confirmation and joint approval of that decision, are affirmed."

The other pending lawsuit, the Victory Baptist/Addison County suit will be briefed in September.

Emerging Issues

Burlington College, (BC)

At Tuesday's State Board of Education meeting, the Agency requested the State Board authorize the expenditure of state funds as permitted in 16 V.S.A. § 175(e) so that student and other pertinent Burlington College records could be accessed and organized. This law places a "statutory" lien on BC's real assets so that the state can recoup these costs but we have been told that there will be no funds once the mortgage is foreclosed. The Agency found the now defunct college's approximate 1,500 records to be scattered throughout the vacated BC building in a chaotic state. Significant time will be required to make them acceptable to any other institution where they might be finally assigned. The State Board approved our request.

This specific request was to permit the Agency to gain access to BC's digital record system. This system is licensed by Campus Café, a company that specializes in college student and fiscal information systems. BC has not paid that company since January and owes it \$6,900. Additionally, the Agency needs to enter into a short-term licensing agreement with Campus Café so that it can complete the process of organizing student records and to process record requests. We estimate the cost of that short-term agreement, which we hope will not need to be longer than 6 months, to be another \$12,000. We have also tracked our staff time and the costs for moving records from the BC building to the Agency offices. These costs as of August 23 are just over \$26,400. In total this amounts to \$45,300.

Additional work will be required to complete the process of organizing the records and responding to records request in this interim period. Our staff is entering busier times in their work schedules as schools reopen and will not be able to spend time on BC's records. We are looking into hiring one or two temporary employees or procuring a service, if one exists, to complete this work. We only have a rough sense of what this might cost but another \$30,000 does not seem unreasonable. It is possible total costs will approach \$100k—closing in on the cost of a position associated with BC.

Prekindergarten Enrollment

We have been contacted by superintendents regarding what will happen to their funding if the enrollment of PreK students with private providers is delayed due to many providers having not completed the required fingerprinting and background check of their employees. The census period for counting students prescribed in 16 V.S.A. § 4001(1)(A) begins on the 11th day and runs through the 30th day of the school year. Students who begin after the 11th day but before the 30th day are prorated. Students enrolled after the 30th day are not counted that year. Incurring PreK expenses without a corresponding student count will increase the districts' homestead property tax rate in the following

year. The law does not provide a way for the Agency to adjust this and a legislative fix will be required. We are currently exploring just what that would be without creating havoc in the system.

Media Contacts:

Colin Flanders, Essex Reporter: Colin asked for documents related to the CTE agenda item at the State Board meeting. Maureen sent Colin the documents and Haley had them uploaded to the website after Heather finalized the report.

Elizabeth Murray, Burlington Free Press: Liz asked to talk to someone at the AOE about the 10-year anniversary of the Essex Elementary School shooting. She asked specifically how security policies and ideals have changed since then, and what other policy changes this event may have sparked statewide. Haley passed along contact information for Rob Evans.

Katie Titterton, KidsVT: Katie emailed again asking to talk to someone about the Kindergarten Readiness Survey. Amy Fowler talked to her on Wednesday.

April Burbank, Burlington Free Press: April asked about the Burlington College records agenda item for the SBE meeting. She asked what the \$18K would be used for, what new legislation could look like, etc. She later asked what the vote was to approve the funds. April later asked to speak to someone at the AOE about the price increase of epi-pens. Haley referred her to the Vermont Department of Health.

Katie Jickling, Randolph Herald: Katie was looking for information about schools that have applied to become a pre-k region, specifically information about Randolph's application. Karin Edwards said Randolph applied but their application was denied. Haley passed along the information and deferred any future questions to the supervisory union.

Kyle Midura, WCAX: Kyle called Robert Stirewalt looking to set up an interview with Secretary Holcombe about transgender bathrooms. Haley sent Kyle the Secretary's memo, op-ed and a statement that the legal team had drafted months prior. Kyle called the next day asking again to set up an interview.

Lauren Maloney, Fox 44: Lauren emailed again hoping to set up an interview with Secretary Holcombe about Act 46. Haley said she was unavailable, but would like to do this sometime in the next few weeks after school starts.

Katy Savage, Vermont Standard: Katy contacted Haley and Donna Russo-Savage about Act 46. She asked if the alternative structures for Act 46 were in response to SUs' dislike of the other structures offered. Haley and Donna gave her statistics including the number of merged school districts, the number of students living in a unified school district, etc.

Tiffany Pache, VTDigger: Tiffany asked for information about the Burlington College update at the SBE meeting. She missed the agenda item. Haley provided information about the \$18K, what it will be used for, the email address students can write to at the AOE, etc.

Linda Charkin, Author: Linda emailed Jay Ramsey to get information for a book she is working on about technical education in Vermont. Jay checked to see what the protocol is for working with authors. Heather offered to answer her questions and gave Jay the OK to answer them.

Amy Nixon, Caledonian Record: Amy asked what happened at the SBE meeting regarding the independent school rules. Haley told her the board authorized the chair to take the proposed rules to ICAR with the SBE's counsel. She referred further questions to Stephan Morse.

Tawnell Hobbs, Wall Street Journal: Tawnell is working on a story about states that allow students/parents to opt out of state testing. Haley told him Vermont does not recognize parent opt outs or give them specific legal status and therefore do not count or report them. She sent him the legal staff's guidance on the subject. He also asked if Vermont uses the Common Core Standards.

Josh O'Gorman, VSBA: Josh was looking for a document piece written by Secretary Holcombe from January 2015 titled something to the effect of "The State of Education." Haley did some digging but couldn't find it. She asked for more information about the document, but didn't hear back.

Jennifer Sheahen, NBC5 (formerly WPTZ): Jennifer called to talk to someone at the AOE about how the price increase for epi-pens could affect students. Haley referred her to the Vermont Department of Health.

Katie Jickling, Seven Days: Katie asked to speak to someone about PLPs, flexible pathways and what is happening around the state. She said that the AOE promoting this model is in some way saying the old model isn't working. Haley gave her some background information and referred her to the Act 46 website. She also recommended she reach out to schools like Randolph who have students doing really meaningful work with this. Heather offered to talk to her on Monday, but Katie asked for an earlier interview.

Rebecca Sananes, VPR: Rebecca called asking to speak with me about the memo that I sent out this week to the field on the 5th Circuit Case and transgender students. I have an interview scheduled with her for next Monday.

OFFICE OF THE SECRETARY

Phone: (802) 828-2657

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Executive Privilege

TO: Governor Peter Shumlin
FROM: Secretary Chris Cole
DATE: Friday, August 26, 2016
SUBJECT: VTrans - Confidential Report to the Governor

NOTES FOR GOVERNOR

Quiet week, nothing significant to report.

NOTES FOR STAFF

VTrans Strategic Plan

Started inputting mature performance measures using scorecard software as a trial. The software is available through Clear Impact and is used in other Vermont Agencies as a tool for strategic planning and as a performance management system. The goal of the trial is to determine if this is a good platform for VTrans to communicate performance measures at the executive level and possibly made available for public information purposes.

Champlain Parkway

VTrans staff participated in the monthly coordination meeting.

- Soils – Johnson Company has worked closely with DEC and Casella regarding a testing scenario which could provide for a significant reduction in soils costs for the project
- ROW – City and VTrans ROW staff continue to press forward on temporary and permanent ROW; the Negotiation Package for VTR should be ready by mid-September when a direct meeting will be held with them
- Design – Semi-final plans are expected to be completed by in October
- Limited Access Designation – VTrans staff outlined the activities which could be completed within the Limited Access Highway; this addressed many of the City's concerns. Information regarding the future need for breaks in access was discussed; the City will provide comments back to VTrans and then VTrans will draft a letter to the City confirming all party's understanding of this topic.

Lamoille Valley Rail Trail

VAST and VTrans met on August 23

- Bridge 68 – Construction now slated for Spring 2017 – budget target is \$1M
- Future Phases of CON – Discussion of having VAST continue as CON Mgr under an agreement with VTrans; VAST would provide the 20% match of an 80/20 cost share split. VAST and VTrans staff will meet to determine the planning for the next phase of projects.
- Trail Maintenance – VAST will continue to undertake all routine trail maintenance activities. Through an agreement to be developed prior to the expiration of the lease, VTrans and VAST will work out language to address non-routine maintenance and any other cost sharing language which should be included.
- Fundraising – VAST is meeting with their fundraising consultant and expects to begin a large campaign this fall.

Missisquoi Bay Causeway

Coordination with NRPC continued. VTrans and ANR staff will present the Causeway Report to the NRPC TAC in early October, conduct targeted outreach and then do a public presentation for the NRPC Board at the end of October.

Construction Projects

We have 49 active work zones: 23 bridge, 12 safety, 6 paving, 4 reclaim, 2 roadway and 3 rail. We anticipate 90 contracts active this year.

Lisa S. Eastman v. State of Vermont (VT 110, 3/27/2015 Pothole Claim)

Superior Judge Kirsten Schoonover granted VTrans' appeal and reversing and vacating the Transportation Board's June 4, 2015 and August 4, 2015 decisions in this case. The Board's June 4 order awarded claimant Lisa Eastman \$1,054.30 for damages to her car caused by striking a pothole early on the morning of March 27, 2015 on VT 110 in Washington, Vermont. VTrans moved the Board to reconsider its decision on the grounds that its findings were insufficient to establish negligence on the part of VTrans and, further, on the ground of sovereign immunity based upon the Board's impermissible intrusion upon VTrans' broad discretionary authority to administer and maintain the State's transportation infrastructure. On August 4, 2016, the T-Board denied VTrans' motion on the grounds that it was untimely and that sovereign immunity did not apply to this small claims case.

Judge Schoonover agreed with VTrans that the T-Board incorrectly determined that VTrans' motion was untimely, that VTrans is entitled to sovereign immunity, and that the T-Board's findings were insufficient to support its determination that VTrans' negligence was the proximate cause of Ms. Eastman's damages. In particular, the court explained:

[T]he court agrees with VTrans that the State's practices regarding highway maintenance and repair of potholes was at issue in the May 21, 2015 hearing,

along with the agency's discretionary decision-making, as reflected in the hearing transcript. VTrans clearly offered testimony that spoke to its discretionary decision making for the purpose of proving that it had not been negligent. For instance, Kevin Oddy testified that 'District forces were out plowing' on the days when another person struck the subject pothole so that 'District forces were committed to other things,' and because the agency has only 'so many people to do all of the work that is required on the highways....'

This decision is of critical importance to VTrans, as, pursuant to 19 V.S.A § 20, the T-Board has exclusive jurisdiction over transportation small claims for personal injuries and property damage up to \$5,000 sustained as the result of the "negligence of any employee of the agency."

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Deborah L. Markowitz
Agency Secretary

Trey Martin
Deputy Secretary

**State of Vermont
Agency of Natural Resources**

CONFIDENTIAL and PRIVILEGED

To: Governor Peter Shumlin
From: Trey Martin, Deputy Secretary, Agency of Natural Resources
Date: August 26, 2016
Subject: ANR Weekly Report

Governor Level Issues:

PFOA Updates: Bennington Area Drinking Water Testing - We have fully defined the scope of the testing area. West to the New York border, east to the Green Mountains, north just over the Shaftsbury line, and as far south as the monument. We continue to do some testing of wells inside this area. Those with contamination levels of concern we are continuing to provide bottled water and point of entry filtration systems. North Bennington Municipal Line – North Bennington has completed their public engagement process regarding the municipal line extension. Now that community input is complete and the scope is defined, we can move into final engineering. We will request that Saint-Gobain pay for this cost (~\$300K). If they refuse, the Village will apply for a Drinking Water Planning Loan from DEC. DEC will enter into an agreement with the Village to pay back the loan from the Environmental Contingency Fund. We will then look to recover those costs in a future settlement with Saint-Gobain. Settlement talks will become more active once we hear back from Bennington on their recommended scope of the municipal line extension in mid-September.

EVERYTHING ELSE:

Press Issues/Releases:

FWD Press Releases: Arlington Man Charged in Deer Poaching Case; VT Bear Hunting Starts September 1, 2016; FWD to Hold Small Game Hunting Seminar; and Hunter Ed Courses Still Being Offered.

Muckross State Park: Craig Whipple, Director of State Parks was quoted in this Times Argus article about the former home of the late Edgar May in Springfield, now the 54th Vermont State Park.

Rebuilding the Stone Hut: Parks Projects Coordinator Frank Spaulding was quoted in a recent Channel 3 News story about plans for rebuilding the Stone Hut on Mount Mansfield.

SUMMARY OF KEY DEPARTMENT ACTIVITY

Environmental Conservation (DEC)

LaPlatte River Lampricide Application: Representatives from DEC and FWD met with Champlain Water District (CWD) and USFWS to discuss a pending Aquatic Nuisance Control Permit application and the remaining items needed in order to perfect the application. Burlington has a Powdered Activated Carbon unit installed but it is necessary to start-up and test this unit to ensure it is operating effectively prior to the LaPlatte application. The feasibility of installing a temporary treatment unit for an October 2016 application is currently under evaluation by CWD's engineers.

Bennington Early Childhood Center: Bennington Early Childhood Center reported a very high uranium result in drinking water early this week. We placed the system on Do Not Drink due to the result. The system provides treatment for Uranium but there appears to be a problem with the treatment. We are expecting the system's operator and treatment device installer to provide a report on this issue. The system will remain on Do Not Drink until they document through sampling results that they are in compliance with the federal Maximum Contamination Level.

Colchester Sewer Extension: Facilities Engineering staff met with Colchester Town and Colchester Fire District #2 (CFD#2) representatives to discuss project funding, and more specifically, the municipal pollution abatement grant. A preliminary grant amount is estimated at \$6.54 million for installation of a sewer line to serve the East Shore area of Mallets Bay. This figure does not include the potential related cost of upgrading Burlington's wastewater treatment facility (North Plant), which would serve CFD#2. The Town and Fire District are seeking inclusion of their project in the State's capital budget during the next two-year cycle (state FY18 - FY19) since they believe the project could start construction by spring 2019.

High Meadows Fund Gives \$70K for Food Scrap Collection: \$70,000 will be provided to Vermont's municipal transfer stations for food scrap drop-off containers and signage. The RFP is set to be released this fall with awards to be made around February 2017. This could potentially fund containers at almost all of Vermont's municipal transfer stations.

Fish & Wildlife (FWD)

30th Anniversary Posters for Duck Stamp Program: A number of staff worked to finalize the 30th anniversary posters for the VT Duck Stamp program. These posters will be available for purchase soon. Staff will use them at the Department's upcoming Duck Stamp celebration scheduled for September 8th in Colchester at Malletts Creek WMA.

Potential Shore Fishery Opportunities in Burlington: Staff prepared for and performed a site visit of the Burlington waterfront. The purpose of the visit was to identify areas for potential shore fishery on existing public lands (Town and City). The Department will work with the land owners and see if we can develop information about fishing opportunities at these locations. In many cases the locations are easily accessed by bike or walking from the downtown. Additionally, conditions around the existing fishing pier in Burlington were examined. Staff also discussed outreach materials which might be useful for anglers in this urban area.

Fishing Activity: Fishing pressure is down on rivers due to warmer temperatures and low water. However, lake fishing pressure is up and catches of target species are high. Violations detected by wardens this week included revocation, license and numerous access area issues.

Bear Activity: Do not feed the bears! Bears have moved from trash and chickens to blackberries. Some bears have already made the jump to corn and are paying the price. (Two reports of bears killed in corn this week.)

Forests, Parks and Recreation (FPR)

AMP Rule: Final proposed AMP rule was filed with LCAR and the Secretary of State's office on August 23. The LCAR hearing is scheduled for September 8th.

State Land Transactions: We expect to close on the sale of the Lafreniere Homestead property by the end of this week. This property is a 30-acre portion of Camel's Hump State Park located in the town of Bolton. It includes a circa 1830 homestead that is in need of substantial repair and renovation. The new owners intend to renovate the house in accord with historic preservation guidelines and use it as a private residence. Net proceeds from the sale of this property (minus expenses) will be used to stabilize the historic barns located on state land adjacent to the sale parcel. We expect to close on the Bean Pond addition to Willoughby State Forest in Sutton, the Davidson donation in Hubbardton, and the Schwartz property (addition to Coolidge State Forest) in Woodstock within the next few weeks. Work continues on other priority land transactions including multiple Forest Legacy easement projects, transfer of state land in Duxbury to the Town of Duxbury for use as a town forest, transfer of Woodchuck Mountain parcel to the Town of Newbury in which Sen. Kitchel is involved, and right of way exchanges at Victory and Mt. Mansfield state forests.

Ski Area Leases: We received the annual lease fee payment from both Burke Mountain and Bromley Mountain earlier this month. Both payments were down considerably from last year,

due to the lackluster ski season this past winter. Burke Mountain's 2016 payment was \$34,105, approximately \$10,000 less than their 2015 lease payment. Bromley's 2016 payment was \$29,172 which was substantially less than their record payment of nearly \$43,000 in 2015.

State Parks Visitor Numbers: State park visitation is still about 4% behind 2015 to date with about 646,000 visits compared to about 675,000 last year. Day use is only 2.6% behind and camping is behind 6.4%. A larger proportion of the decline in camping is due to out-of-state visits. This can possibly be attributed to the improving economy because of the counter-cyclical nature of the relationship between camping activity and the economy.

Ground Fire at Camel's Hump State Park: On August 8, Dan Dillner, Northern Fire Response Coordinator, and Jason Nerenberg, Stewardship Forester, responded to a report of a deep burning ground fire next to the Long Trail on Camel's Hump State Park, approximately 2 miles from the trailhead parking area along River Road in Duxbury. The fire was very small but deep burning and difficult to extinguish with little available water. Ground fuels were critically dry. The Duxbury Fire Warden and the Chief of the Waterbury Fire Department were contacted and offered local fire department resources if needed. They were able to extinguish the fire without additional help.



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

To: The Honorable Peter Shumlin
From: Joe Flynn, Deputy Commissioner of Public Safety
Date: August 26, 2016
Subject: Weekly Report

Priorities:

National Criminal Justice Reform Project -

In response to the proposal submitted to NGA on August 1, Vermont received word from the National Governor's Association that the state was selected as one of 20 states to participate in the State Strategic Planning and Leadership Summit as part of the National Criminal Justice Reform Project. As a participant in the Summit, our state team will have the opportunity to gain knowledge in comprehensive strategic planning, evidence-based policy and practices, implementation fidelity, and the requirements for sustaining reform efforts. Our team will also participate in interactive sessions that highlight partnerships between Governors' Offices and state executive agencies towards achieving criminal justice planning and policy implementation. The VT team will be co-led by Keith Flynn, the Criminal Justice Policy Advisor and State Administering Agency Director, and Dean Hamel, the Information Technology Director for the Department of Public Safety. Ultimately, 5 states will be selected for a long-term justice reform project, funded through the Arnold Foundation.

The Local Emergency Operations Plan (LEOP) submission rate for 2016 is up to 85% as of 8/18. This is a monumental improvement. While all jurisdictions are required by DEMHS to file (100%) in reality this indicates tremendous positive interactions between DEMHS, RPC and local government staffs.

Administration

Working on putting together the narrative and supporting information that will accompany our initial budget submission due on September 20th.

Called Nick Foss, Budget Analyst to discuss the newly signed MOU with Entergy to continue to receive \$300k of funding each year for the next two years for emergency preparedness. Met with DEMHS this week to discuss how to handle this since we do not have a budget or spending authority for this for FY17. I filled in Nick Foss, on the issue yesterday and sent him a copy of the MOU. He will discuss with his supervisor and the Deputy Commissioner and will get back to me on a way forward.

PIF Technology is again running into issues getting timely responses from the Vision folks on our interface, so progress has slowed again on that phase of the project. However, testing is going well in other areas. PIF will be on site for a meeting within the next few weeks and I intend to begin discussion of the grants management module phase at that meeting and ask for an updated timeline for the AP/AR project.

KPMG is scheduled to begin our FY16 Single Audit (Homeland Security Program) the week of September 12th.

CJS

Forensic Lab-

1 DNA analyst (grant-funded) position closed 8/2 (2nd interviews underway).

1 analyst currently training in Alcohol and another 7 cross-training in Latent Print analysis.

There is pressure from AOT/GHSP to take over control of the NMS drug testing (PA.) contract. The current contract expires 9/30/2016 and we have asked AOT to seek an extension through calendar 2016 to allow DPS to let an RFP for services.

Backlogs (as of 7/31/2016):

- Blood Alcohol (0)
- Drug Chemistry (747)
- Serology (82)
- DNA (casework) (148)
- DNA (CODIS) (168)
- Firearms (34)
- Latent Prints (510)
- Arson (0)

Met with BGS Deputy Commissioner Wanda Minoli to discuss the renovation project necessary to perform drug-testing in the Lab. Money was in the Capital Bill for the renovations and the equipment necessary will be sought in a GHSP grant with NHTSA.

Pending discovery request re: heroin affidavit (working with legal). VFL will be analyzing heroin bag weights from recent years.

OTM-

This week we held the first meeting of the Law Enforcement Data Sharing Work Group. This working group is made up of members of law enforcement, researchers, and IT. The objective of the group is to develop policy regarding the sharing of law enforcement data throughout criminal justice. This is a very challenging topic as law enforcement data has always been very secure and protected. Moving this forward requires a change in the way people are thinking about data and how it is used.

We are meeting with the Vermont State Police on Tuesday, 8/30 to review the 5 data sets that have been developed for the The Police Data Initiative (PDI) launch. After this meeting, we will begin the process of scheduling the launch.

Capt. Ingrid Jonas and I are working to acquire a temporary position for a data analyst that would support the work of VSP as well as other analytics needs within law enforcement.

A set of law enforcement analytics dashboards was developed last year as part of the VJISS Program. We have demonstrated the capabilities of these dashboards to many law enforcement entities in the state and they have been very well received. Last week we received approval from the VIBRS and Valcour policy boards to release these dashboards to all of law enforcement. We are initiating the release and will be sending out a general announcement next week.

We are also reviewing their proposed Service Level Agreement for this year in order to ensure that we are getting the level of service we need. DPS has a unique set of requirements, due to the nature of our business. DII's standard services often do not meet our needs and we are forced to negotiate agreeable terms.

VCIC-

The vacant Deputy Director search committee has interviews scheduled for later this week, the Marijuana Registry reclassified position list has been routed and under review, and the vacant Criminal Record Specialist position has been posted (as of 8/23/2016).

Work continues on review and response to triennial FBI audit of Vermont criminal justice information services. At this time all necessary responses have been submitted except for the IT Security section as responses are still pending from the state Department of Information (DII) and Innovation and Department of Motor Vehicles (DMV). The DII reports being close to a resolution and follow up is planned with DMV as well.

The Tri-State AFIS contract proposal has been returned by the vendor with minimal changes and these have been routed for review accordingly. The Attorney General's (AG) Office has indicated no meaningful concerns at the proposed changes (upon initial review) while DII has implemented a new 'fast track' process which is entering the second week. At this time Maine stands prepared to move forward as soon as possible with New Hampshire now projecting an early September date for final approval and formal project commencement.

The majority of issues relating to the rollout of the CPI Messenger product have been addressed at this time. Unfortunately, there was no work-around available to resolve the conflicts between Messenger and Fingerprint workstation software. However, this issue should be resolved by the implementation of updated MorphoTrak software as part of the above referenced upgrade. Additionally, an issue has been identified with the interface between the message switch and the Sex Offender Registry (SOR) software and has been referred to the SOR vendor for analysis.

Last week's FBI Advisory Policy Board (APB) meeting provided updated information on several long running projects, including a nation-wide migration to the National Incident Based Reporting System (NIBRS) for all states by 2020 (Vermont has already made the necessary implementation), the continued development of

the next generation National Crime Information Center (NCIC) system, and continued discussions on how a national use of force program/data set could be implemented.

DEMHS

Director and HSA received a briefing from the Turkish Consul regarding the population in Vermont and relationship to the recent attempted coup.

R and M Chief responded to media inquiry regarding Irene Anniversary from Vermont Standard newspaper in Woodstock

Communications updates include weekly radio checks with VELCO, National Weather Service and FEMA Region 1.

Emergency Management Coordinator is finalizing documentation pertaining to the Local Emergency Management Director program for presentation to the Director's office.

SEOC updates include working with BGS to identify costs associated with removal of a Smartboard and replace with other display options and working with OTM to identify a supportable wireless printer for SEOC staff that are not DPS employees.

Northern Exercise Planner conducted the Champlain College Tabletop IPM.

Southern Exercise Planner reach out to Killington to begin planning the Killington World Cup TTX.

EM Planner finalized Child Care Emergency Planning guidance with Fire Safety and Children and Families.

CI Planner facilitated Act 154 working group meeting at DEC on 8/23

CI Planners attended tour of Montpelier Water Treatment facility on 8/23.

Hazard Mitigation Planner provided information regarding a pending HMGP elevation project scope change request in Waterbury to staff from Congressman Welch's office.

Fire Safety

The Division received \$5.9 Million in new plan review construction valuation collecting \$34,000.00 in permit fee revenue.

August has been an exceptional revenue month and we received close to \$100,000.00 in cigarette money.

The new Rules have been submitted to LCAR and we are on their schedule for September 8, 2016.

The PFOA and PFOH issue at the academy continues. The tank was drained and preparations were underway to remove the sludge until 24,000 gallons of rain water entered the tank because of a faulty shut

off valve. This water is now contaminated and will have to be processed through the carbon filtration system at a rate of 10 gallons per hour. Concrete core samples are also going to be taken from the large training pad as part of the on-site investigation.

On Friday August 26, 2016 I will be attending the funeral service for Roger Young who passed away unexpectedly over the week end. Roger was a long time VSFA member and a very active board member who I knew fairly well. The service starts at 10:00 in Orwell.

Fran Buck is the new VSFA President for the next 2 years. We work well with Fran and he has been a past president.

The academy is caught up on outstanding flashover training request and we have committed to offer at least 2 fire instructor classes a year and because these are at night and weekends we hope to capture volunteers. We also connected onto offering at least one fire officer class each year in the spring. Once Peter Lynch (Sept. 4th) is on board discussions will start taking place to develop a strategic training plan for the academy. This will include input from as many constituents as possible. Likely we will sponsor some open meetings on the weekends and or at night to capture the volunteers.

Yesterday we had a fire service coalition meeting and in October the VSFA will chair the council. Detective Trooper Andrew Campagne from the VIC met with us and presented a short power point program on reporting suspicious activity or packages. The fire service will assist the detective in pushing this out to all fire groups.

The continuous IT upgrades are killing us for a lack of words. It is costing us significant down time and overtime. Additionally, these updates seem to be every day and the downtime for inspectors is measured in days. And once the updates are installed then a number of problems arise.

Director Mike Desrochers has been selected to serve on the International Code Council- Fire Service Membership Governance Committee.

Vermont State Police

A Troop-

FF

17 Total Arrests, 8 DUI.

16 agency assist cases by A1.

Investigated an incident in Montgomery where a female took a shot at her father with a .9 mm from 5' away. She missed and she was charged with Agg Domestic Assault.

Confession made for a burglary and marijuana grow, resulting in two felony charges.

BCI

15 year old female alleging she was sexually assaulted by her 16 year old boyfriend. CUSI assigned.

Missing person case of a 16 year old female. Juvenile located in Waterville and agreed to return home.

Received a Human Trafficking call from a parent in Barre. Mother alleges that her 15 year old daughter has run away and is being trafficked by a gang in New York City. D/Tpr assigned.

Assist to Stowe PD on a number of arsons in their town. D/Sgts assigned to assist.

Aggravated sexual assault in Swanton. NUSI assigned.

Threatening case in Montpelier. DCF received threatening call from male in MA. D/Sgt assigned. MSP looking got interview male.

21 year old male found to have been exposing himself to a 14 year old female. NUSI assigned.

Death investigation of a 90 year old female in Cambridge. Death ruled natural. D/Sgt assigned.

Arson unit responded to North Westminster for a structure fire.

Arson unit assisted Morrisville PD with a structure fire.

Assist to uniform with a search warrant in Montgomery stemming from an aggravated domestic assault charge.

Arson Unit assisted Burlington PD with a vehicle fire. BPD keeping case.

Death investigation of an elderly male, 84 years of age, in Grand Isle. Death ruled natural. D/Tpr assigned.

Suicide in Duxbury. 18 year old male committed suicide by hanging. D/Sgt and D/Tpr assigned.

Sex Offence assist to Georgia State Police. Victim interview completed at Our House. D/Tpr assigned.

Investigation into an injury of a 6 month old child. Child received injury to its tibia. D/Tpr and DCF interviewed parents and investigation continues.

Female alleging she was sexually assaulted by a male who had touched her breasts. D/Tpr tried to make contact with victim however victim has yet to return call.

14 year old female attempted suicide. Interviews by DCF showed female was sexually assaulted by an 18 year old male of a host family of the girl. Female also alleged she was forced to provide oral sex to another male. Interviews to follow.

Drowning of a 30 year old male at Larue's swimming hole. Victim had a history of mental health issues. No sign of trauma during autopsy.

91 year old female found unresponsive at her residence in Cabot. Death ruled natural.

Assault case at state Hospital. D/Sgt assigned.

Aggravated sexual assault case in Duxbury. State worker arrested after investigation. D/Tpr assigned.

B Troop-

FF

9 Total Arrests, 3 DUI.

Arrested one individual that was wanted for multiple 'in-state' warrants.

Investigated a string of retail thefts that occurred in St. Johnsbury. After the initial complaint was received, the vehicle was located VSP met with the two offenders. The two offenders were cited for Possession of Stolen Property.

Continue to investigate the multiple burglaries in our western patrol areas.

BCI

Sex offender Registry Checks.

Sex assault. 15 yr. old reporting she was sexually assaulted by a 17 yr. old while at a sleep over.

Several drug investigation cases from the StJ correctional facility.

Follow up on Drug overdose Death Investigation from last month.

Assist Uniform Troopers with Fraud investigation.

Case involving a 16 yr. old male videoing himself masturbating and sending to another unknown person who threatened to disseminate on Youtube unless they received \$5000.

Follow up on special.

Follow up on Correctional Center Incident where a guard was taken hostage.

Newport, VT – 61 yr. old male with extensive medical history- Natural.

Holland, VT – 36 yr. old female with history of drug abuse found deceased. She was reportedly 2 months pregnant. Evidence of possible prescription meds abuse and alcohol. Autopsy pending.

Barton, VT 80 yr. old male – Natural.

C Troop-

FF

13 Total Arrests, 7 DUI.

Radio show with Ken Hayes – WSYB.

Initial invest into a missing 17 year old from Wells.

DUI Checkpoint conducted.

MV stop and collaborative effort with the Uniform Troops, BCI, and NIU. The passenger who was on Furlough in Vermont after being released from jail two months prior was arrested for being in possession of 600 bags of Heroin. The subject was returning to Bennington County from Holyoke, MA.

BCI

New Case/Agency Assist Sex Offender Registry requested confirmation of address in Pittsford provided by an offender. Response to residence; offender subsequently connected with SOR. Address found to be valid but street name misspelled.

Follow up with Poultney sexual assault/kidnapping; state's attorney request for additional interviews regarding new information about the victim being stalked by offender from jail. Inquest to be opened on new case.

New Case/Suspicious: An inmate reported to a local newspaper that four male DOC guards had stripped a female inmate. Numerous attempts to reach reporting inmate who had since been released were unsuccessful.

Continued investigation of Pittsford suicide by firearm; contact with victim's ex-boyfriend and review of victim's cell phone.

New Case/Suicide: Fifty-six year old male from New Hampshire, who was under investigation in New Hampshire for voyeurism and child pornography, came to Mount Tabor and fatally shot himself in the head with a .38 handgun purchased earlier in the day.

New case dead body Wells – 70 y/o obese hoarder with colitis and other medical issues found deceased, naked, covered in firearms on floor of his feces encrusted bedroom by daughter. Natural causes.

New case welfare check Sudbury – Hannafords requesting welfare check on Nick Greeno as he hasn't shown up to work in a week and hasn't called in sick. Some suspicious circumstances upon response to residence by uniform Troops and me. Phone contact eventually made with Greeno – he says he's fine and will go straighten it out with Hannafords.

New case SOR photo New Haven –SOR photo Joseph Kehoe.

Assist uniform with search warrant and evidence issues.

Case follow up death investigation – follow up interview with caregiver and APS.

CFU – Child Abuse – Conducted interviews. No evidence of child abuse. Case closed.

New Case – Agency Assist – Unannounced home visit with DCF in Ferrisburgh.

Assist uniform with processing evidence.

Work on Rutland evidence.

Case follow-up; overdose death that occurred in Readsboro. Autopsy indicated it was Fentanyl overdose. Spoke with family about known associates and possible suspects who sold the drugs to him.

New Case; Sex Offense – 23 year old male attempted sexual contact with 8 year old male. Interview was conduct and allegations were unfounded, act was not criminal.

Assisted NIU and Uniform with location, stop and arrest of male transporting 600 bags of Heroin into Bennington County. Multiple interviews conducted.

Case work – Supplemental complete for Special.

Follow-up with victim's mother regarding 2015 correctional center suicide.

Follow-up with Sheldon homicide witness. Spoke with Cindi Latham and Sandy Eastman regarding case status.

Completed JPMA Awareness of Autism and other Developmental disabilities.

Reviewed Evidence/Property control policy.

Requested by VCIC to check on SOR Chris Gardner. Discovered wrong address, and Sgt. Patten confirmed the location.

Continued follow-up on 2003 sex offense. Working with VIC to locate witness in Connecticut.

New case: Sexual assault complaint – Arlington. 22- year-old female reporting being sexual assaulted by 26 -year-old acquaintance.

New case: Death investigation of 42- year-old male – Arlington. Subject is reportedly an alcoholic. Sent for autopsy.

Continued assisting uniform with home improvement fraud complaint.

Case Follow-Up: Sex Offense. Town of Brattleboro. It was reported a 23 year old autistic male subject sexually abused his 15 year old niece. Affidavit near Completion.

Case Follow-Up: Sex Offense. City of Rutland. A 12 year old girl was sexually abused by her biological father. Completed Reports. Attended Weight of Evidence hearing.

Case Follow-Up: Sex Offense. Town of Benson. It was reported an 11 year old girl was sexually abused by her 49 year old male neighbor. Victim Interviewed.

New Case: Sex Offense. Town of Brandon. It was reported a 23 year old male subject sexually assaulted a 23 year old female subject. Victim Interviewed. Offender Interviewed.

New Case: Agency Assist. Town of Rutland. I assisted the Rutland Town Police Department and the Department of Children and Families (DCF) with an extended interview of a sexual abuse case. Case Completed.

Started civilian Background.

D Troop-

FF

15 Total Arrests, 4 DUI.

Dispatched to a parking area on River Road in Putney, Vermont for a report of a theft from a vehicle. It was later determined that a credit card that was stolen from the vehicle was used at a nearby convenience store. Investigation revealed that Jazmyn Calareso fraudulently used the stolen credit card to purchase merchandise. Calareso was arrested and transported to the Westminster Barracks.

Putney Central School reported a burglary at the school. On 08/17/16 just before 0100 hours two male subjects walked into the Brattleboro Police Department to turn themselves in for the burglary. Interviews conducted resulting in full confessions with regard to their actions at the Putney Central School. Rosenbloom and Morse were processed at the Westminster Barracks for the charge of Burglary.

BCI

Johnson - likely Incendiary fire in conjunction w/burglary - Lamoille County Sheriffs working and have suspects.

Danville - barn fire attached to a house faulty wiring cause - Not suspicious; house and barn total loss.

Rutland - house fire seven occupants, one to hospital, since released. Rutland PD conducted all interviews; electrical or smoking - likely the cause.

SSCF - Inmate with Suboxone strips.

Suicide by handgun - Bethel/Subject survived transport to DHMC - expired later that evening - NH AME assisting w/autopsy.

Forensic Interview - CAC in Brattleboro -14 yr. female.

DRE Conference – Denver – 2 Days.

One DRE Evaluation reviewed.

Court prep for upcoming trial.

Follow-up on overdose case, follow-up interview with girlfriend of deceased, arranged meeting with her and NIU to discuss the possibility of her working to put in buys to the suspected supplier of the heroin leading to the death of the deceased, research done to obtain address where supplier lives as well as landlord information, Facebook research done to obtain identity of persons living at the target residence and preservation letters done.

CSST maintenance done for Westminster Open House.

Follow-up interview with mother of victim in sex case, forensic interview cancelled by mother last week, rescheduled for this week.

Untimely death reports completed.

Meeting at SA's office with victim to discuss more details of case that she remembered, decision was made by Deputy SA to pursue charges against the accused.

Suicide investigation, Bethel, assisted Sgt. Albright.

Assisted with search warrant in Chelsea.

Follow-up sex assault investigation.

Sex assault investigation, consensual sex between 15 and 19 year old, originally happened in Royalton now allegedly happening in Albany, VT.

TOPS-

Stopped a vehicle for going the wrong way on I89. The Operator was arrested for DUI.

Responded to a motor vehicle crash in which the operator left the scene, subject found and charged.

Arrest for Aiding the Commission of a Felony, and Possession/Selling stolen property. This case was a Burglary that was initially reported in July. Tpr. was able to gather enough information to obtain a search warrant and executed it last week. Stolen property was recovered, one was arrested, and another arrest is pending.

POLYGRAPH-

Criminal polygraph for Hartford PD. Child abuse. Mother of child admitted to causing multiple injuries to child after she failed the polygraph.

2 PE polygraphs for OPD.

MAJOR CRIME-

Worked on HG cage audit with BCI A Troop. St Albans cage completed.

Rashed Homicide: Day and Night time photos taken of accused vehicle in Royalton. This was done as part of the video evidence review being conducted by NYSP lab. Phone conference with SA.

Vreeland Homicide: Continued review of 260 Jail calls received from accused Jeffrey Ray's account.

Smith Homicide: Received and reviewed Google Location Warrant. Received and reviewed Smith phone analysis.

Cold Case: Worked on Milizia wire warrant.

CCU-

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

Tallmadge completed week 5 of a 5 week training in Hoover, AL. He'll be back in the lab on Monday.

Current Cases: 5

Pending Cases: 6

New Cases This Week: 0

OCME-

16 autopsies

Training day for Det. Tpr. Crick at OCME



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Justin Johnson, Secretary

**PRIVILEGED AND CONFIDENTIAL
MEMORANDUM TO THE GOVERNOR**

TO: Governor Peter Shumlin

FROM: Secretary Justin Johnson

DATE: August 26, 2016

SUBJECT: Confidential Report to the Governor

BUILDINGS AND GENERAL RESOURCES

Issue Updates:

Rockingham and West Brattleboro Sales: We are preparing the listings. The Town wants Rockingham and we need to review existing language and authorities.

Bloomer moving to FFS in 2018: Trying to pull players together to understand the move in January of 2018, as we prep for FY18 budgets. The State might have to absorb staff and associated expenses what current owner, OR Parker currently does.

Montpelier – 109 State Street – Security Upgrades: Elevators, camera and card readers are in process. Met with the Governor's Team to facilitate the process.

VAEL – Reviewing Act 250 submission from the Campground Owner: A status conference with the Court for the DRB Appeal has been scheduled for September 19, 2016 at 2:00 PM. Progress is being made on the selection and hiring of legal assistance for both the DRB Appeal and the Act 250 permitting process.

DOC 20-year plan: Tuesday we attended a meeting representing BGS. A few more things to finalize on the Facility Assessment spreadsheet, and then we will begin summarizing for inclusion in the final report. The DOC Coordination meeting that was scheduled for Wednesday was cancelled, as DOC was unable to attend.

Waterbury Complex – Maintenance and Operations – Power Issues: We believe the generator was hit by lightning because it went offline and had to be reset, Card readers went down in "H" Building. Same storm that knocked Middlesex out, problem at MTCR had to be manually reset.

FINANCE AND MANAGEMENT

Issue Updates:

FY2017 Budget Adjustment and FY2018 Budget Instructions have been issued.

Work on defining the FY2018 budget gap has begun.

Continuing discussions with Auditors Office and AHS on Medicaid Redetermination Waivers/Risk Mitigation Plan and the potential impact of Financial Statement opinion.

HEALTH CARE REFORM

Nothing new to report.

HUMAN RESOURCES

Press Requests:

An out of state newspaper requested employment information regarding a candidate for local sheriff who used to work for the Department of Corrections. There is apparently question as to whether the candidate is accurately representing his SOV employment history.

VTDigger requested employment information regarding Gene Fullam, former EB-5 director at ACCD.

Significant Events/Meetings:

The DHR Leadership team held a retreat to plan for the remainder of the Administration and first part next year.

Dr. Dynasaur-health care reform group working on the legislative study around providing universal coverage for children to age 26. They want to provide Optum, the consultant with the data from Wakeley that we had done last year. Security and confidentiality concerns were addressed that will allow the transfer of data between Wakeley and Optum.

Conferenced with BCBSVT on whether they will continue to perform the 1095 ACA processing, for retirees and special groups. They will at no additional charge in the contract.

Pursuing an RFI for overhauling our recruitment module/platform in our ERP system.

Risk management privatization contract is signed and we will be providing notice to union/employees affected (5 employees).

INFORMATION AND INNOVATION

Issue Updates:

Web Updates:

- The Department of Liquor Control's new Website is now live at liquorcontrol.vermont.gov.

- The contract with Socrata for the Open Data Portal expires in mid-September. The process is underway to replace that contract for the next three years. An RFI has been published and replies are in. Next steps will be determined this week.
- A Web Portal Board Meeting has been scheduled for 10/14 at 3:00.
- The new Agency of Education website was scheduled to go live on 8/29. Launch has now been delayed until 9/6.

Project Updates:

- **DPS eTicket:** The eTicket Pilot continues successfully with 47 tickets pushed through the system so far. A couple of technical glitches were observed and have been fixed.
- **DMH Vermont State Hospital Electronic Health Record (EHR)** – The project is moving along after some minor issues receiving networking equipment. DII has been working closely with the project team and vendors to have the equipment installed in time for the vendor to arrive. Oversight is currently waiting for an updated schedule and change request of this change. Go-live is still planned for October 1st of this year.

LIBRARIES

Nothing to report.

TAXES

Legislative Update:

Canaan and Ripton Tax Rates: Working with AOE, we adjusted the tax rates down in these towns to eliminate effects of the erroneous data submitted to AOE.

Air BnB Agreement: Just wrapping final details, anticipate effective date of October 1. Leg leaders in the loop, and Candace will be contacting Sen. Sorotkin about repealing the reporting requirement of last year.

Software Error Settlement:

Close to final with CCH, will be releasing press. Should be finished processing the refunds as of second week of Sept.

General Counsel/AG Discussion:

Our General Counsel, Molly Bachman (An AAG) has retired. We have replaced her with Kirby Keeton (nonAAG) as “Sr Legal and Policy Advisor”. Since the position was ours, we do not need to return it to the AG’s office. They will be recommending a “Director of Legal Services” to us – we have expressed our preference that it be filled with one of our current embedded AAGs (ultimately we will be down one AAG position – and anticipate in near future could drop one or two more.).

Property Tax Exemptions:

Airport: Dept signed off on BTV/So. Burl agreement, and signed onto Stip to Dismiss the lawsuit.

Higher Ed Facilities: At Commissioner’s direction, State did NOT enter amicus brief in the Supreme Court case where Montpelier is defending its refusal to grant exemption to College of Fine Arts.

Operations Update:

Personnel/Union Issues: Union continues to hold meetings – we have learned they may picket Dept. All foment is within our compliance dept – that is, auditors.

VTax Project: We finished up system testing this week – on time, as always. They will continue to work on the online portal, where we will see new functionality for individual taxpayers, such as enhanced where is my refund. End to end testing will commence, and FAST has added a fourth path mainly to use as a training exercise for Tax employees. All on target for Dept to go quiet the last week of November, live on Weds Dec. 7. The biggest phase with 380,000 individual taxpayers!

CONFIDENTIAL and PRIVILEGED

To: Governor Peter Shumlin
From: Patrick Delaney, Commissioner
Date: August 26, 2016
Re: Weekly Report

Vermont Department of Liquor Control

Legislative Issues/Contacts/Updates: Review of S250 is nearing completion. This project is being addressed in a more comprehensive manner than past regulation proposals. The bill language is being cleaned up, simplified and vetted for contradictory language by a lawyer, Deputy Commissioner Gary Kessler. This approach was intended to be more consistent with the goals of our larger project ahead, the modernizing of Title 7

Press Issues/Releases/Contacts:

None

Significant Events/Meetings:

The Department's new web site went on line this week. Still some work being done on the 802 Spirits section. However, the new site is a tremendous upgrade and is a tangible indication of our plans to start re-imaging the Department in many areas.

Had a meeting yesterday afternoon with approximately 50 regional brokers and local distillers to outline the many operational changes that we will be implementing before the first of the year. The changes in our policies and procedures were well received by the industry representatives. We had a meeting following with the council of eight members representing local distillers to discuss industry concerns and lay the ground work for their feedback in the title 7 re-write.

Summary of Key Department Activity:

Agency Issues:

The Department anticipates a change to Liquor Agents in Pownal effective September 1.

Staffing:

We continue working towards reclassification of Warehouse 1 and 2 positions to improve our competitive position in retaining employees.

We are in the process of re-classifying a warehouse 2 position to a supervisor position. This must be tabled until the current, singular Warehouse Supervisor position has been reclassified.

The Department has received many applications for the Principal Assistant / Director of Marketing position. August 25 is the final day for applications to be submitted, so application reviews will commence shortly, followed by scheduling of first round interviews.

Two new temporary warehouse position employees started work this week to create some bench strength in maintaining our ability to staff at minimum levels to operate our distribution functions and minimize overtime. The Temporary Warehouse Driver position recruitment is in its final stages, with one last interview conducted 8-25-2016.

Warehouse Reorganization:

The last phase of labeling the new shelving locations to manage inventory is under way.

Commissioner's Commentary:

This was another week of significant progress in moving our business operations forward.

**116 STATE STREET
MONTPELIER, VERMONT 05620**



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

Chuck Ross, SECRETARY

**STATE OF VERMONT
AGENCY OF AGRICULTURE**

Confidential and Privileged

TO: Gov. Peter Shumlin
FROM: Chuck Ross, Secretary of Agriculture
RE: Weekly Memo
DATE: August 26, 2016

Secretary Ross and Deputy Secretary Bothfeld met with Henry Harper, his attorney from Langrock Sperry and Conservation Partners Gil Livingston (VLS) and Gus Seelig (VHCB). Discussed how to get Tata Harper Skincare's business activities happening on their conserved farm into compliance with the easements. Agreed upon a MOU outlining a course of action that will lower their business footprint on the farm to appropriately fit within the terms of the easement. VLS will negotiate the specific terms of the MOU which all three partners will review and approve. The plan of action was acceptable to all and Henry Harper appears interested and willing to comply.

Secretary Ross met with Mark Fowler, Ag Staff for Congressman Welch to discuss numerous ag issues including FSMA, FDA regulations regarding cheese making, local ag and food issues like Farm to School and Farm to Institution and Farm Bill. Emphasized on-going need for Congressional funding for water quality and FSMA.

Representatives from the Agency of Agriculture, Food and Markets, Agency of Commerce and Community Development and the Lake Champlain Chamber of Commerce met with Vermont Companies that have required Certificates of Free Sale to export their Vermont products to foreign countries. During the legislative session, the statute was changed on the Certificates of Free Sale that the Agency of Ag could provide. The change restricted the Agency to provide certificates for only products that the agency regulates – dairy, meat, registered animal feeds etc. removed were cosmetics and other manufactured products. The options for the business making products for export that the Agency cannot supply Certificates of Free sale for are FDA and the Lake Champlain Chamber of Commerce. The Agency of Ag and Commerce will assist these important Vermont Companies through the transition to ensure that exports of their products can continue.

Deputy Secretary Diane Bothfeld addressed ceremony at the Statehouse celebrating the start of Homegrown by Heroes, a campaign promoting farmer veterans, administered by the Vermont Farmer Veteran Coalition

The Agency continues its discussion on the implementation of ACT 174 concerning primary ag soils and the siting of renewable energy installations. Agency is determining how to address impacts on primary ag soils for different KW size projects as well as acres of soils impacted. The first project applications have been received at the Agency so the process will be expedited.

Assistant State Veterinary met with the Communications Department to move forward with social media and print media advertising for the Swine Biosecurity Initiative.

A new relationship with Cabot's industrial marketing specialist has led to new options for cheddar purchasing for corrections. This will mean a lot more local cheddar is being procured by state government. The cheese will come from the production plant in Cabot, will be shredded in the corrections kitchen facilities and served to inmates.

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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: August 26, 2016

Significant Meetings:

- Assistant State Veterinarian with Food Systems Section Chief led the first meeting of the Produce Program Development group, whose purpose is to oversee the development of a cross—divisional produce program in VAAFM.
- Assistant State Veterinary met with the Communications Department to move forward with social media and print media advertising for the Swine Biosecurity Initiative.
- Assistant State Veterinarian completed and submitted to USDA Veterinary Services the annual Cervid Herd Certification Plan and Report, allowing Vermont to maintain status as an Approved State. An Approved State status is regard for cervid producers to import deer across state lines.

Legislative Contacts:

- Provided information to Rutland County Representative Robin Chestnut Tangermine concerning requirements for inspected slaughter and explanation that New York does not have a meat inspection program and that products produced in a New York State 5A establishment are not inspected and would not allow for interstate commerce

Summary of Key Agency Department Activity

Administration:

Representatives from the Agency of Agriculture, Food and Markets, Agency of Commerce and Community Development and the Lake Champlain Chamber of Commerce met with Vermont Companies that have required Certificates of Free Sale to export their Vermont products to foreign countries. During the legislative session, the statute was changed on the Certificates of Free Sale that the Agency of Ag could provide. The change restricted the Agency to provide certificates for only products that the agency regulates – dairy, meat, registered animal feeds etc. removed were cosmetics and other manufactured products. The options for the business making products for export that the Agency cannot supply Certificates of Free sale for are FDA and the Lake Champlain Chamber of Commerce. The Agency of Ag and Commerce will assist these important Vermont Companies through the transition to ensure that exports of their products can continue.

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Agricultural Development:

- The Vermont Farmer Veteran Coalition was chartered in the fall of 2015. VAAFM serves to promote and support this organization, along with many other statewide supporters: The Office of Senator Sanders, NOFA-VT, UVM Extension, USDA-FSA, USDA-Rural Development, Rural Vermont, Cabot Coop, Louise Calderwood of Sterling College, VT Center for Independent Living, and the Vermont Veteran Administration. The goals of this labeling initiative: Educate consumers about where their food comes from, and who produced it; honor those who served our country and continue to serve as a farmer; draw veterans from all over the United States to begin farming in Vermont; give veterans an opportunity to continue to serve the country as farmers, while also providing a healthy way to transition to civilian life. VAAFM will continue to support this organization, and work with VA and other partners to identify ways to get more veterans on Vermont farms, helping build the next generation of Vermont farmers.
- Food Section Chief, Willard, and Senior Ag Market Development Specialist, Zipparo, Work with Agency of Education and Corrections to identify new local dairy procurement options
 - A new relationship with Cabot's industrial marketing specialist has led to new options for cheddar purchasing for corrections. This will mean a lot more local cheddar is being procured by state government. The cheese will come from the production plant in Cabot, will be shredded in the corrections kitchen facilities and served to inmates.
 - Vermont Corrections will likely stop using non-local powdered milk and will begin serving local fluid milk in Vermont's corrections facilities, thanks to the diligent work of Bryan Mitofsky and Bob Arnell from Corrections, and Abbey Willard and Ali Zipparo of VAAFM. Mitofsky piloted fluid milk in food service to St. Johnsbury inmates, and the results were very positive. Inmates were pleased, labor was not an issue, cost was feasible, and local milk can now be an option.
 - These developments are the result of a long-term project VAAFM has led, in close partnership with BGS, on local procurement in state government, as well as general supply chain work that the agency has been involved in for several years, with the goal of connecting Vermont producers with institutional markets. These transitions will mean more local product served in Vermont institutions.

Act 250:

- Since 2006, Act 250 has protected 111 onsite mitigation areas, and 1,422 acres, around the state. Development subject to Act 250 caused the loss of 590 acres of primary agricultural soils, which resulted in this mitigation. Of the 1,422 acres, 1,311 acres are primary agricultural soils; 460 acres of prime soils, 830 acres of state wide soils, 21 acres of locally important soils. This year, the Agency researched and mapped each onsite mitigation area in an effort to begin to understand the impact of the onsite mitigation policy. We have found that roughly 50% of the acres are in agricultural use, and almost 1/4th of the onsite mitigation is concentrated in Chittenden County.
- In 2015, Act 250 permitted three projects which were required to pay an offsite mitigation fee due to impacts to primary agricultural soils. All three projects have begun construction and paid the fee to the Vermont Housing and Conservation Board (VHCB) totaling \$62,604.
- In 2016, Act 250 permitted eight projects that are required to pay an offsite mitigation fee due to impacts to primary agricultural soils. Seven of the eight projects have begun construction and paid the fee to the Vermont Housing and Conservation Board (VHCB) totaling \$132,780. The unpaid mitigation, totaling \$179,473 for Cider Mill LUP #4C1128-4, will be paid in phases that correspond to the development to VHCB.

Food Safety and Animal Health and Consumer Protection:

Animal Health:

- Assistant State Veterinarian participate bi-weekly NASDA Produce Safety Technical Working Subgroup for the development of regulator training plan. FDA is recommending that state prepare a plan to train both regulators and the produce industry.
- Animal Health Section worked with legal counsel to schedule to pre-hearings, one for an equine import violation and the second for a cervid producer with continued non-compliance.
- Animal Health Field Staff
 - Attended the weekly livestock auction at the Addison County Commission Sales to monitor Animal Disease Traceability compliance and complete the livestock market report.
 - Inspected ICVI documents of out of state participants (Ox and Horse Pulling contests) at the Vermont State Fair in Rutland.
 - Completed poultry testing at the Caledonia Fair and monitored animal identification and import paperwork.

Meat Inspection:

- A Federal Establishment in Grand Isle has had its suspension for humane handling reinstated.
- Working with individual in Sharon VT for startup of a custom processing operation
- Provided information to interested farmer concerning on-farm slaughter of hogs and the required reporting procedures
- Two notice of warnings issued for temperature abuse of meat and poultry products being offered for sale at farmer's markets.

Agricultural Resource Management:

North Lake Contractor Initiative:

- Several more activation letters have been submitted for signature and several others are currently under review.
- Staff continue to coordinate with North Lake contractors as projects move forward.
- Onsite visits continue with North Lake Contractors, farmers and AAFM staff.
- Now that several projects are well under way, VAAFM staff will meet at least every other week for status updates. NL contractors will be invited to call in to these meetings if they wish to discuss programmatic or farm specific issues.

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

- Staff are continuing to develop and test the FoodSafety Water Quality database.
- Staff continue to review 5 applications for LFO permit amendments or applications to become an LFO.
- Staff met to summarize SFO data collected from various sources of Agricultural stakeholders in the interest of developing territories for the SFO program.
- Inspection report write-ups on Medium and Large Farms are numerous and ongoing.
- Staff attended GIS trainings.
- Staff continue to attend WQ Communications meetings
- The enforcement process continues to evolve to meet program goals and staff have been assisting in this development effort.

- Organizing priority farm list for collaboration with partner Agencies with staff continues.
- Five-year audit planning continues with several staff members.
- Staff continue to develop RFP program deliverables and framework for Alternative Phosphorous management
- Staff members met to review inspection reports to be submitted to the enforcement team; these meeting will be ongoing throughout the field season.
- Staff attended McKenzie Brook meeting.
- Two LFO inspections were conducted by staff members.
- Two public information meetings were held with several staff for changes to permits on LFOs.
- Three MFO inspections were conducted by staff

Secretary's Report:

Tata Harper Skincare and Conservation Easements – met with Henry Harper, his attorney from Langrock Sperry and Conservation Partners Gil Livingston (VLS) and Gus Seelig (VHCB). Discussed how to get Tata Harper Skincare's business activities happening on their conserved farm into compliance with the easements. Agreed upon a MOU outlining a course of action that will lower their business footprint on the farm to appropriately fit within the terms of the easement. VLS will negotiate the specific terms of the MOU which all three partners will review and approve. The plan of action was acceptable to all and Henry Harper appears interested and willing to comply.

Food Safety Modernization Act (aka FSMA) – conducted intra-agency meeting to develop work plan for fall work relating to FSMA including the anticipation of FDA funding for state inspectors.

Mark Fowler, Ag Staff for Congressman Welch – met with Mr. Fowler to discuss numerous ag issues including FSMA, FDA regulations regarding cheese making, local ag and food issues like Farm to School and Farm to Institution and Farm Bill. Emphasized on-going need for Congressional funding for water quality and FSMA.

UVM Extension and College of Agriculture and Life Science – Deans and senior management staff at the Agency met to review ongoing collaboration, identify new opportunities and to explore how to make existing better and pursue useful new opportunities. Will meet again in October to focus on the most important 3 to 5 collaborations.

Higher Education Food System Consortium – members of the Consortium which includes VAAFM, met at Green Mountain College. Members agreed to drop efforts at hosting a joint summer course but agreed to pursue collaborations relating to food system education including internships, international travel and collaboration on student led research and service.

Asecension Lutheran Church, South Burlington – provided Sunday sermon on water quality. Called for patience, persistence and commitment by all. Well received by diverse audience

Japan Trade Mission – met with businesses signed up for trade mission to review logistics and timing for trip. Businesses are enthusiastic. Support and underwriting from Export Northeast (USDA funding trade assistant organization) is very helpful.

Clean Water Fund Board – participated in Board meeting to review budget and upcoming work plan and schedule.

Ralph McNall – met with Ralph McNall to catch up on what is happening in dairy in Vermont and beyond. The low prices are hurting everyone and negatively influencing the thinking of the dairy community about the RAPs.

From: Smith, Gregory
Sent: Friday, August 26, 2016 7:56 AM
Subject: Weekly report

No legis contact.

Media story with various outlets about \$5M prize winner. Normal coverage for prize amount. We plan to issue a press release about our profits from last fiscal year. VLC has approved, sending to S Coriell today.

We completed our last lake monster game sponsorship last night. This seems to be a good Partnership and exposure but we need to change it for future.
Sales continue to be ahead of last year.

Greg