

WEEKLY REPORTS

Checklist
5/8/15

Elizabeth Miller/Alyson Richards

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

TBD

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

Sue Allen

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

Sarah London

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

Susan Spaulding

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

To: Governor Peter Shumlin
From: Patricia Moulton, Secretary - Agency of Commerce and Community Development
Date: May 8, 2015
Re: Weekly Report

LEGISLATIVE ACTIVITY

- **S.138:** The Economic Development bill is still in Ways and Means as of this writing, though the Committee did pass an amendment to the bill late Wednesday afternoon so that the Appropriations Committee could begin their work. The Ways & Means amendment made a number of changes to the VEGI language including: a narrowing of the Labor Market areas eligible for the lowered wage threshold; an added requirement to the extension provision that says any increase in the minimum wage must be factored into a recalculation of incentive; a change that requires benefits be offered in order for jobs to qualify; and a narrowing of the value added VEGI sectors to advanced manufacturing and IT instead of any manufacturing and IT. Lucy and the ACCD team worked with the committee on several of these changes but do not support the narrowing of labor market areas eligible for the lower wage threshold, or the recalculation change.

The disconnect between the Tax Department and Joint Fiscal on the cost of the Cloud elimination left the committee looking for money to pay for this, as well as the other things in the bill that cost money including the First Time Home Buyer Down Payment Assistance Program. The restoration of the R & D Tax Credit to 30% and no reporting was removed in the amendment as well. At the last minute, the Chair threw in implementation of the tax haven crackdown that had been just a study in the revenue bill, even though it will not raise any money for fiscal 2016. They were running out of time, and the Chair said the bill would die if they didn't act right away so they voted the amendment with the understanding that they could continue working on it while the Appropriations Committee did their work on the bill.

They are expected to vote out a further amendment that takes out the tax haven language and Cloud with the knowledge that the Cloud language can still be in play in conference because it was passed in the Senate bill. Lucy testified in House Appropriations that ACCD could not support the Marketing appropriation but we do support the formula that was in the Governor's budget.

- **Revenue Bill (H.489):** House and Senate conferees have been named and tasked with resolving differences between their two versions of the bill: Reps. Janet Ancel, Jim Condon and Carolyn Branagan and Sens. Tim Ashe, Mark MacDonald and Richard Westman. The Senate added provisions from the House bills H.272 (Current Use and Technical Tax) and H.184 (Fee Bill) to H.489. These include a section from H.184 establishing a special fund for VCGI at ACCD and sections from H.272 re: moving mapping from the Tax Department to VCGI, the property tax treatment of qualified rental housing, tax increment financing districts, and downtown tax credits. For more detail, see Leg Council's [side-by-side](#) summary. ACCD supports the Senate language. Conferees began meeting this week.

PATRICIA MOULTON, SECRETARY

GS Precision: I spoke with Norm on Wednesday. He is still considering Vermont, no final decision yet. He is now would like to be north of downtown Brattleboro along Putney Road/Rte. 5. He feels it is a lot of money to develop the Exit 1 Industrial Park land for him. When we explain it will be developed someday, he could be the catalyst to attract grants and make it happen, he just says "it seems like a lot of money to me." BDCC is chasing down every site he mentions. He is interested in the Fulflex Property field but they may not want to sell and the price is high. He realizes he loses his New Market Tax Credits on Putney Road but seems ok with that. BDCC is proceeding with an application to EDA to assist with exit 1 development as that has to be filed in June. We are pushing for a decision and a deposit from Norm.

Vermont Castings: Vermont Castings is looking for assistance with their \$6 million foundry expansion. The problem is it may be a net job loser because production jobs are moving out of state. They will be hiring new at the foundry and we are waiting for a 3 to 5 year hiring plan to know best how to proceed. It is likely they will not be eligible for VEGI.

International trade: We are pursuing a fourth STEP grant from SBA to assist with export assistance and training. One issue is that Becky Fu is pregnant and will be going out for maternity leave in October. We will need to show SBA we have coverage for the period she is out. We are unsure how much we will end up applying for, the issue is meeting match requirements. That may dictate a lower amount. Without the grant, we have no budget for TA for export.

Bulletin 5, Grants Management: We are completing our grants management plan per Bulletin 5 and will file by May 15. We completed our Internal Controls surveys. One area of deep concern is compliance with the requirement that we monitor the Single Audits of recipients and sub recipients of grants. We have multiple grant programs which will result in multiple single audits from recipients. We will of course get copies of those but monitoring those audits, tracking any findings and the cure of findings for all recipients and sub recipients will be very difficult with our staffing. We may need to hire staff to conduct this work for the Agency. I am hoping we can have a discussion of a statewide solution for smaller Departments and Agencies like ours.

LUCY LERICHE, DEPUTY SECRETARY: Lucy has been at the statehouse all week on S. 138 and other bills of interest.

DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT

Commissioner MacKay and Deputy Commissioner Hollar

Deputy Commissioner Hollar

- **Vermont Community Development Board:** With Josh Hanford, welcomed David Scherr as a new member of the board when he visited DHCD this week to meet the staff and begin his orientation. David is originally from Norwich, Vermont and now practices law in Burlington. He represents small businesses and also does public defender work which allows him to serve some of Vermont's most vulnerable citizens. A graduate of Amherst College and Columbia University School of Law, he is currently with Burke Law, P.C.
- **Consolidated Plan:** We are in the home stretch. Made revisions based on written comments and drafted responses for inclusion in the plan.
- **Housing the Homeless:** AHS is looking at all possible solutions. With Ann Kroll's help, provided Department of Children and Families Commissioner Ken Schatz with information on the cost of buying and rehabbing foreclosed homes based on DHCD's Neighborhood Stabilization Program. Through NSP, which was funded by federal stimulus money, we redeveloped approximately 75 homes around the state in partnership with VHFA and local housing nonprofits. They bought and rehabbed foreclosed homes that were then sold to lower income families. While successful in improving neglected housing stock, stabilizing neighborhoods and helping people into homeownership, the program required a significant level of subsidy. The average total cost per home was \$222,324. The average resale price was \$160,811. And the average cost of acquisition, rehab and subsidy to the homeowner that was not recovered in the resale price was \$110,205 or approximately 50% of the total cost. If a similar program was created units for the homeless to rent, there would be no need for the homebuyer subsidy, but there would be a cost of maintaining and operating the building.

HISTORIC PRESERVATION ♦ Laura Trieschmann, State Historic Preservation Officer

- **Consultant Training:** The Division for Historic Preservation held our first annual consultant training last week at the State House. The training, required for qualified consultants desiring to be listed on our published consultants list, included an overview of our mission and programs, staff, and qualified consultant requirements. The more detailed discussions addressed project requirements, rules and procedures like our online resource center and electronic submittals, and deadlines. Fifty-one consultants attended the training. A second training will be held this year on September 18.
- **Danforth Ornaments and Charms:** The proofs for the three ornaments and two charms being produced by Danforth Pewter have been approved. The Division has been working closely with Danforth for the last six months on the design of ornaments for the boyhood home of President Calvin Coolidge, home of Senator Justin Morrill (which has a pink epoxy of course), and the State House (which is being done in collaboration with the Friends of the State House and has a glittering gold dome). Charms have been made of the Bennington Battle Monument and the top hat of President Coolidge. A third charm depicting a Swanton arrowhead is now being prepared. The ornaments and charms will be for sale at our historic sites and the State House gift shops.

State Archaeologist

- On Saturday, Jess and Scott went to Old Sturbridge Village in Massachusetts, to give a lecture on curation strategies and the relative importance of data classes at the Conference for New England Archaeology Annual Meeting.

Project Review

- **Vermont College of Fine Arts:** The District 5 Commission issued a permit for VCFA's major project last week. The Commission supported all of VDHP's determinations of eligibility and effect, as well as the mitigation package that VDHP and the College had agreed upon. However, because the Commission felt that there were adverse effects that did have appropriate resolution, likely because the College refused to negotiate on these particular adverse effects with VDHP, they added conditions into the permit beyond what was included in the mitigation agreement. They also determined that VCFA would need a permit amendment for the controversial sign they placed on the College Green that has resulted in significant public complaint. Conversations with the College will continue.

State-Owned Historic Sites

- **Bennington Battle Monument:** Week two at the Monument showed an improvement in the weather, gift shop sales and a slight increase in visitation. Total number of visitors was 345 for the week including guests from New Brunswick, Quebec, Germany and Japan. The first lawn cutting was on Monday, a sure sign that the season has started. Marylou attended several meetings this week, including Old Bennington Trustees and the neighbors to discuss proposals for a 'traffic calming pattern' on the road that circles the Monument, and met with Bennington Battlefield interpreters to plan for a cooperative event on June 20, another meeting was with the new owners of the Bennington Bookstore to look into books for the HP Conference on June 5.

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

- State Rep. Bill Botzow contacted the Department about the mobile home owner (see 4/15/15 report) who's home tipped over/sank earlier this month asking us to help however we can. Arthur checked in with the homeowner and relayed the update to Rep. Botzow. One way we may be able to help is by locating an apparently missing "Fire Report" the homeowner believes was sent to the State. Arthur will try to track this down with the Fire Safety Division if possible.
- In the final weeks of the legislative session, focus has been on the Revenue Bill H.489. The bill currently maintains an important provision clarifying the property tax reduction for rental units that are qualified as affordable by Vermont Housing Finance Agency (VHFA). This statutory language allows VHFA to continue ensuring that residential rental properties that are subject to affordable rent restrictions are taxed based on a fair assessment of the rents those properties can realize. This supports the affordability of these units.
- The coordination between DHCD, Dept. of Health, and the Department of Public Safety has continued in regards to Town Health Officer Training around recent authority to declare a building affected by a disaster Condemned to be Destroyed. As a response to the reactions after TS Irene, this effort to train local officials to better assess damage caused by a declared disaster will help ensure that Vermonters can access assistance more rapidly should we experience another significant natural disaster. Trainings for Town Health Officers and others are available 5/27 and 5/30. Shaun has been working to establish the training materials and logistics for these and future trainings of local health officers and zoning administrators to assist in emergency recovery efforts.

VERMONT COMMUNITY DEVELOPMENT PROGRAM ♦ Josh Hanford, Director

Regular CDBG

Existing grants

- **Town of Colchester:** On Monday, May 4th, Governor Shumlin announced the VCDP \$500,000 grant to the Town of Colchester at an award event at Winchester Place, a mixed-income development of 166 apartments. The VCDP funding will be used to rehabilitate 148 units, of which 80 units will be available to households earning below 80% of median income, and at least five units will be master-leased to COTS.

Other

- **HUD Proposed New Rule for Sec 3:** (part of the 1968 Act that states that HUD funded-jobs and contracts are to be directed, to the greatest extent feasible, to low-income residents and businesses that employ them) staff attended a HUD webinar to learn about the new proposed rules and also participated in a COSCDA conference call to discuss concerns and to coordinate comments from states. These proposed rules, if implemented, are raising concerns for State CDBG programs, as it will require a substantial increase in education, compliance and management responsibilities without additional funding from HUD. Staff plan to review comments from other states and draft comments of our own by the May 26th deadline.

CHIEF MARKETING OFFICE ♦ Heather Pelham, Marketing Manager

- **CMS website template:** With word of the availability of the new CMS template for SOV websites starting to spread, the CMO continues to advise state entities on content strategy, the redesign process and template features. An updated version of the written guide to the template was completed by the CMO this week and shared with

several groups in various stages of the process including: Agency of Education, Agency of Administration, Agency of Transportation, Department of Human Resources, VOSHA Review Board, Natural Resources Board, and the Public Safety Broadband Initiative. The first website in the new template is also now live: be sure to take a peek at <http://speaker.vermont.gov/>

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

- **GIS Data:**
 - **New/Update Data and Web Services:** The “Vermont Electric Utility Franchise Areas” data set has been updated in Vermont’s Open GeoData Portal. VCGI is making some finishing touches to a suite of new and updated aerial imagery web services, with a planned mid-May release. We are also working to add more than a dozen new/updated town parcel datasets to the statewide parcel layer.
 - **Open GeoData Portal:** VCGI and the EGC continue to work toward a rebuild of VT’s Open GeoData Portal (<http://vcgi.vermont.gov/opendata>). We recently completed a preliminary evaluation of ESRI’s “Open Data” Platform. The EGC has agreed that this platform has potential and warrants additional review and testing. As a result, the EGC has craft a “testing plan” which VCGI plans to implement between now and June.
- **Projects and Technical Service Contracts:**
 - **NBRC Parcel Data Project:** Brunswick is finalizing a parcel mapping contract with CAI-Tech, Stannard and Sutton are finalizing their RFPs which will hopefully be posted within a week.
 - **Dept. of Public Safety – Hazard Mitigation Projects Data Development:** A browser-based mapping interface has been established to allow updates to Hazard Mitigation Projects data from Division of Emergency Management and Homeland Security staff.

DEPARTMENT OF TOURISM & MARKETING: Megan Smith, Commissioner

- **National Tourism Week:** This week is National Tourism Week! The big message that U.S. Travel Association is spreading this year is the fact that there are \$224 billion tied up in unused vacation time across the private sector. Further, the average cost of accrued time per employee is \$1,898. For companies with more than 500 employees, the cost per employee is markedly higher at \$2,609. “The private sector’s vacation liability is nearly half the size of the national deficit, but it doesn’t have to be that way” said Roger Dow, President and CEO of the U.S. Travel Association. “Through regular communication and a clear policy, businesses can decrease their liability while increasing productivity and improving employee well-being: it’s the double bottom line.” The benefit to the tourism sector would be huge if even a small percentage of this time were used.
- **Vermont Mountain Bike Association:** VMBA has been able to print a statewide map with sponsorship and a commitment from nine shops to be sales outlets. The map will be \$10 for VMBA members and \$20 for non-members. There has been a huge demand for these maps for many years.
- **Temporary Closure of Route 4 in Killington:** Megan attended a Select Board meeting in Killington (always interesting) with VTrans to discuss the closure of Route 4 in Killington for 10 days during an accelerated bridge replacement project. Megan will continue to work with the local chamber to ensure communication to all businesses and prospective guests.

COMMUNICATIONS ♦ Laura Peterson, Director of Communications

- **Media Outreach:** Laura assisted with a Trekaroo article on Vermont’s Top Five Picks for Family Camping, and set up a family blogger with a visit to Button Bay State Park. She also worked with *Food + Travel* magazine for an article on our cheese and beer festivals, and with a Michigan writer who is interested in visiting Vermont this summer. Our Australian outreach resulted in an article in Australia’s *Out and About with Kids* magazine, mentioning Stowe.

- **Social Media:** This week's most popular Facebook post was an ironic posting about why people should not



visit Vermont. It reached over 9000 people.

Week over Week analytics on Facebook were good: “People engaged” was up 132%, “New Likes” was up 54%, and “Weekly Total Reach” was up 71%.

RESEARCH & STATISTICS ♦ Greg Gerdel, Research & Operations Chief

Research

- **Seasonal Indicators:** With the winter season all but over – just Killington remains open – visitor center traffic for the calendar year to date is up slightly overall from last year. Through April, most of the 17 visitor centers are showing comparable activity to last year. But several centers have seen a significant increase: Bennington up 27.7 percent above the first four months of last year, indicating that travelers are becoming aware of its location. Hartford SB continues steady growth, up 9.2 percent, while Derby Line on the Canadian border is up 13.8 percent. The only center with a significant decline in traffic is the small, Canadian border outpost at Alburgh, which is -29.7 percent for the calendar year to date.

SALES ♦ Christiane Skinner, Sales Manager, International and North American Markets

- **French Familiarization Trip:** Christiane Skinner joined 4 tour operators from France along with Hervé Duxin, from Duxin.com, our French representative to the Top of New England States. These operators were visiting Vermont following the Discover New England Summit held in Portland Maine. While in Vermont, they visited Hotel Vermont, the Courtyard by Marriott, the Stoweflake and Stowe Mountain Lodge while staying at The Essex and Trapp Family Lodge. They also experienced a Burlington tour with Burlington Segways.

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

- **General:** Sky, Heather Pelham and Steve Cook continue to conceptualize how vermontlife.com can become a resource for people looking to live, work and play in Vermont. While it serves to market those concepts now, we can add actionable content. We will be meeting about this over the coming weeks.

DEPARTMENT OF ECONOMIC DEVELOPMENT: Joan Goldstein, Commissioner

- **Sector Analysis:** We have created a working group of Ken Jones, Jared Duval, and Beth Demers to examine the sectors with the most significant impacts (utilizing data) to the VT economy and based on the most significant we will compile a list of occupations within those sectors that are expected to grow over the next 3 years. Based on that data we will go out to the regions to identify the businesses within those regions and do the primary research to ensure that the secondary data tell the accurate ‘story’. Where there are gaps in training or providers we will have a more precise game plan in order to fund the most relevant and necessary programs. When we have the outcomes of this ‘study’ we can then also more accurately plan for rules, policy, or legislative changes with the most impact.
- **Tri County Economic Development Stakeholders Meeting:** The MA, NH, and VT economic development and planning commissions, US congressional and state delegations were present at a meeting in Brattleboro to brainstorm ideas on how to replace the value that will/may leave the area with the closedown of Yankee. There are a number of funding sources to help realize some of their planning efforts such as EDA, USDA, and The Windham County Economic Development Fund. The rep from NADO led the brainstorming piece but also pointed out that ‘ownership’ of this effort is key to the realization of any of these efforts. As a newbie to these meetings it appears that this is a collective/collaborative effort by the planning commissions and the economic development corporations.
- **PTAC Matchmaker Event:** With partnership of the Northeast regional council we kicked off the event on Thursday of this week in Manchester at the Equinox. The entire resort was booked by all of those with the event from the exhibitors to the vendors to the sponsors to the small businesses from throughout the New England and

NY region. After a few opening remarks the matchmaking started off and continued throughout the day along with relevant seminars for the small businesses. Approximately 200 pp in attendance. Hats off to Robin and the entire PTAC team to bring this to fruition. And the Equinox is a great venue as it showcased all of the great things Vermont has to offer- and the ability for the attendees to shop, golf, or ski- depending on the season! With a special government rate to boot! We should keep in mind for any future events.

BUSINESS SUPPORT ♦ Ken Horseman, Senior Economic Development Specialist

- **St. Albans Co-op - St. Albans:** The company has completed a \$14M investment in new equipment following the acquisition of McDermid Trucking Company. Full time employment has grown from 40 to 80. New bagging technology purchased from New Zealand, with robotic components from Israel have dramatically improved productivity, lowered costs, and reduced workplace injuries. Business is steady, and the addition to their store is attracting more consumer customers adding to the bottom line.
- **AllEarth Renewables – Williston:** This solar tracker manufacturer has adopted a new distributorship model and dealer network with 70 dealers doing business in 20 states. Employment in Vermont has increased to 35 full time. This has added about \$7M annually to gross sales. Their CFO is stepping down at the end of April. Business is strong, and they are hopeful that the large solar farm net metering proposal will become law. Appropriate referrals will be made.
- **CDL - St. Albans:** This Quebec-owned maple equipment manufacturer now employs 30 full time in St. Albans with another store in Morrisville. They sell and repair a full range of maple sugaring equipment featuring the latest technology. A special niche they fill is for the hobby maple sugar operation with smaller and more affordable technology that has become very popular. No immediate needs at this time.
- **Bertek – Georgia:** Business is steady for this label printer. They report new investment in short-run digital presses, giving them much new work with specialty food producers. Another specialty area are phone cards and boat/motor vehicle inspection stickers with customer from a number of other states and Venezuela. They have been frustrated in attempts to do business with the State of Vermont. Full time employment is steady at 35. Appropriate referrals will be made.
- **High Mowing Seeds – Wolcott:** The company has purchased a farm in Hyde Park that will become their future headquarters. They are seeking assistance with the planning process. Business continues to grow at about 40% annually. A variety of areas of assistance were discussed, and we will continue to assist them going forward.
- **Caspian Arms – Wolcott:** The company reports that business is steady with full time employment at 25. They have been experiencing several federal and state audits and are concerned that their industry sector is being targeted unfairly. LEDC will pursue this issue with the congressional delegation to help voice their concerns. Appropriate referrals will be made.
- **Way Out Wax - Hyde Park:** The company has begun implementing the action steps developed with ExporTech training to expand international markets. They have hired a new CEO and business is growing steadily. They signed a new contract with Ultramotive in Bethel to manufacture their aerosol containers. Appropriate referrals will be made.

BUSINESS SUPPORT - Economic Development ♦ Jared Duval, Director

- Represented ACCD alongside Ken Jones at an inter-agency meeting to begin designing an incentive/ change-out program for modern wood heat, hosted by Deputy Commissioner Alyssa Schuren at DEC. There are estimated to be 31,000 pre-1990, uncertified wood stoves in VT. Meanwhile, new wood stoves are far more clean and efficient, which is better for air quality, health, and resource efficiency. The Department of Environmental Conservation and the Clean Energy Development Fund will be the primary movers of the effort. We compared different state change-out programs and agreed that, because our shared interests are: air quality; renewable energy; and VT economic development, the model that makes the most sense is a solid fuel to wood change out program to incentivize modern wood heat, (EPA certified stoves, central pellet systems etc.), and not including any fossil fuels. Remaining to be decided: total goal for # of change-outs; statewide v. local (where air pollution issues are of most concern) focus; whether to tier the incentive payment based on income and/or efficiency gains.
- After receiving approval from DFR Deputy Commissioner Pieciak, shared information with RDCs about Kiva Zip, a new crowd lending finance option for rural small businesses, up to \$10,000 and at 0% interest. Robin/Addison County Economic Dev. Corp. and Dave/NVDA are exploring becoming trustees in the program.

FINANCIAL SERVICES ♦ Dan Towle, Director

- **Risk & Insurance Magazine:** Dan Towle, Director of Financial Services has been working with the editorial staff of this publication over the last 6 weeks to produce a series of articles and statistics that was published in the magazine on Vermont's captive insurance industry. The magazine is the largest monthly insurance trade publication. The report spanned 16 pages and has an advertising equivalency of over \$100,000. This relationship

that Dan has developed with this magazine continues to produce significant benefits to Vermont. Articles featured Cummins, a large manufacturer, an article on non-profits and an article on the strong public-private partnership of Vermont's captive insurance industry.

- **Congressional Meetings held in conjunction with the VCIA:** Meetings occurred with Dan and Rich Smith, President of the VCIA with Vermont's Congressional Delegation. The purpose was to update the delegation on Vermont's Captive Insurance Federal concerns and to encourage them to reintroduce legislation to solve the confusion concerning the unintended consequences to the captive insurance industry with the Non-Admitted Reinsurance Reform Act (part of the Dodd-Frank Financial Reform Act). Very productive meetings occurred with Senator Leahy's Legislative Director and Congressman Welch's staff. Requests for a meeting with Senator Sanders were not returned.

VERMONT GLOBAL TRADE PARTNERSHIP (VGTP) ♦ Becky Fu, Manager of International Trade

Client Support

- VGTP provided support and follow up with Hayward Tyler, NUARI and Country Home Products after the first session of ExporTech training, connecting the companies with training, export trade show grant, technical research, and one-on-one consultancy opportunities.
- VGTP provided Nick Mayer Art, a small business specialized in illustration with resources for a potential trade show in Japan, and potential market research to Dubai via a contract that VGTP has with Channel service via Eastern Trade Council.
- VGTP got positive feedback from Chroma Technology for their participation in MEDICA2014. According to their CEO Paul Millman, "I was skeptical about the quality of the show, but it turned out to be a big success for Chroma. Chroma was able to meet potential partners that we would have not met should we not have attended the show." VGTP is also providing information for Chroma to enter Japanese market.

VERMONT TRAINING PROGRAM ♦ Beth Demers, Director

- **Grants Awarded:** The Vermont Training Program has approved grants for two companies this week: Acrylic Designs of Springfield and Smart Resource Labs of Burlington. Acrylic Designs manufactures table top promotional materials for the commercial beverage industry. Smart Resource Labs is a software development company that specializes in the renewable energy industry. A common theme between the applications was the fact that they were requesting assistance to hire lower skilled VT workers rather than recruiting from out-of-state. Recruiting from out of state is seen as difficult due to the effort needed to find the right people and the higher wages they demand. Hiring VT employees also has its challenges as these people often do not have the skills necessary and extensive training is required.
- **New Applications:** There are three applications currently under review by the VTP Review Team. Butternut Mtn Farm of Morrisville, Bio-Tek of Winooski, and a training provider grant by SkillTech in Essex for an apprenticeship program designed for Velan Valve in Williston. Interest and applications to the Vermont Training Program has picked up in this last quarter of the fiscal year.
- **Appalachian Flooring:** On referral from Jared Duval, Beth Demers and Joe Kasprzak of NVDA visited with this North Troy wood flooring manufacturer. This Canadian company purchased the company in 2012. Since then the market has grown. The recent news regarding Lumber Liquidators and toxic glue has increased sales for Appalachian Flooring who uses non-toxic glue blend. The company is still moving into the North American market and is now looking to train employees on new equipment in order to be successful in the growth.

ITS/CONNECT VERMONT ♦ Robert White, ConnectVermont Director

Activities and Accomplishments

ITS

- Presented how VTrans protects ITS Infrastructure on US DOT Cybersecurity webinar.
- Attended US DOT Road Weather Performance Management Tool Webinar.

MATS

- none

Future Plans/Activities

- Attend PSBN Commission meeting and provide feedback on VTrans FirstNet Communications needs.
- Attend meeting with NH DOT and Vaisala RWIS design engineers and account team to discuss current needs and future enhancements.
- Attend US DOT Road Weather Performance Management Tool Stakeholders Webinar.

Obstacles and Opportunities

- As a US DOT Road Weather Performance Management Tool Stakeholder VTrans has the opportunity to provide performance metrics input into how the tool will be developed and utilized across the US.



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CONFIDENTIAL AND PRIVILEGED MEMORANDUM

TO: Governor Peter Shumlin
FROM: Rebecca Holcombe, Secretary, Agency of Education
SUBJECT: AOE Weekly Report
DATE: May 8, 2015

Media Contacts:

- Katy Savage, VT Standard, interviewed Jill Remick about dissatisfaction from teachers and educators and that they are feeling overwhelmed with state and federal requirements.
- Andrew McGregor, Caledonian Record, requested data about high school graduates. Some of it requires additional work, and some of it is not available through AOE but he was directed to Department of Labor.
- Terri Hallenbeck, Seven Days, spoke with Rebecca regarding H.361. She also attended the 12 noon discussion of Senators with Rebecca and was satisfied with that.
- April Burbank of the Free Press spoke with Rebecca about H.361
- Ann Galloway spoke with Rebecca about H. 361. She is clearly looking for controversy on this one. Tried to play me and Joel against each other.

Public Presentations/Speeches/Meetings:

High School Counselors and Directors –Milton VT Rebecca met with this group in Milton. Two main issues came out:

- 1) They are very worried about the lack of mental health supports in particular, including spaces in specialized settings for children with very acute needs. They report rising numbers of kids with depression and acute needs, and feel unable to serve them in place. However, the lack of placements means these kids can't be placed in programs where they get appropriate services, so the situations and behaviors escalate.
- 2) They are struggling with implementation of EOS and Act 77, because of the volume of work involved. They basically did not seem interested in local control with regards to the "whats" and "hows," and wanted a little structure and guidance so they can focus on just getting it done.

Regional Education Laboratory - Northeast and Islands Governing Committee (REL-NEI)

Deputy Secretary Amy Fowler represented the Vermont Agency of Education to the REL-NEI Governing Committee in Boston this week. Topics of discussion included current research on effective practices of principals in high-performing, high-poverty schools; examination of practices for research support in the development of surveys related to education; rural education initiatives; and data utilization.

Evolving Issues:

Education Quality Reviews

Ongoing work for the Education Quality Reviews is occurring. Amy Fowler will be leading this as detailed below:

- with three regional superintendents meetings in the next two weeks;
- holding an AOE work session on Monday, May 11 at AOE in Barre from 2:00 – 4:00 p.m.;
- providing an update to the State Board of Education on May 19;
- hosting a visiting team from New York on May 28; and
- facilitating the second field summit on May 29 from 9:00 a.m. – 4:00 p.m. at the AOE in Barre (please let us know if the Governor would like to attend)

An irony of the EQS work is that it is pushing to a head the tension between the field and the legislature around the issue of accountability. The legislature wants us to crack down on schools that are doing a bad job (and assumes they are all schools in districts other than their own.) In contrast, once you begin to push, many educators and boards really feel the reviews should only serve a report role, and that if schools don't do well, it must be our fault. We have a strong cultural unwillingness to be accountable for doing a good job. Many struggle to think of a situation in which it would be warranted for us to hold them accountable on quality grounds. Fascinating.

Grand Isle SU, poster child for the current challenges

I mentioned this briefly to Aly, but last Monday, on a monitoring visit focused on use of federal funds, what our monitor saw was so concerning that we had no choice but to suspend access to all federal funds. (They had just received a release of funds, so should be liquid for a little while regardless). In addition, the visit raised enough red flags that we returned for an audit of state funds on Thursday and Friday. We will also be looking at Board Policies. We are meeting Tuesday to debrief audit reports and consider a course of action.

We will have to apply sanctions under 165b. The question is to what extent. At least, we are looking at a very strong corrective action plan. It is likely we will do something stronger, including: and possibly assuming administrative control, receivership, and/or mandating a RED study during receivership.

We have been concerned about this area for a while. Our perception is that they are too small and too poorly governed to be functional. These visits seem to be

supporting that. They have a history of poor decisions, poor or missing processes, incestuous and/or nepotistic relationships between boards and staff, and underfunding of business manager positions that goes back for years. They are the hidden poster children for the reality that in some regions, boards have been unable to manage in ways that are healthy for schools.

The timing looks like we won't be sending the letter explaining sanctions until late next week. The timing with the last week of the session is coincidental, triggered by a routine monitoring visit, but unfortunate.

We are also having an internal conversation about internal processes, and specifically, how things could have gotten so bad without action on our part earlier in the process. Agency staff have been reluctant to push on these situations, because boards are so strong and resistant, and because we have limited capacity. We get a lot of pushback from some regions, and have few tools to respond. It is difficult to prevail except in the most egregious circumstances. And, because weakness is so widespread, it can be a little paralyzing. The Business Manager situation is acute—there is no applicant pool, and some of the folk sitting in that position are marginally competent. We don't have the capacity to address that problem from Barre. In addition, because of the history of the boards and magnitude of the problem they have created, no competent business manager with any understanding has any interest in working in places like Grand Isle. A few have told us that if we put GI in receivership they would agree to work in Grand Isle-- but for the AOE. They would not take the job if they were reporting to the Boards.

Some of our school boards are fabulous, and that is reflected in the quality of their systems. However, the level of ignorance, short term self interest and incompetence on some of them is concerning, and does not bode well for our schools. When not much was asked of them, they were able to stagger forward in some semblance of functioning. However in a context of demands, such as those posed by Act 153, Act 77, Act 166 and EQS, they are being tested and not able to cope. The complaint about mandates from Montpelier may be as much about the reality that weak and fragile systems just can't implement anything as it is about dollars.

Small Schools rally – and why I think 361 is not about closing small schools, but about putting pressure on systems to be equitable, high quality and efficient.

I did swing by the rally at the statehouse, and had the privilege of talking with 5 of the perhaps 20 people in attendance; as I took their little pink slips and listened to them tell me to not close Cabot and Twinfield. I asked the five if any of them had actually read the bill (they had not), and how they knew it was going to close their schools (someone else told them).

My argument back is that the burden on schools is proving they are providing equity of opportunity, a high quality education to all students, in a way that gets the best value for public dollars. The most expensive way to educate in the state is to tuition at every level. If systems can prove they can educate well and more efficiently, then the data we will generate through the EQRs will help them prove it in a few years, in a way they can't do it now.

I did also ask if there were any circumstances under which they thought the state would be justified in closing a school. They could not. This pretty much sums up the problem.

And, as I told someone from Dover this week, Dover should be happy for this bill, because if nothing is done, and other systems don't consolidate, their taxes will rise as budgets rise across the state.

Human Resources

I sent some information on some HR issues to Sarah London and welcome her thoughts. Our issues may hit the press, as it is clear someone is trying to make that happen. Again, big kudos to HR and Maribeth Spellman and John Berard and Heidi Dimick who have been working hard to help our team build our ability to supervise and manage for performance and better culture. We knew it would have to get worse before it got better. I really appreciate HR's partnership. In moments of dark humor, I contemplate setting up a new work group for mean people, and quarantining a few people there. To some extent, I noticed yesterday this is beginning to happen by default. As cubicles open up, other staff are starting to request changes in seating to move away from unpleasant people, creating a no-man's land of empty cubicles around them....one ironic benefit of not being able to fund all positions.

Immunizations

We have been getting a lot of questions about this legislation and its impact on kids and schools, and have been asked to testify. We will follow Harry's lead. We will start with his talking points and elaborate on the technical aspects of implementation. The two most controversial impacts are likely to be that:

- 1) Public dollars can't support kids who are not immunized, so independent schools will have to work with districts to verify that tuitioning children have been vaccinated.
- 2) An estimated 3000 children statewide may be affected. Some of their families may respond by vaccinating their children. Some may respond by claiming a religious exemption. Some, however, may withdraw from school and home school instead. This will accelerate or trigger a decline in average daily membership, which will in turn trigger a loss in revenue. Depending where these children live, the impact on an individual may or may not be acute. My guess is they are concentrated in some towns, so the effect may be disproportionate on some budgets. If I had to guess, the demographic profile of those towns might coincide with a subset of the small schools that are so opposed to H. 361.

Have a great weekend all.

Rebecca

AOE Weekly Report: 5/8/15

Page 4 of 4

From: [Smith, Gregory](#)
To: [Richards, Alyson](#); [Mishaan, Jessica](#)
Cc: [Stridsberg, Mary](#)
Subject: Report
Date: Friday, May 08, 2015 11:58:55 AM

Out of town today. No leg. contact or media contact. Lottery held a live offsite COOP exercise yesterday bringing all critical activities live offsite and then shutting them down and returning to main office. Learnings occurred but overall successful.

At New England problem gambling conference in mass today. Closely following conf comm actions that affect us.

Greg

Sent from my iPad

OFFICE OF THE SECRETARY
Phone: (802) 828-2657
Fax: (802) 828-3522

Executive Privilege

TO: Governor Peter Shumlin
FROM: Secretary Sue Minter
DATE: Friday, May 8, 2015
SUBJECT: VTrans - Confidential Report to the Governor

NOTES FOR GOVERNOR

Tbill

For the second year in a row we have avoided a Conference Committee for the T-Bill. The disagreements between House and Senate were relatively minor, and we worked behind the scenes to try to address them. Essentially we convinced the House not to pursue their desire for non-concurrence, even though we preferred their position relative to where to make cuts to our budget. The Senate was not going to budge, and the House had no leverage. The House concurred with further amendments and today the Senate suspended its rules to take up the Tbill. The Senate concurred with the House Proposal of Further Amendment, meaning that the bill has passed the House and Senate (!) The House Clerk and Senate Secretary are probably backed up, so it's hard to say when it will be sent to you. However, I am working with Scott on Tbill signing and transportation presser ideas.

Walmart

In response to your request, I reached out directly to Jeff Davis although my phone and text messages were not returned. Meanwhile Chris is working with our staff to expedite our review as much as possible. The consultants for this project waited until the end of the Act 250 process to proceed with the VTrans 1111 permit, so this places our team in a difficult box to meet the aggressive timeline (more details below). We will stay on this to see whatever we can do to deliver.

Rail & Montreal Service

As you know, our team is working hard on the Western Corridor (Rutland-Burlington) rail project – both getting rail projects out the door and pursuing TIGER grant, etc. The Montreal service received a significant boost with the Beyond the Border agreement; however, I believe our progress will require more focused attention on negotiations with MTQ/ NY and Amtrak. One idea I have is to hire someone – perhaps Brian Searles – to be an “ambassador” for us on this project. Without a concerted effort with someone fully dedicated to this effort, our progress will be long and incremental. Please let me know your thoughts on this approach.

Chelsea Bridge

I heard about your caller on the Mark Johnson show this morning, checked in with my team, and learned that our staff got an unpleasant public reception in Chelsea last night regarding their proposal

for a 10-day bridge closure for a Route 110 bridge rebuild. Although the Selectboard had already agreed to this plan, and we know it will save significant time and cost, we will continue to work with the town to reassess. The District did some spot work on the bridge beams in 2013 (\$40,000) to extend their life, but this is short-term preventive maintenance work.

NOTES FOR STAFF

Brattleboro Bridge (IM 091-1(65))

- Following last week's aborted effort to repair potholes and inspect the bridge, a plan is now being developed to complete at night. Tentative dates of Tuesday, May 19th and Wednesday, May 20th are under review.
- The contractor continues to work on the final lift of the south Pier Table. This work may be delayed due to the extent of the Non-Conformance Report (NCR) associated with the out-of-tolerance web walls. PCL will be directed to follow the NCR process in the contract through to completion before proceeding. This is not expected to affect overall schedule.
- We held our first quarterly conference call with me, Chris Cole, Liz Miller and Luis Ventoza, COO of Civil Infrastructure for PCL. Expressed our significant concern and dissatisfaction with the NCR.
- Global Settlement discussions are ongoing at the management level. PCL clearly wants to eliminate Liquidated Damages that affect their bond rating and marketability. We recognize this as our advantage for demanding quality service and product.

I-89 Bridges Project – Waterbury

- Construction of the southbound bridge deck is on schedule for completion by July 17th. Blasting in the work zone was completed this week. Minimal traffic disruption has been reported as a result of the blasting; any hold-ups have been short and traffic movement resumed in good order.
- There continue to be periodic issues with motorists crossing lanes to exit at both the northbound and southbound Exit 10 ramps. We have worked to improve signage and will replace the white tubular markers with more durable orange tubular markers. This change will require lane closures in order for the contractor to replace the markers; traffic delays should be expected during replacement which may occur next week.

Global Scoping Study Update

The consultants have conducted field visits along VT 22A and started some of the analysis work. In addition to truck climbing lanes they are also evaluating the potential for passing lanes and potential locations for pull-offs (more for farm equipment which is common along VT 22A). The study is scheduled to be complete in early July. Rich is planning a tour with Janette when she returns from her travels.

Media & Outreach

- Preparing to launch "On the Road" radio and print reports this week.
- Met with the GM of Channel 44/22 (at his invitation) to discuss strategies to include more information about VTrans activities during their regular broadcasts. Working to implement this, as

well as improve our emergency coordination planning, and highway safety messaging, including working on Work Zone Safety message with Contractors very soon.

- Our Leadership Team hosted an “Open House” for legislators in Room 11 on Thursday, sharing our planned construction program, answering Members’ questions and providing quality customer service to our appropriators.
- Released our first Quarterly Newsletter: VTrans On The Move ([here’s the link](#))

Public Event/ Opportunity for Governor: Brookfield Floating Bridge

The long awaited **Brookfield Floating Bridge will have a grand opening on May 23rd**. The community is gearing up for a big event, which is likely to bring many visitors. The Governor has been invited. Speeches are at 2 pm. Please let us know if he is able to attend. In addition, this bridge is featured in a Roads and Bridges magazine. <http://www.roadsbridges.com/logging-100-more-years>

Crude Oil Rail Transport

USDOT and Transport Canada recently announced harmonized regulations regarding rail transport of crude oil and hazardous/flammable liquids and new specifications for tank cars transporting the same. The regs will be phased in, with the most dangerous cars retrofitted first and all new cars to be built to new specifications. There is no direct impact on Vermont. The regulations are focused on the rail car manufacturers, tank car owners, rail carriers and shippers of crude and flammable materials.

Rock Train

At approximately 4:00 pm on May 7th, a slow moving Vermont Rail System train loaded with 14 granite cars came to an emergency stop following the operator noticing a slight “tug” in the load. Three cars were found to be inches off the track. The cars were not damaged and were returned to the track by mid-day today. This event occurred right next to Route 302 (Barre Montpelier Road) next to the old offices of the Times Argus. The City of Barre was notified and this morning they were contacted again to let them know the railroad would be on site early setting up to put the cars back on the track and would be using part of the southbound lane of Route 302. The City was fine with it and offered any help they could provide.

Work Place Improvement: Employee Recognition

Along with Public Service Recognition Week, VTrans held its annual Employee Recognition event at which we awarded outstanding service for: Employee, Manager and Team of the year for each division and for the agency as a whole. This was well attended, included delicious potluck treats, and left us all with a stronger sense of Team and purpose.

Internal Controls

Met with our Audit Chief today to review our Internal Control findings. Our new Audit Chief has taken this work to a much higher level this year, which has increased my confidence around our financial processes. We are being more aggressive with potential negative findings, and focused on moving forward with plans of action to address weaknesses uncovered. The value of having a new Finance and Administration Director continues to be significantly positive.

Public Transit

The Annual Way To Go! Commuter Challenge is now happening - May 4th- 15th

Derby Walmart (continued from Governor's Section)

VTrans permitting and design review staff are doing everything possible to advance this project but are challenged by the lack of complete design plans performed by the engineering firm hired by J.L. Davis (Ruggiano Engineering out of St. Albans). Apparently, VTrans engineers are conducting design work on some of the plans that is typically done by the private developers rather than state employees – this in order to expedite the project.

Another compounding problem is that for some reason the developer did not come to VTrans for their 1111 highway access permits until after they received their Act 250 permit (most developers pursue these permits concurrently). This sequencing extends the permitting timeline. When VTrans staff met with the project team in March, they informed the developers that their schedule of a June access permit was unrealistic and could only be achieved if VTrans received completed plans ASAP. VTrans is currently waiting for the engineering firm to resubmit design changes as the result of VTrans staff review and comments.

Because of required changes to the I-91 interchange, this project will need FHWA approval for impacts to the environment and a Categorical Exclusion (CE) document prepared by VTrans and approved by FHWA is required. We are working on developing the NEPA CE for submission to FHWA.

The timeline notes are below. Transportation related conditions in the Act 250 permit:

5a. The Permittee shall comply with the Traffic Mitigation Agreement (the "Agreement"), dated August 28, 2014, executed by the Applicant, the Vermont Agency of Transportation (VTrans) and NVDA [Exhibit 34]. Any nonmaterial changes to the Agreement shall be automatically incorporated herein upon execution by the parties to the Agreement.

29. All site work and construction shall be completed in accordance with the approved plans by June 15, 2020, unless an extension of this date is approved in writing by the Commission. Such requests to extend must be filed prior to the deadline and approval may be granted without public hearing.

Presumably, Walmart will have to complete the transportation mitigation required in the agreement before the store can open. This only becomes an issue because there may be a lead time for the traffic signal mast arms; typically they take 6 to 8 months but we don't know the type of mast arms being used because the final design plans have not been submitted. VTrans staff has only reviewed one set of preliminary plans.

Derby Walmart

Format: These reviews have tried to maintain a 2-week review period with a day on each side for OLSR setup and return with minimum turnaround time necessary but depending on comments received (1-5 days ideal).

Overall: Discussion with designer for a meeting once all reviews are complete. Ideally this would happen after round 2 of the OLSR review as commenters need to see what was addressed on the furthered design and then a meeting with pertinent parties to resolve discrepancy's is believed to be the quickest a competent design could be brought to fruition.

Timeline highlights

8/28/2014 Jeffrey L. Davis signed Traffic Mitigation Agreement

3/19/2015 Meeting with Ruggiano to discuss future permit application when plans are ready. Allowed to break out permits as I-91 portion timeframes are priority. Warned timeframes discussed had potential to be over aggressive.

Permit 1

I-91 Ramps permit application received at VTrans
3/30/2015 Plans and request to work in Limited Access sent to FHWA
4/20/2015 Comments returned to designer
4/23/2015 Designer requested clarification on some comments
4/24/2015 Clarifications returned with exception of (2) due to a vacation
4/28/2015 Clarifications (2) outstanding were returned
Waiting on response furthered design

Permit 2

4/8/2015 Access location permit application received at VTrans
5/1/2015 Comments returned to designer
Waiting on response furthered design

Permit 3

4/20/2015 US 5/ VT 105 permit received at VTrans
5/7/2015 Comments returned to designer (OLSR before application received)
Waiting on response furthered design

Permit 4

4/20/2015 Boring permit for I-91 design received
4/22/2015 Permit issued

5/7/2015 Inspection Agreement sent to Jeff Davis for signature

5/7/2015 Working on most efficient mechanism for signal timing agreement to be reviewed by Traffic and Legal

4/21/2015 Official NEPA request initiated beyond the plan review phase

5/1/2015 Jeff Davis call to notify the Governor has been contacted but that Jeff left a message on the Governor's hotline that VTrans has been great.
Jeff expected permit in mid-June so he was glad to clarify that mid-July issuance is aggressively more reasonable but with many variables under process that make it hard

to have a hard estimate of exacting permit issue date. I let Jeff know that I had not heard from the Town's and would not know how the Towns would affect the permit issue date.

Construction Program:

- We have 36 active work zones; 19 bridge, 4 reclaim, 5 paving, 6 safety, 1 park n ride, 1 rail. We anticipate a total of 105 projects in 2015. 34% of the program has an active work zone.

Privileged and Confidential
Memorandum

To: Peter E. Shumlin, Governor
From: Hal Cohen, Secretary, Agency of Human Services
Re: AHS Weekly Report
Date: May 8, 2015

Highlights:

VDH:

St. Albans Messenger Recent Article on Diversion of Buprenorphine/Community Survey pg. 4
Cyanotoxins training & sampling pg. 4
“Vermont for the Win!” pg. 4
Emergency Preparedness pg. 5

DMH:

Vermont Psychiatric Care Hospital (VPCH) pg. 5
University of Vermont Medical Center (UVMC) pg. 5
Public Records Requests pg. 5

DAIL:

Older Americans Month Proclamation pg. 6
Possible Funding for Developmental Services pg. 6

DOC:

WCAX On Suicide pg. 6
Seven Days Story on Substance Abuse pg. 6
Population pg. 7

DCF:

Two Child Care Closings pg. 7

DVHA:

Blueprint pg. 8
VHC pg. 8

Secretary’s Message

Over the weekend, I attended a CEO retreat in Nashville, TN for the American Public Human Services Association (APHSA). It was a great opportunity to network and exchange integration efforts with my Human Services colleagues from around the nation. The conference had a lot of great useful information and opportunities to identify, discuss and collaborate with state and local agencies to implement projects centered on improving social service programs and integration efforts. In many ways it validated the direction the Agency is moving.

I would like to thank you for acknowledging my staff during Public Service Recognition Week. The Cross-Agency IFS team appreciated the recognition and event you held at the Capital Plaza. I am excited about the work they are doing and the efforts around implementing health payment reform. I

think there is tremendous potential to get better outcomes more efficiently and I'm pushing to expand IFS.

Linda Ryan and the St. Albans Messenger are distributing a joint survey relating to use, sale, distribution of Suboxone/ buprenorphine (both legally and illegally) in the St. Albans area. There was some miscommunication and she began distribution of this unscientific survey to AHS clients in the St. Albans State Office Building. After discussion, AHS agreed to set up a table for her in the foyer area for distribution and collection of the surveys, with a prominent disclosure statement indicating that the survey is not state sponsored, is wholly voluntary and that participation or lack of participation does not impact eligibility for benefits or services. Linda Ryan was agreeable with this arrangement. We can expect some negative press calling for more stringent control of buprenorphine after the survey is completed.

Next week I'll be meeting with Chris Keyser, Chairman of the Board of Directors of Rutland Mental Health Services ("RMHS"). RMHS, a DAIL/DMH designated agency, has been cited by both DAIL and DMH for material compliance deficiencies relating to its performance under its Designated Agency Master Grant Agreement. RMHS is also going through the designated agency "re-designation" process. A recent analysis conducted by an outside management consultant confirmed our understanding that RMHS suffers significant management dysfunction, and CEO, Dan Quinn, has substantial issues with several unidentified members of his executive management team and with certain members of the RMHS Board of Directors.

Our meeting, to be attended only by Keyser, his Board Vice Chair and RMHS' outside counsel, is intended to determine what, if anything, the Board of Directors are intending to do to address the apparent managerial dysfunction. While we are still several weeks from resolution of the re-designation question, the meeting will further inform our assessment of RMHS's ability to act effectively as a designated agency and to perform their services in compliance with grant agreements. If they don't make the necessary changes, this may force us to take away RMHS's designation.

Agency of Human Services Central Office (AHSCO) **Strengthening Families**

Staff met to address budget impacts to the Strengthening Families grants in three areas and to determine how to best ensure the identification and monitoring of appropriate outcomes for the project, recently refunded by the Senate Appropriations Committee in the budget bill.

Legislative Coordination with the Agency of Education

AHS staff worked with the Agency of Education to address legislative language concerns related to the Tobacco Board and to the Community High School of Vermont in order to present a united front in support of the Governor's recommended budget and our original legislative proposals related to those two issues.

AHS Strategic Planning Ready to Begin

AHS has kicked off planning and preparation for the update to our AHS Strategic Plan, working with the six departments to initiate their departmental planning at the end of the legislative session. Once

the departmental plans are complete, AHS will develop an overarching plan identifying three to five areas of strategic focus for the next three years.

Bennington IFS Information Session

AHS staff met in Bennington for an information session about Integrating Family Services. The meeting was well attended; over 30 people from a variety of community providers were in attendance. The information was appreciated and well-received. Field Services will organize another meeting in June to talk with the community about next steps.

Windham South COAD Formation

AHS is continuing to coordinate meetings to develop a COAD (Community Organizations Active in Disaster). The group met with a COAD leader in western Massachusetts to hear how their groups are forming, their challenges and successes. There are some distinct differences in the MA and VT systems. The group will meet again to focus on building structure, articulating the mission, and engaging more partners. This group is also continuing to act as the Long Term Recovery Committee from Irene, reviewing the three recovery cases still active from that event.

Brattleboro Municipal Connection

Field Services met with the Brattleboro Town Manager to talk about the possibility of housing funds available from the town of Brattleboro and to discuss potential resources and needs in the community. It was a productive meeting and enabled both entities to better understand the distinct roles we each play in the Brattleboro community. Municipal connections have been difficult to establish and this is a hopeful opening to ongoing collaboration.

Burlington District Begins to Explore IFS

AHS initiated a meeting with the local ACCESS Team. Given the very strong and effective Children's Integrated Services (CIS) Team in BDO, we are identifying lessons learned to begin the discussion for the shift to IFS. There are over 30 members of the ACCESS Team and we agreed today to identify a subgroup of the 30, expand our monthly ACCESS meetings and begin to tackle the "governance" structure discussion.

Rutland Bringing Youth Thrive Training to the Area

In Rutland, Field Services is working with the Rutland County Parent Child Center and Court Diversion to bring a three day Youth Thrive training to the area in the fall. Youth Thrive is a parallel process to the Strengthening Families framework, applied to older youth 11 to 18. This training is being made available through The Children and Family Council of DCF and will be presented by Youth Catalytics.

Addison IFS and Dr. Hudziak's Family Wellness Model

In Addison, Dr. Jim Hudziak of UVM presented an overview of his Family Wellness model to a large group of community organizations. As part of IFS, Addison will be incorporating this model into our work, beginning with a four day intensive training for staff in July and August, with an emphasis on family engagement and the assessment process.

Transportation Solution in Addison for Individuals Seeking Medication Assisted Treatment

In Addison, Burlington Labs has purchased a van and hired two drivers to provide transportation to both Bristol Medicine, the Addison spoke provider, and Turning Point Recovery Center. This van will do “loops” several times a day in order to try to serve as many people as possible.

Vermont Department of Health (VDH)

St. Albans Messenger Recent Article on Diversion of Buprenorphine/Community Survey

VDH will work with CEO of Northwestern Medical Center, Jill Berry Bowen, to arrange a meeting with the Messenger's editorial board in follow up to article from last weekend. Bowen spoke with Emerson Lynn who would like to invite a small panel of "experts" to meet with the board to talk about best practices, what the state is doing and related issues. Deputy Cimaglio will join Bowen and others. Lynn would like to have several discussions and then report on them. He agrees with Bowen that they need to report about the complexity of the problems the community is confronting. He understands there is not a simple solution.

Cyanotoxins training & sampling

The Departments of Health and Environmental Conservation have collaborated with the Lake Champlain Committee and Vermont Rural Water Association to provide training for public drinking water suppliers on Lake Champlain on how to better prepare for potential cyanobacteria blooms this summer. Suppliers learn how to visually monitor for blooms and how to respond when blooms threaten the drinking water supply. The Health Department has also made resources available for all public drinking water suppliers on Lake Champlain to routinely test for two cyanotoxins (microcystin and cylindrospermopsin) in raw and finished drinking water.

Federal grants

Over the past month, the Environmental Health Division has submitted 5 continuation grants totaling in excess of \$1.6 million annually. These grants were submitted to CDC and EPA for Climate Change, Tracking, Radon, Asbestos and Healthy Homes related work. A new grant, a CDC private drinking water grant will also be applied for in the upcoming month.

Demo Permits - Asbestos

Beginning in mid-April 2015, the Health Department has processed eleven (11) notifications of demolition related to the Burlington Airport Noise Buffer Residential Property Acquisition and Removal Project. Prior to demolition of these buildings, regulated asbestos containing materials must be removed and disposed in accordance the requirements of Vermont Regulations for Asbestos Control as well as other applicable state and federal laws.

CounterBalance Tobacco Retailer Testimonials Launch in May

After weeks of production and shooting, new CounterBalance video assets are ready to launch. The testimonials feature Vermont store owners talking about their choice to end the sale of tobacco at their businesses. Testimonials will be publicly shown at a CounterBalance press conference on May 19, with ongoing digital shares thereafter.

“Vermont for the Win!”

The Vermont Tobacco Control Program received accolades from the Huffington Post in its weekly Wellness Roundup Blog, saying that Vermont “is showing us how everyone around the country should be doing it.” The positive press comes after weeks of notable media mentions for the efforts of the Department of Health to engage the LGBT community in a variety of health initiatives.

Emergency Preparedness

Next week, VDH will release a reduced number of hours that will be required for EMS relicensure. This reduction follows a national trend and is intended to increase EMS volunteer retention.

Department of Mental Health (DMH)

Vermont Psychiatric Care Hospital (VPCH)

For the first time in over a few months, VPCH had no Emergency Involuntary Procedures (Seclusions or Restraints), and continue with it's recent trend of steady discharges and admissions. The census has been between 21-22 patients for the week. This has been in part because they continue to treat 1 patient in a low stimulation environment and because there have been little referrals and no patients waiting in Emergency Rooms or Corrections for a bed. Staffing overtime usage and mandating staff to do overtime has continued to be a problem this week.

Despite higher than normal advertising, the orientation class for new employees which started this week only has 2 staff in it, and the next increase in staff numbers will not come until the end of the month when a group of traveling nurses starts. The Department is hoping for 8 nurses to start then, but even working with the traveling companies, there are only 4 signed up to start.

In addition to celebrating staff appreciation week, and how far the hospital has come since opening just 10 months ago, the hospital celebrated 13 experienced staff who completed a rigorous program that resulted in them moving up from Mental Health Specialist to Associated Mental Health Specialist. This carries with it more on unit leadership, which is something that is needed especially on the evening and overnight shifts.

University of Vermont Medical Center (UVMC)

After further discussion with DMH Commission Dupre, Finance and Management Commissioner Reardon and myself regarding the proposed UVM cost settlement for Level 1 beds, the state is following the recommendation of the independent consultant, Mark Podrazik, for the FY 2014 cost settlement pending further review of the requested back up information.

It is important that due diligence be performed, especially in instances where public funds are being used. In order to do further analysis of reasonableness, the department has asked that UVMC provide the total annual hours per account code, in the proposed cost settlement document for UVM's Fiscal Years 2011 – 2014. In addition, they were asked to provide receipts for any funds have been received following this revised settlement. DMH is awaiting this information.

H.241 Rulemaking on Emergency Involuntary Procedures

H.241 has passed House Human Services with Senate amendments. The full house passed the bill. It will now go to the Governor. DMH is good with this bill as is because its meets all the requirements requested by the department and hospitals for LCAR.

Public Records Requests

The Department has received 2 requests for Public Records. One request was made by Merry Postemski at the Disability Rights VT (DRVT) with regard to T.D. for copies of all records, documentation, case notes, meeting minutes, and correspondence, including electronic correspondence from October 2014 to present. The client has signed a release for this information.

The second request is from Elizabeth Hewitt with Vermont Digger concerning Patrick Fennessey, a DOC inmate who died last week as a result of suicide. Ms. Hewitt is asking for records regarding any communication between DMH and DOC relative to Mr. Fennessey and is also looking for an MOU between the two with regard to transferring individuals from DOC to state psychiatric facilities.

The Legal division is looking into both of these requests.

Level 1 Beds

The Commissioner of Mental Health and his staff met with CEO's and their medical directors from the three Level 1 hospitals. This meeting was to discuss and brainstorm coordination of the 45 Level I beds across the three hospitals.

Eagle Eye Farm

Eagle Eye Farm is a residential facility in the Northeast Kingdom. They provide services for 3 very complex mentally ill individuals who were previously located at the Vermont State Hospital. It has come to DMH's attention that one of those individuals may not be receiving the care and treatment DMH expected and approved. DMH is currently investigating the matter.

With regard to the above, the results of the preliminary investigation revealed that Eagle Eye Farm was providing some good services for this individual but that improvements were needed. Further investigation is ongoing and a plan of correction will result from this.

Department of Disabilities, Aging and Independent Living (DAIL)

Older Americans Month Proclamation

DAIL truly appreciates the signing of the Older Americans Month proclamation which was sent to our partners. The department received a "thumbs up" from the federal Administration on Aging. To our knowledge, the press did not pick it up.

Deaf Rights Community

The deaf rights community has expressed disappointment that the task force will not be created this term.

Possible Funding for Developmental Services

Developmental Services Directors agreed to participate in a work group to discuss initiatives for possible funding with discretionary funds. They expressed frustration with increasing scrutiny of use of funds.

Department of Corrections (DOC)

WCAX On Suicide

WCAX will be running a story this week on the recent inmate suicide in Springfield. Of interest are the connections to other Agency and community partners on this case. We believe the reporters are aware that the inmate had a recent HRC complaint and have received a FOIA request from VT Digger

Seven Days Story on Substance Abuse

Kathryn Flagg from Seven Days is following up on a story about substance abuse treatment and the Foxtrot unit at CRCF. Superintendent Adams gave Ms. Flagg a tour of Chittenden and we have provided Seven Days with our Facts and Figures. It appears the story will run next week.

US Marshals Service Meeting for Inmate Transports

We will be meeting with the USMS this week to discuss their request that the DOC handle all USMS court transports, in exchange for payment. At this point, we will let them know that until we are able to address the staffing report as a whole, that we do not have the staff to take this on. We will ask them to keep this as a discussion item for future conversations.

Springfield Town Manager

As you may be aware, the Town of Springfield has a new Town Manager – Tom Yennerell. The superintendent of Springfield will be meeting with him this week to make sure that communications remain open between the Town and the DOC. The DOC has a generally positive relationship with the Town of Springfield.

Population

The department's incarcerated population averaged 1,918 for the previous week. The male population averaged 1,759 with 344 being presentenced inmates. The female population averaged 159 with 31 presentenced inmates.

The current out of state population is 319 and we hope to further drop that number in the coming weeks.

Department for Children and Families (DCF)

Two Child Care Closings

Sherry Yandow, owner of two licensed Early Childhood Programs named North American Playcare, has been actively seeking buyers for the Berlin and Richmond programs with no success. She is moving forward with closing both programs in June. The Berlin program is licensed for 60 children and the Richmond program is licensed for 70 children. Both programs are at capacity and each serves some specialized care children.

Our Licensing Field Specialist has been in touch with the Child Care Resource and Referral Agency in each community, as well as Children's Integrated Services. Parents have been notified of the closure and are being encouraged to contact the Resource and Referral Agency to locate other childcare options.

DCF Crafters Make a Difference

DCF has several staff that craft in their personal time. Over the last few years at IBM, the DCF Crafters have hosted a lunch time craft fair to benefit the Vermont Food Bank. This month, the mother's day craft fair was able to donate \$100 to the food bank; at the winter craft fair prior to the holiday season, they were able to donate over \$300 to the food bank. We are very proud of their artistry and compassion in their donations.

Department of Vermont Health Access (DVHA)

Blueprint

The Blueprint continues to work with ACO/Provider Network partners to plan the next Blueprint payment model – and plan implementation of that model.

Last week, the Blueprint secured funding, through SIM, for migration of Docsite (the Blueprint Registry) from Covisnt to VITL.

The Blueprint released a new round of Health Service Area (HSA) reports, profiling progress in each of the HSAs. These reports serve state-level program evaluation needs and offer regional leadership, providers, and community members the measurement and feedback they need to guide quality improvement in their communities. These reports can be found at www.blueprintforhealth.vt.gov.

Vermont Health Connect

VHC Project Update

VHC is working towards the delivery of functionality to support Changes of Circumstance (COC), Changes of Information (COI) and Reconciliation between VHC, Benaissance and the Carriers as part of Release 1. Release 1 is currently in the Testing phase, executing testing with our Carrier and Billing partners to confirm the development of the CoC capability. VHC is also planning for work to be completed related to Release 2 which includes Medicaid and QHP Renewals, Notices functionality, Additional Financial Reconciliation and Billing enhancements, and CMS Integration. Release 2 Requirements sessions are currently underway. Additional project updates can be found below:

Project Schedule:

- Renewal functionality must be completed by 10/1/15 to be functional for 2016 open enrollment. If the Amendment 7 contract is executed within the next couple of months, that delivery timeline is considered feasible. There remains lack of clarity of funding available for completion of undelivered VHC scope. CMS recently approved the IAPD submitted by the Health Services Enterprise Project Management Office. With this approval, came the approval of all contracts through Amendment 6. However, CMS stated that any activities completed prior to April 10 will be reimbursed at a reduced rate (down from 65.5% to 50%) from CMCS. The State is still analyzing the financial impacts of this reduction.

Release 1 IT Items:

- VHC and Carrier development is complete.
- Integration Testing Complete: We have successfully processed two simple CoC transactions with all three carriers through Integration Testing. Initially, the scope of Integration testing was to process 19 transactions with each Carrier, but timelines did not allow.
- End-to-End Testing in Progress: Initial enrollment transactions have been set-up to Support End-to-End testing with each carrier (this took four days longer than initially planned). Invoices have been generated and sent to Carriers for their review in order to trigger the start of CoC test case entry by SOV/Optum. There is little scheduled time for defect remediation; so any identified critical defect, likely will impact the Go-Live date.

- The Department of Financial Regulation (DFR) is in the process of approving additional Dental Carrier Dentegra for participation on Exchange starting Open Enrollment (November). This requires a Change Request through Optum to size and schedule – but NOT at the expense of the May release. Team recommends commencing initial delivery discussions with Dentegra in parallel to Optum analysis and queue questions for Optum until post-May delivery

Release 1 Operational Items:

- Release 1 implementation timeline is dependent on VHC’s operational readiness to accept the implementation of the auto-CoC code. Optum delivered analysis to the SoV providing options and a recommendation concerning backlog and reconciliation activity needed prior to Release 1. The current operational priority for the backlog is to complete all 2015 renewals and any 2014 COCs prior to go-live. The ops team anticipated 2015 renewals to complete in the middle of May. The SoV is finalizing action items to start reconciling 2014 and 2015 cases between Siebel and Benaissance prior to go-live. Due to the aggressive test and training schedules the Business Analyst team is breaking processes into groups. These process groups will illustrate what processes will be available post go-live and when operational resolver groups will be trained on how to execute these processes. Currently there are multiple high-priority workarounds that will not be available by go-live. The SoV is doing analysis on these workarounds to understand their post Release 1 delivery time and the impact of not having them in place by 5/31.
- SOV Operations has identified four critical business processes that must be defined and validated prior to code promotion:
 - 834 Functional Error Correction process
 - 2014 CoC
 - How to complete In-flight cases that are partially done when the system is updated at go-live
 - Fix Special Enrollment Period and Income change errors

NOTE: Promotion without known solutions for these processes poses negative customer service implications.

Major Accomplishments for the Week/Project Updates

Project Highlights:

- *Release 1:*
 - Design Complete – 5/4
 - Development complete – 5/4
 - Integration Test complete – 5/2
 - Successfully processed two simple CoC transactions with all three carriers
 - End to End User Acceptance Test (UAT) ongoing
 - Initial entry of CoC case for carries to process was scheduled for 5/2 – new target 5/6

- The effort to establish the base cases with Carriers and confirming initial billing is taking longer than expected, but should not impact the go-live milestone.
 - Requirement Traceability Matrix approved by the state - 5/4

Upcoming Work

- Release 1:
 - End to End UAT continues
 - Change of Circumstance Development complete
 - Final Approval of Test Plan
- Release 2:
 - Joint Application Requirements/Design (JAR/JAD) sessions continues for renewals and premium updates

Major Issues and Risks

- **RISK:** The current Integrated Master Schedule for Release 1 does not allow time for break fix activities if a defect is found during the end to end testing with the carriers. This would put the final date at risk, if there are any severity ONE defects found during the final weeks of testing.
- The contract with Optum for the completion of work required for Release 2 (Amendment 7) was submitted to CMS for their review on 4/15/15. CMS recently approved the IAPD submitted by the Health Services Enterprise Project Management Office; this approval signifies that all contracts through Amendment 6 are approved, however, CMS stated that any activities completed prior to April 10 will be reimbursed at a reduced rate (down from 65.5% to 50%) from CMCS. The State is still analyzing the financial impacts of this reduction.
- Timing of the upcoming data center migration as part of the transition from CGI to Optum for Hosting poses a risk to the VHC Development timelines for CoC and Renewals. Consideration should be given to timing of data center migration of VHC application hardware and how it may impact other implementation delivery dates (i.e., delivery of CoC). The VHC project team and the Hosting team need to remain closely aligned on schedule and upcoming activities to avoid any negative impacts. The Project Manager assigned to the Hosting contract by the Health Services Enterprise Project Management Office is being included in VHC project planning activities to ensure this alignment occurs.

These open items tied to the triple constraint (time, scope, resources) put the overall VHC project schedule at a significant risk.

VHC Operations Update:

2014 Change of Circumstance Backlog:

There are currently 104 pending 2014 Qualified Health Plan (QHP) cases in the Lion's Den (LD).

The State is working with BCBS and the VT Medical Society on a process to reinstate people who were retroactively terminated, but have claims. This may result in an uptick in 2014 case activity over the next five to six weeks. BCBS has so far identified 136 policyholders with claims over \$1,000. 56 customers have been identified by BCBS as seeking reinstatement. VHC is currently processing these cases. A new list will be sent each week.

Optum has not yet identified a way for the State to make changes to 2014 cases post-deployment. This is a significant risk, as the need for 2014 retroactivity will not end on 5/31.

Renewals:

As of Wednesday, VHC was 90% complete with renewals. Lion's Den throughput was up significantly last week, completing an average of 342 cases per day. Today the LD cleared 416 cases. Another 1,035 are either awaiting carrier action or are completed and just need their service request closed.

There are 844 households that still need initial renewal processing and total of 2,094 that need to make it through the Lion's Den by May 15th. This is possible if we can maintain an average closure rate of 261/day. Both Optum and State staff are being utilized to meet this goal.

2015 Change of Circumstance Backlog:

A CoC is defined as a change requested by a new or renewed member after 12/15/14. The current backlog of CoC requests is 9,970. 5,185 of these requests are Medicaid only households. There are currently 1,315, 2015, CoC requests in the Lion's Den pipeline.

State is working with Optum staff to prioritize LD work in the follow order: 2014 cases, 2015 renewals, and 2015 CoCs.

Operational Readiness:

A training schedule for operational readiness will be presented to leadership later this week that includes a phased ramp up for staff over a six week period.

A team of 22 trained staff will begin processing cases on June 1. Additional staff will be trained in each consecutive week as the business processes are validated and working as planned.

Training all staff on business processes that are not validated and tested presents significant operational risks that may have a negative impact on both staff and customers.

Goal: to process CoC requests within the mandated 30 day timeline by open enrollment.

Emerging Risks

- Reconciliation will not be complete by the time Release 1 is deployed. Optum states that this will result in a large number of 834 errors. A business process for addressing these errors has not been identified, nor a valid estimate of how many there will be at deployment. 834 errors have a direct impact on a consumer's ability to utilize coverage.
- It appears that BCBS is applying 2015 payments to 2014 balances, regardless of the information contained in the 820 invoice that VHC sends to them. This may be responsible for the large discrepancies in Accounts Receivable file amounts for 2015 and consumer confusion over 2015 coverage. There is a meeting on Thursday to talk through this issue and problem solve.

- The delay in officially moving the Health Access Eligibility Unit to DVHA is resulting in significant Human Resource issues. As the Director of Operations, Cass Gekas, is spending more time on these issues than on either addressing current operational strategy or operational readiness for Release 1 deployment. Coordinated messaging from the Economic Services Division and DVHA leadership is essential to refocusing the team

VHC Outreach and Education Update

Assister Program Evaluation

The Outreach & Education team has completed an evaluation of the VHC Assister program, which encapsulates Navigators, Certified Application Counselors (CAC) and Brokers. The process was supervised by the Assister Program Manager, which contained anecdotal and qualitative data gathered by the Manager from grant managers and Assistors. The evaluation and recommendations for program reorganization will be presented to the DVHA Commissioner, Deputy Commissioner and the VHC Director of Operations this week.

Learning Management System (LMS) Update

The Outreach & Education team, which served as the interim owners of VHC and DVHA's learning management software, passed ownership to new Training Manager, Eric Seel, and his team after mitigating three software issues and risks, specifically 1) logic issues affecting the usability of the system, 2) ensuring that the privacy & security training was completed in a timely manner, and 3) developing a reporting function to allow auditors to see which individuals have completed CMS-mandated privacy and security requirements. The team also was able to develop new processes for provisioning and de-provisioning Assistors and contractors as well as individuals not active within the VHC system. Outreach & Education has shared the lessons it learned and will continue to provide support to the Training team as needed.

Release 1 Preparation

Internal staff, Assistors and stakeholders have begun to be engaged via newsletter and email information blasts over what changes they are expected to see under Release 1. In order to set proper expectations and ensure proper information is being conveyed at the appropriate time, the team is coordinating with Project and Operations staff to develop a communication calendar and identify stakeholder groups that will need information during pre-GoLive and post-GoLive. This includes explaining the new CoC functionality, training requirements for the Vermont Health Connect Training Unit and internal staff, new reporting functionality, website updates, and how long the system will be down for the new update.

Emerging Issues:

DVHA is in the process of working with the commercial insurers to discuss the community health team payment methodology and clarify the process of the planned payment changes.

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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: May 8, 2015

Secretary's Top Issues

Avian Influenza Update

The Avian Influenza outbreak impacting the Midwest and central US continues to spread and currently involves 135 commercial poultry operations and 14 backyard flocks. Approximately 15 million birds have died or have been euthanized. USDA APHIS continues to deploy responders to the area to work with state regulators on inspection, testing of birds, quarantine establishment, depopulation, carcass disposal and cleaning/disinfection of poultry housing and premises. USDA is also considering the merits of permitting the use vaccine in the impacted states as a potential tool for control, although the efficacy of vaccination is controversial and has significant international trade implications.

The first meeting of the Avian Influenza Advisory Council was held this week to discuss gaps in VT's emergency preparedness.

Slow Money Entrepreneurship

Agricultural Development Division staff attended the inaugural Slow Money Vermont Entrepreneur Showcase on Thursday evening in White River Junction. Seven food system businesses pitched their stories to a crowd of investors, technical assistance providers, and industry leaders. Thursday also marked the launch of the Vermont Food Investors Network, which will cultivate a community of investors interested in funding food and agriculture projects across the state.

Local Foods Data Tracking Program at Farmers Markets

Agricultural Development Division staff met with USDA representatives to discuss progress on Vermont's Local Foods Data Tracking Program.

- May presented all of the documents as well as marketing efforts.
- USDA rep trained VAAFMS staff on the software they'll be using to publish the local foods pricing reports.
- Two USDA-AMS Market News reporters will be traveling to Vermont from Pennsylvania during the first week of June to accompany May on visits to farmers' markets participating in this tracking program.
- Some markets will start reporting local food pricing data on May 16th, with the rest of the markets joining by June 5th.

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STATE OF VERMONT
AGENCY OF AGRICULTURE

Confidential and Privileged

TO: Gov. Peter Shumlin
FROM: Chuck Ross, Secretary of Agriculture
RE: Weekly Memo
DATE: May 8, 2015

Status of Governor's Priorities:

Legislative Activities and Issues

- Meat Inspection Program Chief Randy Quenneville met with House Ag concerning H-52 and the expansion of exempt poultry processing and sales. VT has traditionally not allowed the sales of exempt poultry at retail stores and program expressed concerns that the inspected facilities have to have written Hazard Analysis Critical Control Point Plans (HACCP), Sanitary Standard Operating Plans (SSOP), Recall plans and sampling plans to validate their Food Safety Procedures while exempt producers are not required to document any of these. There are also concerns that the increased exemption numbers and available markets will undermine the newly established infrastructure available to offer more inspection services to more producers

Press

Henry Marckres, Chief, Consumer Protection, was interviewed by Local 22 / 44 on the past maple season on Thursday.

State Veterinarian, Kristin Haas, was interviewed this week by WCAX on the topic of Highly Pathogenic Avian Influenza.

Significant Events/Meetings:

The first meeting of the Avian Influenza Advisory Council was held this week. Topics of discussion for this group included identification of gaps in VT's emergency preparedness related to the disease outbreak and prioritization of workload to fill these gaps prior to Fall when VT is at risk for Avian Influenza disease introduction. Talking points for media interviews and general dissemination were also developed in order to ensure that the messaging around this outbreak and the recommendations for VT producers is consistent.

Henry Marckres, Chief, Consumer Protection, Gave presentations on Friday and Saturday, May 1 & 2, at Goodrich's Maple Farm Open House in Cabot.

Evolving Issues:

The Avian Influenza outbreak impacting the Midwest and central US continues to spread and currently involves 135 commercial poultry operations and 14 backyard flocks. Approximately 15 million birds have died or have been euthanized. USDA APHIS continues to deploy responders to the area to work with state regulators on inspection, testing of birds, quarantine establishment, depopulation, carcass disposal and cleaning/disinfection of poultry housing and premises. USDA is also considering the merits of permitting the use vaccine in the impacted states as a potential tool for control, although the efficacy of vaccination is controversial and has significant international trade implications.

Summary of Key agency Department Activity

Agricultural Development:

Development Division staff attended the inaugural Slow Money Vermont Entrepreneur Showcase on Thursday evening in White River Junction. Seven food system businesses pitched their stories to a crowd of 75 investors, technical assistance providers, and industry leaders. Presenters were: Peaslee Vermont Potatoes, Howling Wolf Farm, The Royal Butcher,

Slow Hand Malting, Cobb Hill Frozen Yogurt, Agrilab Technologies, and Trevin Farms. Thursday also marked the launch of the Vermont Food Investors Network, which will cultivate a community of investors interested in funding food and agriculture projects across the state.

Deputy Secretary LaClair, Local Foods Administrator Willard and Senior Agriculture Development Coordinator Zipparo meet with Agency of Education Leadership to Discuss Farm to School Partnership

- Currently the Agency of Agriculture works with the Agency of Education on farm to school in the area of child nutrition, especially regarding local food procurement.
- The Agency of Agriculture seeks a stronger relationship in the area of farm to school curriculum, in an effort to better capture quantitative evidence of the education impact of farm to school, and use farm to school as a way to reach Common Core and Next Generation Science Standards.
- Secretary Holcombe has expressed strong support of farm to school, as a way to add value to education, and is interested in better capturing the impact and developing baseline metrics to measure progress.
- The overall goal of the meeting is to explore a formalized tri-agency partnership in farm to school, leveraging the momentum gained through the Vermont Farm to School Network Strategic Planning process.

Farm to School Coordinator, Ali Zipparo, Meets with Vermont Food Education Every Day (FEED) Project Director to Plan for Upcoming Farm to School (FTS) Event

- The Vermont Farm to School Network has been undergoing a series of five 90-Day projects that came about as a result of the strategic planning process, and are based on the levers of change discovered through the system mapping process.
- The five levers of change are: Educational Value of FTS, Economic Value of FTS, Ease of Use in FTS, Innovation in production, distribution and processing, and FTS Policy Demand.
- There are 5 working teams working on these projects, and are connected through a Common Circle, which is comprised of a representative of each working team. Ali Zipparo, VAAFMTS Coordinator is a Common Circle member.
- The Vermont Agency of Agriculture is directly involved in two projects- one is a research project that will develop a methodology to measure the economic value of FTS, and the other that looks at what schools are purchasing for their school food programs and the feasibility of local product substitutions.
- The 90 day period will end June 1, and there will be a gathering and reporting of progress by all working teams engaged in 90-Day Projects on May 21 in Randolph.

Local Foods Team Meeting with National Sustainable Agriculture Coalition

Local Foods Administrator Abbey Willard & Produce Safety Coordinator Kristina Sweet met with National Sustainable Agriculture Coalition (NSAC) Policy Specialist Sophia Kruszewski to discuss Food Safety Modernization Act (FSMA) rulemaking and implementation as well as local food initiatives at VAAFMTS. Currently based in Burlington, Ms. Kruszewski will be an excellent resource and collaborator as FSMA rules are finalized in 2015 and implemented over the next two to five years.

Produce Safety Coordinator Meeting with SW Food Software Consulting

Produce Safety Coordinator Kristina Sweet met with Stan Ward of SW Food Software Consulting and Three Springs Farm in Waitsfield, VT. Topics covered included manufactured food and produce traceability as well as Food Safety Modernization Act (FSMA) implementation, including strategies for providing outreach and education to the produce industry in Vermont.

Produce Safety Coordinator Participates in Northeast Food & Drug Officials Association Annual Educational Conference

Produce Safety Coordinator Kristina Sweet participated in the annual educational conference of the Northeast Food & Drug Officials Association (NEFD OA). The conference included presentations from FDA, USDA, health departments from the New England states & New York, the Association of Food & Drug Officials, and the Canadian Food Inspection Agency. Topics covered included:

- Food Safety Modernization Act (FSMA) Implementation
- Canadian Food Inspection Agency Restructuring
- Campylobacter Outbreaks in Vermont

- FDA “Oral Culture Learning” materials for retail food employees
- International Food Protection Training Institute (IFPTI) regulator training programs
- New federal menu labeling rules
- Vermont’s GE food labeling law (Act 120)
- Produce safety wash water study conducted at UVM

VAAFM staff attended Vermont Community Foundation’s Food and Farm Initiative educational event at VYCC barn in Richmond

- VAAFM staff and leadership joined farmers, VCF fund holders and food and farm stakeholders on Monday evening to consider what it will take to build a fair and sustainable food system in Vermont.
- Presentations were made by Brandeis Professor Brian Donahue on ‘[A New England Food Vision](#)’ and three food and farm entrepreneurs about their personal experiences around farm to school:
 - Joe Bossen of [Vermont Bean Crafters](#)
 - Christa Alexander of [Jericho Settlers Farm](#)
 - Karyl Kent of [New Leaf Catering](#), Richmond Elementary School food service.
- The Food and Farm Initiative will make its 2015 grants at the beginning of June and VCF is seeking additional partners to contribute support to the project proposals.
 - VAAFM has submitted a proposal to the Food and Farm Initiative to measure the economic value of Farm to School
- The proposals are summarized in their [Giving Together bulletin](#) and focus on statewide priorities around healthy food access and supporting a stronger local food system.

Launching Local Foods Data Tracking Program at Vermont Farmers Markets

Local foods tracking administrative coordinator Hailee May and Local foods Administrator Abbey Willard met with USDA Agricultural Marketing Service (AMS) staff Levi Geyer and John Stacy to discuss progress on Vermont’s Local Foods Data Tracking Program.

- May presented all of the documents as well as marketing efforts with the two of them. USDA’s Geyer trained VAAFM staff on the software they’ll be using to publish the local foods pricing reports.
- Two USDA-AMS Market News reporters will be traveling to Vermont from Pennsylvania during the first week of June to accompany May on visits to farmers’ markets participating in this tracking program.
- Some markets will start reporting local food pricing data on May 16th, with the rest of the markets joining by June 5th.

Food Safety and Animal Health and Consumer Protection:

Consumer Protection:

- Consumer Protection personnel completed two days of syrup grading at Franklin County Co-op in Fairfax this week. 618 barrels were graded for color, clarity, density and flavor.
- Weights and Measures (W&M) Specialist Marc Paquette attended and represented Vermont at the Northeast Weights and Measures Association (NEWMA) meeting held in Saratoga Springs NY. Attending were representatives from eight state W&M programs along with members of numerous city and county jurisdictions. Also present were members of the weighing, measuring, fuel quality, petroleum, and bio fuel industries. Three officials from The National Institute of Standards and Technology (NIST) were present to provide technical support and offer assistance as needed. Many relevant changes to laws, regulations, specifications, and tolerances were discussed and voted on with the results to be forwarded to the National meeting be held in July. The Vermont representative served on the Professional Development Committee and was voted to Chair both the interim and Annual meeting to be held in 2016.
- Consumer Protection Specialist Sumner Kuehne attended the Vehicle Truck Scale Training Session held at the Northeast Weights and Measures (NEWMA) Meeting in Saratoga Springs NY. The class was provided by the Association and held concurrently with the NEWMA Meeting. Retired NIST staff provided the instruction to students. The training included class room instruction followed by a field test and inspection of a truck scale.

Meat Inspection:

- One of our state slaughter establishments is considering doing Kosher slaughter, so they are investigating what the humane handling requirements are
- Conversations started with poultry establishments concerning the possibility of Highly Pathogenic Avian Influenza showing up in this state and measures to mitigate the spread of the disease
- Call received concerning the animal noises coming from a slaughter establishment in Springfield VT that seem to be disturbing to youth practicing on the nearby baseball field
- Inspector Work Unit Meeting held to update personnel on upcoming plant openings (5 seasonal poultry operations beginning operations within the next month as well as 4 new establishments opening in the same time frame). Also discussed new USDA FSIS notices and directives. Also discussed retail sampling plans

Agricultural Resource Management:

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

- Staff kicked off the North Lake Initiative this week where the MFO and LFO team members will be part of a group that will conduct surveys on approximately 350 farmsteads over the next couple of months. Staff were provided maps and other information for this focused group effort.
- Staff finished processing USAHerds livestock data and other data, preparing farm surveys and making maps in preparation for the North Lake Initiative.
- Staff conducted North Lake Initiative surveys on two facilities owned by a MFO in Franklin County.
- Staff conducted a technical assistance visit on an additional facility of a LFO in Addison County to discuss challenges with implementing conservation practices due to excessive amounts of bedrock present in the landscape. AAFM met with the farm owners, the NRCS, the farm's technical service provider to discuss options.
- Staff conducted a site visit on a LFO in Franklin County to further evaluate the farm and their management as the farm has requested authorization for construction of additional young stock housing. A walk around of the farmstead was conducted to better understand the farm's management and potential impact on local waterways. We also borrowed waders from ANR so that we could evaluate the impaired stream that borders the farm's crop land.
- Staff evaluated a concern/complaint related to bio solids on a MFO in Addison County. The concern was that the material was stack too closely to waters of the state. Information was collected during the site visit and we are discussing next steps. In addition, we have been discussing this situation with ANR's solid waste program.
- Staff conducted a visit with a MFO in Franklin County to discuss management of a silage leachate treatment system installed by Stone Environmental. The farm is not properly managing the system and we will be following up with them to provide education regarding proper system management.
- Staff are drafting reports and memos related to inspections and enforcement cases and following up as needed.
- Staff are continuing to process LFO permit applications and permit amendments. There are several farms that have submitted permit applications for building, expansion and general operation.
- Staff are processing MFO annual reports as all MFOs are required to submit annual reports by April 30 each year. We are processing reports to make sure all farms have submitted their report as required.
- Staff sent out applications, processed grants and corresponded with applicants for the Farm Agronomic Practices (FAP) Program.

Conservation Reserve Enhancement Program (CREP):

- Staff met with VLT (VT Land Trust) and VACD (VT Association of Conservation Districts) to prepare for a water quality partner training for VLT and VHCB.
- Staff presented at a VLT and VHCB water quality partner training held at VTC and on a SFO in Orange County.
- Staff met with a NRCS Soil Conservationist to discuss EQIP and CREP planning and coordinated efforts for a project on a SFO in Franklin County.
- Staff prepared for upcoming field visits to farms with potential CREP projects.
- Staff processed field data gathered for planning CREP projects in ArcMap.
- Staff worked through project-specific eligibility issues on one project with VLT.

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Deborah L. Markowitz
Agency Secretary

Justin G. Johnson
Deputy Secretary

State of Vermont
Agency of Natural Resources

CONFIDENTIAL and PRIVILEGED

To: Governor Peter Shumlin

From: Deborah Markowitz, Secretary, Agency of Natural Resources

Date: May 8, 2015

Subject: ANR Weekly Report

Governor Level Issues:

IBM / Global Foundries Hazardous Waste Facility Transfer of Ownership: On April 30, the Hazardous Waste Program received formal notification from IBM that the “anticipated date of transfer of ownership has moved from May 1 to July 1, 2015.” Due to the transfer of facility ownership, the Hazardous Waste Facility permit issued to IBM in 2014 will be transferred to Global Foundries when it assumes ownership of the facility (all elements of the permit pertaining to historic site corrective action are being retained by IBM and will be addressed under an Administrative Order). All items necessary to facilitate transfer the permit are in place.

Vermont Gas Phase I – Potential Wetlands Violation on Mitigation Parcel: OPLA learned late last week that Class II wetlands were filled on a parcel in Colchester that VG acquired as mitigation for impacts to a significant natural community associated with their ANGP Phase I project. VG acquired the ~62-acre parcel from Gauthier Hauling, who operates a trucking and hauling business on an adjacent parcel. It appears the Gauthier’s may have dumped fill in a Class II wetland in an effort to create or expand a parking and storage area partially located on the mitigation parcel. Vermont Gas reported the potential violation to the PSB and ANR late last Friday and have been cooperating in the investigation. DEC’s enforcement office has launched a formal investigation. Meanwhile we are working with VG on a way forward for them. The CPG for Phase I requires that VG conserve or convey the 62-acre parcel to the state prior to commencing construction on this section of the alignment, which is scheduled for later this summer. We are looking for alternative approaches that would not unnecessarily slow down their progress. Note that this parcel remains of interest to us, and, so far it appears that the most significant portions of the parcel were not impacted by the violation. VG is willing to do what it takes to move forward.

Wood Stove Change-Out Scoping Meeting: Wood industry, ACCD, DEC and FPR representatives met to scope a potential wood stove change-out program. The industry is enthusiastic about the opportunity and had helpful feedback on goal-setting, potential rebate amounts, change-out options, and the geographic scope of the program. Revenue options and partnerships are being explored. The goal of the program is to improve air quality by incentivizing a shift from old, dirty wood stoves, to cleaner modern wood heating.

EVERYTHING ELSE:

Legislative Issues/Testimony:

Capital Bill: The Senate Institutions Committee reported the Capital Bill favorably last week. DEC's priorities were untouched, including an additional \$390k for pollution control grants. In its current form, the bill will provide FWD with \$1,125,000 in FY 2016 and \$875,000 in FY 2017 allocated to general infrastructure projects which will be used in a variety of maintenance and upgrade projects. Finally, the bill provides \$3m annually to FPR for parks infrastructure and some forest road projects, plus an additional \$495k for the Sweet Pond Dam reconstruction.

Executive Fee Bill (H.184 now H.489): H.184 was added to the larger Senate tax bill, H.489, with ANR fees intact. DEC's fees made it through unscathed including the Dam Safety fees. Representative Ancel has been alerted that the Dam Safety fees have been added to the bill, and she has been alerted that the committee will want to take testimony on these fees.

Permit Process Improvement (S.123): S.123 was tabled for the year by House Natural Resources & Energy. Leadership and legal staff will convene a conversation with the stakeholder community on the proposal over the summer.

Lightly Contaminated Soils (H.269): Senate Natural Resources & Energy took up this bill. Conservation Law Foundation raised concerns, and Senator Bray encouraged all parties involved to work out differences so that he could re-convene to bring the bill to the Senate floor. We have worked extensively with CLF, representatives of the City of Burlington, and Leg. Council in an effort to find language that satisfies everyone and reached resolution earlier this week.

Lean Testimony to House Appropriations: We provided testimony to the House Appropriations Committee on our use of the "Lean" process as part of DEC's Business Transformation Initiative. The testimony was extremely well received. Rep. Mitzi Johnson and others on the Committee are encouraging DEC to share the Lean story with other Committees including HFWWR and HNRE. Doing it again in HNRE on Friday.

Tires (H.36): A joint hearing of the House Natural Resources and Energy Committee and the House Fish, Wildlife, and Water Resources Committee was held on tires and the Beyond Waste Advisory Group Report. The bill creates an extended producer responsibility program for tires, similar to batteries. DEC's testimony focused on legacy tire piles, dispersed illegal disposal of tires, and the market for scrap tires. Others testifying included: CSWD, Rubber Manufacturers

of America (RMA), Connecticut River Watershed Council, and Rachael Miller of the Rozalia Project. RMA is opposed to H.36, but would support a per-tire fee for clean-up of legacy tire piles. Others testified in support.

H.330: Director of State Parks Craig Whipple joined Commissioner Snyder to provide testimony before the House Judiciary Committee on this bill proposing to limit the liability of landowners who post warning signs at swimming holes.

Joint Resolution: The Director of State Lands Administration met Tuesday with the Senate Institutions Committee on the Department's proposed Joint Resolution (JR). The JR as passed by the House includes one proposal in Cavendish to convey limited rights-of-way to five property owners across a small portion of Proctor Piper State Forest to access their landlocked parcels. The other proposed land transaction that was originally included in the JR was to convey two state-owned parcels of land in Duxbury to the Town of Duxbury for use as a Town Forest. This proposal is now being considered as part of the Capital Budget Bill.

Press Issues/Releases:

Stormwater/Ag Water Quality: A press conference with Governor Shumlin was held at the Conant Farm in Richmond on April 30 to announce the signing of the \$16M RCPP grant and the availability of funds for farmer signup. Secretary Markowitz, Secretary Ross, Commissioner Mears and USDA/NRCS State Conservationist Vicky Drew were in attendance. DEC has begun the recruitment process to hire a coordinator to get the RCPP monies on the ground.

Berlin Groundbreaking: The Berlin municipal water system broke ground. The Congressional Delegation, Governor, USDA officials, Berlin Select Board, and DEC representatives were on hand for the ceremony. The \$5.8 million project is funded by USDA Rural Development. The engineering planning and design phases were financed with a zero-interest water planning loan through the Drinking Water State Revolving Fund. The new system will serve the Berlin Four Corners area, noted for low yielding and contaminated wells, and include Industrial Lane, Paine Turnpike, Fisher, Airport, Crosstown, Shed, and Granger Roads, and users on the Berlin Water Company system. <http://www.timesargus.com/article/20150429/NEWS01/704299917>

Bristol Landfill: The Town of Bristol proposes to greatly increase (~300 tons/year to 23,000 tons/year) the amount of waste accepted at the unlined Bristol Municipal Landfill to finance closure costs. The landfill is slated to close on December 31, 2016. An enforcement action has been brought against the Town for failing to provide financial assurance for closure. If expansion were to occur the one ton/year cap on unlined landfills in Vermont would need to be lifted by the Legislature. DEC would also need financial assurance, a robust groundwater monitoring plan, evidence that noise, odor and truck traffic would not impact the community, and an adequate closure plan. None of this will likely be necessary as we are working with Representative Sharpe to assist Bristol with capital funds to close the landfill. Deputy Secretary of Administration Justin Johnson is involved.

<http://www.sevendaysvt.com/vermont/landfill-bristol-aims-to-load-up-dump-before-it-closes/Content?oid=2568944>

State & Hermitage Club Reach Agreement: A \$205,000 settlement with Hermitage Club was reached for failure to obtain proper Act. 250 and DEC permits.

http://www.reformer.com/news/ci_27993415/state-and-hermitage-club-reach-agreement

F&W Press Releases: Board Votes to Ban Natural Deer Urine Lures; F&W Board Votes on Proposed Deer Hunting Changes; Green Mountain Conservation Camp Workcation Weekend; John Guilmette Access Area improvements underway; Walleye Fishing Kicks Off May 2; and Anglers and Boaters Reminded of Cold Water Awareness.

Burn Permit Ban Goes Into Effect in Vermont: After a warm, dry weekend and a Red Flag warning Tuesday that ended with more than 25 new reports of wild fires, the Vermont Department of Forests, Parks and Recreation (FPR) issued an order for all of the state's forest fire wardens to cease issuing burning permits May 19. <http://www.wcax.com/story/28970256/dry-weather-prompts-brush-fire-warnings-throughout-region>
<http://www.wcax.com/story/28981408/statewide-burn-ban-ordered-in-vermont>
<http://www.wptz.com/news/state-to-ban-burning-as-brush-fire-threat-lingers/32816874>

Significant Events/Meetings:

\$290K Information Exchange Grant Received: DEC has received approval for a \$290K 2015 National Environmental Information Exchange Network (NEIEN) award from EPA. The project will support data management goals identified in the Air Quality and Climate Division's October 2014 Lean event. DEC will join 39 other states in shifting to electronic submittal of AIR compliance data to EPA using the ICIS-Air Electronic Data Transfer functionality. This technology will also be useful for other programs.

"State of the Air" Report: The American Lung Association (ALA) released its national "State of the Air 2015" report today (<http://www.stateoftheair.org/>). The ALA grades and ranks cities and counties on the basis of the most recently available three years of daily ozone and daily and annual fine particle (PM_{2.5}) pollution data. The lowest Vermont grades were B's for Bennington County Ozone and for Chittenden and Rutland County daily PM_{2.5} – with Rutland improving from a C in last year's ALA report. Bennington County received an A for daily PM_{2.5} Pollution, and the cities of Burlington-South Burlington got A's for ozone and for annual PM_{2.5} pollution, making the "Cleanest US Cities" for both pollutants.

SUMMARY OF KEY DEPARTMENT ACTIVITY

Office of Planning and Legal Affairs (OPLA)

TDI New England Clean Power Link: Second round discovery questions were served on TDI end of last week (responses due May 14). Site visit with PSB has been scheduled for May 21. Discussions are ongoing with Agency staff in various programs to flag and discuss issues that may need to be addressed in Agency testimony, which is due June 12.

OPLA also met this week with representatives from the Nature Conservancy and DFW to discuss opportunities to protect and possibly enhance regional wildlife connectivity corridors as part of the TDI projects. Opportunities may exist to upsize certain culverts critical for wildlife movement and to incorporate vegetation management practices that enhance connectivity into the project.

Wind Blown Energy v. ANR, GMP, and Moose Mountain: In this boundary dispute action involving one of the mitigation conservation easements awarded to ANR in the Kingdom Community Wind project, the plaintiff has demonstrated its willingness to dismiss the claims against ANR. As part of the stipulation of dismissal, Wind Blown Energy (“WBE”) has agreed to convey to ANR the contested area of the mitigation parcel if WBE prevails in the litigation. Liam Murphy, Esq., the contract attorney hired by Stewart Title to represent ANR is negotiating the terms with WBE attorneys with input from Meghan Purvee, Judith Dillon, and AAG Gavin Boyle. As part of the settlement, a draft easement grant is being circulated.

New Applications Week of April 27: OPLA received 12 new Act 250 applications and 2 new Section 248 petitions.

Environmental Conservation (DEC)

Wastewater Complaint: A complaint was received this week by Representative Shap Smith from the Emmons Family in Morrisville. The Emmons are concerned that their man-made pond is being contaminated by surrounding wastewater systems. Last summer we first learned of the complaint and did an extensive investigation, including taking water samples of the pond and dyeing two wastewater systems. Surfacing wastewater was found on the same side of a town road and upslope to pond. The users of the impacting system replaced it last fall, and moved the system across the road, farther from the pond. Routine complaints by the Emmons have continued. We performed another investigation this week and found no signs of surfacing wastewater. Our investigation into the algae problem continues.

Training to Protect Drinking Water from Hazardous Algal Blooms: We held the first of three workshops to encourage public drinking water systems to participate in the new cyanotoxin monitoring program. The training is for 22 Lake Champlain-sourced drinking water systems, serving 150,000+ residents, occurred in Burlington. The new monitoring program consists of weekly sampling of raw and treated water. The event was well-attended, and will be followed by workshops in Charlotte (May 5), and Grand Isle (May 14).

VTrans Launching Lean: DEC leadership and staff met with representatives of VTrans to discuss how DEC rolled out Lean and our experiences to date. VTrans is now moving forward with its own Lean effort. We will continue to support them however we can.

Elizabeth Mine Superfund Site: We recently received a draft Superfund contract from EPA for remedial action of the Lord Brook Mine Features. DEC's 10% cost share will not exceed \$1.1M and Vermont will be responsible, in perpetuity, for maintaining any remedy constructed by EPA. State funding is drawn from the underfunded Environmental Contingency Fund (ECF) for this site and other Superfund and State Lead sites with no responsible party. DEC will need to work with the Administration to develop a long-term funding plan for the ECF, in order to support cleanup of Elizabeth Mine and other sites. EPA could be ready to start remedial action next year.

Cyanotoxin Guidance: The Lakes & Ponds Program continues to monitor EPA's progress in establishing guidelines for monitoring toxins produced by cyanobacteria. EPA is poised to release new drinking water guidance on two cyanotoxins, microcystin and cylindrospermopsin, in the next several weeks. The new materials will include advisory levels for these toxins, analytical methods, and facility treatment options. The Lakes & Ponds and Drinking Water Programs are working with VDH to draft a press release to announce the guidance document, once completed.

Fish & Wildlife (FWD)

Black Bear Workshop: Staff attended the Eastern Black Bear Workshop in MS. Emphasis was on dealing with and being able to identify aggressive black bears. One major point coming out of the meeting was the recommendation to treat any attack as a crime scene and to collect DNA samples and have a set of protocols in place for responding to the report of an attack. Two states (LA & FL) are working to initiate hunting seasons. They had a lot of interest in how VT conducts our bear hunting seminars.

Spring Turkey Season Activity: Numerous youth and regular season parties were checked by wardens with good success stories statewide. There was one report of hunters trespassing and fighting over hunting grounds. Also related to the opener was a loaded gun and a shooting from the road. Rumour has it Louis got a big one.

Water Level Observation at Lake Willoughby: Staff visited and documented the water surface elevation at the outlet of Willoughby Lake, inspected an elevation data logger newly installed in early winter, and checked on the lake's ice status (still about half ice-covered) to begin the annual process of installing stop-logs. This follows the protocol agreed upon 15+ years ago by constituent groups in the interest of preventing flow interruption impacts on migration and spawning of Willoughby River steelhead and high water level and ice damage to Willoughby Lake shore frontage

New Access Area in NEK: Staff began making arrangements for the formal naming and dedication of the newly acquired Great Hosmer Pond Fishing Access Area, which, now in public ownership, will assure unfettered angling access to this important NEK pond.

Forests, Parks and Recreation (FPR)

Vermont Parks Forever – The board met for its quarterly meeting – joined by new board members Scott Johnstone and Joyce Cameron. We are moving ahead with an MOU with ECHO to update the nature education/nature centers in our parks. We will probably hold a cultivation event at ECHO to introduce some potential donor to the project and to raise an initial (we are guessing) \$60,000 to help ECHO get started in scoping the project.

Molly's Falls – Michael and I met with Gil and his staff at VLT to talk about the transfer of Molly's Falls to the state and our need for stewardship funds to help us get it in shape to use as a new state park and to manage it over the next five years or so. They agreed to this plan and will be including in the transaction sufficient funds to meet our initial needs.

Ski Areas: After a successful ski season, all but one of the State's seven ski areas that lease state land have now closed for the season. Killington hopes to remain open through the end of May.

New Agency Lands Policy Approved: The ANR Secretary and Department Commissioners have approved a new ANR lands policy regarding rock climbing and related activities on ANR lands. The policy differentiates between FPR lands (where climbing is generally allowed unless otherwise posted), and DFW lands (where climbing is generally prohibited unless specifically authorized by the DFW Commissioner).

Parks Reservation Activity: Reservation call center and online camping reservation activity is brisk with almost a 3% increase in activity over last year to date.

Bomoseen Renovations: Construction activity has begun on the major renovation of the day use area at Bomoseen State Park. Access to the waterfront and new beach will be available by Memorial Day Weekend with other building renovation occurring throughout the summer. Steps are being taken to minimize impact of construction on park visitors.

Wildland Fire: Last week Jim Esden responded to a wildfire in Springfield. It was a wind-driven fire on very steep ground. Structure protection was needed as a home and large pile of tires were threatened. The primary tactic used in initial attack of this fire was "attack from the black", which was the subject of our annual fire warden training just a couple of years ago.

Friends of Bolton Nordic Planning Meeting: J. Nerenberg, Stewardship Forester, participated in a strategic planning meeting of the Friends of Bolton Valley Nordic and Backcountry. The organization is attempting to focus its mission, strengthen its membership, and build capacity for stewarding the trails at the Bolton Nordic Parcel of Mt. Mansfield State Forest. The Essex district looks forward to building its relationship with the Friends in the coming years.



Privileged and Confidential

MEMORANDUM

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

From: Christopher Recchia, Commissioner

Date: May 8, 2015

Subject: **Weekly Report**

Governor Level Issues:

Status of Priorities and Cases of Interest:

VY: We received a counter-proposal from Entergy. Basically, they want to take all funds from the NDT and sent documentation for why they believe this to be legitimate and why they think NRC will agree with them. We are meeting on this next week. I should also report that they are indicating they may sell their interest in the plant to a decommissioning firm that would be much more interested in moving forward quickly and would probably be more receptive to some of our asks. Hence, they propose a two-year settlement of the issues based on the terms they describe.

VGS: We submitted testimony this week supporting the economic benefit of the project at \$44M over 20 years at 3% discount rate. We have stated there is no need to reopen the proceedings and the project should go forward without delay. We will work on options to reduce cost to ratepayers – VGS knows we'll be requiring a change in the ROE on this project and a change in the Debt/Equity ratio – but due to the limitations of Rule 60(b) we could not raise those things here without risking the Board believing they should condition

the CPG that way – and discovering the only way to do that is to reopen the CPG. We'll be addressing these ratepayer impacts in the rate case.

Legislation: As we speak, H.40 (Energy) and H.117 (Telecom) are moving through Senate appropriations and Finance, hopefully to be on the floor next week. We have been meeting with AARP per the request of Senator Ashe, but today informed AARP that while we are willing to work with them, I see no need for any legislation. I discussed this with Ashe and he was not going to do anything we couldn't agree to, but was still looking to put things on a bill that we were going to do anyway, so we'll need to keep an eye on particularly H.40 as Ashe realizes H.117 is not a "must have" bill. As for that – Jim Porter is trying to negotiate the E-911 funding cut between Ashe and Botsow to see if a compromise can be reached – otherwise, with the \$300,000 going to GF, House Commerce will not support.

TDI: We have begun to have some quiet discussions with legislators interested in the TDI project with respect to our pending legislation. Several (Ashe, Mullin in particular) appear interested in what legislation they can consider to ensure a benefit to Vermont. I want to let them know enough so they realize there is no vacuum to be filled here. I continue to meet with ANR and TDI periodically, but right now the creation of a counter-proposal MOU is in the hands of ANR and DPS attorneys to come up with main terms of an MOU.

Meetings this Week:

May 4 – Chris/Jim Porter VTA Board Meeting

May 5 – PSD/VTrans meeting re TDI

May 7 – Broadband Grant Awards/Governor's press conference at PSD

May 9 – Darren gives presentation at VEC annual meeting

Meetings next Week:

May 11 – Chris VELCO/COS meeting at 5th Floor; Cabinet Meeting

May 14 – GMP/PSD base rate meeting; ENVY settlement interagency meeting at PSD

May 15 – Chris/VCRD meeting to discuss Climate Economy Initiative

Media: Several media outlets carried stories on Broadband Grant Awards following Weds press conference; Chris spoke with Taylor Dobbs of VPR on cost/benefits of VGS pipeline

Everything Else:

PERD

Legislative Items

- Staff researched a Joint Fiscal proposal that would commit some of EVT's budget for the purpose of adding BGS staff to manage state energy consumption and reduce energy bill pressure on the General Fund. Preliminary research suggests that the amendment is in

conflict with V.S.A. 209d. 209d states “EEC collections shall not be used to meet general obligations of the state.” In this case, the salaries for the new positions appear to meet a general obligation of the state, therefore the amendment conflicts with the current statutory requirement related to how the EEC is spent as outlined in V.S.A. 209d.

- Staff worked with the Natural Resources Board to respond to a question from Senator Ashe regarding whether stretch code requirements for Act 250 projects could lead to sprawl. A summary of our response is included below.
 - Our analysis for the new energy codes estimated an average incremental cost for stretch over base code would be under \$5,000 and that relatively small incremental cost would not over shadow the cost savings (through economies of scale, smart growth/density bonuses, lower infrastructure costs, etc.) gained in dense, larger developments. The NRB added that most medium to large scale residential developers would be subject to Act 250 regardless of the location of the project because Act 250 applies when 10 or more units are constructed by a person within a radius of five miles within any continuous period of five years. Therefore, jurisdiction would not likely be avoided either way. They also added that although land costs in rural areas may be lower, the infrastructure costs (for water, wastewater disposal, roads) are often higher. We also pointed out that the developer who raised this concern has stated repeatedly in public forums that he already builds to the stretch code level.

Residential and Commercial Building Energy Standards (RBES & CBES)

- Code Collaborative
 - The first VT Code Collaborative meeting was held with pretty good representation from a variety of groups. We will conduct some direct outreach to additional groups, such as the Builders Assn, Bldg. Performance Professionals Assn., etc. to enable further outreach to builders and weatherization contractors.
 - The initial meeting focused on deciding on a mission statement, discussing what the collaborative should focus on and other similar items. Code compliance was recognized as a priority issue and the next meeting will focus on reviewing the previously completed compliance plan, progress made, and what should be focused on going forward.

Energy Efficiency Utility Activities

- Staff met with VEIC and BED to review and discuss the technical specifications of the new Program Screening Tool application VEIC is developing for the next DRP.
- Staff met with VEIC and continued to discuss potential improvements to the DRP process.
- Staff continued to estimate unspent TEPF funds for the 2012-2014 period. Staff estimate approximately \$3.8M TEPF funds remain as the unspent balance in the EEF. Staff conferred with Board staff and confirmed the balance amount as “unspent monies” from previous periods. Board staff supported the concept of holding back some reasonable amount for the development of the Thermal Efficiency Clearinghouse

website. VEIC plans to wait until the end of the legislative session to propose the TEPF budget and goal adjustment to the Board.

- TEPF Clearinghouse (EEU-2013-10) – The Department received questions regarding the RFP from three potential bidders/teams of bidders. The Department will provide a written response to bidders' questions by 5/8 and will post this response on the Department's website.

EEU Evaluation

- Staff met with VEIC's Continuous Energy Improvement program manager and Cadmus to plan for the evaluation kick-off meeting on May 12.

Public Service Board Dockets

- 8544: VEIC Overall Performance Assessment – Staff continued gathering DPS generated performance data in preparation for the May 8 filing. Historical data from 2009 through 2014 gathered so far for submission includes DPS annual verification of EVT savings claims, DPS certification of progress towards QPI's, summary of customer complaints from CAPI, PSB reports to the legislature, DPS benchmarking evaluations, DPS administrative efficiency evaluations.
- Docket 8395 (CEED) – GMP filed a letter expressing its support of the Department's proposed 2015 CEED Evaluation and Verification Plan.

Thermal Energy Finance Pilot (Heat Saver Loan)

- A contractor sought information regarding a customer obtaining an HSL loan for replacement of a furnace with attached pipes covered with asbestos. Staff responded that this isn't currently allowed under the program (although we do plan to allow when customers are participating in the state Wx program). We will discuss financing this type of work beyond the state Wx with the participating CU's. One CU had expressed reservations about financing asbestos remediation due to liability concerns, but was willing to consider if they were working with the state Wx program. It is uncertain if they will agree to go beyond that.
- Finalized and sent guidance to OC on how to revise their marketing, outreach and coordination work plan and budget.
- EVT produced a new Heat Saver Loan page, which is playing the role as the go-to location for loan information until related marketing issues can be worked out. EVT reports they are getting a good response to the loan product.

PERD/SEP Funded Projects

- DEV – Staff provided ANR a copy of the Drive Electric Vermont grant agreement which is between the Department and Vermont Energy Investment Corporation for management of the Drive Electric Vermont stakeholder collation and statewide electric vehicle outreach. This grant is mutually funded by ANR, VTRANS, PSD and BGS. The end of the grant is June 30th and ANR expressed interest to begin accessing funding and scope of

work consideration for FY 16. The Department will engage with ANR, VTRANS, BGS and VEIC about any future possible scope of work and funding levels.

Clean Energy Development Fund

- Attended a meeting organized by the DEC and FPR about possibly setting up a wood stove change out program in VT. Attendees either worked in the pellet/Advanced wood heating industry or worked for the State (including ACCD). There was agreement that a program could be designed that would meet the goals of DEC (air quality), ACCD (econ. Development) and CEDF (more renewables), but concern that funding for such a program would be attainable.
- Met with the General Manager of Hyde Park Electric and a representative from VPPSA about HPE's community solar grant they were preliminary awarded last year but haven't been able to close on. While they had a plan to get the project built and use the CEDF grant funds appropriately, there are still several un-knowns about the project and challenges they would have to overcome before they could use the CEDF funds.
- Windham Solar Finance Program
 - Worked with grantee and fund manager to develop criteria and an installer application for listing solar PV and solar hot water installers for residential solar projects in Windham County. This needs to be in place next week in order to accept applicants into the program.
 - Worked with grantee staff to draft a one-page program information sheet for distribution in Brattleboro this weekend during local festivities.

Renewable Energy Items

- Received feedback on Swanton hydropower assistance request letter from ANR. Revised letter and asked for SHPO feedback by early next week in order to get the letter out ASAP. Also received F&W comments on hydropower screening criteria stakeholder comments and draft reply comments; awaiting DEC and SHPO comments.
- Participated in regional energy planning mapping meeting with the three contracted RPCs and relevant state agencies. Reviewed energy resource and constraint layers and layer methodology and provided comments and suggestions, particularly for the hydropower and wind layers.
- Referred request from Chris Sargent at Two Rivers Ottauquechee Regional Commission for assistance with developers who are routinely providing insufficient information in their 45-day notices to telecom director.
- Attended Act 99 rate design working group; participated in Act 99 general processes working group and facilitated discussion on changes to billing standards and procedures. Much of the discussion focused on compensation for annual net excess generation, with recognition that this aspect of net metering processes (as well as others) are highly dependent on the ultimate rate design.
- Attended NRRI teleseminar on distributed generation. Of particular interest was an upcoming paper from LBNL on DG challenges for utilities and regulators. The paper looked at feedback effects on future PV deployment (the "death spiral" – i.e. under-

recovery of fixed costs due to net metering leading to rising rates and more deployment – and also time shifting of peak leading to changes in time-varying rates) and found that these feedbacks almost cancel each other out in terms of impacts on PV deployment. Time-varying rates lead to higher deployment of net metering only at low penetrations. For regulators, this implies that rate design can be used to balance PV deployment goals and rate impacts from PV. The author suggests states with high PV deployment goals look to mechanisms other than rate design to address utility revenue and profitability issues – i.e. decoupling or utility ownership of distributed PV.

Net Metering

<u>Net Metering Activity 4/25/15 – 5/1/15</u>				
	Registrations	Applications	45 Day Notice	CPGs Granted
Count	17	4	1	16
kWAC	135.000	600.00	500	119.00
Ave Size kW	7.952	150.00	500.00	7.447
Cumulative Capacity of ALL Formal Notices Submitted**				
Year Total to Date		Total Since 1999		
2014 kW	2015 kW	1999 – 2015 kW		% of 15% Cap
5971.13	13288.93	89409.46		~ 59.6

****NOTE: This table includes all systems over 150 kW that go through the full 248 process. It also includes systems for which 45 day notices have been filed, in addition to those for which formal 248 applications have been filed.**

Engineering

Vermont Yankee Spent Fuel Management & Decommissioning

Systems maintenance and testing to support Spent Fuel Pool integrity continued during the reporting period (most notably, fire alarm testing for the Station Black Out diesel generator was successfully completed on Monday). No notifications were received during this reporting period regarding any issue that would adversely impact Spent Fuel Pool integrity. Demolition of now non-essential structures at the VY site has concluded for the time being. Reconfiguration of several onsite security structures (consistent with VY’s recently revised security plan) continued during the reporting period. Several on-site “force-on-force” security exercises were also conducted during this reporting period.

Status Hearing for Second VY Spent Fuel Storage Pad

On 4/29, the State Nuclear Engineer attended a Public Service Board (PSB) Status Hearing for

the proposed second Independent Spent Fuel Storage Installation (ISFSI) pad to be constructed at the VY Site (PSB Docket #8300). The primary purpose of the Hearing was for Entergy and the State to present a proposed schedule for completing the Section 248 proceeding for this Docket. The proposed schedule includes Entergy filing amended testimony on May 11, 2015, PSD filing testimony on July 6, 2015, and Technical Hearings in late February 2016. Entergy has requested a CPG by May 2, 2016, to allow the project's concrete pouring to be completed prior to November 2016. This will allow the procurement and proper storage of empty ISFSI containers during 2017 and 2018 on the existing and the new ISFSI pads (in compliance with the containers' design requirements) prior to transferring all spent fuel to the two ISFSIs in 2019 and 2020.

NRC May Not Issue Requests for Additional Information on VY Decommissioning Trust Fund Uses

As reported in late March, a teleconference was held between VY and NRC Headquarters staff that discussed several NRC questions regarding Entergy's intentions for money withdrawn from the Decommissioning Trust Fund (DTF). At that time, the NRC Region 1 Office notified the State Nuclear Engineer that NRC staff would issue a formal Request for Additional Information (RAI) letter for these questions within the next several weeks. On 4/30, VY's Manager of Reactor Licensing notified the State Nuclear Engineer that the NRC had accepted Entergy's February 9 response to a January 26 letter (to the NRC Director of Nuclear Reactor Regulation) from the VT Attorney General's Office and the Commissioner of Public Service as an adequate response to the proposed DTF uses in question. Additionally, several of VY's verbal responses in the March teleconference were also deemed to satisfy the remaining NRC questions raised at that time. Accordingly, a formal RAI was no longer expected for these DTF questions. The State Nuclear Engineer is unaware of any previous case where RAIs were rescinded after the NRC stated that they would be forthcoming. Accordingly, he is seeking an explanation from the NRC Region 1 Office, including a summary of the NRC's specific questions.

NRC Draft Environmental Assessment on VY Emergency Plan Exemption Request Comment Period

The NRC Staff's draft Environmental Assessment (EA) on the VY Licensing Exemption Request that would eliminate NRC requirements to maintain an offsite radiological emergency plan at VY was published in the Federal Register on 4/30. By publishing in the draft EA in the Register, the 30-day public comment period is now open. Because this 30-day period ends on a Saturday (May 30), the deadline for comments reported in the Federal Register is Monday, June 1. The State Nuclear Engineer will work with several State Agencies to file comments.

"Suspicious Activity" False Alarm at VY Site

On Monday, 5/4, the State Nuclear Engineer was notified of a potential Suspicious Activity incident that occurred at the VY Site on Sunday afternoon. A VY employee who had been authorized to take on-site photos failed to notify Site Security that he had begun doing so in the North Parking Lot. Because the employee could not be immediately identified from security cameras, VT State Police were notified that "suspicious activity" was occurring at the VY site. The employee was subsequently identified by the responding VY site security personnel

and the State Police call was cancelled. The employee was coached on notifying VY Security before taking on-site pictures.

Vermont Gas Systems Addison Transmission Pipeline Project

The Gas Engineer met with VGS representatives this week to further discuss prerequisites for the ANGP construction project, which the company plans resume in July. VGS was informed that the Department expects the project specifications, construction procedures and quality management systems to be completed and submitted with adequate time for the Department to review prior to commencement of construction activity. The Gas Engineer also requested the company develop formats for the presentation of periodic reports to the Department during construction, including construction schedules, specific execution plans, construction inspection and testing results, well in advance of the initiation of construction activity.

Vermont Gas Systems plastic fusion failure

VGS is revising its plan for the investigation of plastic components which were incorrectly installed in the company's distribution system in the Sheldon and Enosburg area. The plan initially proposed to excavate and examine 20% of components which were installed by an individual who had installed a service-tee (a component which connects a gas service line to a gas distribution main) that developed a gas leak on 1/15/2015, in Enosburg Falls. The Department Gas Engineer requested that the company produce a root-cause analysis of the failure and to determine the extent of possible risk elsewhere on the distribution system. The company has now committed to physically examine all (over one hundred) of the tees installed by this individual. The company also committed to examining samples of similar installations performed by other individuals. Findings from the described examinations will be considered in developing a comprehensive investigation plan to include possible contributing factors such as installation procedures, employee training, equipment utilization, and inspection processes. The Gas Engineer is continuing to review the company's actions and results with the company.

State DOE Distributed Generation Grant - Update

The working group conducted its bi-weekly conference call where DOE reported it has received the first of the required reports from the Department and is reviewing it. The Department is in the final drafting stage of its sub-contract with GMP for GMP's mapping project that will be a part of the overall grant results.

One Call Grant Report

Engineering has compiled and submitted its final 2014 One Call Progress Report to the US Department of Transportation (USDOT) Pipeline and Hazardous Materials Safety Administration (PHMSA). This report summarizes the work that Engineering does utilizing a grant from PHMSA to conduct our Underground Damage Prevention Program.

Docket 8400 TDI New England Clean Power Link (NECPL)

Engineering provided discovery questions to PA for the second round of discovery in this docket due on 4/30. The questions centered around the topical areas of noise from the converter station, the (yet-to-be-issued) system impact study for the project, EMFs due to the existing

and proposed AC transmission lines between the proposed converter station and the existing VELCO Coolidge substation, TDI's blasting plan for the project, and underground damage prevention.

Docket 8310 Pentachlorophenol Investigation Meeting

The "penta" working group met during this reporting period to discuss and revise the draft report and draft best management practices. The group is making good progress, with a collaborative atmosphere between utilities and other stakeholders. The report and best management practices are nearing completion. Next steps are to continue to finalize the report and best management practices.

Regional Policy

Zonal Sloped Demand Curves

- ISO-NE has decided not to implement sloped demand curves for the capacity zones for Forward Capacity Auction 10 and instead will use a vertical demand curve for zones. ISO-NE will use a sloped demand curve for Rest of Pool – which at this point consists of only Western MA, some New York ties (including the southernmost two ties located in Vermont), and the Phase 2 tie with Quebec.
- ISO-NE has stated that it does not believe that there is sufficient time to implement the zonal sloped demand curves with the new capacity zones, but does intend on implementing sloped demand curves in Forward Capacity Auction 11.

Demand Resources in the Wholesale Markets

- The Supreme Court has granted certiorari and will review the D.C. Circuit's ruling that FERC does not have jurisdiction over demand response. The Court will hear the case sometime in the upcoming term starting October 2015. This will prolong any uncertainty regarding the participation of demand response in wholesale markets.

Finance and Economics

Electric

GMP: PSB Docket No. 8445 - Petition seeking authorization to purchase capacity and electricity from NextEra Energy Seabrook, LLC, from 2018 through 2034. Staff reviewed the filing and supporting testimony and completed our recommendation this week. Our analysis indicates the agreement will provide a NPV of between \$70 and \$95 million when compared with other possible options supporting a recommendation that the contract will promote the general good of the state. There is a filing deadline of May 11th for parties to file an MOU/Agreement, with a Stipulated Proposal for Decision, or Status Report that includes a litigation schedule, if warranted.

Hyde Park Electric - Community Clean Energy Development Supplemental Tariff Rider: This week staff received additional information from CEDF regarding Hyde Park's plans and is reviewing the information and may need to schedule meetings with VPPSA and Hyde Park.

SSE New Haven Solar – PSB NMP-5978: Petition of SSE New Haven Solar II LLC (“SSE”) for a Certificate of Public Good, pursuant to 30 VSA §219a and Board Rule 5.100 authorizing the installation and operation of a 350 kW net metered ground mounted solar electric generation facility to be located in New Haven, Vermont. Staff has reviewed the application and related testimony along with the petition and related testimony of the town of New Haven that opposes the project. The objections raised by the town appear to be credible based on various interpretations of the rule and statutes. The Department continues to support the application based on prior Board orders.

Stowe Electric Department (SED): Tariff 8553-Rate Design- Stowe filed its new rate designs that include updated cost allocations, consolidation of customer rate classes and new optional Time of Use and Critical Peak Pricing rates. The Department filed a recommendation to open an investigation and a pre hearing conference was held on April 14, 2015. Finance & Economics is preparing for the initial round of discovery with emphasis on examining the basis for the allocation of costs and the commercial class rate increase. Parties are scheduled to file stipulation or litigation schedule on July 1, 2015.

VEC – Transmission charges for wheeling generation under Vermont SPEED Programs: Staff continues to meet with representatives of VEC to discuss the non-payment of wheeling charges by VEPP Inc. VEPP was authorized to pay the wheeling charges but has been unable to pay them because many of the utilities have refused to pay VEPP for the wheeling. The utilities continue to dispute that wheeling charges are applicable. VEC has requested PSD help in resolving this matter.

Natural Gas

VGS – Tariff 8562 Interruptible Natural Gas Transmission Pressure Sales Service Tariff Change; VGS proposes to offer large CNG customers a lower price during off-peak periods to encourage utilization of excess capacity. The CNG ‘discount’ will be based on NG volumes in excess of a billion cubic feet. The off-peak price will be Parkway plus \$.35 per Mcf, a discount of \$.89 per Mcf. VGS claims the rate will cover marginal gas costs and provide a contribution to fixed costs. Our initial review indicates the \$.35 adder could possibly be raised based on competitive options which would provide a higher level of contribution to fixed costs and which could mitigate risk associated with potential additional costs. The tariff also clarifies terms of the existing ‘lock price’ program. Our recommendation is due to PA by May 7; the department recommendation is due May 14, 2015.

VGS - Docket 8472 Petition Pursuant to 30 VSA §248 Requesting a CPG to Construct Phase VII Looping Project; VGS filed a petition to construct and install approximately 3.0 miles of 16” transmission line starting from the end of the Phase VI looping line and extending through Georgia, VT. The Phase VII project continues a multi-year transmission system expansion began in 1995 to provide increased capacity and improved reliability. VGS states that the looping project will address estimated customer growth through 2019. Project plans indicate the project is estimated to cost \$10.8 million. We are continuing our review of the petition.

Water

Woodstock Aqueduct: filed its petition for a 20.3% rate increase on November 1. After many changes, the Department recommended that the rate increase be suspended and an investigation be opened. The Board subsequently opened a Docket and scheduled a Public Hearing for May 18.

EEU

VEIC: Staff met with VEIC to review the process for reconciling EVT's Financial Statements with its November, December and 2014 year-to-date invoice totals. VEIC was not prepared to discuss the financial statement/invoice reconciliations and instead covered the financial results for December and how they make certain the monthly invoices agree with its ledger and project costs. VEIC agreed to prepare reconciliations that would reconcile the monthly invoices to their financial statements.

Gross Revenue Taxes

Gross Revenue Taxes (GRT): Collections Fiscal Year to Date –GRT continue to be received. The GRT received fiscal year to date totals \$8,640,647.19 compared with estimated receipts of \$8,708,117.00 resulting in a difference of \$67,469.81 or .77%. Staff will create a list of, and contact, late payers and late filers who will be assessed penalties as required by statute.

Other

Wind Generation Tax: Staff prepared a letter to the Tax Dept. confirming the amount of generation of the three wind generating facilities subject to Wind-Powered Electric Generating Facilities Tax (32 V.S.A. § 5402c). All three facilities for the past six months produced at rates that were higher than the minimum 15% capacity factor. (The companies are taxed on actual production with a minimum tax being set at the 15% capacity level.)

Public Advocacy

Addison Expansion—Docket 7970—In the second remand proceeding, the Department filed its initial testimony on May 6. The testimony concludes that the Project is still in the general good of the State and that the CPG should not be re-opened under the Rule 60(b) standard. It also addresses, as we have discussed with VGS, methods to manage the rate impacts.

VGS filed notice of non-substantial changes to the project design on April 3 and requested a Board ruling by June 1. In response to the Board's request for comments, the Department recommended that the requested ruling be granted, ANR found that the changes would have no significant impacts if certain permit amendments were obtained, and the Palmers recommended that the request be denied.

On May 5, VGS notified the Board that a contractor for Gauthier Brothers had filled in a parcel of wetland on property sold by the Gauthiers to Vermont Gas. This property is a subject of VGS's MOU with ANR. ANR, the Army Corps and the Department were informed immediately after VGS discovered the incident. The press has been made aware of the issue and is in contact with both ANR and the Department.

Dockets were opened on the two condemnation petitions which were filed on April 6. The Board opened the dockets and immediately stayed any proceedings pending the outcome of the remand.

Work continues with VGS concerning right of way issues. The Model Forms, together with the Eminent Domain Fact Sheet, were posted on the DPS website on April 15; we have heard nothing from the landowner group since the posting. The resolution of issues regarding the reimbursement of fees to affected landowners continues, seemingly on a daily basis.

VEC-VELCO Substation in Newport, VT Docket 8385 - The Department is continuing its MOU negotiations with VELCO. Bill Jordan has been involved in extensive discussions with VELCO's engineers about the Department's proposed CPG conditions. The engineers appeared to have reached agreement; however VELCO is now proposing further changes to the draft language while still pushing for a completed MOU this Friday, May 8. VELCO's revised language is unacceptable to the Department.

Vermont Solar Farmers 2.2 MW Solar Facility in Bondville, VT - Docket 8443 - The Department was advised this week that ANR has entered into a MOU with the Petitioner. The Department's aesthetics specialist is still reviewing the Petitioner's response to the Department's discovery questions. The Department is required to file testimony, if any, by May 18, 2015.

SSE New Haven Solar II LLC Group Net-Metered Facility in New Haven, VT - NMP 5978 - The Department filed its response to the Town of New Haven's comments on Tuesday May 5, 2015, at the Board's request. The Department supports the Town's Motion to Intervene and the Town's request for a hearing to the extent that the Board concludes that the Town's comments raise a significant issue. The Department believes that the Town has raised a significant issue with respect to Orderly Development, and perhaps as to whether the Project is one part of a larger single facility comprised of 4 projects clustered within a half mile of each other. The Department noted its disappointment in the number of errors and omissions contained in the Petition; the Department, Board, state agencies, and other interested persons rely on the accuracy of net-metering petitions in reviewing those projects. Materially inaccurate and misleading filings jeopardize the efficacy of the streamlined process for net metering projects, and ultimately impede progress toward the State's renewable energy goals.

After the filing, counsel for the developer contacted PSD to raise a concern about the recommendation regarding applicability of subdivision regulations to the creation of the parcel at issue. PSD is looking into this further and will revise our recommendation if appropriate.

Westman GLC Solar LLC 500 kW Group Net-Metered Solar Facility in Cambridge, VT - NMP XXXX
Cambridge GLC Solar LLC's Separate Petitions 500 kW Group Net-Metered Solar Facility in Cambridge, VT - NMP XXXX - The Department received a petition from each of Westman GLC Solar LLC (Westman) and Cambridge GLC Solar LLC (Cambridge). Both LLCs were formed in January 2015 and are registered to 121 S Pinnacle Ridge Rd, Waterbury VT, with Luke Shullenberger of Green Lantern as their registered agent. Each petition proposes to install and operate a 500 kW group net-metered solar facility on a single 200 acre parcel of land along Westman Road in Cambridge.

The PSD will file comments on Thursday May 7, 2015. The Department believes that the petitions raise a serious issue as to whether the two projects constitute a single facility of 1 MW and are thus ineligible for net-metering. Neither petition raises or addresses this issue. However it is apparent from the petition that the projects are in relatively close proximity, being located on either side of Westman Road approximately 0.2 miles apart on the same parcel. The two projects also share infrastructure because they are on the same circuit and share the same parcel of land. It is unclear from the petition whether the two projects would appear to be a single facility to someone viewing the project because the petition does not address this issue either directly or through its aesthetics analysis.

Our review is also focusing on the aesthetic impact of the two projects. The aesthetics report for each project does not take the other project into account in assessing potential aesthetic impacts, presumably because the petitioners did not want to draw attention to the adjacent project. We believe that the cumulative impact should have been examined, regardless of whether the two projects are a single or separate facilities. The project appears to be quite visible from 4 roads in the area and does not propose any screening to mitigate the visual impact.

The Department also has concerns with the format of the petitions. In particular, the petitions do not contain any prefiled testimony; rather the petition consists of an application summarizing the Petitioner's conclusions, a number of exhibits, and a number of affidavits sponsoring the application and the exhibits. It is generally unclear who is sponsoring what information in the application and the exhibits and has been more time consuming to review than the standard applications that involve prefiled testimony. With respect to the Orderly Development criterion, the application does not present any facts from which to reach the conclusions asserted in the application, it simply states conclusions and refers generally to the town and regional plans which it attaches to the aesthetic report. In addition, the petitions contain a number of erroneous references to exhibits and confuse the location of each of the projects with the location of the other. It is unclear whether this format complies with Board Rule 5.120(C). The Department and ANR have previously raised concerns with this style of filing in the Vermont AllSun Solar IX LLC Net Metering Application. The Board has not responded to those concerns.

We understand that VEC intends to file a Motion to Intervene and argue that the two projects are in fact one facility. VEC informed the Department that the two projects would exhaust VEC's net metering quota. We understand that ANR has wetland concerns with respect to the Cambridge site.

Farm at South Village Investigation, Docket 8406 - The Board is investigating whether the Farm at South Village, Inc. (FSV) complied with the terms of the CPG issued in 2010 with respect to screening; and if not, whether it is appropriate to order remedial action, impose a penalty, and/or revoke the CPG. The Cummings advised that FSV is claiming that the CPG parcel contains wetlands and is subject to significant restrictions. However, the CPG and its accompanying order do not contain any mention of wetlands or of ANR having concerns with the project site. Further, the Department consulted with ANR early in this proceeding and ANR informed the Department that it is not interested in participating in this proceeding. This behavior is characteristic of FSV's conduct to date and appears to be frustrating the informal settlement

process. FSV is due to file testimony on Thursday this week, May 7. That testimony will answer a number of questions posed by the Board in its scheduling order dated April 16, 2015.

Lajeunesse Interiors, Inc. Investigation RE compliance with CPG, Docket 8446 - Catamount Solar filed a Motion to Intervene on Friday April 24, which Motion was unopposed pursuant to the accelerated process for intervention. The Department is not aware of any other persons seeking intervention. The Department attended a site visit on Thursday April 30, 2015. Lajeunesse (CPG holder), the Korshaks (complaining neighbors), and their respective attorneys were also in attendance. Catamount Solar did not attend. We understand that the parties, including Catamount Solar, have arrived at a settlement agreement, which has not been executed. Given the progress made toward settling the case, the parties requested that the Hearing Officer allow an additional week for filing prefiled testimony. The Hearing Officer agreed; but no formal change to the schedule will be made. The Department anticipates that the parties will enter into a settlement agreement, which we expect to support but the PSD will not be a signatory. It is likely that the Hearing Officer will ask PSD for a recommendation regarding a penalty.

VEC Substation Expansion and Rebuild in East Berkshire – Docket 8450 – The PSD is reviewing the recently received petitioner responses to the PSD’s first round of discovery. The PSD will participate in a May 6th site visit and public hearing. Motions to intervene are due by May 15th.

Woodstock Aqueduct Company – Docket 8462 – The PSB will hold a public hearing in Woodstock on May 18th regarding WAC’s request for a 20.249% rate increase and revisions to its rules and regulations.

Vermont Gas Rule 5.409 Penalty Proceeding – Docket No. 8328 – Reply briefs were due on May 1. Vermont Gas filed a limited brief pointing to inconsistencies in the Peyser initial brief. No other parties filed a reply.

Vermont Gas Alternative Regulation Plan – Docket No. 8471 – In February of this year, Vermont Gas and the Department agreed to extend Vermont Gas’s Alt Reg Plan for one year, provided Vermont Gas agreed to some relatively minor changes and agreed to keep the Phase I capital costs out of this year’s base rate filing. Vermont Gas filed this revised plan with the Board at that time. The Board recently opened an investigation into this filing and held a prehearing conference on May 5. Only the Department and Vermont Gas were present, and it was agreed to move forward with dates for intervention. Provided no other party intervenes, it is likely that this proceeding will be held on the papers, without a need for formal evidence and hearing.

Swanton Rate Design – Docket No. 8398 – The Department and Swanton filed a stipulation resolving this case on April 24. The Board scheduled a technical hearing for May 19.

Stowe Rate Design – Docket No. 8463 – On May 5, the Board issued an order approving the protective agreement in this proceeding. A public hearing is scheduled for on May 12.

GMP Rate Design and Integration – No Docket – On May 4, GMP filed a rate integration and design, fulfilling a requirement of the merger order. GMP has met with the Department on a number of occasions and has done extensive outreach with customers. The rate design is revenue neutral so there are winners and losers in this filing. In order to mitigate rate shock resulting from the integration, GMP is proposing a 5-year annual phase-in (generally capped at 2 percent/year). The Department intends to handle review of this proceeding in-house.

GMP Base Rates filing – No Docket – On May 5, the Department’s consultant arrived at GMP to begin his review of documentation in advance of this year’s base rate update. Initial feedback indicates an improvement in GMP’s documentation of costs proposed for recovery in the base rate proceeding.

GMP Nextera PPA – Docket No. 8445 – Department staff have completed their review of the contract and are satisfied that it is in the general good. Fundamentally, GMP has secured a long-term capacity PPA (with a small amount of energy) at a good price. GMP is currently drafting a stipulated PFD, which the Department will review and which will be filed on May 11.

TDI New England Clean Power Link Project – Docket 8400 – PSD, ANR, VELCO, GMP and ACRPC each submitted information requests on the petitioner. TDI’s responses are due by May 14th. The PSD met with AOT to discuss next steps regarding fiber in the ROW and an MOU between the agencies. PSD and TDI executed a protective agreement. The site visit will be held on May 21st. Legislative counsel called with a question from a legislator as to whether a landowner abutting and owning the fee title under a road ROW would be entitled to compensation. Apparently the law in Vermont is not clear on this.

VEC-VELCO Substation in Newport, VT - Docket 8385 – The Department has drafted testimony regarding conditions to a CPG in this case to ensure that least cost planning principles are followed on future projects. PSD is in negotiation with VELCO on putting these conditions in an MOU. However, while PSD and VELCO Engineers had agreed on the language of the conditions, VELCO management is not yet agreeable to them. Negotiations continue. The current PSB schedule requires parties to submit an agreed upon schedule or a date and time for a telephonic status conference by May 8, 2015.

Overall Performance Assessment of Efficiency Vermont - Docket 8455 – VEIC and PSD are working collaboratively to file historical performance data for Efficiency Vermont since 2009 by the 5/8/15 deadline. VPPSA and AIV filed motions to intervene. PSD will file notice that it supports their intervention in the proceeding.

Appointment of Vermont Gas Systems as the Natural Gas Energy Efficiency Utility – Docket 7676 - On 4/17/15 the Board issued a Report and Recommendation and an Order of Appointment conferring on Vermont Gas Systems the authority to provide Natural Gas energy efficiency services in Vermont. The Board appointed VGS to serve for 12 years and determined that a non-contested proceeding would be initiated to develop a transition plan to govern the

provision of natural gas EEU services during 2016 and 2017. VGS will then participate in an omnibus Demand Resource Plan Proceeding (with VEIC and BED, the electric EEUs) to develop energy efficiency budgets and goals for 2018-2020. The Board rejected an argument by VGS to allow them to continue the amortization of EEU expenses, requiring instead the implementation of a “pay as you go” budgeting scenario. Notably the Board also rejected a proposal to allow VGS to offer energy efficiency services to potential natural gas customers (those within the footprint of approved expansion areas) and directed them to cease offering such services immediately.

VY EPZ LAR – NRC 50-271-LA-2 – The NRC Staff released a draft environmental assessment related to the EPZ exemption request, and it was noticed in the Federal Register. The Department filed a copy of the EA with the ASLB considering the related licensing amendment request, along with briefing arguing that the EA illustrates that NRC Commissioners approval of Entergy’s exemption request was not consistent with NEPA requirements. The issuance of the draft EA also resurrects one of the State’s contentions in the LAR proceeding which Entergy and NRC Staff had argued was moot upon the NRC’s approval of the exemption. The State is still waiting on an ASLB decision of the admissibility of its contentions to the ASLB.

FairPoint Service Quality Investigation – Docket 8390 – The Department filed a motion to compel regarding outstanding discovery requests from the second round. The motion is pending before the Board. The Department also issued a substantial third round of discovery requests to FairPoint. Department rebuttal testimony is due June 10.

VGS Looping Phase VII-Docket 8472- A prehearing conference was held on May 5. No members of the public attended. The parties (VGS, ANR and the Department) had developed a proposed schedule in advance. A site visit and public hearing are scheduled for May 26 and the technical hearing is set for June 30. The parties believe that a MOU is possible, but the Department will file testimony in support even if agreement is reached. We have identified no issues at this time.

GMP/AARP Low income assistance program-Docket 7535- GMP, with the concurrence of the Department and AARP, submitted a proposal to the Board on April 30 with respect to the EAP surplus and collections. Generally, the proposal is to set aside \$450,000 for a rolling arrearage forgiveness program and return the balance of the money to the ratepayers via a bill credit. GMP is also interested in reducing the monthly EAP fee, which the Department supports if found to be prudent. A workshop has been requested to discuss the details of the proposal.

Telecommunications

VTA Map data – The VTA has map information stored on a server that is not supported by DII. PSD and VTA staff are working with DII to determine the appropriate way to migrate this information and all other VTA staff shared data into the state system.

VTA GIS software – The VTA has 2 GIS software licenses from ESRI and the PSD has one. PSD

staff determined that BGS has a master license agreement with ESRI and is working to have all three transferred to this agreement.

Broadband Mapping Process – PSD staff is conferring with VCGI and Stone Environmental about developing a process to gather and analyze broadband data going forward now that the NTIA funding has expired.

VTA Transition – Department Staff met with outgoing VTA staff to review VTA invoicing processes and Dark Fiber Licenses. The Department anticipates assuming the duties involved with invoicing providers for fiber licensing. Staff also met with the fiber construction project manager to review the construction budgets for the fiber projects still underway. Department staff has concerns about the current budgets and whether they will be adhered to. There are several dark fiber lease agreements that are pending execution. Staff is reviewing those DFLs and will be following up with the VTA's attorney to go over the last minute changes. Staff anticipates entering into those agreements and is simply reviewing them to ensure the Department can undertake the responsibilities of those agreements. Staff also worked on what the Department will need to do to transfer the EDA grant obligations of the VTA to the Department. There are a series of forms that must be handwritten. Staff will contact the EDA about obtaining and filing these forms.

VTA records request – VTA staff met with an assistant attorney general to review the two records requests that a requester has made on the VTA. The requester has asked for complete copies of the broadbandvt.org and telecomvt.org websites, all documents related the appointment of James Porter as Executive Director, documents related to the fiber management RFP and the Department's role in the fiber management, all GIS data, and "pole attachment agreements and MOUs with pole owning utilities. Much of the requested material will involve several days of work for multiple members of the VTA staff and will be costly to the organization. In addition, much of the information is exempt and will have to be reviewed prior to being produced. The Attorney General is currently defending VTrans against a lawsuit by the same individual requesting records here and for very similar records.

Connectivity Award – The Department issued grant awards to broadband providers to serve census blocks in Jamaica, Pittsfield, Norwich, Royalton, Reading, and Rochester. The Grants total \$885,000.00 and will extend broadband service to at least 175 underserved locations. Staff is now working on putting together grant agreements so that the projects can begin.

FairPoint Pole Attachment Complaint Comcast and Charter — Division staff attended a pre-hearing conference in this docket on Friday, May 1. Comcast and Charter have moved to dismiss or stay the complaint until the Board issues an order in remand proceedings for the VOIP docket (no. 7316). The Board stated that it would like the parties to further brief Comcast's motion to dismiss and will then issue an order on that motion and a docket schedule if necessary.

Wireless Telecommunications Facilities (248a) Petitions — Division staff filed recommendation

letters with the Board for the following projects:

- VTel *de minimis* application to install telecommunications equipment on the tram station at the top of the Jay Peak ski resort in Westfield;
- VECLO *de minimis* application to install new antennas on a 130 foot tower in Royalton;
- AT&T motion to make a non-substantial change to a previously approved limited size and scope 120 foot tower in Marlboro;
- AT&T *de minimis* application to install new antennas on the roof of an office building in Winooski;
- VTel *de minimis* application to install new antennas on a 110 foot tower located near the Bolton Valley ski area;
- VTel *de minimis* application to install new antennas on a 140 foot tower in Danville;
- AT&T *de minimis* application to install new antennas on a 180 foot tower in Chester.

VTel Calais Projects — Division staff met with members of the Calais Selectboard in Friday, May 1, to visit potential alternate locations for a tower installation in Calais.

VT Cabot Project — The Department has received a preliminary report from its aesthetic expert, who has found that the proposed project will create an undue adverse impact. However, the aesthetic impact could be mitigated with a few minor modifications or screening for the project. The Board, however, issued a memorandum stating that VTel's application materials were incomplete due to a lack of information contained in a draft NEPA report submitted with the application materials. The Board will not further process the application until the deficiencies are rectified. The Department intends to wait until VTel has submitted a revised application to file its comments and expert opinions.

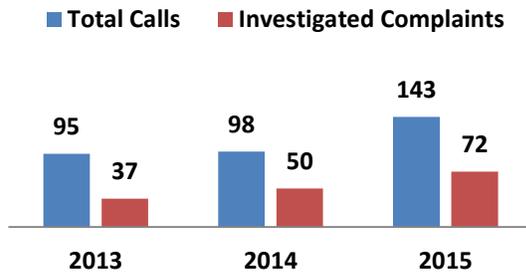
VTel Pownal and Rochester Projects — The Board also issued memoranda for VTel applications to construct new towers in Pownal and Rochester due to deficiencies in the NEPA reports submitted with the application materials. The Department previously submitted recommendation letters for both projects.

DPS received the following new 248a petitions and notices:

- VELCO *de minimis* application for modifications to a 150 foot tower in Orwell;
- VELCO *de minimis* application for modifications to a 100 foot tower in Hartford;
- VELCO *de minimis* application for modifications to a 115 foot tower in Putney;
- VELCO *de minimis* application for modifications to a 113 foot tower in Springfield.

CAPI

Calls to CAPI Same 7 days each year



FairPoint Complaint – Possible Violation of Board Rule 7.620(H)

A consumer who had made a payment arrangement she couldn't keep called FairPoint the following week to say she could pay most of the amount on the originally promised date, but the remainder couldn't be paid until the following month. In the meantime, another bill was going to become due before then. The FairPoint representative said the consumer could pay what she could on the original date and the rest of the arrangement amount when she wanted to, but that the prior arrangement included paying her current charges when due, and if she didn't pay the current charges she would break the payment arrangement and FairPoint would turn off her service. The consumer called CAPI saying that she didn't agree to include paying her current charges when due as part of her arrangement, and that she had specifically said she couldn't do this. The consumer reported that FairPoint said they were not obligated to send a regular disconnection notice for her unpaid current charges because they had included an expectation for her to pay current charges when due into her payment arrangement. CAPI believes FairPoint to be out of compliance with Board Rule 7.620(H) with this practice.

Comcast CPG Renewal:

1. Survey RFP: CAPI staff has completed drafting an RFP to be issued seeking an entity to complete a scientifically valid survey as part of the Community Needs Assessment for the renewal of Comcast's Certificate of Public Good.
2. CAPI and Telecom attended a meeting with representatives from Comcast and the Vermont Access Network to discuss items in the CPG that either Comcast or VAN would like to amend. Remote Origination and PEG channel access to Comcast's Interactive Program Guide and High Definition were discussed. The next meeting is scheduled for May 15.

Efficiency Vermont Overall Performance Assessment

CAPI completed a draft of its contributions to the Department's upcoming filing for the EVT OPA. CAPI provided quantitative and qualitative data about consumer complaints received by the division during EVT's performance period.



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: Keith Flynn, Commissioner of Public Safety
Date: May 7, 2015
Subject: Weekly Report

Vermont Public Safety Broadband Network Commission

The (FirstNet) Commission continues to meet and work on the development of the public safety broadband network in Vermont. We are now calling the initiative the VT Emergency Responders Network (VTern) although the Commission's name will remain the same as it is defined in the executive order. Currently the Commission is actively engaged in the preparation for the State Consultation meeting that is going to take place on June 16th. This daylong meeting will create the framework for the FirstNet staff's preparation of the Vermont State Plan. This state plan will be presented to the Governor for an opt in or opt out decision later in the fall of 2015. At this time FirstNet is encouraging all states to opt in. The other large task that is being worked on is data collection. We need to survey all public safety providers to determine the number of users for the VTern and how many devices they think their users will have. The indication we have received from FirstNet is the more we can participate in the planning process and deliver complete information the greater our chances of reaching our desired coverage goals. We also would like to set up a briefing meeting with your office after the legislature leave.

DEMHS

DEMHS monitored wildland fire concerns this week and facilitated a conference call with NWS and FPR regarding the statewide burn ban. Approximately 65 participants from towns across VT attended the call.

DEMHS, VTrans, ACCD, and ANR collaborated to submit comments to FEMA's Office of Chief Counsel regarding the Draft Guidelines for Implementing Executive Order 13690 (establishing a Federal Flood Risk Management Standard).

RERP Staff conducted Staging Area Training with the Vermont Guard this week. 53% of 2015 LEOPs have been submitted, the deadline was May 1st.

The second FEMA Region 1 School Crisis Conference Call was held this week. Topics discussed included Developing Emergency Operations Plans for K-12 schools, Resilience strategies for Educators, Threat Assessments in Schools and Prevention and Management of Adult Sexual Misconduct in Schools.

FEMA obligated three close-out PWs from Irene: Bethel's Gilead Road Bridge for an additional \$114k, Walden's Coles Pond Road Bridge for an additional \$17k, and Sharon's Downer Road for an additional \$8k. There are now 154 large projects remaining to be closed out from DR4022 (plus 3 from DR4066, 4 from DR4120, 15 from DR4140, and 5 from DR4178). Two of the remaining three close-out packages from DR4066 were recently submitted and the final one will be ready soon, so we are on track to close out disaster DR4066 this calendar year.

The ECHO Center distributed a [video](#) produced from the March Environmental Summit. Information about upcoming HMGP funding opportunities was posted to the ECHO [Summit Resource Page](#).

Vermont State Police

A Troop

32 total arrests, 2 DUI

Stabbing in the town of Richford. Field Force officers assisted BCI at the scene and with interviews; Caitlyn Fregeau stabbed her ex-boyfriend, Trevor Sweet, in the back. The two suspects were apprehended shortly thereafter. Fregeau was subsequently charged with Attempted Manslaughter, and Hart was charged with Accessory After the Fact and C&N.

Crash on VT Route 104 in the town of Fairfax; the crash involved one passenger car and three motorcycles. Operator of the car crossed the center line and swerved into oncoming traffic, causing her to hit two of the motorcycles. One motorcyclist received significant injuries to his left leg, which was subsequently amputated. The operator of the car, Joan Nye, was arrested for C&N w/ Serious Injuries Resulting.

Aggravated domestic assaults, one with firearm.

Fatal motorcycle crash, single vehicle, lost control on a corner and hit a tree.

Stabbing case in Richford, 19 year old female stabbed her 20 year old ex-boyfriend in the back. Her new boyfriend assisted in eluding police. Both were charged/lodged for lack of bail, charges to be brought are Manslaughter, Accessory after the fact and C&N Operation.

Armed robbery in Waitsfield at the Northfield Savings Bank. The perpetrator displayed a handgun and made off with \$3200.00.

Subject seen throwing a slug of tobacco over the fence at the CCCC, male identified, interviewed and issued a civil ticket for the violation.

B Troop

15 total arrests, 6 DUI

Arrested and lodged an intoxicated 39 year old male for choking his wife and pulling hair out of her head in Burke.

Arrested a 19 year old male for beating up his pregnant ex-girlfriend in Concord.

Charged a 22 year old Lyndon State College student with prohibited acts and stalking after exposing himself over the last year to 4 different women in the White Market parking lot in Lyndonville. The case was broke on 4-19 after the man was acting strangely inside of his vehicle while watching off-duty Sgt.

Assigned adult sex assault case in Irasburg – 23 y/o female reportedly forced to have sexual intercourse w/o her consent by 31 y/o boyfriend 5 days ago. Offender was lodged by P+P because he was served an RFA which is a violation of his parole out of New York, case under investigation

Notified by DOC of Adam Gilman - inmate at jail violating his conditions of release through phone calls and possibly mailings – awaiting reports to be completed by DOC staff

C Troop

16 total arrests, 5 DUI

Dayshift investigated a missing woman with Alzheimer's who did not return home from doing an errand, located later in the evening unharmed.

Investigated a serious injury ATV accident; subject intoxicated driving on his own property, in serious condition.

Death Investigation Porter Medical Center. 56 y/o female Donna LaVallee. Autopsy results: pulmonary thromboembolism

Death investigation Pownal. 87 year old female died at home/natural

Death Investigation. 73 year old male with previous heart and stroke issues. Natural death

Death Investigation. 60 year old obese female who suffered a seizure. Natural death

Death Investigation. 73 year old male cardiac issues. Town of Ferrisburgh.

Arrested Dereck Jensen and Devin Daly for a fight at the correctional center.

Arrested Rex Ankron for Possession of Heroin, Assault on a Correctional Officer, and Possession of Narcotics.

D Troop

21 total arrests, 3 DUI

Responded to a domestic dispute in Rockingham; arrested one for 2 counts of Aggravated Domestic Assault and Interference with Access to Emergency Services.

Responded to Guilford to assist Rescue and Guilford Fire with a subject who was run over by a logging skidder

Dead body, 90 year old female in Putney. Attended. No autopsy

Dead body, 56 year old female in Cavendish, Sent for autopsy

Dead body 66, year old male in Londonderry badly decomposed and unable to positively identify, though identity is likely known. Sent for autopsy

New intake for sexual assault. Unknown on location. A CAC interview is set for next week. Case will be assigned to Wagenbach. Picked up EQ at Fleet and Laptop at HQ

Assault case at Springfield Jail, Inmate Lonnie Place charged with assault of two Correctional Officers

Shooting incident/Att homicide in Bethel

Dead body, 72 year old male in Westminster. Sent for autopsy

Dead body, 60 year old female in Andover. Sent for autopsy. Potential meds suicide.

New intake for adult sex assault as child and interview conducted at CAC.

Fire Safety

The Division received \$15.7 Million in new plan review construction valuation collecting \$84,000.00 in permit fee revenue.

Our fire investigation unit has been extremely busy however we have not been called to investigate any brush fires.

The HAZMAT Team received the Public Service Recognition Award which I attended. The crew chiefs attended and were very appreciative of this award.

The owner of the Lilac Inn is coordinating a site visit with Joe Benard, Deputy Director and an elevator inspector to review the issues and the request to use the elevator.

I met with Representative Strong and Representative Gary Viens on May 5, 2015 to discuss warming shelters. We will take care of their request in-house without any need of legislative action.

The Senate put our hazmat spending authority back in and struck out the language. You know Rep Fagan is upset about this.



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Justin Johnson, Secretary

**PRIVILEGED AND CONFIDENTIAL
MEMORANDUM TO THE GOVERNOR**

TO: Governor Peter Shumlin

FROM: Secretary Justin Johnson

DATE: May 8, 2015

SUBJECT: Confidential Report to the Governor

BUILDINGS AND GENERAL RESOURCES

Of Special Interest to 5th Floor from BGS Directors:

College of Fine Arts: Staff began to move in and which time we discovered: the entire system had been re-wired and “someone” had removed all access control cables from the cabinet and re-routed them through a sleeve in the wall vs the floor where they originally were installed. Meeting with BGS, Contractors, Landlord, and Security (Margie & Roy) scheduled for this week to discuss.

Randolph AG/ANR Lab: Formal notice was distributed to the General Assembly 4/30/15 of BGS intent to proceed with the north site for the laboratory. A third public meeting will be held 5/27/15 to hear public input on precise siting and other suggestions for access and screening. A presentation to the Randolph Select board is planned for 5/19/15; after this, preparations for permitting will begin. The Agencies are finishing work on their equipment lists, and the target for schematic phase pricing is early June.

Colchester New Health Lab: Accessioning duct changes have been completed. Submittals for the bubble-tight damper actuator and the strobe lights have been received and forwarded to HDR for review. Design consultant is getting testy regarding wording in the change order for the additional work, but I informed them we are not willing to add the requested additional language. They are also looking for some payments, but they were informed these are being withheld until the project is complete. Continuing to work through change order issues with the contractor.

Bennington VVH Mold: Having difficulty closing out. Systems are not running properly, commissioning and troubleshooting ongoing. Final air testing is being done today and tomorrow.

Results will help us plan the next phase. We are already looking at next areas to address, following the February 2014 Comprehensive Mold Report.

WSOC Future Direction: PPA Solar Design and Bid Documents: No Bids (Mike McArdle and Dan Edson) Rebidding so only New Office Building is included. Bids due tomorrow 05/07.

Montpelier Capital Complex Long-Range Plan: User group maps and density maps will be finished by next week. The original contract timed out and the scope of work was modified, so a request for time waiver and change of contract sum are both being requested. The project is on hold until the change order is approved.

Government Business Services Division:

Reminder: The Annual State Equipment and Vehicle Auction will be held on Saturday, May 9th at the AOT District Garage in Berlin. Auction Preview and early registration will be held on Friday, May 8 from 11am-3pm. The Auction begins at 10:00am on Saturday.

Legislative Contacts:

Rep. Joan Lenex scheduled meeting to discuss Lamoille County Courthouse

Rep. Rebecca Ellis dropped in to discuss Waterbury PILOT.

Rep. Emmons & Senator Flory stopped by to discuss Prevailing Wage.

FINANCE AND MANAGEMENT

Issue Updates:

Finance and Management will continue to monitor the appropriations bill through the Conference Committee next week. We will be sending a letter to the Conference Committee with the Administration's position on certain provision of the appropriations bill.

HEALTH CARE REFORM

Nothing new to report.

HUMAN RESOURCES

Legislative Update:

Appropriations Bill: In addition to labor savings, the major piece we are following is the classification study. As the bill heads into conference, we favor the Senate version which includes a \$75k appropriation. If additional money frees up, we would like to get that number closer to \$100k. The language to add DOC to the position pilot was only in the House version. DOC will take the lead on pushing for inclusion of the language in conference committee, and we will back them up as needed.

Ban the Box: We have solicited input from Department Heads regarding current hiring practices to inform our implementation of the Executive Order. Specifically we requested “a description of current practices, including any waiver procedures, whether background checks are currently conducted, and if so for what positions, the level of those checks, and any special issues, requirements or considerations your organization has, such as statutory mandates, or special security concerns.” Responses are due May 18th.

Grievance Arbitration: S 72 is on the Governor’s desk. We recommend that the Administration offer the VSEA a public bill signing. This has been communicated to Laura Gray. We are happy to help coordinate.

Whistleblower: Michelle Anderson testified twice this week in House General on proposed language to expand whistleblower protections for state employees. The language is a consensus product developed this winter with the VSEA. The Committee is very interested in the topic and appreciates our work, though they will not get anything out this year. Rep. Head has expressed an interest in fully vetting whether additional protections are needed for the private sector. We are coordinating with Annie Noonan.

Communications Update:

Met with Steph Machado of Fox44 regarding the station’s interest in state employee compensation. Specifically, they are looking into employees who have received large sums of “other pay” or overtime. Steph will follow up via email with specific questions.

Spoke on the record with Elizabeth Hewitt of VtDigger regarding a story on the whistleblower language. The VSEA and I had a similar message: we support strong whistleblower protections, this bill brings us in line with protections for Federal employees, we are happy to find common ground with the VSEA.

We announced this week that VTHR will be down for a system upgrade from Friday, May 15th to the morning of Monday, May 18th. Notices have been sent to the extended cabinet, the HR field staff, and through HR Communications. The DHR website and the VTHR login page also have a notice posted.

Significant Events/Meetings:

- DHR consolidated from two buildings moved into new space at 120 State Street. Move went smoothly and staff is settling in. Held open house on 5/7 in conjunction with PSRW internal merit award ceremony.
- PSRW luncheon held on 5/5. Full house from across State government and we received positive feedback as to venue, food and ceremony itself.
- Staff involved in a significant amount of data work in support of legislative/budget proposals, staffing issues, and public records requests.
- Work continues on the Nurse market factor analysis/classification project. This effort is targeted on improving our recruitment/retention of nurses.
- We have launched the first official run of the supervisory curriculum, in Williston, and will launch the second on Thursday this week. It is keeping the entire staff very busy managing the logistics of

distance presenting, and still finishing revisions based on pilot feedback. Day one of round one went well and we look forward to more.

- Three active consulting projects underway, the most substantial with BGS, and two others pending.
- The AHS Classification Committee held its first official meeting today. They have a stack of RFR's to review.
- Working on data regarding classification actions over the past 5 years, trying to show if they resulted in pay grade increases, decreases, or no change. This is information as follow up to the Goggins/DLC issue.
- We have a VLRB appeal from VSEA regarding a class action RFR for VVH Utility Workers we returned as incomplete and the employees/VSEA did not submit the revised RFR until after the class action deadline last summer.
 - The EGWP contract is just about wrapped up. The AGs office and the ESI attorney have agreed on language except for a few terms, and we are hoping that it should be done this week or early next week.
 - Calls from VSEA (namely Dave Bellini) have been increasing lately, averaging 2-3 times per week. They are focusing on the Cadillac tax and how the state plans to deal with, usually fishing for "insider" information on how the proposed solutions will impact employees. Labor Relations has been informed of these calls.
 - Both the 2014 and 1st quarter 2015 BCBS performance guarantee reports have been submitted.
 - For 2014, they met or exceeded all of their performance goals except for ROI as related to disease management. Their guarantee was for a 1.5 to .3 ratio, but they only achieved a 1.0 to .67 ratio. This results in a payment of \$85,000 back to the state.
 - For 2015, they met or exceeded all of their performance guarantees except for claims timeliness. Their guarantee is 99.5%, but they only achieved 98.5%. This results in a check of \$15,000 to the state.
 - Both checks will be sent in the next 30 days.
 - We have an annual review meeting with them next week, and will ask about these two performance issues, in addition to discussing many other topics.

Wellness

- Over 2,000 employees have taken the personal health assessment year to date.
- The strengthening challenge is going well and has over 1,000 participants.

INFORMATION AND INNOVATION

Status of Governor's Priorities:

Healthcare: Commissioner Boes has signed the hosting contract with Optum.

Evolving Issues:

Projects:

- VoIP Implementation - Contract Kickoff Meeting is scheduled for 5/8, also scheduled meetings with AG and Duchac for next week
- Office 365 Migration
 - The migration vendor has been chosen. The project team will be working with Catapult. The SOW is expected to be completed by the end of the week.
 - The project website is up and contains FAQ's, application training, and current status information and will continue to expand as we have more concrete information. (All of DII's websites have gone through a migration to the new "look & feel").
- E911 Replacement
 - Executive Director and Project Manager, Dave Tucker, has left state government, Barbara Neal has taken his place in both roles.

LIBRARIES

No report.

TAXES

No new information to report.

CONFIDENTIAL MEMORANDUM TO GOV. PETER SHUMLIN

From: Susan Spaulding
Date: May 8, 2015
RE: Boards and Commissions Update

Governor's Veterans Advisory Council:

Executive Committee:

REAPPOINTED: Gary Degasta, Norwich (CHAIR) Vietnam
REAPPOINTED: Michael Heston, Richmond – Afghanistan
REAPPOINTED: Brenda Cruickshank, Northfield – Vietnam (Public Affairs)
REAPPOINTED: Carol Hitchcock, Springfield – Afghanistan (Education CHAIR)
REAPPOINTED: Robert Grenier, Burlington – Vietnam (Public Affairs CHAIR)
REAPPOINTED: John Miner, Bennington – Vietnam (**VICE CHAIR??**)
APPOINTED: Deb Amdur, Quechee – Medical Director, VA Medical Ctr WRJ
APPOINTED: Melissa Jackson, Dorset – Exec. Dir. Veterans Home

Education Committee:

APPOINTED: Joe Noonan, Burlington –Afghanistan
REAPPOINTED: Ed Deptula, Montgomery Center – Vietnam
REAPPOINTED: John Des Groseilliers, Hardwick – Vietnam
REAPPOINTED: Charles McCuin, Pittsford - Vietnam
APPOINTED: David Boyle, So. Burlington –Iraq
APPOINTED: David Carlson, Essex – Iraq
APPOINTED: William Gerns, Jr., So. Burlington

Outreach and Public Affairs

REAPPOINTED: Michael diMonda, Sunderland – Vietnam
REAPPOINTED: Richard Farmer, Springfield – Vietnam
APPOINTED: Merri “Chris” Herriman, Brandon –Husband is retired National Guard.
APPOINTED: Patrick Maher, Chittenden –Iraq
APPOINTED: Ary Quiros, East Burke – Afghanistan
APPOINTED: Ted Tighe, Middlebury – Vietnam
APPOINTED: Kim Siner, Williamstown

Legislative Committee

REAPPOINTED: Hull Maynard, Shrewsbury – Korea
REAPPOINTED: Adrian Megrath, Rutland – Vietnam
REAPPOINTED: Robert Hooper, Burlington – Vietnam
REAPPOINTED: Scott Lobdell, Castleton – Vietnam
APPOINTED: Leo Besaw, Williston
APPOINTED: Larry Seaburg, Moretown

ADVICE & CONSENT SENT to the Senate:

Last name	first name	Board/Commission
Lees	Robert	Vermont State Housing Authority
Murray	Rilla	Human Services Board

ADVICE & CONSENT CONFIRMED by the Senate:

Last name	first name	Board/Commission
Mathis	William	State Board of Education
McAllister	Dylan	State Board of Education
Peltz	Peter	State Board of Education
Milne	Linda	Vermont State Colleges Board of Trustees