§ 5. Acceptance of grants

(a) No original of any grant, gift, loan, or any sum of money or thing of value may be accepted by any agency, department, commission, board, or other part of state government except as follows:

(1) All such items must be submitted to the governor who shall send a copy of the approval or rejection to the joint fiscal committee through the joint fiscal office together with the following information with respect to said items:

   (A) the source of the grant, gift or loan;
   (B) the legal and referenced titles of the grant;
   (C) the costs, direct and indirect, for the present and future years related to such a grant;
   (D) the department and/or program which will utilize the grant;
   (E) a brief statement of purpose;
   (F) impact on existing programs if grant is not accepted.

(2) The governor's approval shall be final unless within 30 days of receipt of such information a member of the joint fiscal committee requests such grant be placed on the agenda of the joint fiscal committee, or, when the general assembly is in session, be held for legislative approval. In the event of such request, the grant shall not be accepted until approved by the joint fiscal committee or the legislature. During the legislative session the joint fiscal committee shall file a notice with the house and senate clerks for publication in the respective calendars of any grant approval requests that are submitted by the administration.

Subdivision (a)(3) effective until June 30, 2009; see also subdivision (a)(3) and note set out below.

(3) This section shall not apply to the acceptance of grants, gifts, donations, loans, or other things of value with a value of $5,000.00 or less, provided that such acceptance will not incur additional expense to the state or create an ongoing requirement for funds, services, or facilities. The secretary of administration and joint fiscal office shall be promptly notified of
the source, value, and purpose of any items received under this subdivision. The joint fiscal office shall report all such items to the joint fiscal committee quarterly.

Subdivision (a)(3) effective June 30, 2009; see subdivision (a)(3) set out above and note set out below.

(3) This section shall not apply to the acceptance of grants, gifts, donations, loans, or other thing of value by the division for historic preservation for use in establishing and maintaining displays and exhibits at any historic site or restoring any historic site maintained and developed under section 723 of Title 22; nor to grants, gifts, donations, loans, or other things of value with a value of $1,000.00 or less, provided that such acceptance will not incur additional expense to the state or create an ongoing requirement for funds, services, or facilities. The secretary of administration and joint fiscal office shall be promptly notified of the source, value, and purpose of any items received under this subdivision.

(b) In accordance with subsection (a) of this section, in conjunction with a grant, a limited service position request for a position explicitly stated for a specific purpose in the grant, may be authorized. The position shall terminate with the expiration of the grant funding unless otherwise funded by an act of the general assembly. Such authorized limited service positions shall not be created until the appointing authority has certified to the joint fiscal committee that there exists equipment and housing for the positions or that funds are available to purchase equipment and housing for the positions. (Added 1971, No. 260 (Adj. Sess.), § 29(a); amended 1977, No. 247 (Adj. Sess.), § 186, eff. April 17, 1978; 1983, No. 253 (Adj. Sess.), § 248; 1995, No. 46, § 52; 1995, No. 63, § 277, eff. May 4, 1995; 1995, No. 178 (Adj. Sess.), § 416, eff. May 22, 1996; 1997, No. 2, § 72, eff. Feb. 12, 1997; 1997, No. 66 (Adj. Sess.), § 60, eff. Feb. 20, 1998; 2007, No. 65, § 394.)
August 26, 2008

Mr. Nathan Lavery
Fiscal Analyst
Legislative Joint Fiscal Office
One Baldwin Street
Montpelier, VT 05633-5301

Subject: Great Bay Hydro Corporation Land Grant

Dear Mr. Lavery:

I am writing in response to your request for a letter from Great Bay Hydro Corporation ("Great Bay") indicating the reason that Great Bay is "reducing the value" of its gift to the State. As explained below, the revised value of the gift to the State reflects a correction to the purchase price for the lands being transferred from Great Bay to the Agency of Natural Resources ("ANR").

Based on appraised values, the total value of the lands being transferred from Great Bay to ANR is $539,300. The purchase price for these lands, as agreed to by Great Bay and the ANR in August 2007, is $500,000. Therefore, the value of Great Bay's gift to the State has been and continues to be $39,300.

The initial grant approval request reviewed by the Joint Fiscal Committee incorrectly listed the purchase price for the transaction as $482,000. Great Bay has since reconfirmed the $500,000 purchase price with Commissioner Jonathan Wood of ANR's Department of Forests, Parks & Recreation and this corrected purchase price is reflected in the grant approval request currently under review by the Joint Fiscal Committee.

Please feel free to contact me by phone at (603) 766-8747 or by email at brodgers@greatbaypower.com should you have any further questions regarding this matter.

Sincerely,

William C. Rodgers
Director of Marketing

cc: Commissioner Wood, Department of Forests, Parks & Recreation
Meghan Purvee, Vermont Agency of Natural Resources
August 26, 2008

Mr. Nathan Lavery  
Fiscal Analyst  
Legislative Joint Fiscal Office  
One Baldwin Street  
Montpelier, VT 05633-5301

Subject: Great Bay Hydro Corporation Land Grant

Dear Mr. Lavery:

I am writing in response to your request for a letter from Great Bay Hydro Corporation ("Great Bay") indicating the reason that Great Bay is "reducing the value" of its gift to the State. As explained below, the revised value of the gift to the State reflects a correction to the purchase price for the lands being transferred from Great Bay to the Agency of Natural Resources ("ANR").

Based on appraised values, the total value of the lands being transferred from Great Bay to ANR is $539,300. The purchase price for these lands, as agreed to by Great Bay and the ANR in August 2007, is $500,000. Therefore, the value of Great Bay’s gift to the State has been and continues to be $39,300.

The initial grant approval request reviewed by the Joint Fiscal Committee incorrectly listed the purchase price for the transaction as $482,000. Great Bay has since reconfirmed the $500,000 purchase price with Commissioner Jonathan Wood of ANR’s Department of Forests, Parks & Recreation and this corrected purchase price is reflected in the grant approval request currently under review by the Joint Fiscal Committee.

Please feel free to contact me by phone at (603) 766-8747 or by email at brodgers@greatbaypower.com should you have any further questions regarding this matter.

Sincerely,

William C. Rodgers  
Director of Marketing

cc: Commissioner Wood, Department of Forests, Parks & Recreation  
Meghan Purvee, Vermont Agency of Natural Resources
Great Bay Timeline

- **LATE 1990s**: Great Bay (GB) lands formerly owned by Citizens Utilities (CU). In late 1990's CU proposed to sell or donate various lands to ANR. LARC discouraged acquisition of these lands unless provisions were made to repair or remove associated infrastructure. No deal was ever struck with CU regarding acquisition of these lands.

- **MARCH 11, 2004**: Echo Lake access area appraisal completed for Citizens Utilities. Appraised value on March 5, 2004 of $182,600.

- **APRIL 1, 2004**: GB acquired lands and FERC projects from CU in 2004 for $10 and GB received a $3.5 million indemnification fund from CU for FERC relicensing requirements (repair Seymour and Echo dams, fish passage, twin culverts, decommission certain facilities). Great Bay completed repairs to Seymour and Echo dams and removed the penstock at No. 11 facility.

- **NOVEMBER, 2004**: GB originally proposed to donate the following lands to the state: Echo Lake access area and dam; Pensioner Pond access area; Seymour Lake Dam and riparian corridor along Seymour Lake outlet; West Charleston powerhouse, site, dam, penstock, and various riparian corridors; 37 acres on Clyde Pond; riparian lands along the Newport 1,2,3 bypass; 20 – 30 acres of riparian lands downstream of the Newport 1,2,3 powerhouse; the Newport No. 11 powerhouse, penstock and land; and the Baker's Falls powerhouse, penstock and riparian lands. GB sought concessions on FERC license requirements re: fish passage requirements at 1,2,3 dam as part of the donation. ANR determined that the liabilities associated with four dams in poor repair and associated penstocks and powerhouses outweighed the benefits and declined the proposal.

- **MARCH 11, 2005**: Secretary Torti executed an MOA with GB committing ANR to purchase all of the lands except the West Charleston facility and lands for $500,000.

- **NOVEMBER 15-16, 2005**: Appraisals of Pensioner Pond ($300,000), and lands in Newport near Newport 1,2,3 facility ($133,200) completed.

- **JANUARY 6, 2006**: P&S Agreement executed which incorporated and superseded MOA.
• SEPTEMBER 30, 2006: P&S Agreement expired. Various issues not resolved including some title issues and no FERC approval for removal of project lands from license.

• FEBRUARY 22, 2008: Request for Governor and Joint Fiscal approval by state.

• FEBRUARY 28, 2008: State signs new purchase and sales agreement for purchase of Echo Lake access area and Pensioner Pond access area. Purchase price $482,000 based on appraised value of access areas. Derby riparian lands donated as a gift. Value of Derby riparian lands assessed by Town at $56,700. Great Bay never signed this PSA.

• JUNE 5, 2008: Great Bay executes version of PSA with purchase price of $500,000 based on Great Bay's belief that the purchase price was always agreed to as $500,000. State agreed to revise gift amount of Derby riparian lands due to Great Bay's misunderstanding. The state has not yet executed this PSA.

• JULY 1, 2008: Revised request for Governor and Joint Fiscal approval sent to reflect change in purchase price.
MEMORANDUM

To: Joint Fiscal Committee Members
From: Nathan Lavery, Fiscal Analyst
Date: August 20, 2008
Subject: Grant Request

Enclosed please find one (1) request which the Joint Fiscal Office recently received from the Administration:

**JFO #2322 – Revised Submission** – Donation of approximately 30 acres of land from Great Bay Hydro Corporation to the Department of Fish and Wildlife. This land is located on the Clyde River in Derby, is valued at $56,700 and is being partially donated as part of a Department land acquisition from Great Bay Hydro Corporation. The value of the donation is $37,300.

This donation was previously approved at a value of $56,700. Great Bay Hydro subsequently expressed its desire to reduce the amount of the gift in order to increase the total sale price of this transaction (and therefore increasing the purchase cost to the State).

The Joint Fiscal Office has reviewed this submission and determined that all appropriate forms bearing the necessary approvals are in order.

In accordance with the procedures for processing such requests, we ask you to review the enclosed and notify the Joint Fiscal Office (Nathan Lavery at 802/828-1488; nlavery@leg.state.vt.us or Stephen Klein at 802/828-5769; sklein@leg.state.vt.us) if you have questions or would like this item held for legislative review. Unless we hear from you to the contrary by September 2 we will assume that you agree to consider as final the Governor’s acceptance of this request.

cc: James Reardon, Commissioner
    Linda Morse, Administrative Assistant
    George Crombie, Secretary
    Wayne Laroche, Commissioner
MEMORANDUM

To: Joint Fiscal Committee Members
From: Nathan Lavery, Fiscal Analyst
Date: August 20, 2008
Subject: Grant Request

Enclosed please find one (1) request which the Joint Fiscal Office recently received from the Administration:

JFO #2322 – Revised Submission – Donation of approximately 30 acres of land from Great Bay Hydro Corporation to the Department of Fish and Wildlife. This land is located on the Clyde River in Derby, is valued at $56,700 and is being partially donated as part of a Department land acquisition from Great Bay Hydro Corporation. The value of the donation is $37,300.

This donation was previously approved at a value of $56,700. Great Bay Hydro subsequently expressed its desire to reduce the amount of the gift in order to increase the total sale price of this transaction (and therefore increasing the purchase cost to the State).

The Joint Fiscal Office has reviewed this submission and determined that all appropriate forms bearing the necessary approvals are in order.

In accordance with the procedures for processing such requests, we ask you to review the enclosed and notify the Joint Fiscal Office (Nathan Lavery at 802/828-1488; nlavery@leg.state.vt.us or Stephen Klein at 802/828-5769; sklein@leg.state.vt.us) if you have questions or would like this item held for legislative review. Unless we hear from you to the contrary by September 2 we will assume that you agree to consider as final the Governor’s acceptance of this request.

cc: James Reardon, Commissioner
Linda Morse, Administrative Assistant
George Crombie, Secretary
Wayne Laroche, Commissioner
MEMORANDUM

To: Joint Fiscal Committee Members
From: Nathan Lavery, Fiscal Analyst
Date: September 16, 2008
Subject: JFO #2322 — Great Bay Hydro land donation

It has been requested that the following item be placed on the agenda for Joint Fiscal Committee review and action:

**JFO #2322 — Revised Submission** — Donation of approximately 30 acres of land from Great Bay Hydro Corporation to the Department of Fish and Wildlife. This land is located on the Clyde River in Derby, is valued at $56,700 and is being partially donated as part of a Department land acquisition from Great Bay Hydro Corporation. The value of the donation is $37,300.

[JFO received 08/19/08]

In accordance with 32 V.S.A. §5, JFO #2322 (revised) is not accepted until approved by the Joint Fiscal Committee. This item will be placed on the agenda for the upcoming Joint Fiscal Committee meeting, scheduled for October 3, 2008. At such time, the Committee will take action on this item.

cc: Neale Lunderville, Secretary
    James Reardon, Commissioner
    Linda Morse, Administrative Assistant
    George Crombie, Secretary
    Wayne Laroche, Commissioner
MEMORANDUM

To: Joint Fiscal Committee Members
From: Nathan Lavery, Fiscal Analyst
Date: August 20, 2008
Subject: Grant Request

Enclosed please find one (1) request which the Joint Fiscal Office recently received from the Administration:

**JFO #2322 – Revised Submission** – Donation of approximately 30 acres of land from Great Bay Hydro Corporation to the Department of Fish and Wildlife. This land is located on the Clyde River in Derby, is valued at $56,700 and is being partially donated as part of a Department land acquisition from Great Bay Hydro Corporation. The value of the donation is $37,300.

[JFO received 08/19/08]

This donation was previously approved at a value of $56,700. Great Bay Hydro subsequently expressed its desire to reduce the amount of the gift in order to increase the total sale price of this transaction (and therefore increasing the purchase cost to the State).

The Joint Fiscal Office has reviewed this submission and determined that all appropriate forms bearing the necessary approvals are in order.

In accordance with the procedures for processing such requests, we ask you to review the enclosed and notify the Joint Fiscal Office (Nathan Lavery at 802/828-1488; nlavery@leg.state.vt.us or Stephen Klein at 802/828-5769; sklein@leg.state.vt.us) if you have questions or would like this item held for legislative review. Unless we hear from you to the contrary by September 2 we will assume that you agree to consider as final the Governor's acceptance of this request.

cc: James Reardon, Commissioner
    Linda Morse, Administrative Assistant
    George Crombie, Secretary
    Wayne Laroche, Commissioner
STATE OF VERMONT
GRANT ACCEPTANCE FORM

GRANT SUMMARY: Title: Donation of land in Derby, Vermont
This is a request for approval of a donation of land. This donation is conditioned on the purchase of two other parcels from the donor. This land is useful to the State as a floodplain buffer for nearby developed areas, and for public recreation opportunities.

This is a revised submission previously approved by JFC as JFO# 2322.

DATE: March 13, 2008
DEPARTMENT: Fish and Wildlife (ANR)
GRANT / DONATION: 30 acres on the Clyde River.
FEDERAL CATALOG No.:
GRANTOR / DONOR: Great Bay Hydro
AMOUNT / VALUE: $39,300.00 (reduced from $56,700.00)
POSITIONS REQUESTED: None
GRANT PERIOD:
COMMENTS: See attachments.

DEPARTMENT OF FINANCE AND MANAGEMENT: (INITIAL)
SECRETARY OF ADMINISTRATION (INITIAL)
SENT TO JOINT FISCAL OFFICE: DATE: 8/19/08

RECEIVED
AUG 19 2008
JOINT FISCAL OFFICE
MEMORANDUM

TO: James Douglas, Governor

THROUGH: George Crombie, Secretary, Agency of Natural Resources

FROM: Wayne Laroche, Commissioner, Department of Fish and Wildlife

DATE: July 1, 2008

SUBJECT: Land Acquisition Approval 40.6+/- acres in Charleston and Derby

Your approval is requested pursuant to Title 10, Chapter 103, Section 4144, VSA, for the land acquisition referenced above. This acquisition has been reviewed and approved by the Agency of Natural Resources, Land Acquisition Review Committee on 7/18/05. Joint fiscal approval is required for this acquisition because the Department is paying for the two appraised parcels of land in the town of Charleston and only part of the town assessed value of the additional acreage in the town of Derby. Approval was previously requested in a memo dated February 22, 2008 and was granted. However, approval is requested again due to a change in the purchase price as described below.

Description of Property

The proposed Department of Fish and Wildlife acquisition from Great Bay Hydro Corporation consists of properties in three separate locations, involving multiple parcels. Two of the properties are developed fishing access areas, Echo Lake (0.6-acres) and Pensioner Pond (10-acres), which are currently leased by the Department of Fish and Wildlife. These access areas are a high priority for securing permanent public access for fishing and boating. Echo Lake is a 544-acre lake that provides a multitude of recreational opportunities due to its size. Pensioner Pond is a smaller lake, 170-acres, thus it does not receive the same amount of boat traffic, but it still provides important fishing and waterfowl hunting opportunities.

The third location is comprised of six individual parcels that range in size from 1 to 10 acres and total 30+/- acres. The parcels are located on both sides of the Clyde River starting at the outlet of Big Salem Lake and stretch northwest along the river with the western most parcel being bordered by the Rt. 105 bridge in Derby. Given its scenic nature, important wetland communities, good fishing and waterfowl hunting.
Ownership and Management

These parcels will be owned by the State of Vermont, Agency of Natural Resources, Department of Fish and Wildlife. The parcels will be managed by the Access Area Program and the Fisheries Division to provide public angling and boating access (Pensioner Pond and Echo Lake) and habitat conservation (Clyde River) to their respective bodies of water. Additionally, some portions of the Clyde River property will be considered for possible access area development.

Revised Purchase Price

The combined appraised value for fee purchase of the two fishing access area parcels is $482,600. The riparian lands in the town of Derby have not been appraised, but the town assessed value is $56,700. Initially, Great Bay Hydro Corporation intended to convey the Derby riparian lands as a gift, thus the February 22, 2008 approval request reflected a purchase price of $482,600. Recently, Great Bay expressed its desire to reduce the amount of the gift to the Department from $56,700 to $39,300 and increase the purchase price to $500,000 to include $17,400 of the value of the Derby riparian lands.

Budget and Funding

Funds for the purchase of the properties will come from the prior sale of Stamford Meadows Wildlife Management Area to the US Forest Service ($285,000) and from the Vermont Boat Registration Fund ($220,300). Of the $220,300 from the Vermont Boat Registration Fund, approximately $5,300 will be used for associated closing costs (appraisal - $3,800; legal costs and recording fees - $1,500).
APPROVAL FOR LAND ACQUISITION

We, the undersigned, hereby approve the acquisition by the State of Vermont, Agency of Natural Resources, Department of Fish and Wildlife, of 40.6 +/- acres located in the Towns of Charleston and Derby.

This approval is pursuant to Title 10, Section 4144 of the Vermont Statutes Annotated.

[Signatures]

James Douglas, Governor
State of Vermont

George F. Drobiie, Secretary
Agency of Natural Resources

Wayne Laroche, Commissioner
Department of Fish and Wildlife
To: Jason Aronowitz, Budget Analyst  
Finance & Management

From: Sherri A. Yacono, Business Manager

Date: July 2, 2008

Subject: AA-1: Land donation – Great Bay Hydro

Please find attached a revised AA-1 package for the above subject. As part of a land acquisition, the Department of Fish and Wildlife will receive a donation of six individual parcels of land ranging in size from 1 to 10 acres that total 30 +/- acres from Great Bay Hydro Corporation. The town of Derby has assessed the value of the property at $56,700. Initially Great Bay Hydro Corporation intended to convey the Derby riparian lands as a gift. Recently Great Bay expressed its desire to reduce the amount of the gift to the Department from $56,700 to $39,300, with the Department paying $17,400.

Thank you for your assistance. If there are any questions, please contact Department staff Mike Wichrowski at 241-3447 or Meghan Purvee, ANR attorney at 241-3661.

Cc: Mike Wichrowski  
Meghan Purvee  
Steve Chadwick
1. Agency: Agency of Natural Resources
2. Department: Fish & Wildlife
3. Program: Fisheries Division
4. Legal Title of Grant: Donation of land in Derby
5. Federal Catalog No.: 
6. Grantor and Office Address: Great Bay Hydro Corp.

7. Grant Period: From: To:

8. Purpose of Grant: (attach additional sheets if needed)
   As part of a land acquisition the Department will also receive a donation of 6 individual parcels of land totalling 30 acres. These parcels are located on both sides of the Clyde River starting at the outlet of Big Salem Lake and stretch northwest along the river with the western most parcel being bordered by the RT. 105 bringe in Derby.

9. Impact on Existing Programs if Grant is not Accepted:
   Loss of valuable floodplain habitat that will assist in protecting nearby developed areas during times of high water.

10. Budget Information:
    | (1st State FY) | (2nd State FY) | (3rd State FY) | (4th State FY) |
    | FY 2008       |
    | EXPENDITURES: |
    | Personal Services | $ |
    | Operating Expenses | $ |
    | Grants | $ |
    | TOTAL | $ 0 $ 0 $ 0 $ 0 $ 0 |
    | REVENUES: |
    | State Funds: |
    | Cash | $ |
    | In-Kind | $ |
    | Federal Funds: |
    | (Direct Costs) | $ |
    | (Statewide Indirect) | $ |
    | (Department Indirect) | $ |
    | Other Funds: |
    | F & W Funds - Duck Stamp Fund | $ 39,300 |
    | In-Kind | $ |
    | Misc. Outside Match | $ |
    | TOTAL | $ 39,300 $ 0 $ 0 $ 0 $ 0 |

Appropriation Nos. Amounts

- over -
11. Will grant monies be spent by one or more personal service contracts?

☐ YES  ☒ NO

If YES, signature of appointing authority here indicates intent to follow current guidelines on bidding.

12a. Please list any requested Limited Service positions:

<table>
<thead>
<tr>
<th>Titles</th>
<th>Number of Positions</th>
</tr>
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<tbody>
<tr>
<td></td>
<td></td>
</tr>
</tbody>
</table>

TOTAL Positions 0

12b. Equipment and space for these positions:

☐ Is presently available.

☐ Can be obtained with available funds.

13. Signature of Appointing Authority

I certify that no funds have been expended or committed in anticipation of Joint Fiscal Committee approval of this grant.

Wayne Laroche, Commissioner

14. Action by Governor:

☐ Approved

☐ Rejected

15. Secretary of Administration:

Request to JFO

Information to JFO

16. Action by Joint Fiscal Committee:

☐ Request to be placed on JFC agenda

☐ Approved (not placed on agenda in 30 days

☐ Approved by JFC

☐ Rejected by JFC

☐ Approved by Legislature

(Dates)
MEMORANDUM

To: Joint Fiscal Committee Members

From: Rebecca Buck, Staff Associate

Date: April 1, 2008

Subject: Land Donation Request

Enclosed please find one (1) request which the Joint Fiscal Office recently received from the Administration:

JFO #2322 – Donation of approximately 30 acres of land from Great Bay Hydro Corporation to the Department of Fish and Wildlife. This land is located on the Clyde River in Derby, is valued at $56,700 and is being donated as part of a Department land acquisition from Great Bay Hydro Corporation. [JFO received 03/27/08]

The parcels donated are located on both sides of the Clyde River, and will provide important wetland communities, good fishing and waterfowl hunting as well as other public recreational opportunities. The land will also provide an important floodplain buffer for nearby developed areas during times of high water. Attachments include an appraisal of the land being donated, maps of all the property associated with the land donation, and letters of support from the two select boards associated with the land donation as well as acquisition.

The Joint Fiscal Office has reviewed this submission and determined that all appropriate forms bearing the necessary approvals are in order.
In accordance with the procedures for processing such requests, we ask you to review the enclosed and notify the Joint Fiscal Office (Rebecca Buck at 802/828-5969; rbuck@leg.state.vt.us or Stephen Klein at 802/828-5769; sklein@leg.state.vt.us) if you would like this item held for legislative review. Unless we hear from you to the contrary by April 15 we will assume that you agree to consider as final the Governor’s acceptance of this request.

cc: James Reardon, Commissioner
    Linda Morse, Administrative Assistant
    George Crombie, Secretary
    Wayne Laroche, Commissioner
STATE OF VERMONT
GRANT ACCEPTANCE FORM

GRANT SUMMARY: Title: Donation of land in Derby, Vermont
This is a request for approval of a donation of land. This
donation is conditioned on the purchase of two other parcels
from the donor. This land is useful to the State as a floodplain
buffer for nearby developed areas, and for public recreation
opportunities.

DATE: March 13, 2008

DEPARTMENT: Fish and Wildlife (ANR)

GRANT / DONATION: 30 acres on the Clyde River.

FEDERAL CATALOG No.:

GRANTOR / DONOR: Great Bay Hydro

AMOUNT / VALUE: $56,700.00

POSITIONS REQUESTED: None

GRANT PERIOD:

COMMENTS: See attachments.

DEPARTMENT OF FINANCE AND MANAGEMENT: (INITIAL) [Signature]
SECRETARY OF ADMINISTRATION (INITIAL) [Signature] DATE: MAR 27 2008
SENT TO JOINT FISCAL OFFICE:

RECEIVED MAR 27 2008
JOINT FISCAL OFFICE
To: Jason Aronowitz, Budget Analyst  
Finance & Management

From: Sherri A. Yacono, Business Manager  

Date: March 10, 2008

Subject: AA-1: Land donation – Great Bay Hydro

Please find attached the AA-1 package for the above subject. As part of a land acquisition, the Department of Fish and Wildlife will receive a donation of six individual parcels of land ranging in size from 1 to 10 acres that total 30 +/- acres from Great Bay Hydro Corporation. The appraised value of the property is $56,700.

Thank you for your assistance. If there are any questions, please call me at 241-3704. (Please note that this purchase is time sensitive so if you could expedite this that would be greatly appreciated.)

Cc: Mike Wichrowski  
Steve Chadwick
STATE OF VERMONT  
REQUEST FOR GRANT ACCEPTANCE (use additional sheets as needed)  
FORM AA-1 (Rev. 9-90)  

1. Agency: Agency of Natural Resources  
2. Department: Fish & Wildlife  
3. Program: Fisheries Division  
4. Legal Title of Grant: Donation of land in Derby  
5. Federal Catalog No.:  
6. Grantor and Office Address: Great Bay Hydro Corp.  

7. Grant Period: From: To:  

8. Purpose of Grant:  
As part of a land acquisition the Department will also receive a donation of 6 individual parcels of land totaling 30 acres. These parcels are located on both sides of the Clyde River starting at the outlet of Big Salem Lake and stretch northwest along the river with the western most parcel being bordered by the RT. 105 bridge in Derby.  

9. Impact on Existing Programs if Grant is not Accepted:  
Loss of valuable floodplain habitat that will assist in protecting nearby developed areas during times of high water.  

10. Budget Information:  

<table>
<thead>
<tr>
<th></th>
<th>(1st State FY)</th>
<th>(2nd State FY)</th>
<th>(3rd State FY)</th>
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</tr>
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<tbody>
<tr>
<td>FY 2008</td>
<td></td>
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<td></td>
</tr>
</tbody>
</table>

**EXPENDITURES:**  
- Personal Services: $  
- Operating Expenses: $  
- Grants: $  
- TOTAL: $  

**REVENUES:**  
- State Funds:  
  - Cash: $  
  - In-Kind: $  
- Federal Funds:  
  - (Direct Costs): $  
  - (Statewide Indirect): $  
  - (Department Indirect): $  
- Other Funds:  
  - F & W Funds - Duck Stamp Fund: $  
  - In-Kind: $  
  - Misc. Outside Match: $  
- TOTAL: $  

Appropriation Nos.  
- Amounts  
- over-
11. Will grant monies be spent by one or more personal service contracts?

☐ YES  ☑ NO

If YES, signature of appointing authority here indicates intent to follow current guidelines on bidding.

X

12a. Please list any requested Limited Service positions:

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TOTAL Positions 0

12b. Equipment and space for these positions:

☐ Is presently available.

☐ Can be obtained with available funds.

13. Signature of Appointing Authority

I certify that no funds have been expended or committed in anticipation of Joint Fiscal Committee approval of this grant.

Wayne Laroche, Commissioner

(Signature)  (Date)

14. Action by Governor:

☑ Approved

(Signature)  (Date)

15. Secretary of Administration:

☑ Information to JFO

(Signature)  (Date)

16. Action by Joint Fiscal Committee:

☐ Request to be placed on JFC agenda

☐ Approved (not placed on agenda in 30 days

☐ Approved by JFC

☐ Rejected by JFC

☐ Approved by Legislature

(Signature)  (Date)
NOTICE TO TAXPAYERS AS OF APRIL 1, 2007

CHANGE IN APPRAISAL OF REAL ESTATE
2007 GRAND LIST

GREAT BAY HYDRO CORPORATION
1 NEW HAMPSHIRE AVE SUITE 207
PORTSMOUTH NH 03801

PARCEL NUMBER : RT105001G5-TR

PROPERTY DESCRIPTION
0 ROUTE 105
LAND

Previous (last year) total real value $ 36,800
Current (this year) total real value $ 56,700
Difference: 19,900

REAPPRAISAL

**IF YOU WISH TO FILE A GRIEVANCE,** you must do so on or before July 17, 2007.

FILE WITH TOWN LISTERS OFFICE.

"In lieu of filing the grievance in person or by his agents or attorneys, the parties thereto may submit such documentation and evidence as shall be pertinent thereto."

Also note that Section 64 of Act 71 requires notification of value on homestead, for appeal purposes.

**MEETINGS WILL COMMENCE JULY 17, 2007 BY APPOINTMENT ONLY**
PLEASE CALL 802-766-2012 FOR APPOINTMENT
Location: DERBY LISTERS OFFICE / DERBY MUNICIPAL BUILDING
LISTERS:
G TOM CYR, NANCY GOSSELIN, THOMAS ROBERTS

*A homestead is the principal dwelling improvements and land owned and occupied by a Vermont resident individual as the individual’s domicile. A homestead does not include buildings or improvements detached from the home and used for business or rental purposes. A housesite is that portion of a homestead that includes the principal dwelling and as much of the land surrounding the dwelling as is reasonable necessary for use of the dwelling as a home, but in no event more than two acres per dwelling unit.*
MEMORANDUM

TO: James Douglas, Governor

THROUGH: George Crombie, Secretary, Agency of Natural Resources

FROM: Wayne Laroche, Commissioner, Department of Fish and Wildlife

DATE: February 22, 2008

SUBJECT: Land Acquisition Approval 40.6+/- acres in Charleston and Derby

Your approval is requested pursuant to Title 10, Chapter 103, Section 4144, VSA, for the land acquisition referenced above. This acquisition has been reviewed and approved by the Agency of Natural Resources, Land Acquisition Review Committee on 7/18/05. Joint fiscal approval is required for this acquisition because the Department is only paying for two of the appraised parcels of land in the town of Charleston. However, we are acquiring additional acreage in the town of Derby, for no additional cost, that was not included in the appraisal.

Description

The proposed Department of Fish and Wildlife acquisition from Great Bay Hydro Corporation consists of properties in three separate locations, involving multiple parcels. Two of the properties are developed fishing access areas, Echo Lake (0.6-acres) and Pensioner Pond (10-acres), which are currently leased by the Department of Fish and Wildlife. These access areas are a high priority for securing permanent public access for fishing and boating. Echo Lake is a 544-acre lake that provides a multitude of recreational opportunities due to its size. Pensioner Pond is a smaller lake, 170-acres, thus it does not receive the same amount of boat traffic, but it still provides important fishing and waterfowl hunting opportunities.

The third location is comprised of six individual parcels that range in size from 1 to 10 acres and total 30+/- acres. The parcels are located on both sides of the Clyde River starting at the outlet of Big Salem Lake and stretch northwest along the river with the western most parcel being bordered by the Rt. 105 bridge in Derby. Given its scenic nature, important wetland communities, good fishing and waterfowl hunting opportunities, and other public recreational opportunities, the Clyde River is truly a special resource that warrants conservation. In addition to recreational opportunities, these parcels will provide valuable floodplain habitat that will assist in protecting nearby developed areas during times of high water.
Ownership and Management

These parcels will be owned by the State of Vermont, Agency of Natural Resources, Department of Fish and Wildlife. The parcels will be managed by the Access Area Program and the Fisheries Division to provide public angling and boating access (Pensioner Pond and Echo Lake) and habitat conservation (Clyde River) to their respective bodies of water. Additionally, some portions of the Clyde River property will be considered for possible access area development.

Budget and Funding

The appraised fee-value for the properties is $482,600. Funds for the purchase of the properties will come from the prior sale of Stamford Meadows Wildlife Management Area to the US Forest Service ($285,000) and from the Vermont Boat Registration Fund ($202,900). Of the $202,900 from the Vermont Boat Registration Fund, approximately $5,300 will be used for associated closing costs (appraisal - $3,800; legal costs and recording fees - $1,500).

Note: Great Bay Hydro Corporation has requested the closing take place on or before April 15, 2008.
§ 4144. Acquisition of property by state, closed season.

(a) The secretary with approval of the governor may acquire for the use of the state by gift, purchase or lease in the name of the state, lands, ponds or streams, and hunting and fishing rights and privileges in any lands or waters in the state, with necessary rights of ingress or egress to and from such lands and waters.

(b) The board may regulate the taking of wild animals on such lands or of fish in such waters and close or open such waters or lands or any part thereof to the taking of fish or wild animals.

(c) Such regulations shall be posted in the areas affected.

Clyde River Properties
Derby, VT

Approximate Boundaries for Great Bay Hydro Lands
December 03, 2007

Mike Wichrowski
Department of Fish & Wildlife
103 South Main St., #10 South
Waterbury, VT 05671-0501

Dear Mr. Wichrowski,

After reading your letter that summarized the Department of Fish and Wildlife's (DFW) involvement and discussing the project at our Selectboard meeting on December 3, 2007, we are writing to offer our support for the DFW involvement in the purchase of the Great Bay Hydro Corporation properties on the Clyde River in Derby. More specifically, the town supports the DFW purchasing the property to secure permanent streambank protection for wildlife and flood protection, as well as public access to the river for recreational uses, such as fishing and boating. Thank you for meeting with us.

Sincerely,

DERBY SELECT BOARD

LAURA DOLGIN

STEPHEN GENDREAU

KAREN JENNE

BEULA-JEAN SHATTUCK

BRIAN SMITH
The Department of Fish and Wildlife is requesting approval by the Governor as per 10 V.S.A. Sec. 4144 (attached) of a land acquisition of 40.6± acres in Charleston and Derby. Two of the parcels concerned are developed fishing access areas. The rest of the property presents recreational opportunities and portions can act as a flood plain buffer for nearby developed areas.

These parcels were first offered to the State in a package including some old dams that present liability issues. As per Eric Palmer of Fish and Wildlife (751-0107), the deal as presented no longer includes these dams and the associated liability issues.

**Recommendation**

I recommend approval of this request.
MEMORANDUM

To: Susanne Young
From: Wayne Laroche
Date: March 10, 2008
RE: Governor’s Approval for Fee Purchase of 40.6 +/- acres in the Towns of Charleston and Derby

Enclosed is an approval to be signed by Governor Douglas for land acquisitions by the State of Vermont. All of the properties will be purchased in fee and managed by the Vermont Department of Fish and Wildlife. These acquisitions are in the Towns of Charleston and Derby and owned by Great Bay Hydro Corporation. Funding for the purchase and associated closing costs for these acquisitions comes from the sale of the Stamford Meadows Wildlife Management Area ($285,000) and the Vermont Motorboat Registration Fund ($202,900).

Included with the Governor’s approval memos are maps of the properties and the surrounding area and letters of support from the Towns of Charleston and Derby.

If you have any questions regarding these acquisitions, please contact Mike Wichrowski at 241-3447 or Kate Willard at 241-3697, thank you.
APPROVAL FOR LAND ACQUISITION

We, the undersigned, hereby approve the acquisition by the State of Vermont, Agency of Natural Resources, Department of Fish and Wildlife, of 40.6 +/- acres located in the Towns of Charleston and Derby.

This approval is pursuant to Title 10, Section 4144 of the Vermont Statutes Annotated.

Date: 3/20/08
James Douglas, Governor
State of Vermont

Date: 11/29/08
George Crambie, Secretary
Agency of Natural Resources

Date: 11/29/08
Wayne Laroche, Commissioner
Department of Fish and Wildlife
Dear Mr. Wichrowski,

After reading your letter that summarized the Department of Fish and Wildlife’s (DFW) involvement and discussing the project at our Selectboard meeting on November 8, 2007, we are writing to offer our support for the DFW involvement in the purchase of Great Bay Hydro Corporation properties at Pensioner Pond and Echo Lake in Charleston. More specifically, the town supports the DFW purchasing the property to secure permanent free public access to these waterbodies for recreational uses, such as fishing and boating. Thank you for meeting with us.

Sincerely,

[Signatures]

Name
Selectman

[Signature]

Name
Selectman

[Signature]

Name
Selectman

[Signature]
MEMORANDUM

To: Susanne Young
From: Wayne LaRoche
Date: July 2, 2008
RE: Governor's Approval for Fee Purchase of 40.6 +/- acres in the Towns of Charleston and Derby

Enclosed is an approval to be signed by Governor Douglas for land acquisitions by the State of Vermont. All of the properties will be purchased in fee and managed by the Vermont Department of Fish and Wildlife. These acquisitions are in the Towns of Charleston and Derby and owned by Great Bay Hydro Corporation. Funding for the purchase and associated closing costs for these acquisitions comes from the sale of the Stamford Meadows Wildlife Management Area ($285,000) and the Vermont Motorboat Registration Fund ($220,300).

Included with the Governor's approval memos are maps of the properties and the surrounding area and letters of support from the Towns of Charleston and Derby.

If you have any questions regarding these acquisitions, please contact Mike Wichrowski at 241-3447 or Meghan Purvee at 241-3661, thank you.
STATE OF VERMONT
GRANT ACCEPTANCE FORM

GRANT SUMMARY: Title: Donation of land in Derby, Vermont
This is a request for approval of a donation of land. This
donation is conditioned on the purchase of two other parcels
from the donor. This land is useful to the State as a floodplain
buffer for nearby developed areas, and for public recreation
opportunities.

DATE: March 13, 2008

DEPARTMENT: Fish and Wildlife (ANR)

GRANT / DONATION: 30 acres on the Clyde River.

FEDERAL CATALOG No.:

GRANTOR / DONOR: Great Bay Hydro

AMOUNT / VALUE: $56,700.00

POSITIONS REQUESTED: None

GRANT PERIOD:

COMMENTS: See attachments.

DEPARTMENT OF FINANCE AND MANAGEMENT: (INITIAL) 3/13/08
SECRETARY OF ADMINISTRATION (INITIAL) 3/14/08
SENT TO JOINT FISCAL OFFICE: DATE: 3/25/08
The Department of Fish and Wildlife is requesting approval by the Governor as per 10 V.S.A. Sec. 4144 (attached) of a land acquisition of 40.6+/- acres in Charleston and Derby. Two of the parcels concerned are developed fishing access areas. The rest of the property presents recreational opportunities and portions can act as a flood plain buffer for nearby developed areas.

These parcels were first offered to the State in a package including some old dams that present liability issues. As per Eric Palmer of Fish and Wildlife (751-0107), the deal as presented no longer includes these dams and the associated liability issues.

**Recommendation**

I recommend approval of this request.
To: Jason Aronowitz, Budget Analyst  
Finance & Management

From: Sherri A. Yacono, Business Manager

Date: March 10, 2008

Subject: AA-1: Land donation – Great Bay Hydro

Please find attached the AA-1 package for the above subject. As part of a land acquisition, the Department of Fish and Wildlife will receive a donation of six individual parcels of land ranging in size from 1 to 10 acres that total 30 +/- acres from Great Bay Hydro Corporation. The appraised value of the property is $56,700.

Thank you for your assistance. If there are any questions, please call me at 241-3704. (Please note that this purchase is time sensitive so if you could expedite this that would be greatly appreciated.)

Cc: Mike Wichrowski  
Steve Chadwick
1. **Agency:** Agency of Natural Resources  
2. **Department:** Fish & Wildlife  
3. **Program:** Fisheries Division  
4. **Legal Title of Grant:** Donation of land in Derby  
5. **Federal Catalog No.:**  
6. **Grantor and Office Address:** Great Bay Hydro Corp.  

7. **Grant Period:** From:  
8. **Purpose of Grant:** (attach additional sheets if needed)  
   As part of a land acquisition the Department will also receive a donation of 6 individual parcels of land totalling 30 acres. These parcels are located on both sides of the Clyde River starting at the outlet of Big Salem Lake and stretch northwest along the river with the western most parcel being bordered by the RT. 105 bringe in Derby.  

9. **Impact on Existing Programs if Grant is not Accepted:**  
   Loss of valuable floodplain habitat that will assist in protecting nearby developed areas during times of high water.  

10. **Budget Information:**  
   **(1st State FY) (2nd State FY) (3rd State FY) (4th State FY)**  
   **FY 2008**  
   **EXPENDITURES:**  
   - **Personal Services:** $  
   - **Operating Expenses:** $  
   - **Grants:** $  
   **TOTAL** $ 0 $ 0 $ 0 $ 0 $ 0  
   **REVENUES:**  
   - **State Funds:**  
     - Cash $  
     - In-Kind $  
   - **Federal Funds:**  
     - (Direct Costs) $ 0 $ 0 $ 0 $ 0  
     - (Statewide Indirect) $  
     - (Department Indirect) $  
   - **Other Funds:**  
     - F & W Funds - Duck Stamp Fund $ 56,700 $  
     - In-Kind $  
     - Misc. Outside Match $  
   **TOTAL** $ 56,700 $ 0 $ 0 $ 0 $ 0  

   **Appropriation Nos.**  
   **Amounts**  

   -over-
11. Will grant monies be spent by one or more personal service contracts?

[ ] YES  [X] NO

If YES, signature of appointing authority here indicates intent to follow current guidelines on bidding.

X

12a. Please list any requested Limited Service positions:

<table>
<thead>
<tr>
<th>Equipment</th>
<th>Positions</th>
</tr>
</thead>
<tbody>
<tr>
<td>Is presently available.</td>
<td></td>
</tr>
<tr>
<td>Can be obtained with available funds.</td>
<td></td>
</tr>
</tbody>
</table>

TOTAL Positions 0

12b. Equipment and space for these positions:

13. Signature of Appointing Authority

I certify that no funds have been expended or committed in anticipation of Joint Fiscal Committee approval of this grant.

Wayne Laroche, Commissioner

14. Action by Governor:

[ ] Approved  [ ] Rejected

[ ] Information to JFO

15. Secretary of Administration:

[ ] Request to JFO  [X] Information to JFO

16. Action by Joint Fiscal Committee:

[ ] Request to be placed on JFC agenda
[ ] Approved (not placed on agenda in 30 days
[ ] Approved by JFC
[ ] Rejected by JFC
[ ] Approved by Legislature

(Signature)  (Date)
NOTICE TO TAXPAYERS AS OF APRIL 1, 2007

CHANGE IN APPRAISAL OF REAL ESTATE
2007 GRAND LIST

GREAT BAY HYDRO CORPORATION
1 NEW HAMPSHIRE AVE SUITE 207
PORTSMOUTH NH 03801

PARCEL NUMBER: RT105001G5-TR

PROPERTY DESCRIPTION
0 ROUTE 105
LAND

Previous (last year) total real value $ 36,800
Current (this year) total real value $ 56,700
REAPPRAISAL Difference: 19,900

**IF YOU WISH TO APPEAL YOU MUST FILE AN APPEAL
WITHIN 30 DAYS OF NOTICE**

Title 38, Chapter 153, Act 71: "...in person or by his agents or attorneys. Any party desiring to file a grievance the parties thereto may submit such documentary or sworn evidence as shall be pertinent thereto."

Also note that Section 64 of Act 71 requires notification of value on homestead, for appeal purposes.

**MEETINGS WILL COMMENCE JULY 17, 2007 BY APPOINTMENT ONLY**

Please call 802-766-2012 for appointment.

Location: DERBY LISTERS OFFICE / DERBY MUNICIPAL BUILDING

LISTERS:
G TOM CYR, NANCY GOSSELIN, THOMAS ROBERTS

*A homestead is the principal dwelling improvements and land owned and occupied by a Vermont resident individual as the individual’s domicile. A homestead does not include buildings or improvements detached from the home and used for business or rental purposes. A housesite is that portion of a homestead that includes the principal dwelling and as much of the land surrounding the dwelling as is reasonable necessary for use of the dwelling as a home, but in no event more than two acres per dwelling unit.*
§ 4144. Acquisition of property by state, closed season.

(a) The secretary with approval of the governor may acquire for the use of the state by gift, purchase or lease in the name of the state, lands, ponds or streams, and hunting and fishing rights and privileges in any lands or waters in the state, with necessary rights of ingress or egress to and from such lands and waters.

(b) The board may regulate the taking of wild animals on such lands or of fish in such waters and close or open such waters or lands or any part thereof to the taking of fish or wild animals.

(c) Such regulations shall be posted in the areas affected.

Great Bay Timeline

- **LATE 1990s**: Great Bay (GB) lands formerly owned by Citizens Utilities (CU). In late 1990's CU proposed to sell or donate various lands to ANR. LARC discouraged acquisition of these lands unless provisions were made to repair or remove associated infrastructure. No deal was ever struck with CU regarding acquisition of these lands.

- **MARCH 11, 2004**: Echo Lake access area appraisal completed for Citizens Utilities. Appraised value on March 5, 2004 of $182,600.

- **APRIL 1, 2004**: GB acquired lands and FERC projects from CU in 2004 for $10 and GB received a $3.5 million indemnification fund from CU for FERC relicensing requirements (repair Seymour and Echo dams, fish passage, twin culverts, decommission certain facilities). Great Bay completed repairs to Seymour and Echo dams and removed the penstock at No. 11 facility.

- **NOVEMBER, 2004**: GB originally proposed to donate the following lands to the state: Echo Lake access area and dam; Pensioner Pond access area; Seymour Lake Dam and riparian corridor along Seymour Lake outlet; West Charleston powerhouse, site, dam, penstock, and various riparian corridors; 37 acres on Clyde Pond; riparian lands along the Newport 1,2,3 bypass; 20 – 30 acres of riparian lands downstream of the Newport 1,2,3 powerhouse; the Newport No. 11 powerhouse, penstock and land; and the Baker’s Falls powerhouse, penstock and riparian lands. GB sought concessions on FERC license requirements re: fish passage requirements at 1,2,3 dam as part of the donation. ANR determined that the liabilities associated with four dams in poor repair and associated penstocks and powerhouses outweighed the benefits and declined the proposal.

- **MARCH 11, 2005**: Secretary Torti executed an MOA with GB committing ANR to purchase all of the lands except the West Charleston facility and lands for $500,000.

- **NOVEMBER 15-16, 2005**: Appraisals of Pensioner Pond ($300,000), and lands in Newport near Newport 1,2,3 facility ($133,200) completed.

- **JANUARY 6, 2006**: P&S Agreement executed which incorporated and superseded MOA.
• **SEPTEMBER 30, 2006**: P&S Agreement expired. Various issues not resolved including some title issues and no FERC approval for removal of project lands from license.

• **FEBRUARY 22, 2008**: Request for Governor and Joint Fiscal approval by state.

• **FEBRUARY 28, 2008**: State signs new purchase and sales agreement for purchase of Echo Lake access area and Pensioner Pond access area. Purchase price $482,000 based on appraised value of access areas. Derby riparian lands donated as a gift. Value of Derby riparian lands assessed by Town at $56,700. Great Bay never signed this PSA.

• **JUNE 5, 2008**: Great Bay executes version of PSA with purchase price of $500,000 based on Great Bay’s belief that the purchase price was always agreed to as $500,000. State agreed to revise gift amount of Derby riparian lands due to Great Bay’s misunderstanding. The state has not yet executed this PSA.

• **JULY 1, 2008**: Revised request for Governor and Joint Fiscal approval sent to reflect change in purchase price.
August 26, 2008

Mr. Nathan Lavery
Fiscal Analyst
Legislative Joint Fiscal Office
One Baldwin Street
Montpelier, VT 05633-5301

Subject: Great Bay Hydro Corporation Land Grant

Dear Mr. Lavery:

I am writing in response to your request for a letter from Great Bay Hydro Corporation (“Great Bay”) indicating the reason that Great Bay is “reducing the value” of its gift to the State. As explained below, the revised value of the gift to the State reflects a correction to the purchase price for the lands being transferred from Great Bay to the Agency of Natural Resources (“ANR”).

Based on appraised values, the total value of the lands being transferred from Great Bay to ANR is $539,300. The purchase price for these lands, as agreed to by Great Bay and the ANR in August 2007, is $500,000. Therefore, the value of Great Bay’s gift to the State has been and continues to be $39,300.

The initial grant approval request reviewed by the Joint Fiscal Committee incorrectly listed the purchase price for the transaction as $482,000. Great Bay has since reconfirmed the $500,000 purchase price with Commissioner Jonathan Wood of ANR’s Department of Forests, Parks & Recreation and this corrected purchase price is reflected in the grant approval request currently under review by the Joint Fiscal Committee.

Please feel free to contact me by phone at (603) 766-8747 or by email at brodgers@greatbaypower.com should you have any further questions regarding this matter.

Sincerely,

William C. Rodgers
Director of Marketing

cc: Commissioner Wood, Department of Forests, Parks & Recreation
    Meghan Purvee, Vermont Agency of Natural Resources
From: "Yacono, Sher" <sher.yacono@state.vt.us>
To: "Rebecca Buck" <rbuck@leg.state.vt.us>
Date: 4/7/2008 3:20 PM
Subject: RE: Questions and request for additional info from Rep.Obuchowski: JFO #2322 (land donation)
Attachments: Attachment 3.doc; attachment 1.doc; Attachment 2.doc

CC: "Michael Obuchowski" <OBIE@leg.state.vt.us>, "Steve Klein" <SKLEIN@leg.s...

All, (I thought I sent this out Friday.)

Please see Fish and Wildlife's response below.

-----Original Message-----
From: Rebecca Buck [mailto:rbuck@leg.state.vt.us]
Sent: Tuesday, April 01, 2008 5:47 PM
To: Yacono, Sher
Cc: Michael Obuchowski; Steve Klein
Subject: Questions and request for additional info from Rep.Obuchowski: JFO #2322 (land donation)

Good afternoon Sher. Representative Michael Obuchowski has the following questions and request for additional information regarding JFO #2322 (land donation):

1) While this a more "global" question, how much land has the state sold during the past 5 years?

a) We can't speak for the State, but the last land parcel sold by the Department of Fish and Wildlife was the Stamford Meadows WMA. This was purchased for the purpose of transferring it to the US Forest Service, thus we completed the purpose of the land acquisition. The proceeds from the Stamford Meadows land sale are being used to make this land purchase.

2) Please provide additional information regarding Great Bay Hydro Corporation. Who are they, where are they located, principles of corporation, etc.

a) Great Bay Hydro Corp is a former subsidiary of BayCorp, but was purchased by the Sloan Group Ltd. in 2005. Great Bay is an energy company that is based out of Portsmouth, New Hampshire and does a good deal of work in the NE Kingdom. The properties in question used to be owned by Citizens Utilities as part of their Clyde River hydro operation. Citizens "sold" the hydro operation and associated properties to Great Bay Hydro in 2004 for a nominal amount ($10) and also gave Great Bay Hydro a big pot of money to cover FERC license requirements (up to $3,500,000). So Great Bay actually got paid to take the properties.

We have attached some old briefing papers that were prepared when we were tangled up in the old purchase-&-sales agreement for the dams and properties that have since expired.

3) What is the CLA of Derby?

a) The CLA of Derby for 2008 is 106.78. In 2007 a town wide reappraisal
was conducted and the CLA was just over 123.

4) Please provide appraisals for the other land acquisitions associated with this donation.

a) Appraisals have been mailed to Becky's attention.

5) When is the closing date for this donation (and associated land acquisition)?

a) Great Bay wanted to close on or before April 15th, but it will have to be pushed back to late April or early May due to delays in determining the amount of land we are willing to accept and finalizing the deed language.

6) Why isn't the "Approval for Land Acquisition" form dated? When did Secretary Crombie sign it?

a) This was an oversight; the Secretary signed it the same day (March 11, 2008) as Commissioner Laroche.

7) Was there a Phase I environmental assessment done on these 3 parcels?

a) A Phase I environmental assessment is typically conducted when there may have been some environmental contaminants on site. To our knowledge, none of these lands have been contaminated in any way.

8) When did Great Bay Hydro purchase or have title to the 3 properties in this land acquisition? How much did Great Bay Hydro pay for them at that time?

a) Please see our response to #2.

If you need further clarification on any of these questions, don't hesitate to let me know either by phone (828-5969) or at the above e-mail address. Please be sure and cc me on your e-mail response to Representative Obuchowski (obie@leg.state.vt.us). Thanks. --Becky
Hi Becky,

Below are is our response.

-----Original Message-----
From: Rebecca Buck [mailto:rbuck@leg.state.vt.us]
Sent: Friday, April 04, 2008 3:48 PM
To: Yacono, Sher
Cc: Michael Obuchowski; Steve Klein
Subject: Additional Questions from Rep. Obuchowski re: appraisals
(JFO#2322)

Good afternoon Sher. Here are additional questions from Rep. Michael Obuchowski regarding the above item:

9) In the Feb. 22, 2008 memo from Commissioner Laroche thru Secretary Crombie to Governor Douglas in the last paragraph under "Budget and Funding" the appraisal costs are listed at $3,800. Please provide a specific breakdown for that cost.

a) We apologize; these expenses should have been removed. The financial numbers were estimated laid out early on and we forgot to remove them once we realized we did not need to do an appraisal.

10) The donated land was appraised in 2007. Since the department is relying on appraisals done in 2004 and 2005 on the other 2 parcels, have you done anything else to ascertain that these are still the current values (does the department rely on any other external information)? If so what?

a) The Agency consulted with an appraiser, Lee Smith, regarding an appraisal review. He indicated that the value of the lands would not have decreased over the past few years. Therefore, the state was not going to be paying more than the previously appraised values for the two properties. Given that information, it was determined that it would be in the best interest of the State not to conduct any additional appraisal work.

Please let me know if you require anything further.

Sher

If you need further clarification on these additional questions, don't hesitate to let me know either by phone (828-5969) or at the above e-mail address. Please be sure and cc me on your e-mail response to Representative Obuchowski (obie@leg.state.vt.us). Thank you Sher.

--Becky
Representative Obuchowski,

Below are our responses to your questions. Please let us know if you require anything further. Thanks.

-----Original Message-----
From: Michael Obuchowski [mailto:obie@leg.state.vt.us]
Sent: Monday, April 07, 2008 3:50 PM
To: Yacono, Sher
Cc: Rebecca Buck; Steve Klein
Subject: RE: Questions and request for additional info from Rep. Obuchowski: JFO #2322 (land donation)

Thank you for your answers.

Further questions:

What is the total financial liability the state is assuming if it becomes owners of the parcels?

a) The liability of this parcel would be no different than any other parcel of land that the state has purchased in the past. There are no dams or unusual features that would make this parcel more unsafe to recreational users.

If GBH paid only $10 for all the real estate conveyed by Citizens, why isn't GBH selling at a lower price to the state?

a) Even though GBH only paid $10 for the lands, there was a significant amount of liability that came with those lands (i.e. dams), which resulted in a $3.5 million payment for assuming liability for the dams. GBH could have paid fair market value for the land, but it would have resulted in a larger liability payout. The state is not acquiring any of those liabilities with this land purchase; therefore, paying appraised value is a fair price for the land.

What is GBH's net gain in the transaction?

A) We do not know that they are gaining anything. They are simply reducing their land holdings that are not creating energy.

How much land gains tax and capital gains tax will GBH have to pay on the transaction as presented?

a) We do not know.

How many parcels has the Department divested itself of the last five years?
a) One, Stamford Meadows WMA which was purchased with the intent of re-selling to the US Forest Service for incorporation into the Green Mountain National Forest.

With the CLA at 125 to 106 isn't the department paying too much for the parcel or over valuing the donation parcel?

A) The CLA was only for the town of Derby, it was not for the two parcels the state is purchasing in Charleston.

According to the Derby lister the CLA is usually quite a bit higher the first year of the re-appraisal and typically decreases after the first year. Additionally, more recent sales information indicated that the re-appraisals might have come in a bit low. With that said, the CLA is an average of all categories of land in the town and it's hard to pick out one specific piece of land. So it is difficult to say exactly if one parcel of land is over or under valued. However, he stated that if the CLA is between 95 and 106, it is a safe bet that the value is at or near fair market value.

That's all for now. Thank you.

>>> "Yacono, Sher" <sher.yacono@state.vt.us> 4/7/2008 2:17 PM >>>
All, (I thought I sent this out Friday.)

Please see Fish and Wildlife's response below.

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a) Appraisals have been mailed to Becky's attention.

5) When is the closing date for this donation (and associated land acquisition)?

a) Great Bay wanted to close on or before April 15th, but it will have to be pushed back to late April or early May due to delays in determining the amount of land we are willing to accept and finalizing the deed language.

6) Why isn't the "Approval for Land Acquisition" form dated? When did Secretary Crombie sign it?

a) This was an oversight; the Secretary signed it the same day (March 11, 2008) as Commissioner Laroche.

7) Was there a Phase I environmental assessment done on these 3 parcels?

a) A Phase I environmental assessment is typically conducted when there may have been some environmental contaminants on site. To our knowledge, none of these lands have been contaminated in any way.

8) When did Great Bay Hydro purchase or have title to the 3 properties in this land acquisition? How much did Great Bay Hydro pay for them at that time?

a) Please see our response to #2.

If you need further clarification on any of these questions, don't hesitate to let me know either by phone (828-5969) or at the above e-mail address. Please be sure and cc me on your e-mail response to
From: Michael Obuchowski
To: Nathan Lavery
Date: 8/22/2008 5:21 PM
Subject: Fwd: Re: Great Bay Hydro land transfer/acquisition JFO #2322

fyi

>>> "Mike Obuchowski" <obie@basketville.com> 8/22/2008 4:12 PM >>>

-----Original Message-----
From: "David Deen" <strictlytrout@vermontel.net>
To: "David Deen" <strictlytrout@vermontel.net>, <obie@basketville.com>,
"Shap Smith" <ssmith@DINSE.COM>
Date: Fri, 22 Aug 2008 14:02:31 -0400
Subject: Re: Great Bay Hydro land transfer/acquisition JFO #2322

I checked on this and in fact the original deal was a complete donation
of the land for the state taking over the dams. There have been a few
changes in the front office at ANR since that original deal and what we
end up with is what we have here but the state does not own the dams,
Great Bay has done some improvements at the Seymour Lake dam and agency
'real' staff are glad to have control of the riparian areas along the
Clyde River. So Great Bay spent 100,000 to fix the dam and is now getting
500,000 for what they were going to give to us.

How come I can't get deals like that?

david

State Representative David L. Deen
dba Strictly Trout
Professional Flyfishing Guide Service
5607 Westminster West Road
Putney, VT 05346
802-869-3116
f: 802-869-1103
e-mail: deenhome@sover.net

----- Original Message -----
From: David Deen
To: obie@basketville.com ; Shap Smith
Sent: Friday, August 22, 2008 10:51 AM
Subject: Great Bay Hydro land transfer/acquisition JFO #2322

Hi

I don't particularly like Great Bay getting more cash for the land but
if the Department thinks it is still worth it in order to provide fishing
access to the ponds then I guess I won't argue with them.

There is something nagging in the back of my mind about this deal that
I can't quite remember and don't have time to research but they are not
donating anything out of the goodness of the hearts. There is some other
aspect of this I can't remember. Barbara Ripley was their attorney at one
point and I think it was she who massaged me about this donation as a
response to the state taking over their dam they did not want to repair
after they got a state order that it was deficient or something like
that.
david

State Representative David L. Deen
dba Strictly Trout
Professional Flyfishing Guide Service
5607 Westminster West Road
Putney, VT 05346
802-869-3116
f: 802-869-1103
e-mail: deenhome@sover.net
Hello Rep. Obuchowski,

After speaking with Meghan Purvee, I think I can give you a clearer picture of how we arrived at this point. Please note that she stated explicitly that the department is still very interested in completing this transaction.

1. According to Ms. Purvee, $500,000 was the figure associated with the ORIGINAL negotiation (which included additional lands and liabilities associated with the dams). Those negotiations did not result in an agreement, in part because the state was not comfortable assuming the liabilities, and the purchase and sales agreement listing $500,000 as the price expired.

2. New negotiations concerned only the Echo and Pensioner’s lands that are part of the current submission. During these negotiations, a new town assessment was received. It had been requested as part of the original negotiation, and while it confirmed the parcels from the original negotiation were assessed at more than $500,000, it also revealed that the parcels associated with the new negotiation were assessed at roughly $482,000.

3. During this negotiation, GBH also expressed an interest in donation the other Derby land.

4. Ms. Purvee recalls a conversation in which she told a representative from GBH that the state’s policy precluded them from paying more than this value, and so the price of the deal would have to be reduced accordingly. This seems to be the crucial juncture in which this message somehow failed to be relayed within GBH (though GBH might claim they were never told of this).

5. Thus, the folks at ANR submitted the grant for gubernatorial approval and JFC review, and only after receiving approval did GBH bring to their attention the fact that they wanted to maintain the $500,000 purchase price.

In short, it sounds like the necessity of the re-submission is the result of a communication breakdown either between the State and GBH, or within GBH (depending on who you listen to).
MEMORANDUM

TO: Wayne Laroche

THROUGH: Eric Palmer

FROM: Rod Wentworth

DATE: February 6, 2006

RE: Great Bay Hydro/ANR Transaction

As you know, ANR has been negotiating for quite some time with Great Bay, on a transaction involving lands and dams associated with the Clyde River hydropower project. I want to brief you on the positives and negatives of the deal as it now stands. In 2004, Great Bay purchased the project in its entirety for $10 from Citizens Utilities, and in addition Great Bay was paid a $3.5 million "indemnification fund". Since the project included various pending license commitments (such as constructing fish passage), this fund was to cover expenses that Great Bay would incur in bringing the generating facilities into compliance with the 401 Certification and the FERC license, and "to retire or dismantle any generating facilities pursuant to any permits, licenses, or orders". Great Bay then approached ANR and offered to give the Agency several dams it owned but did not use, as these dams were financial and operational liabilities for the company.1 At the time, ANR responded that it would accept the dams at Seymour and Echo lakes but to balance this long-term and costly obligation, Great Bay should also donate certain desirable properties that it owned so that the overall deal would be fair.

The current deal would transfer land and dam ownership and responsibilities to DFW, including a number of things that are now FERC license or Vermont Water Quality Certificate requirements (marked with "*"), such as providing public access, which Great Bay would be responsible for providing during the license term (40 years) in the absence of this deal. DFW ownership of these accesses provides long-term certainty but also operational costs.

Positives:

- Acquisition of Echo Lake fishing access (currently leased by DFW with right of first refusal if sold)*

- Acquisition of Pensioner Pond fishing access (currently leased by DFW with right of first refusal if sold)*

- Acquisition of certain streambank property between Salem Lake and Derby Center

- Acquisition of Clyde Pond cartop boat access*

---

1 Similar discussions had occurred with Citizens Utilities in prior years as well.
• Acquisition of conservation land on Clyde Pond*

• Conservation easement for riparian lands along 1,2,3 bypass (undevelopable land)

• Acquisition of riparian lands along the river between the 1,2,3 and #11 powerhouses, important for fishing

• Acquisition of Bakers Falls on the Missisquoi River for fishing access and possible dam removal

• Possible future fishing access at West Charleston project if dam is removed by Great Bay*

Negatives:

• Payment of $500,000 by the Department of Fish and Wildlife

• Ownership of Seymour Lake dam and associated maintenance costs, minus a bond for estimated structural repair costs in first 10 years*

• Surrender of public access at Seymour Lake outlet channel (formerly requested by ANR for inclusion in the Recreation Plan required by the 401 and FERC license)

• Inadequate access/right-of-way conveyance to meet future dam repair and maintenance needs for Seymour Lake dam

• Ownership of Echo Lake dam and associated maintenance costs, minus a bond for estimated structural repair costs in first 10 years*

• Subsequent conveyance if West Charleston dam is removed by Great Bay: DFW pays unknown costs/liabilities in excess of $50,000 for removal and disposition of powerhouse and penstock

• DFW takes over responsibility for wildlife habitat management on Clyde Pond property designated in FERC license as a nature conservation area; request from Town of Derby to be given this property for sewage treatment plant or light industrial development

• Unknown costs/liabilities for securing the #11 penstock and intake if in excess of $35,000

• Accept Great Bay proposal for inadequate parking area near Vincent’s bridge

• Unknown costs/liabilities at Bakers Falls for dam repair or removal, and “securing” the penstock, powerhouse and transmission lines

• Proposed Bakers Falls property conveyance does not include the access road to the site
- Take over water level monitoring at Seymour and Echo Lakes*
- Historic properties obligations/restrictions*

The total cost to DFW for assuming these liabilities is unknown. Great Bay received $3,500,000 for liabilities associated with this project. Since this project is still in the business of generating and selling hydro-power the total liability must be much more than this $3.5M amount. The dams DFW will be receiving represent a substantial portion of the project liabilities.

The current deal is better than that originally proposed by Great Bay which included concessions on fish passage (as required in the FERC license), elimination of Great Bay's responsibility to modify the twin culverts at Seymour Lake so that smelt could access the spawning stream (as required in the FERC license), and DFW acceptance of the West Charleston dam outright. Some money is now allocated for disposition of the #11 penstock and West Charleston powerhouse and penstock (if Great Bay removes the dam). However, paying $500,000 for this package is not a fair balance in my opinion, nor do I think that we should have accepted the Bakers Falls project — it is a huge liability.
The Clyde River properties in question were formerly owned by Citizens Utilities (CU). FERC relicensing of CU dams on the Clyde River started around 1991. FERC authority includes #11 Dam (hydroelectric, subsequently washed out and removed), Clyde Pond Dam (hydroelectric), West Charleston Dam (hydroelectric), and outlet dams on Seymour Lake and Echo Lake (no turbines, previously used for flow augmentation).

During FERC relicensing, CU asked if ANR would be willing to take ownership of the Seymour and Echo outlet dams if the dams were rebuilt, and if CU gave the state a large amount of land. This land swap was to include the Echo access, Pensioner Pond access, riverbank land in West Charleston, riverbank land below Salem Lake, and riverbank land below the 1,2,3 Powerhouse in Newport including the defunct #11 generating house. ANR said we would seriously consider the offer.

On April 1, 2004, immediately after FERC relicensing, and with the new license still under appeal, CU “sold” the project to Great Bay Hydro (GBH) for $10 (yes, ten dollars). CU also promised to give GBH up to $3.5 million to cover the costs of meeting the FERC license requirements, and dealing with the liability of the old dams.

GBH then offered to give ANR the two dams (Seymour and Echo) but only part of the riverbank property. ANR said no. GBH has also asked ANR to modify parts of the FERC license as part of the land swap deal (i.e. relax upstream fish passage requirements). ANR has said that this would be inappropriate, and probably illegal.

GBH next offered to give ANR all of the previously discussed property if ANR would take four dams, Seymour, Echo, West Charleston, and Baker Falls on the Missisquoi River. ANR said maybe.

After this it gets really messy... GBH offered to give the property except for the two access areas to ANR along with the four dams, and suggested selling the access areas (to ANR or private bidder) and using the money to match a federal grant for ANR to remove the West Charleston Dam.

ANR said we would rather exercise our “right of first refusal” to buy the access areas outright.

GBH said they would terminate the year-to-year lease for the access areas, and that the “right of first refusal” would disappear with the lease. They terminated the lease at the end of 2004.

GBH said that they would continue to allow public access at Echo and Pensioner, and suggested possibly establishing a month-to-month lease.

Meghan Purvee sent GBH a letter saying that ANR (F&W) was interested in buying the two access areas, and also sent a letter to the Town Clerk’s deed file saying that ANR believes we still have the right of first refusal.

Last week (1/19/05) the local warden asked if we were still going to plow out these access areas. Meghan said we would need written permission from GBH. When I called Barbara Ripley she sounded agreeable, but said she needed to check with the management of GBH. The next day GBH called FPR and stated their intention to close the access areas. They began moving rocks across the Echo access this week.
Great Bay wants to give state land, riverfront, old dams
by Chris Braithwaite

When Great Bay Hydro Corporation bought Citizens Utilities' electric generating capacity earlier this year, a lot of extras were included in the $10 price.

Among them were two defunct hydro-electric dams and power plants, two nonpower dams, and 600 acres of land that include access to two lakes and a substantial stretch of the Clyde River.

Now Great Bay wants to give all those extras to the state of Vermont. But it's not clear that the state wants to accept them.

The problem may lie with what would come with the package — responsibility for the old dams and power stations.

If the state turns the offer down, Great Bay has indicated that it will put the land on the private market. And if that happens, it said in a company document, the public could be denied access to Echo Lake, Pensioner Pond, and a stretch of the banks of the Clyde River.

"We are in the process of seeing if we can work a deal out with the state," Great Bay President Frank Getman said Tuesday.

"We're looking at what they might want to donate to the state," said Jonathan Wood, commissioner of Forest, Parks and Recreation. Mr. Wood described the negotiations as quite complicated, and "still up in the air."

Beyond that, he said, "we consider the negotiations confidential."

Mr. Gertman said his company has yet to make a formal proposal to the state.

But Great Bay promoted the idea at a meeting with area legislators in Newport on Monday, November 8.

Senator Vince Illuzzi said he left that meeting with a sense that the deal is worth pursuing.
"I'm not charging ahead," he said in an interview Monday. "But I'm leaning that way."

The document handed to legislators at that meeting is under the letterhead of the St. Johnsbury law firm Downs Rachlin Martin.

It says the land that does not support Great Bay's one operating plant on the Clyde, called Newport 1,2,3, is not needed by the company.

"The land includes valued scenic, recreational and historic facilities important to local residents for hunting, fishing, swimming, hiking, boating and other natural uses," the document says.

If the land is sold privately, it continues, more than 90 acres of "prime recreational land" would pass to private ownership.

If the state accepts the donation, it says, it also "assumes responsibility for maintenance and disposition of existing hydroelectric facilities."

"We think we're giving them a pretty fair deal," Mr. Getman said Tuesday.

"We understand that a group of fishermen and others use that land, and we want to make sure we protect it," he said. "But it's not our business to provide fishing and boating access. We kind of like to focus on what we're good at — generating kilowatt hours."

"We're hoping the state will see the value in this," Mr. Getman said. "We really see what we're doing as a win-win situation."

Mr. Illuzzi seemed to agree. "Twenty-five years ago I formed the opinion that, as time passes, less and less land would be available to the public," he said. "The proof's in the pudding. Now most land is posted."

"If we can acquire the property at no cost, and leave two access areas intact, it's worth serious consideration," the senator said.

Great Bay owns the fishing access areas at Echo Lake and Pensioner Pond in Charleston and leases them to the state.

In the document it handed legislators last week, Great Bay said that, unless it
could reach a satisfactory agreement with the state, it would issue a notice of termination of both those leases on November 30.

Great Bay would start selling the land on March 1 next year, the document added.

That would be a tough deadline for the state to meet, Mr. Illuzzi said Tuesday.

The proposal should go before the Institutions Committees of the House and Senate, he said, and they won't meet until early next year. "I don't think the administration has the authority to do it without the Legislature," he added.

"If it makes sense, I'm going to push for it," said the senator, who chairs the Senate Institutions Committee. "People are having a hard enough time hanging on to lakefront property. This is a local issue. That's why I decided to get it out there."

When Citizens' parent company decided to abandon both the electric power industry and Vermont, it sold its distribution system to Vermont Electric Cooperative. But the generating facilities, along with the 600 acres, went to Great Bay for the bargain price of $10. Citizens sweetened the deal with a promise to pay Great Bay up to $3.5-million to cover the cost of renewing federal licenses and state permits to operate.

In a letter to this newspaper explaining his agency's support for that deal, Geoff Commons, attorney for the Department of Public Service, said it protected VEC ratepayers from potential liabilities that came with the dams.

"The liabilities associated with the dams," Mr. Commons wrote, "far outweigh their value."

At Great Bay, Mr. Getman said his company is generating power at the 1,2,3 powerstation, which draws its water through a penstock from Clyde Pond in Derby.

"We're putting millions of dollars into the property," Mr. Getman said. "When it's done, we'll have a rebuilt, state-of-the-art, safe, fully compliant plant."

Its power goes into the New England power grid, he said, "providing power to customers in the area, and maintaining a renewable resource."
The offer to the state includes a dam and power plant in Charleston, which is not producing power.

However, Mr. Getman said, "if the state doesn't decide the deal makes sense, we'll look at all our options." Putting the Charleston plant back in service hasn't been ruled out, he said.

Another power plant at a dam in Troy is not a candidate for restoration.

Also part of the offer is Newport 11 power plant, a small plant that used to draw its water through a canal from Citizens' Number 11 dam, which was removed after it failed spectacularly in 1994. That station would come with 20 to 30 acres of land along the Clyde, the company said.

The two nonpower dams included in the offer control the water levels at Echo Lake and Seymour Lake in Morgan. Citizens recently upgraded the Echo Lake dam, and Great Bay rebuilt the Seymour Lake dam last summer.
STATE OF VERMONT
GRANT ACCEPTANCE FORM

GRANT SUMMARY: Title: Donation of land in Derby, Vermont
This is a request for approval of a donation of land. This
donation is conditioned on the purchase of two other parcels
from the donor. This land is useful to the State as a floodplain
buffer for nearby developed areas, and for public recreation
opportunities.

This is a revised submission previously approved by JFC as
JFO# 2322.

DATE: March 13, 2008

DEPARTMENT: Fish and Wildlife (ANR)

GRANT / DONATION: 30 acres on the Clyde River.

FEDERAL CATALOG No.:

GRANTOR / DONOR: Great Bay Hydro

AMOUNT / VALUE: $39,300.00 (reduced from $56,700.00)

POSITIONS REQUESTED: None

GRANT PERIOD:

COMMENTS: See attachments.

DEPARTMENT OF FINANCE AND MANAGEMENT: (INITIAL) 8/19/08
SECRETARY OF ADMINISTRATION (INITIAL) 8/19/08
SENT TO JOINT FISCAL OFFICE:

DATE: 8/19/08

RECEIVED
AUG 19 2008
JOINT FISCAL OFFICE
MEMORANDUM

TO:         James Douglas, Governor

THROUGH:    George Crombie, Secretary, Agency of Natural Resources

FROM:       Wayne Laroche, Commissioner, Department of Fish and Wildlife

DATE:       July 1, 2008

SUBJECT:    Land Acquisition Approval 40.6+/- acres in Charleston and Derby

Your approval is requested pursuant to Title 10, Chapter 103, Section 4144, VSA, for the land acquisition referenced above. This acquisition has been reviewed and approved by the Agency of Natural Resources, Land Acquisition Review Committee on 7/18/05. Joint fiscal approval is required for this acquisition because the Department is paying for the two appraised parcels of land in the town of Charleston and only part of the town assessed value of the additional acreage in the town of Derby. Approval was previously requested in a memo dated February 22, 2008 and was granted. However, approval is requested again due to a change in the purchase price as described below.

Description of Property

The proposed Department of Fish and Wildlife acquisition from Great Bay Hydro Corporation consists of properties in three separate locations, involving multiple parcels. Two of the properties are developed fishing access areas, Echo Lake (0.6-acres) and Pensioner Pond (10 acres), which are currently leased by the Department of Fish and Wildlife. These access areas are a high priority for securing permanent public access for fishing and boating. Echo Lake is a 544-acre lake that provides a multitude of recreational opportunities due to its size. Pensioner Pond is a smaller lake, 170-acres, thus it does not receive the same amount of boat traffic, but it still provides important fishing and waterfowl hunting opportunities.

The third location is comprised of six individual parcels that range in size from 1 to 10 acres and total 30+/- acres. The parcels are located on both sides of the Clyde River starting at the outlet of Big Salem Lake and stretch northwest along the river with the western most parcel being bordered by the Rt. 105 bridge in Derby. Given its scenic nature, important wetland communities, good fishing and waterfowl hunting opportunities.
Ownership and Management

These parcels will be owned by the State of Vermont, Agency of Natural Resources, Department of Fish and Wildlife. The parcels will be managed by the Access Area Program and the Fisheries Division to provide public angling and boating access (Pensioner Pond and Echo Lake) and habitat conservation (Clyde River) to their respective bodies of water. Additionally, some portions of the Clyde River property will be considered for possible access area development.

Revised Purchase Price

The combined appraised value for fee purchase of the two fishing access area parcels is $482,600. The riparian lands in the town of Derby have not been appraised, but the town assessed value is $56,700. Initially, Great Bay Hydro Corporation intended to convey the Derby riparian lands as a gift, thus the February 22, 2008 approval request reflected a purchase price of $482,600. Recently, Great Bay expressed its desire to reduce the amount of the gift to the Department from $56,700 to $39,300 and increase the purchase price to $500,000 to include $17,400 of the value of the Derby riparian lands.

Budget and Funding

Funds for the purchase of the properties will come from the prior sale of Stamford Meadows Wildlife Management Area to the US Forest Service ($285,000) and from the Vermont Boat Registration Fund ($220,300). Of the $220,300 from the Vermont Boat Registration Fund, approximately $5,300 will be used for associated closing costs (appraisal - $3,800; legal costs and recording fees - $1,500).
VERMONT FISH AND WILDLIFE DEPARTMENT
103 South Main Street, 10 South
Waterbury, Vermont 05671

APPROVAL FOR LAND ACQUISITION

We, the undersigned, hereby approve the acquisition by the State of Vermont, Agency of Natural Resources, Department of Fish and Wildlife, of 40.6 +/- acres located in the Towns of Charleston and Derby.

This approval is pursuant to Title 10, Section 4144 of the Vermont Statutes Annotated.

Date

James Douglas, Governor
State of Vermont

Date

George Bromble, Secretary
Agency of Natural Resources

Date

Wayne Laroche, Commissioner
Department of Fish and Wildlife
To: Jason Aronowitz, Budget Analyst  
Finance & Management

From: Sherri A. Yacono, Business Manager

Date: July 2, 2008

Subject: AA-1: Land donation – Great Bay Hydro

Please find attached a revised AA-1 package for the above subject. As part of a land acquisition, the Department of Fish and Wildlife will receive a donation of six individual parcels of land ranging in size from 1 to 10 acres that total 30 +/- acres from Great Bay Hydro Corporation. The town of Derby has assessed the value of the property at $56,700. Initially Great Bay Hydro Corporation intended to convey the Derby riparian lands as a gift. Recently Great Bay expressed its desire to reduce the amount of the gift to the Department from $56,700 to $39,300, with the Department paying $17,400.

Thank you for your assistance. If there are any questions, please contact Department staff Mike Wichrowski at 241-3447 or Meghan Purvee, ANR attorney at 241-3661.

Cc: Mike Wichrowski  
Meghan Purvee  
Steve Chadwick
STATE OF VERMONT
REQUEST FOR GRANT ACCEPTANCE
(use additional sheets as needed)

1. Agency: 
Agency of Natural Resources

2. Department: 
Fish & Wildlife

3. Program: 
Fisheries Division

4. Legal Title of Grant: 
Donation of land in Derby

5. Federal Catalog No.: 

6. Grantor and Office Address: 
Great Bay Hydro Corp.

7. Grant Period: 
From: 
To:

8. Purpose of Grant: 
(attach additional sheets if needed)
As part of a land acquisition the Department will also receive a donation of 6 individual parcels of land totalling 30 acres. These
parcels are located on both sides of the Clyde River starting at the outlet of Big Salem Lake and stretch northwest along the river
with the western most parcel being bordered by the RT. 105 bringe in Derby.

9. Impact on Existing Programs if Grant is not Accepted:
Loss of valuable floodplain habitat that will assist in protecting nearby developed areas during times of high water.

10. Budget Information: 
(1st State FY) (2nd State FY) (3rd State FY) (4th State FY)
FY 2008

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| REVENUES: |
| State Funds: |
| Cash | $ | $ | $ | $ |
| In-Kind | $ | $ | $ | $ |

| Federal Funds: |
| (Direct Costs) | $ | $ | 0 | $ | 0 | $ | 0 | |
| (Statewide Indirect) | $ | $ | $ | |
| (Department Indirect) | $ | $ | $ | $ |

| Other Funds: |
| F & W Funds - Duck Stamp Fund | $ | $ | $ | $ |
| In-Kind | $ | 39,300 | $ | $ | |
| Misc. Outside Match | $ | $ | $ | $ |
| **TOTAL** | $ | 39,300 | $ | 0 | $ | 0 | $ | 0 |

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11. Will grant monies be spent by one or more personal service contracts?

☐ YES  X NO

If YES, signature of appointing authority here indicates intent to follow current guidelines on bidding.

12a. Please list any requested Limited Service positions:

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TOTAL Positions 0

12b. Equipment and space for these positions:

☐ Is presently available.

☐ Can be obtained with available funds.

13. Signature of Appointing Authority

I certify that no funds have been expended or committed in anticipation of Joint Fiscal Committee approval of this grant.

Wayne Laroche, Commissioner

(Signature)  (Date)

14. Action by Governor:

☑ Approved

☐ Rejected

(Signature)  (Date)

15. Secretary of Administration:

☑ Request to JFO

☐ Information to JFO

(Signature)  (Date)

16. Action by Joint Fiscal Committee:

☑ Request to be placed on JFC agenda

☐ Approved (not placed on agenda in 30 days

☐ Approved by JFC

☐ Rejected by JFC

☐ Approved by Legislature

(Signature)  (Date)
MEMORANDUM

To: Joint Fiscal Committee Members

From: Rebecca Buck, Staff Associate

Date: April 1, 2008

Subject: Land Donation Request

Enclosed please find one (1) request which the Joint Fiscal Office recently received from the Administration:

JFO #2322 — Donation of approximately 30 acres of land from Great Bay Hydro Corporation to the Department of Fish and Wildlife. This land is located on the Clyde River in Derby, is valued at $56,700 and is being donated as part of a Department land acquisition from Great Bay Hydro Corporation.

The parcels donated are located on both sides of the Clyde River, and will provide important wetland communities, good fishing and waterfowl hunting as well as other public recreational opportunities. The land will also provide an important floodplain buffer for nearby developed areas during times of high water. Attachments include an appraisal of the land being donated, maps of all the property associated with the land donation, and letters of support from the two select boards associated with the land donation as well as acquisition.

The Joint Fiscal Office has reviewed this submission and determined that all appropriate forms bearing the necessary approvals are in order.
In accordance with the procedures for processing such requests, we ask you to review the enclosed and notify the Joint Fiscal Office (Rebecca Buck at 802/828-5969; rbuck@leg.state.vt.us or Stephen Klein at 802/828-5769; sklein@leg.state.vt.us) if you would like this item held for legislative review. Unless we hear from you to the contrary by April 15 we will assume that you agree to consider as final the Governor's acceptance of this request.

cc:  James Reardon, Commissioner  
     Linda Morse, Administrative Assistant  
     George Crombie, Secretary  
     Wayne Laroche, Commissioner
STATE OF VERMONT
GRANT ACCEPTANCE FORM

GRANT SUMMARY: Title: Donation of land in Derby, Vermont
This is a request for approval of a donation of land. This
donation is conditioned on the purchase of two other parcels
from the donor. This land is useful to the State as a floodplain
buffer for nearby developed areas, and for public recreation
opportunities.

DATE: March 13, 2008

DEPARTMENT: Fish and Wildlife (ANR)

GRANT / DONATION: 30 acres on the Clyde River.

FEDERAL CATALOG No.:

GRANTOR / DONOR: Great Bay Hydro

AMOUNT / VALUE: $56,700.00

POSITIONS REQUESTED: None

GRANT PERIOD:

COMMENTS: See attachments.

DEPARTMENT OF FINANCE AND MANAGEMENT: (INITIAL) DM
SECRETARY OF ADMINISTRATION: (INITIAL) FM
SENT TO JOINT FISCAL OFFICE: DATE: 3/25/08

RECEIVED
MAR 27 2008
JOINT FISCAL OFFICE
To: Jason Aronowitz, Budget Analyst
Finance & Management

From: Sherri A. Yacono, Business Manager

Date: March 10, 2008

Subject: AA-1: Land donation – Great Bay Hydro

Please find attached the AA-1 package for the above subject. As part of a land acquisition, the Department of Fish and Wildlife will receive a donation of six individual parcels of land ranging in size from 1 to 10 acres that total 30 +/- acres from Great Bay Hydro Corporation. The appraised value of the property is $56,700.

Thank you for your assistance. If there are any questions, please call me at 241-3704. (Please note that this purchase is time sensitive so if you could expedite this that would be greatly appreciated.)

Cc: Mike Wichrowski
    Steve Chadwick
STATE OF VERMONT
REQUEST FOR GRANT ACCEPTANCE
(use additional sheets as needed)

1. Agency: Agency of Natural Resources
2. Department: Fish & Wildlife
3. Program: Fisheries Division
4. Legal Title of Grant: Donation of land in Derby
5. Federal Catalog No.: 
6. Grantor and Office Address: Great Bay Hydro Corp.

7. Grant Period:

8. Purpose of Grant: (attach additional sheets if needed)
As part of a land acquisition the Department will also receive a donation of 6 individual parcels of land totalling 30 acres. These parcels are located on both sides of the Clyde River starting at the outlet of Big Salem Lake and stretch northwest along the river with the western most parcel being bordered by the RT. 105 bringe in Derby.

9. Impact on Existing Programs if Grant is not Accepted:
Loss of valuable floodplain habitat that will assist in protecting nearby developed areas during times of high water.

10. Budget Information:

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<th>(3rd State FY)</th>
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<td>$</td>
<td>0</td>
</tr>
</tbody>
</table>

Appropriation Nos. | Amounts

-over-
11. Will grant monies be spent by one or more personal service contracts?

[ ] YES  [x] NO

If YES, signature of appointing authority here indicates intent to follow current guidelines on bidding.

[ ]

12a. Please list any requested Limited Service positions:

<table>
<thead>
<tr>
<th>Titles</th>
<th>Number of Positions</th>
</tr>
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<tbody>
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</tbody>
</table>

TOTAL Positions 0

12b. Equipment and space for these positions:

[ ] Is presently available.
[ ] Can be obtained with available funds.

13. Signature of Appointing Authority

I certify that no funds have been expended or committed in anticipation of Joint Fiscal Committee approval of this grant.

[Signature]  11 MAR 2008

Wayne Laroche, Commissioner

14. Action by Governor:

[ ] Approved  [x] Rejected

[Signature]  3/20/08

15. Secretary of Administration:

[ ] Request to JFO
[ ] Information to JFO

[Signature]

16. Action by Joint Fiscal Committee:

[ ] Request to be placed on JFC agenda
[ ] Approved (not placed on agenda in 30 days
[ ] Approved by JFC
[ ] Rejected by JFC
[ ] Approved by Legislature

[Signature]  (Date)
**NOTICE TO TAXPAYERS AS OF APRIL 1, 2007**

**CHANGE IN APPRAISAL OF REAL ESTATE**

2007 GRAND LIST

GREAT BAY HYDRO CORPORATION
1 NEW HAMPSHIRE AVE SUITE 207
PORTSMOUTH NH 03801

PARCEL NUMBER : RT105001G5-TR

**PROPERTY DESCRIPTION**

0 ROUTE 105
LAND

| Previous (last year) total real value | $36,800 |
| Current (this year) total real value  | $56,700 |
| **REAPPRAISAL**                       |         |
| Difference:                            | $19,900 |

**IF YOU WISH TO APPEAL THE REAPPRAISAL**

You may appear at the above meeting in person or by his agents or may file with them his objections. All evidence as shall be pertinent thereto."

Also note that Section 6 of Act 71 requires notification of value on homestead, for appeal purposes.

**MEETINGS WILL COMMENCE JULY 17, 2007 BY APPOINTMENT ONLY**

PLEASE CALL 802-766-2012 FOR APPOINTMENT

Location: DERBY LISTERS OFFICE / DERBY MUNICIPAL BUILDING

LISTERS:
G TOM CYR, NANCY GOSSELIN, THOMAS ROBERTS

*A homestead is the principal dwelling improvements and land owned and occupied by a Vermont resident individual as the individual's domicile. A homestead does not include buildings or improvements detached from the home and used for business or rental purposes. A housesite is that portion of a homestead that includes the principal dwelling and as much of the land surrounding the dwelling as is reasonable necessary for use of the dwelling as a home, but in no event more than two acres per dwelling unit.*
MEMORANDUM

TO: James Douglas, Governor

THROUGH: George Crombie, Secretary, Agency of Natural Resources

FROM: Wayne Laroche, Commissioner, Department of Fish and Wildlife

DATE: February 22, 2008

SUBJECT: Land Acquisition Approval 40.6+/- acres in Charleston and Derby

Your approval is requested pursuant to Title 10, Chapter 103, Section 4144, VSA, for the land acquisition referenced above. This acquisition has been reviewed and approved by the Agency of Natural Resources, Land Acquisition Review Committee on 7/18/05. Joint fiscal approval is required for this acquisition because the Department is only paying for two of the appraised parcels of land in the town of Charleston. However, we are acquiring additional acreage in the town of Derby, for no additional cost, that was not included in the appraisal.

Description

The proposed Department of Fish and Wildlife acquisition from Great Bay Hydro Corporation consists of properties in three separate locations, involving multiple parcels. Two of the properties are developed fishing access areas, Echo Lake (0.6-acres) and Pensioner Pond (10-acres), which are currently leased by the Department of Fish and Wildlife. These access areas are a high priority for securing permanent public access for fishing and boating. Echo Lake is a 544-acre lake that provides a multitude of recreational opportunities due to its size. Pensioner Pond is a smaller lake, 170-acres, thus it does not receive the same amount of boat traffic, but it still provides important fishing and waterfowl hunting opportunities.

The third location is comprised of six individual parcels that range in size from 1 to 10 acres and total 30+/- acres. The parcels are located on both sides of the Clyde River starting at the outlet of Big Salem Lake and stretch northwest along the river with the western most parcel being bordered by the Rt. 105 bridge in Derby. Given its scenic nature, important wetland communities, good fishing and waterfowl hunting opportunities, and other public recreational opportunities, the Clyde River is truly a special resource that warrants conservation. In addition to recreational opportunities, these parcels will provide valuable floodplain habitat that will assist in protecting nearby developed areas during times of high water.
Ownership and Management

These parcels will be owned by the State of Vermont, Agency of Natural Resources, Department of Fish and Wildlife. The parcels will be managed by the Access Area Program and the Fisheries Division to provide public angling and boating access (Pensioner Pond and Echo Lake) and habitat conservation (Clyde River) to their respective bodies of water. Additionally, some portions of the Clyde River property will be considered for possible access area development.

Budget and Funding

The appraised fee-value for the properties is $482,600. Funds for the purchase of the properties will come from the prior sale of Stamford Meadows Wildlife Management Area to the US Forest Service ($285,000) and from the Vermont Boat Registration Fund ($202,900). Of the $202,900 from the Vermont Boat Registration Fund, approximately $5,300 will be used for associated closing costs (appraisal - $3,800; legal costs and recording fees - $1,500).

Note: Great Bay Hydro Corporation has requested the closing take place on or before April 15, 2008.
§ 4144. Acquisition of property by state, closed season.

(a) The secretary with approval of the governor may acquire for the use of the state by gift, purchase or lease in the name of the state, lands, ponds or streams, and hunting and fishing rights and privileges in any lands or waters in the state, with necessary rights of ingress or egress to and from such lands and waters.

(b) The board may regulate the taking of wild animals on such lands or of fish in such waters and close or open such waters or lands or any part thereof to the taking of fish or wild animals.

(c) Such regulations shall be posted in the areas affected.

December 03, 2007

Mike Wichrowski
Department of Fish & Wildlife
103 South Main ST., #10 South
Waterbury, VT 05671-0501

Dear Mr. Wichrowski,

After reading your letter that summarized the Department of Fish and Wildlife's (DFW) involvement and discussing the project at our Selectboard meeting on December 3, 2007, we are writing to offer our support for the DFW involvement in the purchase of the Great Bay Hydro Corporation properties on the Clyde River in Derby. More specifically, the town supports the DFW purchasing the property to secure permanent streambank protection for wildlife and flood protection, as well as public access to the river for recreational uses, such as fishing and boating. Thank you for meeting with us.

Sincerely,

DERBY SELECT BOARD

LAURA DOLGIN

STEPHEN GENDREAU

KAREN JENNE

BEULA-JEAN SHATTUCK

BRIAN SMITH
The Department of Fish and Wildlife is requesting approval by the Governor as per 10 V.S.A. Sec. 4144 (attached) of a land acquisition of 40.6+/- acres in Charleston and Derby. Two of the parcels concerned are developed fishing access areas. The rest of the property presents recreational opportunities and portions can act as a flood plain buffer for nearby developed areas.

These parcels were first offered to the State in a package including some old dams that present liability issues. As per Eric Palmer of Fish and Wildlife (751-0107), the deal as presented no longer includes these dams and the associated liability issues.

**Recommendation**

I recommend approval of this request.
MEMORANDUM

To: Susanne Young
From: Wayne Laroche
Date: March 10, 2008
RE: Governor's Approval for Fee Purchase of 40.6 +/- acres in the Towns of Charleston and Derby

Enclosed is an approval to be signed by Governor Douglas for land acquisitions by the State of Vermont. All of the properties will be purchased in fee and managed by the Vermont Department of Fish and Wildlife. These acquisitions are in the Towns of Charleston and Derby and owned by Great Bay Hydro Corporation. Funding for the purchase and associated closing costs for these acquisitions comes from the sale of the Stamford Meadows Wildlife Management Area ($285,000) and the Vermont Motorboat Registration Fund ($202,900).

Included with the Governor's approval memos are maps of the properties and the surrounding area and letters of support from the Towns of Charleston and Derby.

If you have any questions regarding these acquisitions, please contact Mike Wichrowski at 241-3447 or Kate Willard at 241-3697, thank you.
VERMONT FISH AND WILDLIFE DEPARTMENT
103 South Main Street, 10 South
Waterbury, Vermont 05671

APPROVAL FOR LAND ACQUISITION

We, the undersigned, hereby approve the acquisition by the State of Vermont, Agency of Natural Resources, Department of Fish and Wildlife, of 40.6 +/- acres located in the Towns of Charleston and Derby.

This approval is pursuant to Title 10, Section 4144 of the Vermont Statutes Annotated.

3/20/08
Date

James Douglas, Governor
State of Vermont

George Crambie, Secretary
Agency of Natural Resources

11 MAR 2008
Date

Wayne Laroche, Commissioner
Department of Fish and Wildlife
Dear Mr. Wichrowski,

After reading your letter that summarized the Department of Fish and Wildlife’s (DFW) involvement and discussing the project at our Selectboard meeting on November 8, 2007, we are writing to offer our support for the DFW involvement in the purchase of Great Bay Hydro Corporation properties at Pensioner Pond and Echo Lake in Charleston. More specifically, the town supports the DFW purchasing the property to secure permanent free public access to these waterbodies for recreational uses, such as fishing and boating. Thank you for meeting with us.

Sincerely,

[Signatures]
MEMORANDUM

To: Susanne Young

From: Wayne LaRoche

Date: July 2, 2008

RE: Governor’s Approval for Fee Purchase of 40.6 +/- acres in the Towns of Charleston and Derby

Enclosed is an approval to be signed by Governor Douglas for land acquisitions by the State of Vermont. All of the properties will be purchased in fee and managed by the Vermont Department of Fish and Wildlife. These acquisitions are in the Towns of Charleston and Derby and owned by Great Bay Hydro Corporation. Funding for the purchase and associated closing costs for these acquisitions comes from the sale of the Stamford Meadows Wildlife Management Area ($285,000) and the Vermont Motorboat Registration Fund ($220,300).

Included with the Governor’s approval memos are maps of the properties and the surrounding area and letters of support from the Towns of Charleston and Derby.

If you have any questions regarding these acquisitions, please contact Mike Wichrowski at 241-3447 or Meghan Purvee at 241-3661, thank you.
STATE OF VERMONT
GRANT ACCEPTANCE FORM

GRANT SUMMARY: Title: Donation of land in Derby, Vermont
This is a request for approval of a donation of land. This
donation is conditioned on the purchase of two other parcels
from the donor. This land is useful to the State as a floodplain
buffer for nearby developed areas, and for public recreation
opportunities.

DATE: March 13, 2008

DEPARTMENT: Fish and Wildlife (ANR)

GRANT / DONATION: 30 acres on the Clyde River.

FEDERAL CATALOG No.:

GRANTOR / DONOR: Great Bay Hydro

AMOUNT / VALUE: $56,700.00

POSITIONS REQUESTED: None

GRANT PERIOD:

COMMENTS: See attachments.

DEPARTMENT OF FINANCE AND MANAGEMENT: (INITIAL)
SECRETARY OF ADMINISTRATION: (INITIAL)
SENT TO JOINT FISCAL OFFICE: DATE: 3/15/08
The Department of Fish and Wildlife is requesting approval by the Governor as per 10 V.S.A. Sec. 4144 (attached) of a land acquisition of 40.6+/- acres in Charleston and Derby. Two of the parcels concerned are developed fishing access areas. The rest of the property presents recreational opportunities and portions can act as a flood plain buffer for nearby developed areas.

These parcels were first offered to the State in a package including some old dams that present liability issues. As per Eric Palmer of Fish and Wildlife (751-0107), the deal as presented no longer includes these dams and the associated liability issues.

**Recommendation**

I recommend approval of this request.
To: Jason Aronowitz, Budget Analyst  
Finance & Management

From: Sherri A. Yacono, Business Manager

Date: March 10, 2008

Subject: AA-1: Land donation – Great Bay Hydro

Please find attached the AA-1 package for the above subject. As part of a land acquisition, the Department of Fish and Wildlife will receive a donation of six individual parcels of land ranging in size from 1 to 10 acres that total 30 +/- acres from Great Bay Hydro Corporation. The appraised value of the property is $56,700.

Thank you for your assistance. If there are any questions, please call me at 241-3704. (Please note that this purchase is time sensitive so if you could expedite this that would be greatly appreciated.)

Cc: Mike Wichrowski  
Steve Chadwick
1. Agency: Agency of Natural Resources
2. Department: Fish & Wildlife
3. Program: Fisheries Division
4. Legal Title of Grant: Donation of land in Derby
5. Federal Catalog No.: 
6. Grantor and Office Address: Great Bay Hydro Corp.

7. Grant Period: From: To:

8. Purpose of Grant: (attach additional sheets if needed)

As part of a land acquisition the Department will also receive a donation of 6 individual parcels of land totalling 30 acres. These parcels are located on both sides of the Clyde River starting at the outlet of Big Salem Lake and stretch northwest along the river with the western most parcel being bordered by the RT. 105 bridge in Derby.

9. Impact on Existing Programs if Grant is not Accepted:
Loss of valuable floodplain habitat that will assist in protecting nearby developed areas during times of high water.


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Appropriation Nos. | Amounts

-over-

RECO MAR 13 2008
11. Will grant monies be spent by one or more personal service contracts?
   
   [ ] YES  [ ] NO

   If YES, signature of appointing authority here indicates intent to follow current guidelines on bidding.
   

12a. Please list any requested Limited Service positions:

<table>
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<th>Titles</th>
<th>Number of Positions</th>
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</table>

   TOTAL Positions 0

12b. Equipment and space for these positions:
   
   [ ] Is presently available.
   [ ] Can be obtained with available funds.

13. Signature of Appointing Authority

I certify that no funds have been expended or committed in anticipation of Joint Fiscal Committee approval of this grant.

Wayne Laroche, Commissioner

(Signature) (Date)

14. Action by Governor:

   [ ] Approved
   [ ] Rejected

   (Signature) (Date)

15. Secretary of Administration:

   [ ] Request to JFO
   [ ] Information to JFO

   (Signature) (Date)

16. Action by Joint Fiscal Committee:

   [ ] Request to be placed on JFC agenda
   [ ] Approved (not placed on agenda in 30 days
   [ ] Approved by JFC
   [ ] Rejected by JFC
   [ ] Approved by Legislature

   (Signature) (Date)
NOTICE TO TAXPAYERS AS OF APRIL 1, 2007

CHANGE IN APPRAISAL OF REAL ESTATE
2007 GRAND LIST

GREAT BAY HYDRO CORPORATION
1 NEW HAMPSHIRE AVE SUITE 207
PORTSMOUTH NH 03801

PARCEL NUMBER: RT105001G5-TR

PROPERTY DESCRIPTION
0 ROUTE 105
LAND

Previous (last year) total real value $36,800
Current (this year) total real value $56,700 Difference: $19,900

**IF YOU WISH TO APPEAL THE APPRAISAL OF THIS PROPERTY
STATE YOUR OBJECTIONS IN WRITING AND FILE WITH THE LISTERS
A person desiring to be heard by the Listers shall sign a
file with them his objections in writing, meeting in person or by his agents or attorneys,
grievance the parties thereto may submit such documentary or sworn
evidence as shall be pertinent thereto."
Also note that Section 64 of Act 71 requires notification of value on homestead, for appeal purposes.
**MEETINGS WILL COMMENCE JULY 17, 2007 BY APPOINTMENT ONLY
PLEASE CALL 802 766-2012 FOR APPOINTMENT
Location: DERBY LISTERS OFFICE / DERBY MUNICIPAL BUILDING
LISTERS:
G TOM CYR, NANCY GOSSELIN, THOMAS ROBERTS

* A homestead is the principal dwelling improvements and land owned and occupied by a Vermont resident individual as the individual's domicile. A homestead does not include buildings or improvements detached from the home and used for business or rental purposes. A housesite is that portion of a homestead that includes the principal dwelling and as much of the land surrounding the dwelling as is reasonable necessary for use of the dwelling as a home, but in no event more than two acres per dwelling unit.
§ 4144. Acquisition of property by state, closed season.

(a) The secretary with approval of the governor may acquire for the use of the state by gift, purchase or lease in the name of the state, lands, ponds or streams, and hunting and fishing rights and privileges in any lands or waters in the state, with necessary rights of ingress or egress to and from such lands and waters.

(b) The board may regulate the taking of wild animals on such lands or of fish in such waters and close or open such waters or lands or any part thereof to the taking of fish or wild animals.

(c) Such regulations shall be posted in the areas affected.

STATE OF VERMONT
GRANT ACCEPTANCE FORM

GRANT SUMMARY: Title: Donation of land in Derby, Vermont
This is a request for approval of a donation of land. This
donation is conditioned on the purchase of two other parcels
from the donor. This land is useful to the State as a floodplain
buffer for nearby developed areas, and for public recreation
opportunities.

This is a revised submission previously approved by JFC as
JFO# 2322.

DATE: March 13, 2008

DEPARTMENT: Fish and Wildlife (ANR)

GRANT / DONATION: 30 acres on the Clyde River.

FEDERAL CATALOG No.:

GRANTOR / DONOR: Great Bay Hydro

AMOUNT / VALUE: $39,300.00 (reduced from $56,700.00)

POSITIONS REQUESTED: None

GRANT PERIOD:

COMMENTS: See attachments.

DEPARTMENT OF FINANCE AND MANAGEMENT: (INITIAL) 8PM 8/19/08
SECRETARY OF ADMINISTRATION: (INITIAL) 8PM 8/19/08
SENT TO JOINT FISCAL OFFICE: DATE: 8/19/08

RECEIVED
AUG 1 9 2008
JOINT FISCAL OFFICE
MEMORANDUM

TO: James Douglas, Governor

THROUGH: George Crombie, Secretary, Agency of Natural Resources

FROM: Wayne Laroche, Commissioner, Department of Fish and Wildlife

DATE: July 1, 2008

SUBJECT: Land Acquisition Approval 40.6+/- acres in Charleston and Derby

Your approval is requested pursuant to Title 10, Chapter 103, Section 4144, VSA, for the land acquisition referenced above. This acquisition has been reviewed and approved by the Agency of Natural Resources, Land Acquisition Review Committee on 7/18/05. Joint fiscal approval is required for this acquisition because the Department is paying for the two appraised parcels of land in the town of Charleston and only part of the town assessed value of the additional acreage in the town of Derby. Approval was previously requested in a memo dated February 22, 2008 and was granted. However, approval is requested again due to a change in the purchase price as described below.

Description of Property

The proposed Department of Fish and Wildlife acquisition from Great Bay Hydro Corporation consists of properties in three separate locations, involving multiple parcels. Two of the properties are developed fishing access areas, Echo Lake (0.6-acres) and Pensioner Pond (10-acres), which are currently leased by the Department of Fish and Wildlife. These access areas are a high priority for securing permanent public access for fishing and boating. Echo Lake is a 544-acre lake that provides a multitude of recreational opportunities due to its size. Pensioner Pond is a smaller lake, 170-acres, thus it does not receive the same amount of boat traffic, but it still provides important fishing and waterfowl hunting opportunities.

The third location is comprised of six individual parcels that range in size from 1 to 10 acres and total 30+/- acres. The parcels are located on both sides of the Clyde River starting at the outlet of Big Salem Lake and stretch northwest along the river with the western most parcel being bordered by the Rt. 105 bridge in Derby. Given its scenic nature, important wetland communities, good fishing and waterfowl hunting opportunities.
Ownership and Management

These parcels will be owned by the State of Vermont, Agency of Natural Resources, Department of Fish and Wildlife. The parcels will be managed by the Access Area Program and the Fisheries Division to provide public angling and boating access (Pensioner Pond and Echo Lake) and habitat conservation (Clyde River) to their respective bodies of water. Additionally, some portions of the Clyde River property will be considered for possible access area development.

Revised Purchase Price

The combined appraised value for fee purchase of the two fishing access area parcels is $482,600. The riparian lands in the town of Derby have not been appraised, but the town assessed value is $56,700. Initially, Great Bay Hydro Corporation intended to convey the Derby riparian lands as a gift, thus the February 22, 2008 approval request reflected a purchase price of $482,600. Recently, Great Bay expressed its desire to reduce the amount of the gift to the Department from $56,700 to $39,300 and increase the purchase price to $500,000 to include $17,400 of the value of the Derby riparian lands.

Budget and Funding

Funds for the purchase of the properties will come from the prior sale of Stamford Meadows Wildlife Management Area to the US Forest Service ($285,000) and from the Vermont Boat Registration Fund ($220,300). Of the $220,300 from the Vermont Boat Registration Fund, approximately $5,300 will be used for associated closing costs (appraisal - $3,800; legal costs and recording fees - $1,500).
VERMONT FISH AND WILDLIFE DEPARTMENT
103 South Main Street, 10 South
Waterbury, Vermont 05671

APPROVAL FOR LAND ACQUISITION

We, the undersigned, hereby approve the acquisition by the State of Vermont, Agency of Natural Resources, Department of Fish and Wildlife, of 40.6 +/- acres located in the Towns of Charleston and Derby.

This approval is pursuant to Title 10, Section 4144 of the Vermont Statutes Annotated.

Date 7/17/03
James Douglas, Governor
State of Vermont

Date 7/2/08
George Tromble, Secretary
Agency of Natural Resources

Date 7/2/08
Wayne Laroche, Commissioner
Department of Fish and Wildlife
To: Jason Aronowitz, Budget Analyst  
Finance & Management

From: Sherri A. Yacono, Business Manager

Date: July 2, 2008

Subject: AA-1: Land donation – Great Bay Hydro

Please find attached a revised AA-1 package for the above subject. As part of a land acquisition, the Department of Fish and Wildlife will receive a donation of six individual parcels of land ranging in size from 1 to 10 acres that total 30 +/- acres from Great Bay Hydro Corporation. The town of Derby has assessed the value of the property at $56,700. Initially Great Bay Hydro Corporation intended to convey the Derby riparian lands as a gift. Recently Great Bay expressed its desire to reduce the amount of the gift to the Department from $56,700 to $39,300, with the Department paying $17,400.

Thank you for your assistance. If there are any questions, please contact Department staff Mike Wichrowski at 241-3447 or Meghan Purvee, ANR attorney at 241-3661.

Cc: Mike Wichrowski  
Meghan Purvee  
Steve Chadwick
STATE OF VERMONT
REQUEST FOR GRANT ACCEPTANCE
(Rev. 9-90)

1. Agency: Agency of Natural Resources
2. Department: Fish & Wildlife
3. Program: Fisheries Division
4. Legal Title of Grant: Donation of land in Derby
5. Federal Catalog No.: 
6. Grantor and Office Address: Great Bay Hydro Corp.

7. Grant Period: From: To:

8. Purpose of Grant: (attach additional sheets if needed)
As part of a land acquisition the Department will also receive a donation of 6 individual parcels of land totalling 30 acres. These parcels are located on both sides of the Clyde River starting at the outlet of Big Salem Lake and stretch northwest along the river with the western most parcel being bordered by the RT. 105 bridge in Derby.

9. Impact on Existing Programs if Grant is not Accepted:
Loss of valuable floodplain habitat that will assist in protecting nearby developed areas during times of high water.


**FY 2008**

**EXPENDITURES:**
- Personal Services $ 
- Operating Expenses $
- Grants $

**TOTAL** $ 0 $ 0 $ 0 $ 0

**REVENUES:**
**State Funds:**
- Cash $ $ $ $ 
- In-Kind $ $ $ $ 

**Federal Funds:**
- (Direct Costs) $ $ 0 $ 0 $ 0 $ 0
- (Statewide Indirect) $ $ $ $ 
- (Department Indirect) $ $ $ $ 

**Other Funds:**
- F & W Funds - Duck Stamp Fund $ 39,300 $ $ $ 
- In-Kind $ $ 
- Misc. Outside Match $ $ 

**TOTAL** $ 39,300 $ 0 $ 0 $ 0 $ 0

**Appropriation Nos.** **Amounts**

-over-
11. Will grant monies be spent by one or more personal service contracts?

- [ ] YES
- [X] NO

If YES, signature of appointing authority here indicates intent to follow current guidelines on bidding.

[ ]

12a. Please list any requested Limited Service positions:

<table>
<thead>
<tr>
<th>Titles</th>
<th>Number of Positions</th>
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<td></td>
<td></td>
</tr>
</tbody>
</table>

TOTAL Positions: 0

12b. Equipment and space for these positions:

- [ ] Is presently available.
- [ ] Can be obtained with available funds.

13. Signature of Appointing Authority

I certify that no funds have been expended or committed in anticipation of Joint Fiscal Committee approval of this grant.

Wayne Laroche, Commissioner

14. Action by Governor:

- [ ] Approved
- [ ] Rejected

15. Secretary of Administration:

- [X] Request to JFO
- [ ] Information to JFO

16. Action by Joint Fiscal Committee:

- [ ] Request to be placed on JFC agenda
- [ ] Approved (not placed on agenda in 30 days)
- [ ] Approved by JFC
- [ ] Rejected by JFC
- [ ] Approved by Legislature

(Signature) (Date)
MEMORANDUM

To: Joint Fiscal Committee Members

From: Rebecca Buck, Staff Associate

Date: April 1, 2008

Subject: Land Donation Request

Enclosed please find one (1) request which the Joint Fiscal Office recently received from the Administration:

JFO #2322 – Donation of approximately 30 acres of land from Great Bay Hydro Corporation to the Department of Fish and Wildlife. This land is located on the Clyde River in Derby, is valued at $56,700 and is being donated as part of a Department land acquisition from Great Bay Hydro Corporation.

[JFO received 03/27/08]

The parcels donated are located on both sides of the Clyde River, and will provide important wetland communities, good fishing and waterfowl hunting as well as other public recreational opportunities. The land will also provide an important floodplain buffer for nearby developed areas during times of high water. Attachments include an appraisal of the land being donated, maps of all the property associated with the land donation, and letters of support from the two select boards associated with the land donation as well as acquisition.

The Joint Fiscal Office has reviewed this submission and determined that all appropriate forms bearing the necessary approvals are in order.
In accordance with the procedures for processing such requests, we ask you to review the enclosed and notify the Joint Fiscal Office (Rebecca Buck at 802/828-5969; rbuck@leg.state.vt.us or Stephen Klein at 802/828-5769; sklein@leg.state.vt.us) if you would like this item held for legislative review. Unless we hear from you to the contrary by April 15 we will assume that you agree to consider as final the Governor’s acceptance of this request.

cc: James Reardon, Commissioner
    Linda Morse, Administrative Assistant
    George Crombie, Secretary
    Wayne Laroche, Commissioner
STATE OF VERMONT
GRANT ACCEPTANCE FORM

GRANT SUMMARY: Title: Donation of land in Derby, Vermont
This is a request for approval of a donation of land. This
 donation is conditioned on the purchase of two other parcels
from the donor. This land is useful to the State as a floodplain
buffer for nearby developed areas, and for public recreation
opportunities.

DATE: March 13, 2008

DEPARTMENT: Fish and Wildlife (ANR)

GRANT / DONATION: 30 acres on the Clyde River.

FEDERAL CATALOG No.:

GRANTOR / DONOR: Great Bay Hydro

AMOUNT / VALUE: $56,700.00

POSITIONS REQUESTED: None

GRANT PERIOD:

COMMENTS: See attachments.

DEPARTMENT OF FINANCE AND MANAGEMENT: (INITIAL)
SECRETARY OF ADMINISTRATION (INITIAL)
SENT TO JOINT FISCAL OFFICE: DATE: 3/27/08

RECEIVED
MAR 27 2008
JOINT FISCAL OFFICE
To: Jason Aronowitz, Budget Analyst  
   Finance & Management

From: Sherri A. Yacono, Business Manager

Date: March 10, 2008

Subject: AA-1: Land donation – Great Bay Hydro

Please find attached the AA-1 package for the above subject. As part of a land acquisition, the Department of Fish and Wildlife will receive a donation of six individual parcels of land ranging in size from 1 to 10 acres that total 30 +/- acres from Great Bay Hydro Corporation. The appraised value of the property is $56,700.

Thank you for your assistance. If there are any questions, please call me at 241-3704. (Please note that this purchase is time sensitive so if you could expedite this that would be greatly appreciated.)

Cc: Mike Wichrowski  
   Steve Chadwick
### STATE OF VERMONT
REQUEST FOR GRANT ACCEPTANCE
(use additional sheets as needed)

| 1. Agency: | Agency of Natural Resources |
| 2. Department: | Fish & Wildlife |
| 3. Program: | Fisheries Division |

| 4. Legal Title of Grant: | Donation of land in Derby |
| 5. Federal Catalog No.: |  |
| 6. Grantor and Office Address: | Great Bay Hydro Corp. |

| 7. Grant Period: | From: | To: |

| 8. Purpose of Grant: | (attach additional sheets if needed) |
As part of a land acquisition the Department will also receive a donation of 6 individual parcels of land totalling 30 acres. These parcels are located on both sides of the Clyde River starting at the outlet of Big Salem Lake and stretch northwest along the river with the western most parcel being bordered by the RT. 105 brings in Derby.

| 9. Impact on Existing Programs if Grant is not Accepted: | Loss of valuable floodplain habitat that will assist in protecting nearby developed areas during times of high water. |

| FY 2008 | |

**EXPENDITURES:**
- Personal Services: $ |
- Operating Expenses: $ |
- Grants: $ |
- TOTAL: $ |

**REVENUES:**
- State Funds:
  - Cash: $ |
  - In-Kind: $ |
- Federal Funds:
  - (Direct Costs): $ |
  - (Statewide Indirect): $ |
  - (Department Indirect): $ |
- Other Funds:
  - F & W Funds - Duck Stamp Fund: $ |
  - In-Kind: $ |
  - Misc. Outside Match: $ |
- TOTAL: $ |

<table>
<thead>
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<th>Appropriation Nos.</th>
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</table>

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*Note: The table above represents the budget information for FY 2008.*
11. Will grant monies be spent by one or more personal service contracts?

- [ ] YES
- [x] NO

If YES, signature of appointing authority here indicates intent to follow current guidelines on bidding.

12a. Please list any requested Limited Service positions:

<table>
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</tbody>
</table>

TOTAL Positions 0

12b. Equipment and space for these positions:

- [ ] Is presently available.
- [ ] Can be obtained with available funds.

13. Signature of Appointing Authority

I certify that no funds have been expended or committed in anticipation of Joint Fiscal Committee approval of this grant.

Wayne Laroche, Commissioner

14. Action by Governor:

- [x] Approved
- [ ] Rejected

3/20/08

15. Secretary of Administration:

- [ ] Request to JFO
- [x] Information to JFO

16. Action by Joint Fiscal Committee:

- [ ] Request to be placed on JFC agenda
- [ ] Approved (not placed on agenda in 30 days
- [ ] Approved by JFC
- [ ] Rejected by JFC
- [ ] Approved by Legislature

(Date)
RECEIVED
JUL. 11, 2007

NOTICE TO TAXPAYERS AS OF APRIL 1, 2007

CHANGE IN APPRAISAL OF REAL ESTATE
2007 GRAND LIST

GREAT BAY HYDRO CORPORATION
1 NEW HAMPSHIRE AVE SUITE 207
PORTSMOUTH NH 03801

PARCEL NUMBER: RT105001G5-TR

PROPERTY DESCRIPTION
0 ROUTE 105
LAND

Previous (last year) total real value $ 36,800
Current (this year) total real value $ 56,700
Difference: 19,900

REAPPRAISAL

**IF YOU WISH TO APPEAL THE REAPPRAISAL YOU MUST FILL OUT AND FILE WITH THE LISTERS WITHIN 10 DAYS FROM THE DATE OF THIS NOTICE. AT THE APPEAL MEETING IN PERSON OR BY HIS AGENTS OR ATTORNEYS, THE PARTIES THERETO MAY SUBMIT SUCH DOCUMENTARY OR ORAL EVIDENCE AS SHALL BE PERTINENT THERETO.**

Also note that Section 64 of Act 71 requires notification of value on homestead, for appeal purposes.

**MEETINGS WILL COMMENCE JULY 17, 2007 BY APPOINTMENT ONLY**

PLEASE CALL 802-766-2012 FOR APPOINTMENT

Location: DERBY LISTERS OFFICE / DERBY MUNICIPAL BUILDING

LISTERS:
G TOM CYR, NANCY GOSSELIN, THOMAS ROBERTS

*A homestead is the principal dwelling improvements and land owned and occupied by a Vermont resident individual as the individual's domicile. A homestead does not include buildings or improvements detached from the home and used for business or rental purposes. A housesite is that portion of a homestead that includes the principal dwelling and as much of the land surrounding the dwelling as is reasonable necessary for use of the dwelling as a home, but in no event more than two acres per dwelling unit.*
MEMORANDUM

TO: James Douglas, Governor

THROUGH: George Crombie, Secretary, Agency of Natural Resources

FROM: Wayne Laroche, Commissioner, Department of Fish and Wildlife

DATE: February 22, 2008

SUBJECT: Land Acquisition Approval 40.6+/- acres in Charleston and Derby

Your approval is requested pursuant to Title 10, Chapter 103, Section 4144, VSA, for the land acquisition referenced above. This acquisition has been reviewed and approved by the Agency of Natural Resources, Land Acquisition Review Committee on 7/18/05. Joint fiscal approval is required for this acquisition because the Department is only paying for two of the appraised parcels of land in the town of Charleston. However, we are acquiring additional acreage in the town of Derby, for no additional cost, that was not included in the appraisal.

Description

The proposed Department of Fish and Wildlife acquisition from Great Bay Hydro Corporation consists of properties in three separate locations, involving multiple parcels. Two of the properties are developed fishing access areas, Echo Lake (0.6-acres) and Pensioner Pond (10-acres), which are currently leased by the Department of Fish and Wildlife. These access areas are a high priority for securing permanent public access for fishing and boating. Echo Lake is a 544-acre lake that provides a multitude of recreational opportunities due to its size. Pensioner Pond is a smaller lake, 170-acres, thus it does not receive the same amount of boat traffic, but it still provides important fishing and waterfowl hunting opportunities.

The third location is comprised of six individual parcels that range in size from 1 to 10 acres and total 30+/- acres. The parcels are located on both sides of the Clyde River starting at the outlet of Big Salem Lake and stretch northwest along the river with the western most parcel being bordered by the Rt. 105 bridge in Derby. Given its scenic nature, important wetland communities, good fishing and waterfowl hunting opportunities, and other public recreational opportunities, the Clyde River is truly a special resource that warrants conservation. In addition to recreational opportunities, these parcels will provide valuable floodplain habitat that will assist in protecting nearby developed areas during times of high water.
Ownership and Management

These parcels will be owned by the State of Vermont, Agency of Natural Resources, Department of Fish and Wildlife. The parcels will be managed by the Access Area Program and the Fisheries Division to provide public angling and boating access (Pensioner Pond and Echo Lake) and habitat conservation (Clyde River) to their respective bodies of water. Additionally, some portions of the Clyde River property will be considered for possible access area development.

Budget and Funding

The appraised fee-value for the properties is $482,600. Funds for the purchase of the properties will come from the prior sale of Stamford Meadows Wildlife Management Area to the US Forest Service ($285,000) and from the Vermont Boat Registration Fund ($202,900). Of the $202,900 from the Vermont Boat Registration Fund, approximately $5,300 will be used for associated closing costs (appraisal - $3,800; legal costs and recording fees - $1,500).

Note: Great Bay Hydro Corporation has requested the closing take place on or before April 15, 2008.
§ 4144. Acquisition of property by state, closed season.

(a) The secretary with approval of the governor may acquire for the use of the state by gift, purchase or lease in the name of the state, lands, ponds or streams, and hunting and fishing rights and privileges in any lands or waters in the state, with necessary rights of ingress or egress to and from such lands and waters.

(b) The board may regulate the taking of wild animals on such lands or of fish in such waters and close or open such waters or lands or any part thereof to the taking of fish or wild animals.

(c). Such regulations shall be posted in the areas affected.

December 03, 2007

Mike Wichrowski  
Department of Fish & Wildlife  
103 South Main ST., #10 South  
Waterbury, VT 05671-0501

Dear Mr. Wichrowski,

After reading your letter that summarized the Department of Fish and Wildlife's (DFW) involvement and discussing the project at our Selectboard meeting on December 3, 2007, we are writing to offer our support for the DFW involvement in the purchase of the Great Bay Hydro Corporation properties on the Clyde River in Derby. More specifically, the town supports the DFW purchasing the property to secure permanent streambank protection for wildlife and flood protection, as well as public access to the river for recreational uses, such as fishing and boating. Thank you for meeting with us.

Sincerely,

DERBY SELECT BOARD

LAURA DOLGIN  

STEPHEN GENDREAU

KAREN JENNE

BEULA-JEAN SHATTUCK

BRIAN SMITH
The Department of Fish and Wildlife is requesting approval by the Governor as per 10 V.S.A. Sec. 4144 (attached) of a land acquisition of 40.6+/- acres in Charleston and Derby. Two of the parcels concerned are developed fishing access areas. The rest of the property presents recreational opportunities and portions can act as a flood plain buffer for nearby developed areas.

These parcels were first offered to the State in a package including some old dams that present liability issues. As per Eric Palmer of Fish and Wildlife (751-0107), the deal as presented no longer includes these dams and the associated liability issues.

Recommendation

I recommend approval of this request.
MEMORANDUM

To: Susanne Young

From: Wayne Laroche

Date: March 10, 2008

RE: Governor’s Approval for Fee Purchase of 40.6 +/- acres in the Towns of Charleston and Derby

Enclosed is an approval to be signed by Governor Douglas for land acquisitions by the State of Vermont. All of the properties will be purchased in fee and managed by the Vermont Department of Fish and Wildlife. These acquisitions are in the Towns of Charleston and Derby and owned by Great Bay Hydro Corporation. Funding for the purchase and associated closing costs for these acquisitions comes from the sale of the Stamford Meadows Wildlife Management Area ($285,000) and the Vermont Motorboat Registration Fund ($202,900).

Included with the Governor’s approval memos are maps of the properties and the surrounding area and letters of support from the Towns of Charleston and Derby.

If you have any questions regarding these acquisitions, please contact Mike Wichrowski at 241-3447 or Kate Willard at 241-3697, thank you.
VERMONT FISH AND WILDLIFE DEPARTMENT
103 South Main Street, 10 South
Waterbury, Vermont 05671

APPROVAL FOR LAND ACQUISITION

We, the undersigned, hereby approve the acquisition by the State of Vermont, Agency of Natural Resources, Department of Fish and Wildlife, of 40.6 +/- acres located in the Towns of Charleston and Derby.

This approval is pursuant to Title 10, Section 4144 of the Vermont Statutes Annotated.

3/20/08
Date

James Douglas, Governor
State of Vermont

George Cribbie, Secretary
Agency of Natural Resources

11/11/2008
Date

Wayne Laroche, Commissioner
Department of Fish and Wildlife
Echo Lake Access Area
Charleston, VT

Approximate Boundaries for Great Bay Hydro Lands
Dear Mr. Wichrowski,

After reading your letter that summarized the Department of Fish and Wildlife’s (DFW) involvement and discussing the project at our Selectboard meeting on November 8, 2007, we are writing to offer our support for the DFW involvement in the purchase of Great Bay Hydro Corporation properties at Pensioner Pond and Echo Lake in Charleston. More specifically, the town supports the DFW purchasing the property to secure permanent free public access to these waterbodies for recreational uses, such as fishing and boating. Thank you for meeting with us.

Sincerely,

[Signatures]
MEMORANDUM

To: Susanne Young
From: Wayne LaRoche
Date: July 2, 2008
RE: Governor's Approval for Fee Purchase of 40.6 +/- acres in the Towns of Charleston and Derby

Enclosed is an approval to be signed by Governor Douglas for land acquisitions by the State of Vermont. All of the properties will be purchased in fee and managed by the Vermont Department of Fish and Wildlife. These acquisitions are in the Towns of Charleston and Derby and owned by Great Bay Hydro Corporation. Funding for the purchase and associated closing costs for these acquisitions comes from the sale of the Stamford Meadows Wildlife Management Area ($285,000) and the Vermont Motorboat Registration Fund ($220,300).

Included with the Governor’s approval memos are maps of the properties and the surrounding area and letters of support from the Towns of Charleston and Derby.

If you have any questions regarding these acquisitions, please contact Mike Wichrowski at 241-3447 or Meghan Purvee at 241-3661, thank you.
STATE OF VERMONT
GRANT ACCEPTANCE FORM

GRANT SUMMARY: Title: Donation of land in Derby, Vermont
This is a request for approval of a donation of land. This donation is conditioned on the purchase of two other parcels from the donor. This land is useful to the State as a floodplain buffer for nearby developed areas, and for public recreation opportunities.

DATE: March 13, 2008

DEPARTMENT: Fish and Wildlife (ANR)

GRANT / DONATION: 30 acres on the Clyde River.

FEDERAL CATALOG No.:

GRANTOR / DONOR: Great Bay Hydro

AMOUNT / VALUE: $56,700.00

POSITIONS REQUESTED: None

GRANT PERIOD:
COMMENTS: See attachments.

DEPARTMENT OF FINANCE AND MANAGEMENT: (INITIAL) [Signature]
SECRETARY OF ADMINISTRATION: (INITIAL) [Signature]
SENT TO JOINT FISCAL OFFICE: DATE: 3/15/08
The Department of Fish and Wildlife is requesting approval by the Governor as per 10 V.S.A. Sec. 4144 (attached) of a land acquisition of 40.6+/- acres in Charleston and Derby. Two of the parcels concerned are developed fishing access areas. The rest of the property presents recreational opportunities and portions can act as a flood plain buffer for nearby developed areas.

These parcels were first offered to the State in a package including some old dams that present liability issues. As per Eric Palmer of Fish and Wildlife (751-0107), the deal as presented no longer includes these dams and the associated liability issues.

**Recommendation**

I recommend approval of this request.
To: Jason Aronowitz, Budget Analyst
   Finance & Management

From: Sherri A. Yacono, Business Manager

Date: March 10, 2008

Subject: AA-1: Land donation – Great Bay Hydro

Please find attached the AA-1 package for the above subject. As part of a land acquisition, the Department of Fish and Wildlife will receive a donation of six individual parcels of land ranging in size from 1 to 10 acres that total 30 +/- acres from Great Bay Hydro Corporation. The appraised value of the property is $56,700.

Thank you for your assistance. If there are any questions, please call me at 241-3704. (Please note that this purchase is time sensitive so if you could expedite this that would be greatly appreciated.)

Cc: Mike Wichrowski
    Steve Chadwick
1. Agency: Agency of Natural Resources
2. Department: Fish & Wildlife
3. Program: Fisheries Division

4. Legal Title of Grant: Donation of land in Derby
5. Federal Catalog No.: 
6. Grantor and Office Address: Great Bay Hydro Corp.

7. Grant Period: From: To:

8. Purpose of Grant: (attach additional sheets if needed)
As part of a land acquisition the Department will also receive a donation of 6 individual parcels of land totalling 30 acres. These parcels are located on both sides of the Clyde River starting at the outlet of Big Salem Lake and stretch northwest along the river with the western most parcel being bordered by the RT. 105 bringe in Derby.

9. Impact on Existing Programs if Grant is not Accepted:
Loss of valuable floodplain habitat that will assist in protecting nearby developed areas during times of high water.


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<th>EXPENDITURES:</th>
<th>FY 2008</th>
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<td>TOTAL</td>
<td>$ 56,700 $ 0 $ 0 $ 0 $</td>
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-over-

MAR 13 2008
11. **Will grant monies be spent by one or more personal service contracts?**

- [X] YES
- [ ] NO

If YES, signature of appointing authority here indicates intent to follow current guidelines on bidding.

12a. **Please list any requested Limited Service positions:**

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**TOTAL Positions**: 0

12b. **Equipment and space for these positions:**

- [ ] Is presently available.
- [ ] Can be obtained with available funds.

13. **Signature of Appointing Authority**

I certify that no funds have been expended or committed in anticipation of Joint Fiscal Committee approval of this grant.

Wayne Laroche, Commissioner

(Signature)  (Date)

14. **Action by Governor:**

- [X] Approved (Signature)  (Date)  3/20/08
- [ ] Rejected

15. **Secretary of Administration:**

- [ ] Request to JFO
- [X] Information to JFO (Signature)  (Date)  Fonda P. Martinez

16. **Action by Joint Fiscal Committee:**

- [ ] Request to be placed on JFC agenda
- [ ] Approved (not placed on agenda in 30 days)
- [ ] Approved by JFC
- [ ] Rejected by JFC
- [ ] Approved by Legislature

(Signature)  (Date)
NOTICE TO TAXPAYERS AS OF APRIL 1, 2007

CHANGE IN APPRAISAL OF REAL ESTATE
2007 GRAND LIST

GREAT BAY HYDRO CORPORATION
1 NEW HAMPSHIRE AVE SUITE 207
PORTSMOUTH NH 03801

PARCEL NUMBER: RT105001G5-TR

PROPERTY DESCRIPTION
0 ROUTE 105
LAND

Previous (last year) total real value $36,800
Current (this year) total real value $56,700
Difference: 19,900

REAPPRAISAL

**IF YOU WISH TO APPEAL YOU MUST FILE WITH:**
TOWN OF DERBY
PO BOX 25
DERBY, VT 05829
802-766-2012

TITLE OF ACT 71 RELEVANT:
"A person who feels aggrieved may file with them his objections in writing or at a meeting in person or by his agents or attorneys. Any one aggrieved the parties thereto may submit such documentary or sworn evidence as shall be pertinent thereto." Also note that Section 64 of Act 71 requires notification of value on homestead, for appeal purposes.

**MEETINGS WILL COMMENCE JULY 17, 2007 BY APPOINTMENT ONLY**
PLEASE CALL 802 766-2012 FOR APPOINTMENT
Location: DERBY LISTERS OFFICE / DERBY MUNICIPAL BUILDING
LISTERS:
G TOM CYR, NANCY GOSELIN, THOMAS ROBERTS

* A homestead is the principal dwelling improvements and land owned and occupied by a Vermont resident individual as the individual’s domicile. A homestead does not include buildings or improvements detached from the home and used for business or rental purposes. A housesite is that portion of a homestead that includes the principal dwelling and as much of the land surrounding the dwelling as is reasonable necessary for use of the dwelling as a home, but in no event more than two acres per dwelling unit.
§ 4144. Acquisition of property by state, closed season.

(a) The secretary with approval of the governor may acquire for the use of the state by gift, purchase or lease in the name of the state, lands, ponds or streams, and hunting and fishing rights and privileges in any lands or waters in the state, with necessary rights of ingress or egress to and from such lands and waters.

(b) The board may regulate the taking of wild animals on such lands or of fish in such waters and close or open such waters or lands or any part thereof to the taking of fish or wild animals.

(c) Such regulations shall be posted in the areas affected.

MEMORANDUM

From: Rep. Obuchowski  #14
Date: April 18, 2008
Subject: JFO #2322

The donation of approximately 30 acres of land from Great Bay Hydro Corporation to the Department of Fish and Wildlife is conditioned on the Department's purchase of two other parcels from the donor.

It is my belief that the terms of the agreement may permit Great Bay Hydro Corporation to experience windfall profits from this sale at the expense of the State of Vermont and its taxpayers. I therefore stand in vehement opposition to the land acquisition plan.
MEMORANDUM

To: James Reardon, Commissioner of Finance & Management

From: Nathan Lavery, Fiscal Analyst

Date: April 28, 2008

Subject: Status of Donation

No Joint Fiscal Committee member has requested that the following item be held for review:

JFO #2322 – Donation of approximately 30 acres of land from Great Bay Hydro Corporation to the Department of Fish and Wildlife. This land is located on the Clyde River in Derby, is valued at $56,700 and is being donated as part of a Department land acquisition from Great Bay Hydro Corporation.

[JFO received 03/27/08]

In accordance with 32 V.S.A. §5, the requisite 30 days having elapsed since this item was submitted to the Joint Fiscal Committee, the Governor’s approval may now be considered final. We ask that you inform the Secretary of Administration and your staff of this action.

cc: Linda Morse
    George Crombie
    Wayne Laroche
MEMORANDUM

To: Joint Fiscal Committee Members

From: Rebecca Buck, Staff Associate

Date: April 1, 2008

Subject: Land Donation Request

Enclosed please find one (1) request which the Joint Fiscal Office recently received from the Administration:

JFO #2322 – Donation of approximately 30 acres of land from Great Bay Hydro Corporation to the Department of Fish and Wildlife. This land is located on the Clyde River in Derby, is valued at $56,700 and is being donated as part of a Department land acquisition from Great Bay Hydro Corporation.

[JFO received 03/27/08]

The parcels donated are located on both sides of the Clyde River, and will provide important wetland communities, good fishing and waterfowl hunting as well as other public recreational opportunities. The land will also provide an important floodplain buffer for nearby developed areas during times of high water. Attachments include an appraisal of the land being donated, maps of all the property associated with the land donation, and letters of support from the two select boards associated with the land donation as well as acquisition.

The Joint Fiscal Office has reviewed this submission and determined that all appropriate forms bearing the necessary approvals are in order.
In accordance with the procedures for processing such requests, we ask you to review the enclosed and notify the Joint Fiscal Office (Rebecca Buck at 802/828-5969; rbuck@leg.state.vt.us or Stephen Klein at 802/828-5769; sklein@leg.state.vt.us) if you would like this item held for legislative review. Unless we hear from you to the contrary by April 15 we will assume that you agree to consider as final the Governor’s acceptance of this request.

cc:  James Reardon, Commissioner  
     Linda Morse, Administrative Assistant  
     George Crombie, Secretary  
     Wayne Laroche, Commissioner
STATE OF VERMONT
GRANT ACCEPTANCE FORM

GRANT SUMMARY: Title: Donation of land in Derby, Vermont
This is a request for approval of a donation of land. This donation is conditioned on the purchase of two other parcels from the donor. This land is useful to the State as a floodplain buffer for nearby developed areas, and for public recreation opportunities.

DATE: March 13, 2008

DEPARTMENT: Fish and Wildlife (ANR)

GRANT / DONATION: 30 acres on the Clyde River.

FEDERAL CATALOG No.:

GRANTOR / DONOR: Great Bay Hydro

AMOUNT / VALUE: $56,700.00

POSITIONS REQUESTED: None

GRANT PERIOD: 

COMMENTS: See attachments.

DEPARTMENT OF FINANCE AND MANAGEMENT: (INITIAL) 3/13/08
SECRETARY OF ADMINISTRATION (INITIAL) 3/14/08
SENT TO JOINT FISCAL OFFICE: DATE: 3/25/08

RECEIVED
MAR 27 2008
JOINT FISCAL OFFICE
To: Jason Aronowitz, Budget Analyst  
Finance & Management

From: Sherri A. Yacono, Business Manager

Date: March 10, 2008

Subject: AA-1: Land donation – Great Bay Hydro

Please find attached the AA-1 package for the above subject. As part of a land acquisition, the Department of Fish and Wildlife will receive a donation of six individual parcels of land ranging in size from 1 to 10 acres that total 30 +/- acres from Great Bay Hydro Corporation. The appraised value of the property is $56,700.

Thank you for your assistance. If there are any questions, please call me at 241-3704. (Please note that this purchase is time sensitive so if you could expedite this that would be greatly appreciated.)

Cc: Mike Wichrowski  
Steve Chadwick
1. Agency: Agency of Natural Resources
2. Department: Fish & Wildlife
3. Program: Fisheries Division
4. Legal Title of Grant: Donation of land in Derby
5. Federal Catalog No.: Great Bay Hydro Corp.
6. Grantor and Office Address:

7. Grant Period: From: To:

8. Purpose of Grant: As part of a land acquisition the Department will also receive a donation of 6 individual parcels of land totaling 30 acres. These parcels are located on both sides of the Clyde River starting at the outlet of Big Salem Lake and stretch northwest along the river with the western most parcel being bordered by the RT. 105 bring in Derby.

9. Impact on Existing Programs if Grant is not Accepted: Loss of valuable floodplain habitat that will assist in protecting nearby developed areas during times of high water.


   **EXPENDITURES:**
   - Personal Services $ 0
   - Operating Expenses $ 0
   - Grants $ 0
   - TOTAL $ 0

   **REVENUES:**
   - **State Funds:**
     - Cash $ 0
     - In-Kind $ 0
   - **Federal Funds:**
     - (Direct Costs) $ 0
     - (Statewide Indirect) $ 0
     - (Department Indirect) $ 0
   - **Other Funds:**
     - F & W Funds - Duck Stamp Fund $ 56,700
     - In-Kind $ 0
     - Misc. Outside Match $ 0
   - **TOTAL** $ 56,700 $ 0

   Appropriation Nos. Amounts

   -over-
11. Will grant monies be spent by one or more personal service contracts?

[ ] YES  [X] NO

If YES, signature of appointing authority here indicates intent to follow current guidelines on bidding.

12a. Please list any requested Limited Service positions:

<table>
<thead>
<tr>
<th>Titles</th>
<th>Number of Positions</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
</tr>
</tbody>
</table>

TOTAL Positions 0

12b. Equipment and space for these positions:

[ ] Is presently available.

[ ] Can be obtained with available funds.

13. Signature of Appointing Authority

I certify that no funds have been expended or committed in anticipation of Joint Fiscal Committee approval of this grant.

Wayne Laroche, Commissioner

14. Action by Governor:

[ ] Approved

[ ] Rejected

(Signature) 3/20/08

15. Secretary of Administration:

[ ] Request to JFO

[ ] Information to JFO

(Signature)

16. Action by Joint Fiscal Committee:

(Signature)
NOTICE TO TAXPAYERS AS OF APRIL 1, 2007

CHANGE IN APPRAISAL OF REAL ESTATE
2007 GRAND LIST

GREAT BAY HYDRO CORPORATION
1 NEW HAMPSHIRE AVE SUITE 207
PORTSMOUTH NH 03801

PARCEL NUMBER: RT105001G5-TR

PROPERTY DESCRIPTION
0 ROUTE 105
LAND

Previous (last year) total real value $36,800
Current (this year) total real value $56,700
Difference: 19,900

**IF YOU WISH TO APPEAL YOU MUST COME TO A LISTERS MEETING**

"A person who is aggrieved by an appraisal made by a town may be heard by them, shall be required to file with them his objections in writing, or in person or by his agents or attorneys. Upon the written grievance the parties thereto may submit such documentary or sworn evidence as shall be pertinent thereto." Also note that Section 64 of Act 71 requires notification of value on homestead, for appeal purposes.

**MEETINGS WILL COMMENCE JULY 17, 2007 BY APPOINTMENT ONLY**
PLEASE CALL 802 766-2012 FOR APPOINTMENT
Location: DERBY LISTERS OFFICE / DERBY MUNICIPAL BUILDING
LISTERS:
G TOM CYR, NANCY GOSSELIN, THOMAS ROBERTS

* A homestead is the principal dwelling improvements and land owned and occupied by a Vermont resident individual as the individual's domicile. A homestead does not include buildings or improvements detached from the home and used for business or rental purposes. A housesite is that portion of a homestead that includes the principal dwelling and as much of the land surrounding the dwelling as is reasonable necessary for use of the dwelling as a home, but in no event more than two acres per dwelling unit.
MEMORANDUM

TO: James Douglas, Governor
THROUGH: George Crombie, Secretary, Agency of Natural Resources
FROM: Wayne Laroche, Commissioner, Department of Fish and Wildlife
DATE: February 22, 2008
SUBJECT: Land Acquisition Approval 40.6+/- acres in Charleston and Derby

Your approval is requested pursuant to Title 10, Chapter 103, Section 4144, VSA, for the land acquisition referenced above. This acquisition has been reviewed and approved by the Agency of Natural Resources, Land Acquisition Review Committee on 7/18/05. Joint fiscal approval is required for this acquisition because the Department is only paying for two of the appraised parcels of land in the town of Charleston. However, we are acquiring additional acreage in the town of Derby, for no additional cost, that was not included in the appraisal.

Description

The proposed Department of Fish and Wildlife acquisition from Great Bay Hydro Corporation consists of properties in three separate locations, involving multiple parcels. Two of the properties are developed fishing access areas, Echo Lake (0.6-acres) and Pensioner Pond (10-acres), which are currently leased by the Department of Fish and Wildlife. These access areas are a high priority for securing permanent public access for fishing and boating. Echo Lake is a 544-acre lake that provides a multitude of recreational opportunities due to its size. Pensioner Pond is a smaller lake, 170-acres, thus it does not receive the same amount of boat traffic, but it still provides important fishing and waterfowl hunting opportunities.

The third location is comprised of six individual parcels that range in size from 1 to 10 acres and total 30+/- acres. The parcels are located on both sides of the Clyde River starting at the outlet of Big Salem Lake and stretch northwest along the river with the western most parcel being bordered by the Rt. 105 bridge in Derby. Given its scenic nature, important wetland communities, good fishing and waterfowl hunting opportunities, and other public recreational opportunities, the Clyde River is truly a special resource that warrants conservation. In addition to recreational opportunities, these parcels will provide valuable floodplain habitat that will assist in protecting nearby developed areas during times of high water.
Ownership and Management

These parcels will be owned by the State of Vermont, Agency of Natural Resources, Department of Fish and Wildlife. The parcels will be managed by the Access Area Program and the Fisheries Division to provide public angling and boating access (Pensioner Pond and Echo Lake) and habitat conservation (Clyde River) to their respective bodies of water. Additionally, some portions of the Clyde River property will be considered for possible access area development.

Budget and Funding

The appraised fee-value for the properties is $482,600. Funds for the purchase of the properties will come from the prior sale of Stamford Meadows Wildlife Management Area to the US Forest Service ($285,000) and from the Vermont Boat Registration Fund ($202,900). Of the $202,900 from the Vermont Boat Registration Fund, approximately $5,300 will be used for associated closing costs (appraisal - $3,800; legal costs and recording fees - $1,500).

Note: Great Bay Hydro Corporation has requested the closing take place on or before April 15, 2008.
§ 4144. Acquisition of property by state, closed season.

(a) The secretary with approval of the governor may acquire for the use of the state by gift, purchase or lease in the name of the state, lands, ponds or streams, and hunting and fishing rights and privileges in any lands or waters in the state, with necessary rights of ingress or egress to and from such lands and waters.

(b) The board may regulate the taking of wild animals on such lands or of fish in such waters and close or open such waters or lands or any part thereof to the taking of fish or wild animals.

(c) Such regulations shall be posted in the areas affected.

Approximate Boundaries for Great Bay Hydro Lands
December 03, 2007

Mike Wichrowski
Department of Fish & Wildlife
103 South Main St., #10 South
Waterbury, VT 05671-0301

Dear Mr. Wichrowski,

After reading your letter that summarized the Department of Fish and Wildlife's (DFW) involvement and discussing the project at our Selectboard meeting on December 3, 2007, we are writing to offer our support for the DFW involvement in the purchase of the Great Bay Hydro Corporation properties on the Clyde River in Derby. More specifically, the town supports the DFW purchasing the property to secure permanent streambank protection for wildlife and flood protection, as well as public access to the river for recreational uses, such as fishing and boating. Thank you for meeting with us.

Sincerely,

DERBY SELECT BOARD

Laura Dolgin

Stephen Gendreau

Karen Jenne

Beulah-Jean Shattuck

Brian Smith
The Department of Fish and Wildlife is requesting approval by the Governor as per 10 V.S.A. Sec. 4144 (attached) of a land acquisition of 40.6+/- acres in Charleston and Derby. Two of the parcels concerned are developed fishing access areas. The rest of the property presents recreational opportunities and portions can act as a flood plain buffer for nearby developed areas.

These parcels were first offered to the State in a package including some old dams that present liability issues. As per Eric Palmer of Fish and Wildlife (751-0107), the deal as presented no longer includes these dams and the associated liability issues.

**Recommendation**

I recommend approval of this request.
MEMORANDUM

To: Susanne Young
From: Wayne Laroche
Date: March 10, 2008
RE: Governor’s Approval for Fee Purchase of 40.6 +/- acres in the Towns of Charleston and Derby

Enclosed is an approval to be signed by Governor Douglas for land acquisitions by the State of Vermont. All of the properties will be purchased in fee and managed by the Vermont Department of Fish and Wildlife. These acquisitions are in the Towns of Charleston and Derby and owned by Great Bay Hydro Corporation. Funding for the purchase and associated closing costs for these acquisitions comes from the sale of the Stamford Meadows Wildlife Management Area ($285,000) and the Vermont Motorboat Registration Fund ($202,900).

Included with the Governor’s approval memos are maps of the properties and the surrounding area and letters of support from the Towns of Charleston and Derby.

If you have any questions regarding these acquisitions, please contact Mike Wichrowski at 241-3447 or Kate Willard at 241-3697, thank you.
We, the undersigned, hereby approve the acquisition by the State of Vermont, Agency of Natural Resources, Department of Fish and Wildlife, of 40.6 +/- acres located in the Towns of Charleston and Derby.

This approval is pursuant to Title 10, Section 4144 of the Vermont Statutes Annotated.

Date

James Douglas, Governor
State of Vermont

Date

George Cribbie, Secretary
Agency of Natural Resources

Date

Wayne Laroche, Commissioner
Department of Fish and Wildlife
Pensioner Pond Access Area
Charleston, VT

Approximate Boundaries for Great Bay Hydro Lands
Dear Mr. Wichrowski,

After reading your letter that summarized the Department of Fish and Wildlife’s (DFW) involvement and discussing the project at our Selectboard meeting on November 8, 2007, we are writing to offer our support for the DFW involvement in the purchase of Great Bay Hydro Corporation properties at Pensioner Pond and Echo Lake in Charleston. More specifically, the town supports the DFW purchasing the property to secure permanent free public access to these waterbodies for recreational uses, such as fishing and boating. Thank you for meeting with us.

Sincerely,

[Signatures of Selectmen]
From: Michael Obuchowski
To: Nathan Lavery
Date: 4/14/2008 10:50 AM
Subject: Re: JFO 2322 - Great Bay land donation

Thank you.

Hello Rep. Obuchowski,

Below is a short summary of the answers to your follow up questions, as well as a copy of an email exchange I had with the tax department.

1) With respect to your question regarding the appropriate valuation of the property: I spoke with Mark Perrault of JFO who indicated that applying the CLA to a specific property is not an appropriate valuation method for the purpose of selling or donating the property. Therefore, it is unlikely that the CLA is indicative of overpaying for the properties.

2) It appears that GBH acquired the property in April of 2004. Their intention was to have completed the donation/sale transaction on April 15th, but clearly there will be some delay.

3) It is not clear what GBH will pay in land gains taxes on the property when the sale is completed. The reason for this is, as can be seen in the email exchange below, the state does not keep records of the basis of the property. Therefore, we cannot estimate the amount of gains to which we would apply the tax.

If you have any other questions or would like me to find additional information, please let me know. Tomorrow (April 15) is the deadline for requests to hold, but I believe that can be extended since we are still looking into this issue, and the 30 day period for review does not expire until the last week of the month.

Also, I will be forwarding you a copy of my inquiries regarding JFO #2323 shortly.

---

Nathan Lavery
Fiscal Analyst
Legislative Joint Fiscal Office
One Baldwin Street
Montpelier VT 05633-5301
(802) 828-1488
nlavery@leg.state.vt.us

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"Piwowarski, Mike" <Mike.Piwowarski@state.vt.us> 4/14/2008 7:40 AM >>>
The basis of the property is kept by the buyer or their accountant. When they sell the property, the basis can be found on their income tax return.

-----Original Message-----
From: Nathan Lavery <nlavery@leg.state.vt.us>
Sent: Friday, April 11, 2008 4:22 PM
To: Piwowarski, Mike
Subject: RE: RE: Property Transfer Return

Hello Mr. Piwowarski,

Your description of the procedure for using the fair market value makes sense for transfer tax purposes makes sense. I understand that you cannot provide information on the current basis for the property. Who would I contact for that information? Thank you.
Nathan Lavery  
Fiscal Analyst  
Legislative Joint Fiscal Office  
One Baldwin Street  
Montpelier VT 05633-5301  
(802) 828-1488  
nlavery@leg.state.vt.us

>>> "Piwowarski, Mike" <Mike.Piwowarski@state.vt.us> 4/11/2008 3:34 PM >>>
We do not have the 2004 transfer tax returns here for me to take a quick look at what happened. They are at public storage. But from my memory, Great Bay paid transfer tax on the value of all the properties acquired and paid the tax on one document. Transfer tax is based on the value of the property which usually is reflected in the purchase price. If the property is a gift or for a nominal purchase price ($10.00), the tax is based on the properties fair market value. We use the towns listed values or provided appraisals to determine the tax. Again, from memory, I believe Great Bay used town values to come up with the $3.3M value reflected on the one transfer return and this would be the correct way to report the transfer. The sale price is reflected on the purchase and sale agreement which normally is carried over to the transfer tax return. But in this case, we would treat this as nominal consideration and would turn our attention to its value, $3.3M and apply the tax to that. The values on the transfer tax return do not always reflect the basis in a property, so you may have to get that information from another source.

-----Original Message-----
From: Nathan Lavery [mailto:nlavery@leg.state.vt.us]
Sent: Friday, April 11, 2008 2:16 PM
To: Smith, William
Cc: Piwowarski, Mike; Mesner, Susan
Subject: RE: RE: Property Transfer Return

Mr. Piwowarski,

Thanks for the help with this. The essential question I am seeking to answer is: what was the official sale price. The problem with the price being listed as $3.5M PAID by Great Bay Holding to Citizens is that, according to information from Fish & Wildlife, it was Citizens who paid Great Bay the $3.5M to take the land (this money was to cover the liability that Great Bay was assuming), but Great Bay paid only the nominal price of $10 for the property. Thus, I would expect the price to be listed as $10 OR to have been adjusted because of the unusual circumstances of the transfer. Thus, for tax basis purposes, perhaps the sale was valued at $3.3M...? Do you have any idea? Thanks.

Nathan Lavery  
Fiscal Analyst  
Legislative Joint Fiscal Office  
One Baldwin Street  
Montpelier VT 05633-5301  
(802) 828-1488  
nlavery@leg.state.vt.us

>>> "Smith, William" <William.Smith@state.vt.us> 4/11/2008 1:25 PM >>>
Nathan, this sounds like a question best answered by Mike Piwowarski,
the head of our property transfer tax section (copied on this note).
His number is 2777. There may be special considerations related to the
base for the transfer tax. The tax base amount recorded is close to the
$3.5M you mention so the state may have considered this the "selling
price" for tax purposes and not cared how any other deals were
structured. The price recorded was for the transfer with Great Bay as
the buyer.

William J. Smith (Bill)
Tax Policy Statistician
Vermont Department of Taxes
William.Smith@state.vt.us
Phone: (802) 828-5613 Fax: (802) 828-2701

-----Original Message-----
From: Nathan Lavery (mailto:nlavery@leg.state.vt.us)
Sent: Friday, April 11, 2008 1:08 PM
To: Smith, William
Subject: Fwd: RE: Property Transfer Return

Hello Mr. Smith,

I work at the Joint Fiscal Office with Sara, and he inquiry was on my
behalf.

I appreciate the response, and I hope you won't mind if I continue to
ask questions about this issue, because the numbers don't make sense to
me.

In short, we were told (paraphrase):
Citizens 'sold' the hydro operation and associated properties to Great
Bay Hydro in 2004 for a nominal amount ($10) and also gave Great Bay
Hydro a ~$3.5M to cover FERC license requirements. So Great Bay
actually got paid to take the properties.

Thus, I would expect to see the $10 sale price reflected in your data.
I attempted to use the dataset available online for 2004, and (unless I
made a mistake, which is possible since this was my first use of the
data) there was no $10 "Total Selling Price" in the entire set.

Perhaps because of the unusual nature of the transaction, the price
would be reported differently. For example, was the sale price you
quoted money that went from GBH to Citizens, or the other way around?

Thanks.

Nathan Lavery
Fiscal Analyst
Legislative Joint Fiscal Office
One Baldwin Street
Montpelier VT 05633-5301
(802) 828-1488
nlavery@leg.state.vt.us

>>> Sara Teachout 4/11/2008 11:19 AM >>>

>>> "Smith, William" <William.Smith@state.vt.us> 4/11/2008 11:16 AM >>>
I found 54 transfers in 2004 involving these two parties, spread across
five towns. Only one had consideration. The rest seem to involve
individual sub-parcels on the grand list. So it depends on what you're
looking for. The sale price was $3,301,956 on 4/2/2004. Document number is 387597 in Derby. This may be enough info to allow you to pull up the record. If not, let me know what else you need.

William J. Smith (Bill)
Tax Policy Statistician
Vermont Department of Taxes
William.Smith@state.vt.us
Phone: (802) 828-5613 Fax: (802) 828-2701

-----Original Message-----
From: Sara Teachout [mailto:steachout@leg.state.vt.us]
Sent: Friday, April 11, 2008 10:02 AM
To: Smith, William
Subject: Property Transfer Return

Hi Bill,
We're trying to get a particular transaction from the property transfer data and I don't think we're sophisticated enough to make the database work. I can find it, but can't make the column heading match up to figure out what the data actually is. We're looking for the sale in 2004 from Citizens Communications (Corp?) to Great Bay. Can you pull the data from that one return?
~Sara
From: Michael Obuchowski
To: Sher Yacono
Date: 4/7/2008 3:50 PM
Subject: RE: Questions and request for additional info from Rep. Obuchowski: JFO #2322 (land donation)

CC: Rebecca Buck; Steve Klein

Thank you for your answers.

Further questions:
What is the total financial liability the state is assuming if it becomes owners of the parcels?
If GBH paid only $10 for all the real estate conveyed by Citizens, why isn't GBH selling at a lower price to the state? What is GBH's net gain in the transaction?
How much land gains tax and capital gains tax will GBH have to pay on the transaction as presented?
How many parcels has the Department divested itself of the last five years?
With the CLA at 125 to 106 isn't the department paying too much for the parcel or over valuing the donation parcel?
That's all for now. Thank you.

>>> "Yacono, Sher" <sher.yacono@state.vt.us> 4/7/2008 2:17 PM >>>
All, (I thought I sent this out Friday.)

Please see Fish and Wildlife's response below.

-----Original Message-----
From: Rebecca Buck [mailto:rbuck(leg.state.vt.us)]
Sent: Tuesday, April 01, 2008 5:47 PM
To: Yacono, Sher
Cc: Michael Obuchowski; Steve Klein
Subject: Questions and request for additional info from Rep. Obuchowski: JFO #2322 (land donation)

Good afternoon Sher. Representative Michael Obuchowski has the following questions and request for additional information regarding JFO #2322 (land donation from Great Bay Hydro Corp):

1) While this a more "global" question, how much land has the state sold during the past 5 years?

a) We can't speak for the State, but the last land parcel sold by the Department of Fish and Wildlife was the Stamford Meadows WMA. This was purchased for the purpose of transferring it to the US Forest Service, thus we completed the purpose of the land acquisition. The proceeds from the Stamford Meadows land sale are being used to make this land purchase.

2) Please provide additional information regarding Great Bay Hydro Corporation. Who are they, where are they located, principles of corporation, etc.

a) Great Bay Hydro Corp is a former subsidiary of BayCorp, but was purchased by the Sloan Group Ltd. in 2005. Great Bay is an energy company that is based out of Portsmouth, New Hampshire and does a good deal of work in the NE Kingdom. The properties in question used to be owned by Citizens Utilities as part of their Clyde River hydro operation. Citizens "sold" the hydro operation and associated properties to Great Bay Hydro in 2004 for a nominal amount ($10) and also gave Great Bay Hydro a big pot of money to cover FERC license requirements (up to $3,500,000). So Great Bay actually got paid to take the properties.

We have attached some old briefing papers that were prepared when we were tangled up in the old purchase-sales agreement for the dams and properties that have since expired.

3) What is the CLA of Derby?
a) The CLA of Derby for 2008 is 106.78. In 2007 a town wide reappraisal was conducted and the CLA was just over 123.

4) Please provide appraisals for the other land acquisitions associated with this donation.

a) Appraisals have been mailed to Becky's attention.

5) When is the closing date for this donation (and associated land acquisition)?

a) Great Bay wanted to close on or before April 15th, but it will have to be pushed back to late April or early May due to delays in determining the amount of land we are willing to accept and finalizing the deed language.

6) Why isn't the "Approval for Land Acquisition" form dated? When did Secretary Crombie sign it?

a) This was an oversight; the Secretary signed it the same day (March 11, 2008) as Commissioner Laroche.

7) Was there a Phase I environmental assessment done on these 3 parcels?

a) A Phase I environmental assessment is typically conducted when there may have been some environmental contaminants on site. To our knowledge, none of these lands have been contaminated in any way.

8) When did Great Bay Hydro purchase or have title to the 3 properties in this land acquisition? How much did Great Bay Hydro pay for them at that time?

a) Please see our response to #2.

If you need further clarification on any of these questions, don't hesitate to let me know either by phone (828-5969) or at the above e-mail address. Please be sure and cc me on your e-mail response to Representative Obuchowski (obie@leg.state.vt.us). Thanks. --Becky
Becky, would you include the answer below and the attached document to our earlier submission please. Thanks!

From: Wichrowski, Mike
Sent: Friday, April 04, 2008 11:03 AM
To: Yacono, Sher
Subject: FW: Phase I's Great Bay

Sher

Please forward this on to JF....

7) Was there a Phase I environmental assessment done on these 3 parcels?

a) A Phase I was performed in 2005 on Great Bay's Seymour and Echo dam properties, which include the Echo Lake fishing access. The 2005 Phase I found no concerns at Echo or Seymour. Attached is the Executive Summary from the Phase I.

Mike

Mike Wichrowski
Fish & Wildlife Administrator
Vermont Fish & Wildlife
103 South Main Street
Bldg 10 South
Waterbury, VT 05671-0501
(802) 241-3447

(802) 241-3295 fax
EXECUTIVE SUMMARY

Environmental Resources Management (ERM) completed a Phase I Environmental Site Assessment and Limited Environmental Regulatory Compliance Evaluation of the Seymour Lake and Echo Lake Dams in East Charleston, Vermont (herein referred to as the subject properties).

Based on the information and data obtained during this investigation, ERM identified no "recognized environmental conditions" (RECs) at the subject property. An REC is defined in ASTM E 1527-00 as "the presence or likely presence of hazardous substances or petroleum products on a property under conditions that indicate an existing release, a past release, or a material threat of a release of hazardous substances or petroleum products into structures on the property or into the ground, ground water, or surface water of the property." The term REC does not include de minimis conditions that generally do not present a material risk of harm to public health or the environment and that generally would not be the subject of an enforcement action if brought to the attention of appropriate governmental agencies. ERM did not identify additional findings that meet the definition of an REC.

Based on a review of information and data obtained during the site visit, and subsequent information provided by BayCorp Holding, Ltd, the Seymour Lake and Echo Lake Dams appear to be operating in compliance with provisions of their Federal Energy Regulatory Commission (FERC) license.
The Clyde River properties in question were formerly owned by Citizens Utilities (CU). FERC relicensing of CU dams on the Clyde River started around 1991. FERC authority includes #11 Dam (hydroelectric, subsequently washed out and removed), Clyde Pond Dam (hydroelectric), West Charleston Dam (hydroelectric), and outlet dams on Seymour Lake and Echo Lake (no turbines, previously used for flow augmentation).

During FERC relicensing, CU asked if ANR would be willing to take ownership of the Seymour and Echo outlet dams if the dams were rebuilt, and if CU gave the state a large amount of land. This land swap was to include the Echo access, Pensioner Pond access, riverbank land in West Charleston, riverbank land below Salem Lake, and riverbank land below the 1,2,3 Powerhouse in Newport including the defunct #11 generating house. ANR said we would seriously consider the offer.

On April 1, 2004, immediately after FERC relicensing, and with the new license still under appeal, CU “sold” the project to Great Bay Hydro (GBH) for $10 (yes, ten dollars). CU also promised to give GBH up to $3.5 million to cover the costs of meeting the FERC license requirements, and dealing with the liability of the old dams.

GBH then offered to give ANR the two dams (Seymour and Echo) but only part of the riverbank property. ANR said no. GBH has also asked ANR to modify parts of the FERC license as part of the land swap deal (i.e. relax upstream fish passage requirements). ANR has said that this would be inappropriate, and probably illegal.

GBH next offered to give ANR all of the previously discussed property if ANR would take four dams, Seymour, Echo, West Charleston, and Baker Falls on the Missisquoi River. ANR said maybe.

After this it gets really messy... GBH offered to give the property except for the two access areas to ANR along with the four dams, and suggested selling the access areas (to ANR or private bidder) and using the money to match a federal grant for ANR to remove the West Charleston Dam.

ANR said we would rather exercise our “right of first refusal” to buy the access areas outright.

GBH said they would terminate the year-to-year lease for the access areas, and that the “right of first refusal” would disappear with the lease. They terminated the lease at the end of 2004.

GBH said that they would continue to allow public access at Echo and Pensioner, and suggested possibly establishing a month-to-month lease.

Meghan Purvee sent GBH a letter saying that ANR (F&W) was interested in buying the two access areas, and also sent a letter to the Town Clerk’s deed file saying that ANR believes we still have the right of first refusal.

Last week (1/19/05) the local warden asked if we were still going to plow out these access areas. Meghan said we would need written permission from GBH. When I called Barbara Ripley she sounded agreeable, but said she needed to check with the management of GBH. The next day GBH called FPR and stated their intention to close the access areas. They began moving rocks across the Echo access this week.
MEMORANDUM

TO: Wayne Laroche

THROUGH: Eric Palmer

FROM: Rod Wentworth

DATE: February 6, 2006

RE: Great Bay Hydro/ANR Transaction

As you know, ANR has been negotiating for quite some time with Great Bay, on a transaction involving lands and dams associated with the Clyde River hydropower project. I want to brief you on the positives and negatives of the deal as it now stands. In 2004, Great Bay purchased the project in its entirety for $10 from Citizens Utilities, and in addition Great Bay was paid a $3.5 million "indemnification fund". Since the project included various pending license commitments (such as constructing fish passage), this fund was to cover expenses that Great Bay would incur in bringing the generating facilities into compliance with the 401 Certification and the FERC license, and "to retire or dismantle any generating facilities pursuant to any permits, licenses, or orders". Great Bay then approached ANR and offered to give the Agency several dams it owned but did not use, as these dams were financial and operational liabilities for the company. At the time, ANR responded that it would accept the dams at Seymour and Echo lakes but to balance this long-term and costly obligation, Great Bay should also donate certain desirable properties that it owned so that the overall deal would be fair.

The current deal would transfer land and dam ownership and responsibilities to DFW, including a number of things that are now FERC license or Vermont Water Quality Certificate requirements (marked with "*"), such as providing public access, which Great Bay would be responsible for providing during the license term (40 years) in the absence of this deal. DFW ownership of these accesses provides long-term certainty but also operational costs.

Positives:
- Acquisition of Echo Lake fishing access (currently leased by DFW with right of first refusal if sold)*
- Acquisition of Pensioner Pond fishing access (currently leased by DFW with right of first refusal if sold)*
- Acquisition of certain streambank property between Salem Lake and Derby Center
- Acquisition of Clyde Pond cartop boat access*

1 Similar discussions had occurred with Citizens Utilities in prior years as well.
- Acquisition of conservation land on Clyde Pond*

- Conservation easement for riparian lands along 1,2,3 bypass (undevelopable land)

- Acquisition of riparian lands along the river between the 1,2,3 and #11 powerhouses, important for fishing

- Acquisition of Bakers Falls on the Missisquoi River for fishing access and possible dam removal

- Possible future fishing access at West Charleston project if dam is removed by Great Bay*

Negatives:

- Payment of $500,000 by the Department of Fish and Wildlife

- Ownership of Seymour Lake dam and associated maintenance costs, minus a bond for estimated structural repair costs in first 10 years*

- Surrender of public access at Seymour Lake outlet channel (formerly requested by ANR for inclusion in the Recreation Plan required by the 401 and FERC license)

- Inadequate access/right-of-way conveyance to meet future dam repair and maintenance needs for Seymour Lake dam

- Ownership of Echo Lake dam and associated maintenance costs, minus a bond for estimated structural repair costs in first 10 years*

- Subsequent conveyance if West Charleston dam is removed by Great Bay: DFW pays unknown costs/liabilities in excess of $50,000 for removal and disposition of powerhouse and penstock

- DFW takes over responsibility for wildlife habitat management on Clyde Pond property designated in FERC license as a nature conservation area; request from Town of Derby to be given this property for sewage treatment plant or light industrial development

- Unknown costs/liabilities for securing the #11 penstock and intake if in excess of $35,000

- Accept Great Bay proposal for inadequate parking area near Vincent’s bridge

- Unknown costs/liabilities at Bakers Falls for dam repair or removal, and “securing” the penstock, powerhouse and transmission lines

- Proposed Bakers Falls property conveyance does not include the access road to the site
● Take over water level monitoring at Seymour and Echo Lakes*

● Historic properties obligations/restrictions*

The total cost to DFW for assuming these liabilities is unknown. Great Bay received $3,500,000 for liabilities associated with this project. Since this project is still in the business of generating and selling hydro-power the total liability must be much more than this $3.5M amount. The dams DFW will be receiving represent a substantial portion of the project liabilities.

The current deal is better than that originally proposed by Great Bay which included concessions on fish passage (as required in the FERC license), elimination of Great Bay’s responsibility to modify the twin culverts at Seymour Lake so that smelt could access the spawning stream (as required in the FERC license), and DFW acceptance of the West Charleston dam outright. Some money is now allocated for disposition of the #11 penstock and West Charleston powerhouse and penstock (if Great Bay removes the dam). However, paying $500,000 for this package is not a fair balance in my opinion, nor do I think that we should have accepted the Bakers Falls project – it is a huge liability.
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The appraisals are dated.

>>> Rebecca Buck 4/4/2008 10:12 AM >>>
Obie. One of your requests for information regarding JFO #2322 (F & W land donation --valued at $56,700 from Great Bay Hydro) was for copies of the appraisals for the land acquisitions associated with the donation. I received them this morning and am having them delivered to you. Before I sent them on to you I made a copy to keep in the JFO #2322 item file. --Becky
From: Rebecca Buck  
To: Yacono, Sher  
Subject: Additional Questions from Rep. Obuchowski re: appraisals (JFO #2322 )

Good afternoon Sher. Here are additional questions from Rep. Michael Obuchowski regarding the above item:

9) In the Feb. 22, 2008 memo from Commissioner Laroche thru Secretary Crombie to Governor Douglas in the last paragraph under "Budget and Funding" the appraisal costs are listed at $3,800. Please provide a specific breakdown for that cost.

10) The donated land was appraised in 2007. Since the department is relying on appraisals done in 2004 and 2005 on the other 2 parcels, have you done anything else to ascertain that these are still the current values (does the department rely on any other external information)? If so what?

If you need further clarification on these additional questions, don't hesitate to let me know either by phone (828-5969) or at the above e-mail address. Please be sure and cc me on your e-mail response to Representative Obuchowski (obie@leg.state.vt.us). Thank you Sher. --Becky

CC: Klein, Steve; Obuchowski, Michael
Hi Sher. These additional questions came in later this afternoon and didn't make it into the earlier e-mail I sent:

8) When did Great Bay Hydro purchase or have title to the 3 properties in this land acquisition? How much did Great Bay Hydro pay for them at that time?

Thanks. --Becky

CC: Klein, Steve; Obuchowski, Michael
Good afternoon Sher. Representative Michael Obuchowski has the following questions and request for additional information regarding JFO #2322 (land donation from Great Bay Hydro Corp):

1) While this a more "global"question, how much land has the state sold during the past 5 years?

2) Please provide additional information regarding Great Bay Hydro Corporation. Who are they, where are they located, principles of corporation, etc.

3) What is the CLA of Derby?

4) Please provide appraisals for the other land acquisitions associated with this donation.

5) When is the closing date for this donation (and associated land acquisition)?

6) Why isn't the "Approval for Land Acquisition" form dated? When did Secretary Crombie sign it?

7) Was there a Phase I environmental assessment done on these 3 parcels?

If you need further clarification on any of these questions, don't hesitate to let me know either by phone (828-5969) or at the above e-mail address. Please be sure and cc me on your e-mail response to Representative Obuchowski (obie@leg.state.vt.us). Thanks. --Becky

CC: Klein, Steve; Obuchowski, Michael
Great Bay wants to give state land, riverfront, old dams

by Chris Braithwaite

When Great Bay Hydro Corporation bought Citizens Utilities' electric generating capacity earlier this year, a lot of extras were included in the $10 price.

Among them were two defunct hydro-electric dams and power plants, two nonpower dams, and 600 acres of land that include access to two lakes and a substantial stretch of the Clyde River.

Now Great Bay wants to give all those extras to the state of Vermont. But it's not clear that the state wants to accept them.

The problem may lie with what would come with the package — responsibility for the old dams and power stations.

If the state turns the offer down, Great Bay has indicated that it will put the land on the private market. And if that happens, it said in a company document, the public could be denied access to Echo Lake, Pensioner Pond, and a stretch of the banks of the Clyde River.

"We are in the process of seeing if we can work a deal out with the state," Great Bay President Frank Getman said Tuesday.

"We're looking at what they might want to donate to the state," said Jonathan Wood, commissioner of Forest, Parks and Recreation. Mr. Wood described the negotiations as quite complicated, and "still up in the air."

Beyond that, he said, "we consider the negotiations confidential."

Mr. Gertman said his company has yet to make a formal proposal to the state.

But Great Bay promoted the idea at a meeting with area legislators in Newport on Monday, November 8.

Senator Vince Illuzzi said he left that meeting with a sense that the deal is worth pursuing.
"I'm not charging ahead," he said in an interview Monday. "But I'm leaning that way."

The document handed to legislators at that meeting is under the letterhead of the St. Johnsbury law firm Downs Rachlin Martin.

It says the land that does not support Great Bay's one operating plant on the Clyde, called Newport 1,2,3, is not needed by the company.

"The land includes valued scenic, recreational and historic facilities important to local residents for hunting, fishing, swimming, hiking, boating and other natural uses," the document says.

If the land is sold privately, it continues, more than 90 acres of "prime recreational land" would pass to private ownership.

If the state accepts the donation, it says, it also "assumes responsibility for maintenance and disposition of existing hydroelectric facilities."

"We think we're giving them a pretty fair deal," Mr. Getman said Tuesday.

"We understand that a group of fishermen and others use that land, and we want to make sure we protect it," he said. "But it's not our business to provide fishing and boating access. We kind of like to focus on what we're good at — generating kilowatt hours."

"We're hoping the state will see the value in this," Mr. Getman said. "We really see what we're doing as a win-win situation."

Mr. Illuzzi seemed to agree. "Twenty-five years ago I formed the opinion that, as time passes, less and less land would be available to the public," he said. "The proof's in the pudding. Now most land is posted."

"If we can acquire the property at no cost, and leave two access areas intact, it's worth serious consideration," the senator said.

Great Bay owns the fishing access areas at Echo Lake and Pensioner Pond in Charleston and leases them to the state.

In the document it handed legislators last week, Great Bay said that, unless it
could reach a satisfactory agreement with the state, it would issue a notice of termination of both those leases on November 30.

Great Bay would start selling the land on March 1 next year, the document added.

That would be a tough deadline for the state to meet, Mr. Illuzzi said Tuesday.

The proposal should go before the Institutions Committees of the House and Senate, he said, and they won't meet until early next year. "I don't think the administration has the authority to do it without the Legislature," he added.

"If it makes sense, I'm going to push for it," said the senator, who chairs the Senate Institutions Committee. "People are having a hard enough time hanging on to lakefront property. This is a local issue. That's why I decided to get it out there."

When Citizens' parent company decided to abandon both the electric power industry and Vermont, it sold its distribution system to Vermont Electric Cooperative. But the generating facilities, along with the 600 acres, went to Great Bay for the bargain price of $10. Citizens sweetened the deal with a promise to pay Great Bay up to $3.5-million to cover the cost of renewing federal licenses and state permits to operate.

In a letter to this newspaper explaining his agency's support for that deal, Geoff Commons, attorney for the Department of Public Service, said it protected VEC ratepayers from potential liabilities that came with the dams.

"The liabilities associated with the dams," Mr. Commons wrote, "far outweigh their value."

At Great Bay, Mr. Getman said his company is generating power at the 1,2,3 powerstation, which draws its water through a penstock from Clyde Pond in Derby.

"We're putting millions of dollars into the property," Mr. Getman said. "When it's done, we'll have a rebuilt, state-of-the-art, safe, fully compliant plant."

Its power goes into the New England power grid, he said, "providing power to customers in the area, and maintaining a renewable resource."
The offer to the state includes a dam and power plant in Charleston, which is not producing power.

However, Mr. Getman said, "if the state doesn't decide the deal makes sense, we'll look at all our options." Putting the Charleston plant back in service hasn't been ruled out, he said.

Another power plant at a dam in Troy is not a candidate for restoration.

Also part of the offer is Newport 11 power plant, a small plant that used to draw its water through a canal from Citizens' Number 11 dam, which was removed after it failed spectacularly in 1994. That station would come with 20 to 30 acres of land along the Clyde, the company said.

The two nonpower dams included in the offer control the water levels at Echo Lake and Seymour Lake in Morgan. Citizens recently upgraded the Echo Lake dam, and Great Bay rebuilt the Seymour Lake dam last summer.
March 11th, 2004
Re: Citizens Communications Company

Dear Ms. Ripley:

Pursuant to your request I have inspected and appraised a parcel of land with improvements thereto located in the Town of Charleston, County of Orleans, Vermont known as the Echo Lake Fishing Access.

It is my understanding the client for this assignment is Citizens Communications Company. It is further my understanding the purpose of this appraisal is to determine the estimated fair market value of the subject which is the subject of a right of first refusal running to the State of Vermont. Said right of first refusal may be triggered by a sale of that asset by Citizens.

Based on my inspection of the subject property and on the approaches to value discussed in the enclosed summary appraisal report: it is my professional opinion the fair market value for the fee simple interest of the subject property on the effective date of March 5th, 2004 is $182,600.

Sincerely,

John W. Stevens, Certified General Appraiser #080-0000113
GENERAL PROPERTY DESCRIPTION

The subject property is an improved parcel of land said to contain 0.58 acres, more or less, located on West Echo Lake Road in the Town of Charleston, County of Orleans in Vermont. The land is mostly open, well drained and slopes from the town highway to the shore of Echo Lake (hereinafter called the Lake). There is electric and telephone service available at roadside. The average depth is 175 feet. The average width is 145 feet. The frontage on the Lake is 208.2 feet.

This lot is used as a fishing boat access-boat ramp and parking and operated by the State of Vermont under an annual lease.

The client for this report is Citizens Communications Company. The purpose of this assignment is to estimate the fair market value of the fee simple interest of the subject property. The proposed use of this report is to comply with a right of first refusal provision in the lease to the State of Vermont.

The effective date of this appraisal is March 5\textsuperscript{th}, 2004. The date of this report is March 11\textsuperscript{th}, 2004.

I have made no extraordinary assumptions in appraising the subject property.

EFFECTIVE DATE AND SCOPE

It is normal and customary that the dates of the inspection, the report and the effective date are not identical. Those dates are indicated in the Title Page herein. If the time lapse between the date of inspection and the effective date of the appraisal is significant enough to impact on values or if some factor internal to the subject property or external to the subject property has
changed, then this appraiser will make specific reference to that fact in the valuation section of this report.

In any determination of value for real estate, data are sought in the local market on such factors as sales and offerings of similar properties and tracts of vacant land, and current prices for construction materials and labor, rentals of similar properties and their operating expenses, and current rates of return on investments and properties. From this data, values may be developed for the land and the property as a whole.

SCOPE

I have made an earnest effort to gather data from reliable sources such as public records, real estate brokers, area multiple listing services and from commercial reporting companies such as County Comps. It is also my policy to maintain records of leases, available mortgage rates for market area residential, commercial and industrial loans.

It is my practice to gather as much information regarding the types and quantity of real estate sales so as to understand values, anticipate times to market, general marketability and to seek out any factors (past, present and future) which impact on real property values and in particular on the subject property.

While it is not probable or reasonable to gather all the available data, I make a reasonable effort to gather enough information to make reliable and reasonable judgments with regard to uses and values.

In the event I am not able, in my opinion, for any reason, to gather enough reliable data to support any part of this appraisal process, then I will, in the appropriate section of this report, advise the reader of that lack of appropriate data and its’ effect on the approaches to value applied herein.
I have researched town and state records, consulted with local and state employees, referenced multiple listing sales, researched my records and personally inspected the subject and comparable sales. The interest appraised herein is the leased fee interest. The subject property is subject to a lease to the State of Vermont. This lease is for annual, renewable periods, presently ongoing and may be cancelled with a 30-day notice prior to December 31st during any annual period. The lease was signed in December, 1955 and began on January 1st, 1956. The lease indicates the annual payment is $1.00. The grand list of Charleston indicates Citizens is assessed for the subject for $69,700 and responsible to pay the 2004 annual real estate taxes of $1,587.84 and subsequent annual real estate taxes.

The language regarding the right of Citizens to terminate the lease upon 30-day notice appears ambiguous. It could be argued the 30-day notice may be given at any time prior to the annual termination date of December 31st and that the lease would then terminate on December 31st. Or, it could be argued the 30-day notice is for termination on the 30th day from notification. A 30 day notification to terminate compared to termination on December 31 has a direct impact on value discussed in the valuation section of this report.

CURRENT AGREEMENTS OF SALE, LISTINGS OR OPTIONS IMPACTING THE SUBJECT

The subject property is a minor part of the proposed sale of Citizen’s electric generating regime for the Clyde River Watershed. The subject property is subject to a right of first refusal granted to the State of Vermont and found in the lease agreement of December 1955. I am not aware of any other agreement of sale, listing or option impacting the subject property. The right of first refusal, in my opinion, does not impact the value of the subject property, so long as it is determined the right extends for a brief (say 30 to 45 days maximum) period of time from notification by Citizens of their intent to sell.
HIGHEST AND BEST USE

Highest and Best Use is a fundamental concept in real estate appraisal and market analysis because it focuses market analysis on the subject property and allows the appraiser/broker to consider the property's optimum use in light of market conditions on a specific date. Highest and Best Use reflects a basic assumption about market behavior: what a buyer pays is directly related to what he or she concludes to be the most profitable use.

Highest and Best Use is defined as that legal and most probable use of vacant land or improved property which is:

- physically possible
- appropriately supported
- financially feasible

and which will result in the highest value.

Highest and Best Use, as improved, considers optional uses considering existing improvements and structures.

Highest and Best Use, as though vacant, assumes the land contains no structures even though structures might be in place.

The subject property enjoys 208.2 feet of frontage on the Lake and 207.2 feet of direct frontage on W. Echo Lake Road. Telephone and electric service is available. Charleston has not adopted zoning

The present use is a fishing access/boat ramp with parking for vehicles and boat trailers. It is restricted for that use.

Strictly applying the highest and best use analysis indicates the subject would be easily developed for a single family home. I have no method of evaluating the State of Vermont operated facility. There is no doubt that the fishing access has real value to those
who use it and to the State of Vermont. The State derives significant revenues from the sale of fishing licenses, boat and trailer registrations, taxes from rooms, meals and other purchases by fishermen and other boaters. I can’t quantify what share of the Fish and Game budget can be attributed to or results from the availability of this and other fishing access areas.

In relation to other, similar areas the Echo Lake facility ranks above average. The water body is deep resulting in cold lake water temperatures with trout and salmon fishing as a result. This is a popular boat ramp.

The highest and best use is rural residential.

VALUATION SECTION

FAIR MARKET VALUE

Fair market value is defined as:

The most probable price which a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller each acting prudently and knowledgeably, and assuming the price is not effected by undue stimulus. Implicit in this definition is the consummation of a sale as of a specific date and the passing of title from seller to buyer under conditions whereby:
1. Buyer and seller are typically motivated.
2. Both parties are well informed or well advised and acting in their best interests.
3. A reasonable time is allowed for exposure to the open market.
4. Payment is made in terms of cash in U.S. dollars or in terms comparable thereto.
5. The price represents the normal consideration for the property sold unaffected by special or creative financing or sales concessions granted anyone associated with the sale.
Because the property does not produce direct income I eliminated the income approach to valuation. Because the improvements only contribute to the value of the parking and boat launch ramp, I eliminated the cost approach.

SALES COMPARISON OR MARKET APPROACH

In the sales comparison approach to value similar properties recently sold or currently offered for sale in the local marker area are analyzed and compared with the subject property. Adjustments are typically made for differences in such factors as time of sale, location, size, type, age, condition of improvements and prospective uses. This approach has its greatest value in appraisal situations involving land or improved properties with common elements and similar amenities.

In the absence of sales similar enough for direct comparison with the subject properties, contracts, offers and listings of competitive properties are compared. They provide a range of unit prices within which the current real estate market is operating and within which the appraised property would be expected to sell for whatever use the free market might develop.

Applying the market approach indicates the average value for waterfront lots in the immediate market area, based on a front foot value, to be $731 per front, linear foot of waterfront.

The subject property is above average in the following category and I adjusted the value as indicated below:
- The Lake is deep and moderate in size. The fisheries is excellent for the area. I adjusted the value by +20%.

<table>
<thead>
<tr>
<th>Average value</th>
<th>$731 per front foot</th>
</tr>
</thead>
<tbody>
<tr>
<td>Adjustment - location</td>
<td>+20%</td>
</tr>
</tbody>
</table>

Indicated value of subject $877.00 p/f/ft. rounded

$877 per front foot X 208.2 front feet = $182,600 rounded
FLOODS AND WASTES

About 30 feet along and parallel with the waterfront appears to be located within the 100 year flood level. I saw no sign of hazardous wastes nor am I aware of any hazardous wastes on or near the subject property.

MARKET CONSIDERATION

The market for waterfront lots has dramatically increased during the past previous three years. The supply has not increased. The resulting value impact has been dramatic and positive. All market indicators point to continuing demand and continuing increases in values for waterfront, developable lots in this market area.

RECONCILIATION

Based on my inspection of the subject property and on the factors discussed herein, it is my professional opinion the fair market value of the fee simple interest is:

If lease can be cancelled with 30 day notice = $182,600.
If lease can run to Dec 31st-
Loss of income from $1 lease @ 6% (8,217)
Costs of annual taxes pro-rated for 9 months (1,190.88)
Net value rounded = $173,200

CERTIFICATION AND STATEMENT OF LIMITING CONDITIONS

CERTIFICATION: The Appraiser certifies and agrees that:
1. The Appraiser has no present or contemplated future interest in the property appraised or with the parties involved; and neither the employment to make the appraisal, nor the compensation for it, is contingent upon the appraised value of the property.
2. The Appraiser has no personal interest in or bias with respect to the subject matter of the appraisal report or the participants to the sale. The "Estimate of Market Value" in the appraisal report is not based in whole or in part upon the race, color or national origin of the prospective owners or occupants of the properties in the vicinity of the property appraised.

3. The Appraiser has personally inspected the property, both inside and out, and has made an exterior inspection of all comparable sales listed in the report. To the best of the Appraiser's knowledge and belief, all statements and information in this report are true and correct, and the Appraiser has not knowingly withheld any significant information.

4. All contingent and limiting conditions are contained herein (imposed by the terms of the assignment or by the undersigned affecting the analysis, opinions and conclusions contained in the report).

5. This appraisal report has been made in conformity with and is subject to the requirements of the Code of Professional Ethics and Standards of Professional Conduct and the Uniform Standards of Professional Appraisal Practice.

6. All conclusions and opinions concerning the real estate that are set forth in the appraisal report were prepared by the Appraiser whose signature appears on the appraisal report, unless indicated as "Review Appraiser".

7. No change of any item in the appraisal report should be made by anyone other than the Appraiser. The Appraiser has no responsibility for any unauthorized changes.

CONTINGENT AND LIMITING CONDITIONS: The certification of the Appraiser appearing in the appraisal report is subject to the following conditions and to such other specific and limiting conditions as are set forth by the Appraiser in the report:

1. The Appraiser assumes no responsibility for matters of a legal nature affecting the property appraised or the title thereto, nor does the Appraiser render any opinion as to the title, which is assumed
to be good and marketable. The property is appraised as though under responsible ownership.

2. Any sketch in the report may show approximate dimensions and is included to assist the reader visualizing the property. The Appraiser has made no survey of the property.

3. The Appraiser is not required to give testimony or appear in court because of having made the appraisal with reference to the property in question unless arrangements have been made therefore.

4. Any distribution of the valuation in the report between land and improvements applies only under the existing program of utilization. The separate valuations for land and building must not be used in conjunction with any other appraisal and are invalid if so used.

5. The Appraiser assumes that there are no hidden or non-apparent conditions of the property, subsoil, or structures, which would render it more or less valuable. The Appraiser assumes no responsibility for such conditions, or for engineering which might be required to discover such factors.

6. Information, estimates and opinions furnished to the Appraiser, and contained in the report, were obtained from sources considered reliable and believed to be true and correct. However, no responsibility for accuracy of such items furnished the Appraiser can be assumed by the Appraiser.

7. Disclosure of the contents of the appraisal report is governed by the Uniform Standards of Professional Appraisal Practice.

8. Neither all, nor any part of the content of the report, or copy thereof (including conclusions as to the property value, the identity of the Appraiser, professional designations, reference to any professional appraisal organizations, or the firm with which the Appraiser is connected), shall be used for any purposes by anyone but the client specified in the report, the borrower if appraisal fee paid by same, the mortgagee or its successors and assigns, mortgage insurers, consultants, professional appraisal organizations, or any state or federally approved financial institution, any department, agency or instrumentality of the United States or any state or the
District of Columbia, without the previous written consent of the Appraiser; nor shall it be conveyed by anyone to the public through advertising, public relations, news, sales, or other media, without the written consent and approval of the Appraiser.

9. On all appraisals, subject to satisfactory completion, repairs, or alterations, the appraisal report and value conclusion are contingent upon completion of the improvements in a workmanlike manner.

ENVIRONMENTAL DISCLOSURE: Unless indicated in the appraisal report, the value estimated in this report is based on the assumption that the property is not negatively affected by the existence of hazardous substances or detrimental environmental conditions. The Appraiser's routine inspection of and inquiries about the subject property did not develop any information that indicated any apparent significant hazardous substances or detrimental environmental conditions that would affect the property negatively. It is possible that tests and inspections made by a qualified hazardous substance and environmental expert would reveal the existence of hazardous materials and environmental conditions on or around the property that would negatively affect its value.

Date

John W. Stevens, Certified General Appraiser
Vermont 080-0000113
CITIZENS UTILITIES Co. TRACT #1

Echo Pond Access Area

Orleans County, Charleston, Vermont

SURVEYED BY: Lee H. Lowell

Dec. 14, 1955

Scale: 1 Inch = 50 Feet

0.58 Acres

NOTE:
ECHO FISHING ACCESS

STREET SCENE FISHING ACCESS AT ECHO LAKE
John W. Stevens  Box 600  Newport, Vt. 05855
802-334-7070 phone and fax  ussales@pshift.com

Barbara Ripley, Attorney
Downs, Rachlin and Martin
P. O. Box 1072
52 State Street
Montpelier
VT. 05602

November 15, 2005

Re: Appraisal of property in Charleston, Vt. of
Great Bay Hydro Corporation

Dear Ms. Ripley:

At your request I have inspected and appraised a parcel of land (as further described herein), with improvements thereon, located on Vermont Route 105 in the Town of Charleston, County of Orleans, Vermont.

It is my understanding the title is vested with Great Bay Hydro Corp. and that Great Bay is the client for this assignment. It is my understanding this report may be shared with the State of Vermont. My date of inspection was November 14, 2005 and the effective date of this appraisal is November 14, 2005.

The intended use of this report is for sale purposes and that the interest appraised is the fee simple interest of the subject. I am not aware of any existing agreements of sale, listings to sell or options granted that impact the subject property.

Based on my inspection of the subject and the application of the approaches to value discussed herein it is my professional opinion

1
that the far market value of the fee simple interest of the subject property is $300,000.

Enclosed, please find, a summary appraisal report, photographs, locator and other maps, my certification and statement of limiting conditions and my qualifications.

Thank you for using my services.

Sincerely,

John W. Stevens, Certified General Appraiser
Vermont License No. 080-000113
General Property Description

The subject property consists of approximately 10 acres of land located on the west side of Vermont Route 105 and the east side of Pensioner Pond in the Town of Charleston, County of Orleans, Vermont. This land is depicted on the George W. Rummery, surveyor, Map No. 9801 - CHAR-4, enclosed.

The subject enjoys about 1,326 ft. of frontage on Vermont Route 105 and about 1,785 ft. of frontage of Pensioner Pond. The subject has a maximum depth of approximately 600 feet and tapers to about 25 feet of depth on the northern boundary.

The land slopes gently from Vt. Route 105 to Pensioner Pond. There is electric and telephone service along the Highway. About 90% of this land is wooded with about 60% Hardwood and 40% pine.

The southern-most .93 acres is a Vermont Fish and Game Department fishing access area and boat ramp. It is my understanding no direct income is derived from the use of this facility. The State of Vermont enjoyed a right of first refusal that was extinguished on the .93 acre parcel.

Pensioner Pond is part of the Clyde River drainage. The River flows into the Pond at the south end and exits the Pond on the north end of the Pond. The Pond contains about 171 surface acres. It is a relatively shallow body of water.
FLOODS AND WASTES

I reviewed the flood hazard map (NO.500083A-04) dated 11/19/76. It is not possible to accurately determine the boundary of Zone A, but, it appears that a portion of the subject is located in Zone A.

I saw no evidence of hazardous wastes nor am I aware of any hazardous wastes on or near the subject property.

HIGHEST AND BEST USE

Highest and Best Use is a fundamental concept in real estate appraisal and market analysis because it focuses market analysis on the subject property and allows the appraiser/broker to consider the property's optimum use in light of market conditions on a specific date. Highest and Best Use reflects a basic assumption about market behavior: what a buyer pays is directly related to what he or she concludes to be the most profitable use.

Highest and Best Use is defined as that legal and most probable use of vacant land or improved property which is:

- physically possible
- appropriately supported
- financially feasible

and which will result in the highest value.

Highest and Best Use, as improved, considers optional uses considering existing improvements and structures.

Highest and Best Use, as though vacant, assumes the land contains no structures even though structures might be in place.
The Fish and Game Access is established and maintained. That use is the highest and best use of the .93 acres.

The remaining land area is ideally suited for one of the two following indicated uses:

1. A day use or staging point and/or primitive camping area for people who kayak and canoe the Clyde River. Between the outlet at the north end of the Pond and the Village of Island Pond lies excellent and popular paddling waters. The subject property could provide the downstream staging point for parking vehicles and trailers and for primitive camping along the Pond.

2. The land appears well suited for rural residential use. Rurl residential, waterfront land is in great demand at this time. It appears possible that two lots within the subject land could be permitted for rural residential use with on-site septic and water.

Lot #1 would be the .93 acres for fishing access and parking. Lots #2 and #3 would be residential waterfront lots containing about 5 acres each with 500 feet on lakeshore each.

VALUATION SECTION

FAIR MARKET VALUE

Fair market value is defined as:

The most probable price which a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller each acting prudently and knowledgeably, and assuming the price is not effected by undue stimulus. Implicit in this definition is the consummation of a sale as of a specific date and the passing of title from seller to buyer under conditions whereby:

1. Buyer and seller are typically motivated.
2. Both parties are well informed or well advised and acting in their best interests.
3. A reasonable time is allowed for exposure to the open market.
4. Payment is made in terms of cash in U.S. dollars or in terms comparable thereto.
5. The price represents the normal consideration for the property sold unaffected by special or creative financing or sales concessions granted anyone associated with the sale.

I examined the INCOME and COST approaches to value and determined they are not applicable to this assignment.

SALES COMPARISON OR MARKET APPROACH

In the sales comparison approach to value similar properties recently sold or currently offered for sale in the local marker area are analyzed and compared with the subject property. Adjustments are typically made for differences in such factors as time of sale, location, size, type, age, condition of improvements and prospective uses. This approach has its greatest value in appraisal situations involving land or improved properties with common elements and similar amenities.

In the absence of sales similar enough for direct comparison with the subject properties, contracts, offers and listings of competitive properties are compared. They provide a range of unit prices within which the current real estate market is operating and within which the appraised property would be expected to sell for whatever use the free market might develop.

I have reviewed sales of land in the market area and found three sales of lakeshore lots.  
Sale #1 was 2.94 acres on Lake Memphremagog in Newport with 107 feet of lake frontage. This lot sold for $165,000.

Sale #2 was 1.6 acres on Lake Willoughby in Westmore with 150 feet of lake frontage. This lot sold for $250,000.

Sale #3 was 1.6 acres on Lake Willoughby in Westmore with 144.5 feet of lake frontage. This lot sold for $257,000.
These sales are typical and indicative of the demand and values of lakeshore property in this market area. There is a paucity of lakeshore lots available for sale at this time in this market area. These sales would allow for only one, single-family residence to be constructed on each lot sold. The mean value of the lakeshore was $1,662 per front foot. The subject property, excluding the .93-acre fishing access area, enjoys about 1,785 feet of lakeshore. It represents a super-adequacy for one dwelling unit indicating the land should be subdivided. Simply establishing a front foot value, based on sales of lakeshore lots, and extrapolating the same over the front footage of the subject, would be an oversimplification of the valuation process. Many adjustments are in order.

Frontage on both Lakes Memphremagog and Willoughby (which are larger, deeper and more valuable than Pensioner Pond) is more valuable than frontage on Pensioner Pond. Both other Lakes can accommodate more, lake oriented activities. I estimate the difference in front foot value to be about –80% indicating the front foot value on Pensioner Pond to be approximately $332.40.

The depth of the land impacts the value. The northern-most 550 feet of the subject tapers from 200 feet deep to about 25 feet deep. As part of a larger parcel the value is about $150 per foot indicating 550 feet X $150 or $82,500. The balance of the subject ranges from 302 feet deep (wide) to 550 feet deep for about 1,000 lineal feet for a value of approximately $332,400. I further negatively adjusted the value because the road frontage is on Route 105 – a trucking route.

$332,400
82,500
$414,900 less 30% indicates $290,430
.93 acres as appraised in 2004 72,000
TOTAL INDICATED VALUE $362,430

This indicated value assumes the entire parcel can be divided into three parcels.
Parcel 1 Fishing access on .93 acres
Parcels 2 and 3 are 5 acre lots with 500 feet of lakeshore each.
Parcel #1 $72,000 —
Parcel #2 145,215
Parcel #3 145,215
TOTAL $362,430
This indicated value should be further adjusted to reflect the costs to engineer, divide and sell that I estimate to be about 15%.

$362,430 less 15% = $308,000. rounded

EFFECTIVE DATE AND SCOPE

It is normal and customary that the dates of the inspection, the report and the effective date are not identical. Those dates are indicated in the Title Page herein. If the time lapse between the date of inspection and the effective date of the appraisal is significant enough to impact on values or if some factor internal to the subject property or external to the subject property has changed, then this appraiser will make specific reference to that fact in the valuation section of this report.

In any determination of value for real estate, data are sought in the local market on such factors as sales and offerings of similar properties and tracts of vacant land, and current prices for construction materials and labor, rentals of similar properties and their operating expenses, and current rates of return on investments and properties. From this data, values may be developed for the land and the property as a whole.

SCOPE

I have made an earnest effort to gather data from reliable sources such as public records, real estate brokers, area multiple listing services and from commercial reporting companies such as County Comps. It is also my policy to maintain records of leases, available
mortgage rates for market area residential, commercial and industrial loans.

It is my practice to gather as much information regarding the types and quantity of real estate sales so as to understand values, anticipate times to market, general marketability and to seek out any factors (past, present and future) which impact on real property values and in particular on the subject property.

While it is not probable or reasonable to gather all the available data, I make a reasonable effort to gather enough information to make reliable and reasonable judgments with regard to uses and values.

In the event I am not able, in my opinion, for any reason, to gather enough reliable data to support any part of this appraisal process, then I will, in the appropriate section of this report, advise the reader of that lack of appropriate data and its’ effect on the approaches to value applied herein.

RECONCILIATION

My observation of the vegetative cover indicates that the land could be permitted-to-be-divided to allow for on-site wastewater treatment and on-site water. In the event those uses are not allowed the value will be less and other options should be considered such as using a central location for two wastewater systems on an off-site location at additional expense. Based on my 2004 appraisal of the .93 acres I estimate the fair market value of the fee simple interest of the entire parcel to be $300,000.

EXTERNAL IMPACTS
I am not aware of any anticipated public or private impacts that would adversely affect the value of the subject property.

CERTIFICATION AND STATEMENT OF LIMITING CONDITIONS

CERTIFICATION: The Appraiser certifies and agrees that:

1. The Appraiser has no present or contemplated future interest in the property appraised or with the parties involved; and neither the employment to make the appraisal, nor the compensation for it, is contingent upon the appraised value of the property.
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4. All contingent and limiting conditions are contained herein (imposed by the terms of the assignment or by the undersigned affecting the analysis, opinions and conclusions contained in the report).
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5. The Appraiser assumes that there are no hidden or non-apparent conditions of the property, subsoil, or structures, which would render it more or less valuable. The Appraiser assumes no responsibility for such conditions, or for engineering which might be required to discover such factors.
6. Information, estimates and opinions furnished to the Appraiser, and contained in the report, were obtained from sources considered reliable and believed to be true and correct. However, no responsibility for accuracy of such items furnished the Appraiser can be assumed by the Appraiser.
7. Disclosure of the contents of the appraisal report is governed by the Uniform Standards of Professional Appraisal Practice.
8. Neither all, nor any part of the content of the report, or copy thereof (including conclusions as to the property value, the identity of the Appraiser, professional designations, reference to any professional appraisal organizations, or the firm with which the Appraiser is connected), shall be used for any purposes by anyone but the client specified in the report, the borrower if appraisal fee paid by same, the mortgagee or its successors and assigns, mortgage insurers, consultants, professional appraisal organizations, or any state or federally approved financial institution, any department, agency or instrumentality of the United States or any state or the District of Columbia, without the previous written consent of the Appraiser; nor shall it be conveyed by anyone to the public through advertising, public relations, news, sales, or other media, without the written consent and approval of the Appraiser.

9. On all appraisals, subject to satisfactory completion, repairs, or alterations, the appraisal report and value conclusion are contingent upon completion of the improvements in a workmanlike manner.

ENVIRONMENTAL DISCLOSURE: Unless indicated in the appraisal report, the value estimated in this report is based on the assumption that the property is not negatively affected by the existence of hazardous substances or detrimental environmental conditions. The Appraiser's routine inspection of and inquiries about the subject property did not develop any information that indicated any apparent significant hazardous substances or detrimental environmental conditions which would affect the property negatively. It is possible that tests and inspections made by a qualified hazardous substance and environmental expert would reveal the existence of hazardous materials and environmental conditions on or around the property that would negatively affect its value.

Date 11/6/05

Appraiser

John W. Stevens, Certified General Appraiser
Vermont 080-0000113
CITIZENS UTILITIES Co. TRACT No. 2

Pensioner Pond Access Area

Orleans County, Charleston, Vermont

Surveyed by: Lowel F. Lowel

Dec. 14, 1955

Scale: 1 Inch = 50 Feet
MEMORANDUM

To: Joint Fiscal Committee Members

From: Rebecca Buck, Staff Associate

Date: April 1, 2008

Subject: Land Donation Request

Enclosed please find one (1) request which the Joint Fiscal Office recently received from the Administration:

JFO #2322 – Donation of approximately 30 acres of land from Great Bay Hydro Corporation to the Department of Fish and Wildlife. This land is located on the Clyde River in Derby, is valued at $56,700 and is being donated as part of a Department land acquisition from Great Bay Hydro Corporation. [JFO received 03/27/08]

The parcels donated are located on both sides of the Clyde River, and will provide important wetland communities, good fishing and waterfowl hunting as well as other public recreational opportunities. The land will also provide an important floodplain buffer for nearby developed areas during times of high water. Attachments include an appraisal of the land being donated, maps of all the property associated with the land donation, and letters of support from the two select boards associated with the land donation as well as acquisition.

The Joint Fiscal Office has reviewed this submission and determined that all appropriate forms bearing the necessary approvals are in order.
In accordance with the procedures for processing such requests, we ask you to review the enclosed and notify the Joint Fiscal Office (Rebecca Buck at 802/828-5969; rbuck@leg.state.vt.us or Stephen Klein at 802/828-5769; sklein@leg.state.vt.us) if you would like this item held for legislative review. Unless we hear from you to the contrary by April 15 we will assume that you agree to consider as final the Governor’s acceptance of this request.

cc: James Reardon, Commissioner  
    Linda Morse, Administrative Assistant  
    George Crombie, Secretary  
    Wayne Laroche, Commissioner
INFORMATION NOTICE

The following item was recently received by the Joint Fiscal Committee:

**JFO #2322** – Donation of approximately 30 acres of land from Great Bay Hydro Corporation to the Department of Fish and Wildlife. This land is located on the Clyde River in Derby, is valued at $56,700 and is being donated as part of a Department land acquisition from Great Bay Hydro Corporation.

*[JFO received 03/27/08]*
STATE OF VERMONT
GRANT ACCEPTANCE FORM

GRANT SUMMARY: Title: Donation of land in Derby, Vermont
This is a request for approval of a donation of land. This
donation is conditioned on the purchase of two other parcels
from the donor. This land is useful to the State as a floodplain
buffer for nearby developed areas, and for public recreation
opportunities.

DATE: March 13, 2008

DEPARTMENT: Fish and Wildlife (ANR)

GRANT / DONATION: 30 acres on the Clyde River.

FEDERAL CATALOG No.:

GRANTOR / DONOR: Great Bay Hydro

AMOUNT / VALUE: $56,700.00

POSITIONS REQUESTED: None

GRANT PERIOD:

COMMENTS: See attachments.

DEPARTMENT OF FINANCE AND MANAGEMENT: (INITIAL) 3/14/08
SECRETARY OF ADMINISTRATION (INITIAL) 3/14/08
SENT TO JOINT FISCAL OFFICE:

DATE: 3/25/08

RECEIVED
MAR 27 2008
JOINT FISCAL OFFICE
To: Jason Aronowitz, Budget Analyst  
Finance & Management

From: Sherri A. Yacono, Business Manager

Date: March 10, 2008

Subject: AA-1: Land donation – Great Bay Hydro

Please find attached the AA-1 package for the above subject. As part of a land acquisition, the Department of Fish and Wildlife will receive a donation of six individual parcels of land ranging in size from 1 to 10 acres that total 30 +/- acres from Great Bay Hydro Corporation. The appraised value of the property is $56,700.

Thank you for your assistance. If there are any questions, please call me at 241-3704. (Please note that this purchase is time sensitive so if you could expedite this that would be greatly appreciated.)

Cc: Mike Wichrowski  
Steve Chadwick
STATE OF VERMONT
REQUEST FOR GRANT ACCEPTANCE
(use additional sheets as needed) FORM AA-1
(Rev. 9-90)

1. Agency: Agency of Natural Resources
2. Department: Fish & Wildlife
3. Program: Fisheries Division
4. Legal Title of Grant: Donation of land in Derby
5. Federal Catalog No.: 
6. Grantor and Office Address: Great Bay Hydro Corp.

7. Grant Period: From: To:

8. Purpose of Grant: (attach additional sheets if needed)
As part of a land acquisition the Department will also receive a donation of 6 individual parcels of land totalling 30 acres. These parcels are located on both sides of the Clyde River starting at the outlet of Big Salem Lake and stretch northwest along the river with the western most parcel being bordered by the RT. 105 bridge in Derby.

9. Impact on Existing Programs if Grant is not Accepted:
Loss of valuable floodplain habitat that will assist in protecting nearby developed areas during times of high water.


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<td>TOTAL</td>
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</table>

Appropriation Nos. Amounts

-over-

RECO MAR 1 $ 2008
11. Will grant monies be spent by one or more personal service contracts?
   - [ ] YES
   - [x] NO

   If YES, signature of appointing authority here indicates intent to follow current guidelines on bidding.

   [ ]

12a. Please list any requested Limited Service positions:

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<th>Titles</th>
<th>Number of Positions</th>
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   TOTAL Positions 0

12b. Equipment and space for these positions:
   - [ ] Is presently available.
   - [ ] Can be obtained with available funds.

13. Signature of Appointing Authority

I certify that no funds have been expended or committed in anticipation of Joint Fiscal Committee approval of this grant.

[Signature] 11/24/08

Wayne Laroche, Commissioner

14. Action by Governor:
   - [ ] Approved
   - [x] Rejected

   [Signature] 3/20/08

15. Secretary of Administration:
   - [ ] Request to JFO
   - [x] Information to JFO

   [Signature] (Date)

16. Action by Joint Fiscal Committee:
   - [ ] Request to be placed on JFC agenda
   - [ ] Approved (not placed on agenda in 30 days
   - [ ] Approved by JFC
   - [ ] Rejected by JFC
   - [ ] Approved by Legislature

   [Signature] (Date)
NOTICE TO TAXPAYERS AS OF APRIL 1, 2007

CHANGE IN APPRAISAL OF REAL ESTATE
2007 GRAND LIST

GREAT BAY HYDRO CORPORATION
1 NEW HAMPSHIRE AVE SUITE 207
PORTSMOUTH NH 03801

PARCEL NUMBER: RT105001G5-TR

PROPERTY DESCRIPTION
0 ROUTE 105
LAND

Previous (last year) total real value $ 36,800
Current (this year) total real value $ 56,700
Difference: 19,900

**IF YOU WISH TO APPEAL YOU MUST PROVIDE EVIDENCE

With your appeal, you shall file with the Board of Review a sworn statement of the information supporting your position and be heard by them. Upon the hearing, the Board shall render a decision which may be appealed to the Superior Court. Upon request, the parties thereto may submit such documentary or sworn evidence as shall be pertinent thereto.**

Also note that Section 64 of Act 71 requires notification of value on homestead for appeal purposes.

**MEETINGS WILL COMMENCE JULY 17, 2007 BY APPOINTMENT ONLY

PLEASE CALL 802 766-2012 FOR APPOINTMENT

Location: DERBY LISTERS OFFICE / DERBY MUNICIPAL BUILDING
LISTERS:
G TOM CYR, NANCY GOSSELIN, THOMAS ROBERTS

* A homestead is the principal dwelling improvements and land owned and occupied by a Vermont resident individual as the individual’s domicile. A homestead does not include buildings or improvements detached from the home and used for business or rental purposes. A housesite is that portion of a homestead that includes the principal dwelling and as much of the land surrounding the dwelling as is reasonable necessary for use of the dwelling as a home, but in no event more than two acres per dwelling unit.
§ 4144. Acquisition of property by state, closed season.

(a) The secretary with approval of the governor may acquire for the use of the state by gift, purchase or lease in the name of the state, lands, ponds or streams, and hunting and fishing rights and privileges in any lands or waters in the state, with necessary rights of ingress or egress to and from such lands and waters.

(b) The board may regulate the taking of wild animals on such lands or of fish in such waters and close or open such waters or lands or any part thereof to the taking of fish or wild animals.

(c) Such regulations shall be posted in the areas affected.

MEMORANDUM

TO: James Douglas, Governor
THROUGH: George Crombie, Secretary, Agency of Natural Resources
FROM: Wayne Laroche, Commissioner, Department of Fish and Wildlife
DATE: February 22, 2008

SUBJECT: Land Acquisition Approval 40.6+/- acres in Charleston and Derby

Your approval is requested pursuant to Title 10, Chapter 103, Section 4144, VSA, for the land acquisition referenced above. This acquisition has been reviewed and approved by the Agency of Natural Resources, Land Acquisition Review Committee on 7/18/05. Joint fiscal approval is required for this acquisition because the Department is only paying for two of the appraised parcels of land in the town of Charleston. However, we are acquiring additional acreage in the town of Derby, for no additional cost, that was not included in the appraisal.

Description

The proposed Department of Fish and Wildlife acquisition from Great Bay Hydro Corporation consists of properties in three separate locations, involving multiple parcels. Two of the properties are developed fishing access areas, Echo Lake (0.6-acres) and Pensioner Pond (10-acres), which are currently leased by the Department of Fish and Wildlife. These access areas are a high priority for securing permanent public access for fishing and boating. Echo Lake is a 544-acre lake that provides a multitude of recreational opportunities due to its size. Pensioner Pond is a smaller lake, 170-acres, thus it does not receive the same amount of boat traffic, but it still provides important fishing and waterfowl hunting opportunities.

The third location is comprised of six individual parcels that range in size from 1 to 10 acres and total 30+/- acres. The parcels are located on both sides of the Clyde River starting at the outlet of Big Salem Lake and stretch northwest along the river with the western most parcel being bordered by the Rt. 105 bridge in Derby. Given its scenic nature, important wetland communities, good fishing and waterfowl hunting opportunities, and other public recreational opportunities, the Clyde River is truly a special resource that warrants conservation. In addition to recreational opportunities, these parcels will provide valuable floodplain habitat that will assist in protecting nearby developed areas during times of high water.
Ownership and Management

These parcels will be owned by the State of Vermont, Agency of Natural Resources, Department of Fish and Wildlife. The parcels will be managed by the Access Area Program and the Fisheries Division to provide public angling and boating access (Pensioner Pond and Echo Lake) and habitat conservation (Clyde River) to their respective bodies of water. Additionally, some portions of the Clyde River property will be considered for possible access area development.

Budget and Funding

The appraised fee-value for the properties is $482,600. Funds for the purchase of the properties will come from the prior sale of Stamford Meadows Wildlife Management Area to the US Forest Service ($285,000) and from the Vermont Boat Registration Fund ($202,900). Of the $202,900 from the Vermont Boat Registration Fund, approximately $5,300 will be used for associated closing costs (appraisal - $3,800; legal costs and recording fees - $1,500).

Note: Great Bay Hydro Corporation has requested the closing take place on or before April 15, 2008.
December 03, 2007

Mike Wichrowski
Department of Fish & Wildlife
103 South Main ST., #10 South
Waterbury, VT 05671-0501

Dear Mr. Wichrowski,

After reading your letter that summarized the Department of Fish and Wildlife’s (DFW) involvement and discussing the project at our Selectboard meeting on December 3, 2007, we are writing to offer our support for the DFW involvement in the purchase of the Great Bay Hydro Corporation properties on the Clyde River in Derby. More specifically, the town supports the DFW purchasing the property to secure permanent streambank protection for wildlife and flood protection, as well as public access to the river for recreational uses, such as fishing and boating. Thank you for meeting with us.

Sincerely,

DERBY SELECT BOARD

LAURA DOLGIN

STEPHEN GENDREAU

BEULA-JEAN SHATTUCK

BRIAN SMITH
The Department of Fish and Wildlife is requesting approval by the Governor as per 10 V.S.A. Sec. 4144 (attached) of a land acquisition of 40.6+/- acres in Charleston and Derby. Two of the parcels concerned are developed fishing access areas. The rest of the property presents recreational opportunities and portions can act as a flood plain buffer for nearby developed areas.

These parcels were first offered to the State in a package including some old dams that present liability issues. As per Eric Palmer of Fish and Wildlife (751-0107), the deal as presented no longer includes these dams and the associated liability issues.

**Recommendation**

I recommend approval of this request.
MEMORANDUM

To: Susanne Young
From: Wayne Laroche
Date: March 10, 2008
RE: Governor’s Approval for Fee Purchase of 40.6 +/- acres in the Towns of Charleston and Derby

Enclosed is an approval to be signed by Governor Douglas for land acquisitions by the State of Vermont. All of the properties will be purchased in fee and managed by the Vermont Department of Fish and Wildlife. These acquisitions are in the Towns of Charleston and Derby and owned by Great Bay Hydro Corporation. Funding for the purchase and associated closing costs for these acquisitions comes from the sale of the Stamford Meadows Wildlife Management Area ($285,000) and the Vermont Motorboat Registration Fund ($202,900).

Included with the Governor’s approval memos are maps of the properties and the surrounding area and letters of support from the Towns of Charleston and Derby.

If you have any questions regarding these acquisitions, please contact Mike Wichrowski at 241-3447 or Kate Willard at 241-3697, thank you.
APPROVAL FOR LAND ACQUISITION

We, the undersigned, hereby approve the acquisition by the State of Vermont, Agency of Natural Resources, Department of Fish and Wildlife, of 40.6 +/- acres located in the Towns of Charleston and Derby.

This approval is pursuant to Title 10, Section 4144 of the Vermont Statutes Annotated.

Date

James Douglas, Governor
State of Vermont

Date

George Crambie, Secretary
Agency of Natural Resources

Date

Wayne Laroche, Commissioner
Department of Fish and Wildlife
Dear Mr. Wichrowski,

After reading your letter that summarized the Department of Fish and Wildlife's (DFW) involvement and discussing the project at our Selectboard meeting on November 8, 2007, we are writing to offer our support for the DFW involvement in the purchase of Great Bay Hydro Corporation properties at Pensioner Pond and Echo Lake in Charleston. More specifically, the town supports the DFW purchasing the property to secure permanent free public access to these waterbodies for recreational uses, such as fishing and boating. Thank you for meeting with us.

Sincerely,

Name  
Selectman

Name  
Selectman

Name  
Selectman

[Signatures]
TO C6ID
ROUTE 105
NELSON FARMS, INC.
(SEE SURVEY BY WORM SURVEYORS ENTITLED FORMER 'EARL HACKETT' FARM DATED DEC. 23, 1975. AAP NO. 1048)
TOWN ROAD 31
TOWN ROAD 5
ODS' ELEV. CONTOUR TO MATRM
4.5 ACRES BY DEED
NELSON FARMS, INC.
(SEE SURVEY BY STEVEYONS ENTITLED FORMER 'EARL HACKETT' FARM DATED DEC. 23, 1975. MAP NO. 1044)
CONT. LNG 13 PROPERTY LINE
ELEVATION OF RIO SALEM LAKE
NOW OR FORMERLY MARC DEMAN BK. 84 PG. 222-224
'10 ACRES' BY DEED
NOW OR FORMERLY MARC DEMAN BK. 84 PG. 222-224
CITIZENS UTILITIES CO.
PARCEL 1
BK. 41 PG. 590
BK. 40 PG. 321
BK. 38 PG. 62
CITIZENS UTILITIES CO.
PARCEL 2
BK. 41 PG. 590
BK. 40 PG. 321
BK. 38 PG. 62
CITIZENS UTILITIES CO.
PARCEL 2A
BK. 49 PG. 17
CITIZENS UTILITIES CO.
PARCEL 29
BK. 45 PG. 132
CITIZENS UTILITIES CO.
PARCEL 38
BK. 41 PG. 598
BK. 37 PG. 121
CITIZENS UTILITIES CO.
PARCEL 19
BK. 41 PG. 598
BK. 37 PG. 121
CITIZENS UTILITIES CO.
DEED REFERENCES:
AND GEORGE W. RUMERY NO. 669
10 ACRE(S) (DEED) IN PARCEL 2 (DEVELOP.) - RIVER FRONTAGE • 1620' ESTIMATED
10 ACRE(S) (DEED) IN PARCEL 5 (CONSERV.) - RIVER FRONTAGE • 2970' ESTIMATED
RIVER FRONTAGE EAST SIDE - 1130' ESTIMATED
LMN0101 ACREAGE IN PARCEL 1 (CONSERV.) - RIVER FRONTAGE • UNKN
0.2 ACRES (ESTIMATED) IN PARCEL 10 (CONSERV.) - RIVER FRONTAGE • 215' ESTIMATED
LMN0101 ACREAGE IN PARCEL 25 (CONSERV.) - RIVER FRONTAGE • 4.5 ACRES (ESTIMATED)
4.5 ACRES (DEED) IN PARCEL 47 (CONSERV.)
POSSIBLE DEVELOPABLE PROPERTY

NOTES:
THE REFERENCED SURVEY BY HORACE BROOM FOR SILAS HUGHTON IN 1667 DID NOT INDICATE LAND OWNED BY CITIZENS UTILITIES CO. ALONG THE CLYDE RIVER.

CITIZENS UTILITIES CO.

STATE OF VERMONT

CITIZENS UTILITIES CO.

I CERTIFY THAT THIS PLAN WAS BASED ON INFORMATION ABSTRACTED FROM THE TOWN OF DERBY LAND RECORDS AND PREVIOUS SURVEYS AS NOTED AND DEPICTS THE SIZE, LOCATION AND GENERAL RELATIONSHIP OF PROPERTIES OWNED BY CITIZENS UTILITIES AND ADJOINING PROPERTY OWNERS.

POSSIBLE DEVELOPABLE PROPERTIES SHOWN AS PER INSTRUCTIONS GIVEN BY CITIZENS UTILITIES CO.

CITIZENS UTILITIES CO.

MAP NO. 9801-DERBY-2

RUMERY LAND SURVEYS

CITY OF NEWPORT, VT.  802-334-2286

REVIEWED BY: G.A.

PLAN PREPARED FOR

CITIZENS UTILITIES CO.