

**VERMONT AGRICULTURE AND ENVIRONMENTAL LABORATORY
MEMORANDUM OF UNDERSTANDING REGARDING LAB GOVERNANCE**

Dated as of July 1, 2015

1. Purpose of Agreement. This Memorandum of Understanding (this "Agreement") is by and between the Vermont Agency of Agriculture, Food and Markets ("AAFM") and the Vermont Agency of Natural Resources ("ANR," and together with AAFM, the "Agencies"). The purpose of this Agreement is to establish principles for the strategic, fiduciary and operational governance of the Vermont Agriculture and Environmental Laboratory ("VAEL") by the Agencies, in order to ensure that the VAEL can provide laboratory analytical services, laboratory space, and a strategic vision to support and further the missions of both Agencies.

2. Statutory Mandate. This Agreement is adopted pursuant to mandate and authority granted to the Agencies by the Vermont General Assembly in Section E225.1 of Act 58 of the Acts and Resolves of 2015.

3. Governance Board. There is hereby established a "Governance Board" for the purpose of strategic and fiduciary governance of the VAEL.

a. The Governance Board shall comprise five voting members from each Agency, including the Secretaries of the Agencies, or their designees, as well as commissioners, division directors, section chiefs or program staff appointed by the Secretary of each Agency on an annual basis. Additional appointments for non-voting members of the Governance Board may be established by the Board, including for the VAEL Director, finance directors from the Agencies, IT staff or others.

b. Except as modified or more specifically described in a duly adopted resolution of the Governance Board, the responsibilities of the Governance Board shall include:

- i. establishing and managing the annual budget for the VAEL;
- ii. working with the VAEL Director to establish and implement a strategic plan, strategic initiatives, including an IT and LIMS strategy, and key performance indicators at least every five years;
- iii. working with the VAEL Director to establish and implement a business model for the VAEL that identifies revenue opportunities, partnership opportunities and cost analysis;
- iv. oversight of VAEL facilities and infrastructure, including (1) maintenance and use of temporary lab spaces in Burlington and Berlin, (2) design, construction, maintenance and use of a new lab building on the Vermont Technical College ("VTC") campus in Randolph, and (3) development and maintenance of an integrated lab information management system, hazardous waste management protocols and quality assurance / quality control protocols;

- v. oversight of lab programs, including expansion or contraction of lab certifications or program areas or expansion or contraction of lab staff;
- vi. ensuring positive collaboration among the Agencies, VAEL and VTC; and
- vii. oversight and coordination of VAEL communications with the Vermont General Assembly.

c. An executive committee of the Governance Board, including the Secretaries of the Agencies or their designees, the Commissioner of the Vermont Department of Environmental Conservation or designee, the Director of AAFM's Agriculture Resources Management Program (the "ARM Director"), and the VAEL Director shall meet at least monthly in order to support VAEL strategic and operational goals, provide continuous communication between the VAEL and the Agencies, and to set and manage agendas for Governance Board, Lab Management Team and External Advisory Group meetings.

d. The Governance Board shall meet at least four times each year.

e. The Governance Board shall adopt rules of order for meetings of the Governance Board, the Lab Management Team and Stakeholder Advisory Group, including rules for quorum, requirements for notice of meetings (including any requirements necessary to satisfy public meeting law requirements), and protocols for action outside of meeting.

4. Lab Management Team.

a. The Governance Board shall consult with a "Lab Management Team," including additional representatives from the VAEL, AAFM, ANR and VTC, as designated by the Governance Board for the purpose of communication and interface between the VAEL and Agency programs, supporting design, construction, maintenance and use of lab facilities, and supporting establishment and implementation of VAEL strategic goals, program priorities, workload assignments, and / or other management initiatives established by the Governance Board.

b. The members of the Lab Management Team shall be designated by the Governance Board on an annual basis.

c. The Lab Management Team shall meet at least four times annually, as scheduled by the Governance Board.

5. Stakeholder Advisory Group.

a. The Governance Board shall also consult with a "Stakeholder Advisory Group" comprising representatives from external organizations served by the VAEL or having an interest in the work of the VAEL in order to exchange information and perspectives between the Governance Board and Stakeholder Advisory Group members regarding program effectiveness, accessibility, potential program expansion, and/or workforce training opportunities.

b. The Governance Board shall invite members of such external organizations to participate in the Stakeholder Advisory Group on an ad hoc basis.

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c. The Stakeholder Advisory Group shall be convened at least once each year.

6. Day to Day Operations and Management. Day to day operations of the VAEL shall be directed by the "VAEL Director," in consultation with the ARM Director and AAFM leadership; provided that the day-to-day operation of the VAEL shall be consistent with the budget, strategic initiatives, business plan and other directions of the Governance Board.

7. Annual Report. The VAEL Director, in consultation with the Governance Board Executive Committee, shall report annually to the Governance Board on or before July 15 regarding implementation of VAEL strategic priorities, management of the VAEL budget, implementation of the VAEL business model, the state of VAEL facilities, programmatic updates, legislative activity, and any other matter requested by the Governance Board. Such report shall be made available to the Vermont General Assembly each year.

8. Duration; Amendment. This Agreement shall continue in effect unless modified or until terminated in a writing signed by duly authorized representatives of both Agencies.

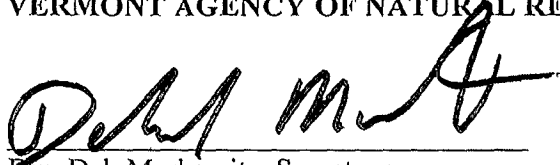
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IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first above written.

VERMONT AGENCY OF AGRICULTURE FOOD AND MARKETS

By: Chuck Ross, Secretary

VERMONT AGENCY OF NATURAL RESOURCES

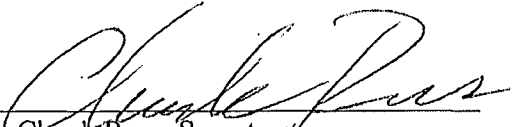


By: Deb Markowitz, Secretary

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