

WEEKLY REPORTS

Checklist

2/1/2013

Elizabeth Miller/Aly Richards

Agency of Commerce and Community Development – Lawrence Miller

Department of Labor – Annie Noonan

Department of Financial Regulation – Susan Donegan

Agency of Education – Armando Vilaseca

VT Commission on Lottery – Greg Smith

Louis Porter/Drusilla Roessle

Agency of Transportation – Brian Searles

Agency of Human Services – Doug Racine

Sue Allen/Leigh Appleby

Agency of Agriculture – Chuck Ross

Agency of Natural Resources – Deb Markowitz

Public Service Department – Chris Recchia

Sarah London/Carolyn Wesley

Department of Public Safety – Keith Flynn

Agency of Administration – Jeb Spaulding

Susan Spaulding

Boards and Commissions

Other

Irene Recovery Office

To: Governor Peter Shumlin
From: Lawrence Miller, Secretary - Agency of Commerce and Community Development
Date: February 1, 2013
Re: Weekly Report

Lawrence, Jen, and Lucy met with the CEO and Government Affairs officer from the **National Association of Home Builders** following up on a conversation they had with GPS a month ago. They have been working on a financing strategy to provide funding through Housing Finance Agencies for residential construction of all types. This would be project financing, with take out at completion. The investment banks they are talking to are thinking \$100mm tranches would be a minimum. Vermont has a couple times that in annual residential construction so we probably have the demand to participate. This is in response to challenges with construction financing for community banks, **but it would still be a delicate walk with the bankers**. An alternative model would be to design a financial access program for community banks with the funding coming from VEDA to maintain their participation. We are pursuing.

Embargoed until February 15— Today I approved \$950,000 CDBG-DR to CVCLT and Housing Vermont for 27 units of affordable housing at Ladd Hall at the state office complex in Waterbury. Began planning a February 15 event at which Governor Shumlin and Senator Leahy will announce VCDP awards.

Met with the Town of Jamaica, homeowners and case managers on property buyouts that are ineligible for FEMA funding. Joined by Josh Hanford and staff from TRORC. **We now have a clear path to prompt resolution.**

St. Johnsbury Fire Update: Construction is underway to clean-out, stabilize and reconstruct a roof on the building that was ravaged by fire in December. This initial phase of work is a privately funded effort. Subsequent phases include the complete restoration of the burned building and rehabilitation of the building next door, which is owned by the same individual. A new elevator is proposed to connect and serve both buildings. State and Federal tax credits will help offset the costs to convert the unused upper floors of these two buildings into market rate housing. The community hopes the project will provide a catalyst to encourage others to install sprinkler systems and bring more upper floors in St. Johnsbury into productive use.

Lawrence met with Joyce Judy and Susan Henry of CCV. They are interested in building stronger programs with employers. We will work with them to get that done. They are really enthusiastic about GPS' direction.

House Commerce is doing field hearings in Newport next Tuesday. A number of us will be with them.

Agri Mark has signed a purchase and sale agreement on the Northern Power building in Waitsfield. The close after we vacate. Great cooperation between BGS, ACCD, and ANR for this to go smoothly.

Talked to just about every humorless individual in the Vermont brewing industry, (there aren't many and it should be noted that they were ALL on the sales side of the business, NOT the brewers themselves who did think it was a joke. I told 'em "Relax, don't worry, have a homebrew." Now if you will excuse me I am going to go change into pink pants, green lacoste shirt, and slip into some penny loafers before I head out for Friday beers and break-opens.

To: Honorable Governor Peter Shumlin
From: Annie Noonan, VDOL Commissioner
Re: Weekly Report - Week ending February 1, 2013

Issue of Critical Note: UI Newspapers Rule was heard at LCAR on Thursday before a large crowd of both newspaper editors and worker advocates. The committee only got through 2 witnesses (VDOL General Counsel Dirk Anderson, and an attorney from Tennessee who testified for the newspaper owners). There are at least 10 more witnesses yet to be heard. I have been informed that Sen. Ashe is introducing legislation on behalf of the newspapers, so this issue will be fought out between the newspapers and labor this session. Frankly, this Administration had to clean up the mess created by VDOL UI Bulletin of 2006 which consciously decided to ignore the law. On the good news front, the federal OSHA people were here today and gave us a good report on our numbers and quality, and will be here in March to meet with our VOSHA staff to discuss progress.

Unemployment Insurance Division: VDOL has done UITS presentations to interested parties: the "VDOL work group" of business and labor (1/28), to House Commerce (1/30), and next Tuesday to Senate Finance. I do not anticipate attempts by the labor community this year to request structural changes (such as elimination of the one-week waiting period), but if we achieve the loan payoff this year, which we believe we will, I suspect we will see those requests in next year's session. Call Center Stats: For the week ending 01/26/13 we took 3,669 calls. This is a decrease of 225 calls from the week ending 01/19/13. We processed 787 initial and 832 additional claims. This is a decrease of 11 initial claims and a decrease of 22 additional claims from prior week. 14 claimants exhausted all tiers of benefits for the week ending 01/26/13 compared to 12 claimants during the prior week. We paid 8,961 claimants during the week ending 01/26/13 compared to 9,035 for the week ending 01/19/13. Note: 127 Mass Claims were processed for week ending 01/26/13: Ethan Allen - 117; Granite Sheds - 10; Ethan Allen had some rotating layoffs, but anticipate most staff back to work this week.

Legal Division: ESB cases pending at Vermont Supreme Court:

Peter Vieta v. MED Associates: Briefs filed, oral argument requested by MED Assoc.

Nicholas Palmier v. Calmont Beverage: Dismissed 1/20/13

In re Windham County Sheriff: Extension granted

Karen Rouse v. Helen Porter Nursing Home: Dismissed 1/15/2013

Mary Dugan v. Addison Rutland Supervisory Union: claimant's brief due pending granting of *in forma pauperis* motion.

In re Thomas King: Subject to dismissal as of 1/24/13 for failure to file a docketing statement.

L&S Inc., t/a North Star Bowl: Employer appeals his UI tax rate, relating to Hurricane Irene.

NEK Project Report (Cindy Robillard, VDOL reporting): "We met with Alex Maclean today and now have update info on the companies' staffing. AncBio: 150 B.S, M.A or PhD level jobs (\$75,000 and up); 175 A.S./Tech School or High level Tech Center (\$48,000-60,000); 175 High School Graduate for assembly and distribution work (\$15-\$18/hr.) COO will be named in upcoming months. Alex indicated that the actual operations start date may be moved to 2015, but construction may begin in Fall 2013. Menck Window: 140-150 Total positions: 100 Manufacturing—High School/Tech Center/A.S. (\$15-\$20/hr.); 40-50 Management and Administration— (\$50,000-\$100,000); COO has been named, and Alex is communicating with this person (who is Germany now, but expected here soon). Burke Mountain Lodging Phase 1: Peak CM, General Contractor /Jerry Davis. Alex will facilitate a meeting for us. Construction jobs are scheduled to begin 7/13 and have 17 month duration. Estimated construction jobs: 584

Workforce Development, from Rose Lucenti, VDOL

Blockbuster on the Barre-Montpelier Road will be starting liquidation the first week of February and will close on 3/24/13. The United Way of Lamoille County has a new program to help area residents out of poverty by teaching self-sufficiency skills and providing a strong support network. Laughing Moon Chocolates of Stowe is teaming up with The VT Peanut Butter Company of Morrisville to add products. VT Peanut Butter is New England's fastest growing premium peanut butter company. Dave Beeman, owner of Beeline Trucking told VDOL that he is in the process of selling off his trucks and closing his business; date unknown at this time. Singleton's General Store, which has been operating for 35 years in Proctorsville, plan to open a 7300 square foot market in Quechee by the end of February. Vermont Law School has identified the positions/employees that will be slotted for RIF at the end of February. They are in communication with VDOL for additional services that may assist their dislocated workers. A rapid response was done in January. Burlington VDOL conducted a "mixer" for the employees laid off from Goodrich (UTC), General Dynamics and GE Health Care on Thursday, January 24 from 5:00 - 7:00 p.m. @ our office. The employer list contained companies such as IBM, Fletcher Allen, and State of VT DHR. Fletcher Allen Health Care participated in the Burlington's Wednesday Business Presentation on January 30th. Wal-Mart will be meeting on Thursday, January 31 with Tim Smith, FCIDC, St. Albans to review a propose site for the company's new Hiring Center. Burlington VDOL is working with Wal-Mart District HR Manager to set up public information sessions in the St. Albans area in the near future along with job fairs. Additional Kiosks have been ordered for the St. Albans office to accommodate the increase flow expected for Wal-Mart applicants and Energizer employees. The Rutland VDOL office held two Rapid Response sessions for the employees of PACE Health Care in Rutland on 1/30. 90% of the employees are RNs, LNAs, or Personal Care Aides. PACE has another facility in Colchester that is also closing.

Legislative and Other Meetings of Note: 1/28: UITF meeting w/business & labor workgroup; NEK weekly check in; Tramway meeting; 1/29: H.57 and 51 in Commerce; VLITE Board; 1/30: Ways & Means on WC computer/fee; SEA and UITF in Commerce; 1/31: LCAR on UI Rule for Newspaper carriers; 2/1: Federal OSHA Boston staff here all morning; meeting with Liz Miller and Aly Richards on VDOL issues.

Vermont UI Trust Fund Forecast - November 2012

Forecast Parameters Extracted From Bill S. 290 (ACT 0124)

Title: An Act Relating to Restoring Solvency to the Unemployment Trust Fund

Taxable Wage Base (TWB)
Beginning January 1, 2012, the TWB will remain at \$16,000 until the Trust Fund has a positive balance on June 1, at which point the TWB will index upward annually by overall wage growth as determined by the QCEW program beginning January 1 of the following year and thereafter. The Nov 2012 forecast anticipates and includes an annual upward adjustment starting in 2014 and thereafter.

When the unemployment contribution rate schedule is reduced to Schedule III, the TWB will be reduced by \$2,000 on January 1 of the following year and will index upward annually by overall wage growth thereafter. When reduced to Schedule I, the TWB will be reduced again by \$2,000 on January 1 of the following year and will continue to index thereafter. The first downward adjustment is forecast to occur in 2020.

Maximum Weekly Benefit (MWB)

The MWB will remain frozen at \$425 until the Trust Fund has a positive balance as of December 31 of any given year, at which point the MWB will index upward annually by overall wage growth as determined by the QCEW program beginning the first day of the first calendar week of July of the following year and thereafter. The Nov 2012 forecast anticipates and includes an annual upward adjustment starting in 2014 and thereafter.

When the unemployment contribution rate schedule is reduced to Schedule III, the MWB will be adjusted on the first day of the first calendar week in July to an amount equal to 57% of the state annual average weekly wage. An adjustment as previously described is projected to occur in 2020 based on this current forecast.

Disregarded Part-time Earnings

For claims established on or after July 1, 2012, \$40.00 or 30% of weekly earnings will be disregarded, whichever amount is greater.

Computation of Benefits

For claims established on or after July 1, 2011, the maximum benefits paid during a benefit year will not exceed the lesser of 26 times the claimant's weekly benefit or 46% of the total wages paid to the claimant during the base period.

One Week Waiting Period

For claims established on or after July 1, 2012, a one week waiting period will have to be served before any benefit payment is allowed. The required waiting period will end on July 1, 2017 or when the Trust Fund has a positive balance on December 31 of the prior year, whichever is later. Claimants will still receive the full 26 weeks of benefits, just delayed by one week.

Misconduct

For claims established on or after July 1, 2011, findings of simple misconduct will result in a cap of 23 weeks of benefits.

Year ^	Benefits					Contributions	
	Trust Fund Net Balance (\$Mil.)	Regular Benefits (\$Mil.)	Extended Benefits (\$Mil.)	Total Benefits (\$Mil.)	Max Weekly Benefit	Total Contributions (\$Mil.)	Taxable Wage Base
2011	-24.8	105.4	0.0	105.4	425	109.2	13,000
2012	-7.9	91.2	0.0	91.2	425	116.8	16,000
2013	41.4	91.3	0.0	91.3	425	118.4	16,000
2014	78.7	85.0	0.0	85.0	434	120.8	16,300
2015	109.0	94.4	0.0	94.4	442	122.5	16,600
2016	144.7	92.8	0.0	92.8	451	125.2	17,000
2017	185.5	83.7	0.0	83.7	460	124.0	17,300
2018	225.5	85.4	0.0	85.4	469	114.9	17,000
2019	260.9	85.1	0.0	85.1	479	111.9	18,000
2020	285.8	98.8	0.0	98.8	510	93.6	16,000
2021	270.4	100.2	0.0	100.2	521	93.9	16,300

Year ^	Total Unemployment Rate*	Total Wages (\$Mil.)	Taxable Wages (\$Mil.)	Wage Growth*	Labor Force Growth*	Tax Rate Schedule
2012	5.1	8.3	3.3	2.0%	0%	5
2013	5.4	8.4	3.3	2.0%	0%	5
2014	5.2	8.6	3.3	2.0%	0%	5
2015	5.5	8.8	3.4	2.0%	0%	5
2016	5.5	8.9	3.5	2.0%	0%	5
2017	5.2	9.2	3.6	2.0%	0%	4
2018	5.0	9.4	3.6	2.0%	0%	4
2019	4.8	9.5	3.7	2.0%	0%	3
2020	5.0	9.7	3.4	2.0%	0%	3
2021	5.0	9.9	3.5	2.0%	0%	3

Year ^	Interest Rate % [†]	Interest Earned (\$Mil.)	End of Year Interest Payable (\$Mil.)		FUTA Credit Reduction %	FUTA Credit Payment Jan 1 (\$Mil.)
			Loan Amount	September 30		
2011	4.09	0.0	77.7	2.1	0.0	0.0
2012	2.94	0.2	57.7	2.5	0.3	0.0
2013	2.68	0.5	0.0	1.6	0.0	5.8
2014	2.58	1.4	0.0	0.0	0.0	0.0
2015	2.43	2.2	0.0	0.0	0.0	0.0
2016	2.48	3.0	0.0	0.0	0.0	0.0
2017	2.79	4.5	0.0	0.0	0.0	0.0
2018	3.20	6.4	0.0	0.0	0.0	0.0
2019	3.62	8.6	0.0	0.0	0.0	0.0
2020	3.95	10.2	0.0	0.0	0.0	0.0
2021	4.21	11.0	0.0	0.0	0.0	0.0
Totals				6.2		5.8

NOTES & SOURCES:

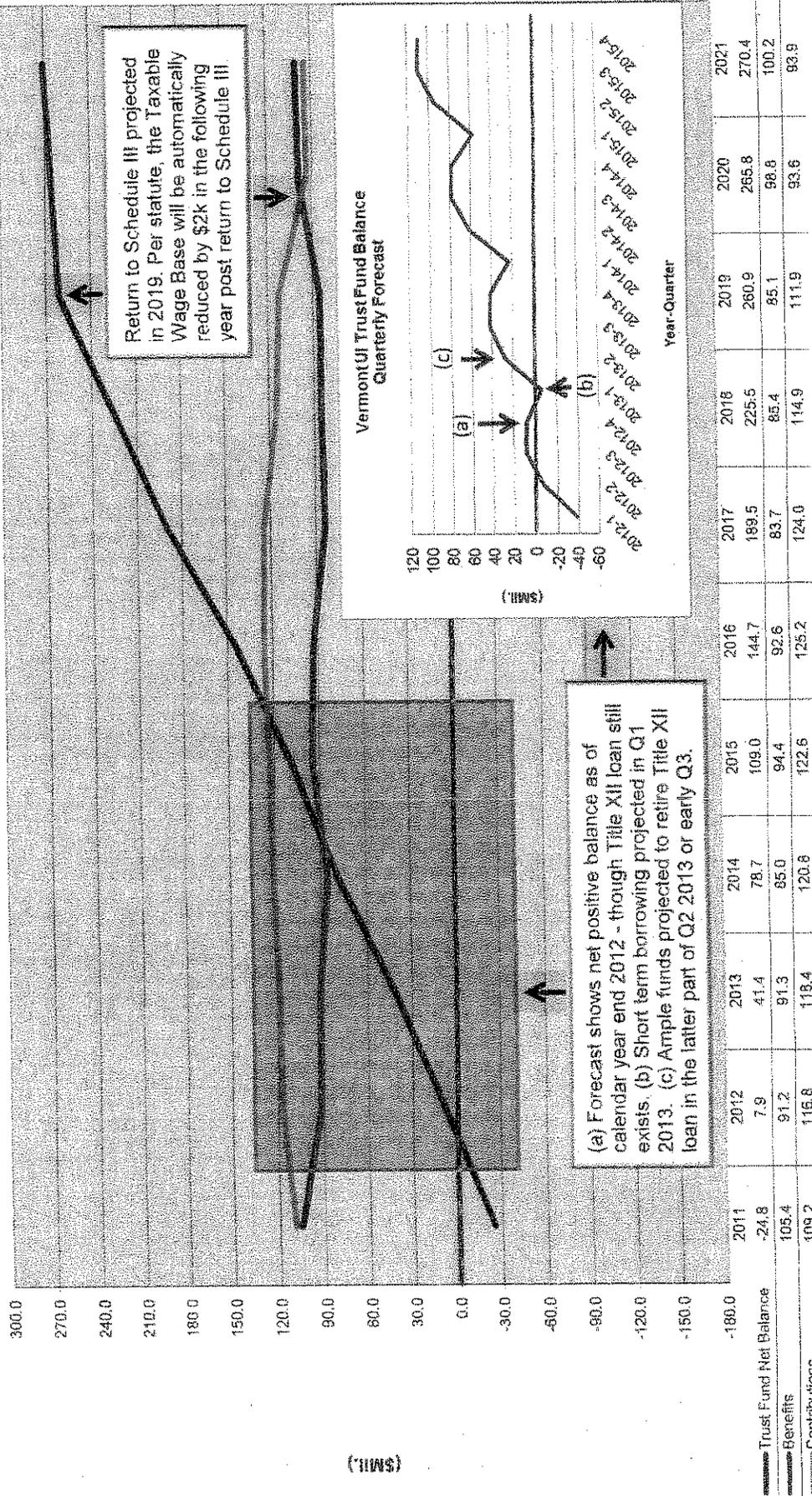
* VDOL E&LMI Projections.

^ #s are as of end of year; 2011 are actual data.

† The 2012 actual interest rate is 2.94%. The interest rate for 2013 forward is a forecast provided by USDOL.

SOURCE: VDOL Benefit Finance Model, Nov. 2012, unless otherwise noted.

Vermont UI Trust Fund Forecast - November 2012



NOTES:
 - The Trust Fund Net Balance is a theoretical total of cash offset by the loan amount, excludes Read Act and UI modernization funds.

SOURCE: VDOL Benefit Finance Model, Nov. 2012, unless otherwise noted.



State of Vermont
 Department of Financial Regulation
 89 Main Street
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For consumer assistance:
 [All Insurance] 800-964-1784
 [Securities] 877-550-3907
 [Banking] 888-568-4547
www.dfr.vermont.gov

CONFIDENTIAL and PRIVILEGED

To: Governor Peter Shumlin
 From: Susan L. Donegan, Commissioner, Department of Financial Regulation
 Date: Feb. 1, 2013
 Re: Weekly Report

Handwritten note: New York State

Message from the Commissioner:

Dear Governor,

Thank you again for attending our department meeting this week. One employee sent me an e-mail and I pass his comment along since he said it best:

“Having the Governor take a couple minutes of his day and pop in was awesome. It was nice to hear his thoughts as well as being reminded just how important our department’s role is to the state.”

Handwritten signature: Thanks, Susan

Press Issues/Releases/Contacts:

Two issues concerning health insurance coverage may generate media and legislative attention:

- Same sex marriage and out-of-state large employers who do not offer insurance benefits to Vermonters. This is a self-funded insurance group loophole for which DFR has no jurisdiction. DFR supports closing this gap. Legislative Council informed DFR that a bill was in drafting stage.
- Coverage for gender reassignment surgery and trans-Vermonters health issues: DFR is evaluating an administrative solution to this issue but it is possible that legislation will emerge.

Significant Events/Meetings:

Commissioner Susan Donegan and Deputy Commissioner of Captive Insurance David Provost will attend a National Insurance Commissioners Association Commissioners’ Roundtable this weekend; hot topics will include the use of captives by life insurance companies.



Banking
802-828-3307

Insurance
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Captive Insurance
802-828-3304

Securities
802-828-3420

Sandy Bigglestone, director of Captive Insurance, represented Vermont this week at the World Captive Forum in Florida. The WCF has been in existence for more than 20 years. About 400 attendees this year discussed various issues surrounding captive insurance. Sandy was also able to meet with many current and prospective captive owners and with other captive regulators.

On Saturday, January 26, the Banking, Insurance and Securities divisions were represented by five department staffers at the 50 Plus Expo in Burlington. The annual event offers workshops and information geared toward people 50 years old and older. This year the DFR team focused on the services the department offers and how to avoid scams aimed at senior citizens.

Legislative Issues/Contacts:

The commissioner appeared with Anya Rader Wallack, chair of the Green Mountain Care Board, before the Senate Finance Committee to answer questions about health insurance rate review. The commissioner also appeared before House Committee on Health Care to discuss the department's consumer services program.

Deputy Commissioner of Banking and Securities Tom Candon testified this week before the House Commerce Committee on H.51, which proposes permitting the use of direct deposit and "payroll cards" to distribute workers' compensation benefits. There is concern that a payroll card cannot be used to distribute the benefit leaving only the option of a prepaid reloadable card that does not carry the protections of federal Regulation E. The deputy was asked to contact banks currently issuing workers' comp benefits via plastic card to determine if the benefit qualifies as a payroll card in the issuing state.

David Reynolds, deputy commissioner of Health Care Administration, spoke Friday to the House Committee on Health Care on the Strategic Health Care Workforce Plan.



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**CONFIDENTIAL AND PRIVILEGED: NO SHARING
MEMORANDUM**

TO: Governor Shumlin
FROM: Armando Vilaseca, Secretary
SUBJECT: Agency of Education (AOE)
DATE: February 4, 2013

Governor Meetings: Thank you for reaching out to our four main education partners on Monday of this week. This was a great opportunity to communicate your initiatives to them and to get their support on most of the initiatives we are working on. It was also very productive for Deputy Fischer and me to spend some time with you, Elizabeth Miller and Aly Richards to further discuss your plans for education. There is a lot of work ahead of us and these key discussions are important for us to move forward with a united focus.

Pre-Kindergarten: We are working with our education partners (Vermont Superintendents Association, Vermont Principals' Association, The Vermont Business Roundtable and AHS) to review Senator Mullins's bill which has potential but needs some massaging.

Groundbreaking for Barre Place: One step closer to home.

AHS/DOC Quarterly Meeting: My deputies and I met with staff from AHS and the Community High School of Vermont to discuss collaboration between these two agencies. Secretary Racine and I met with Susan Bartlett, Deputy Commissioner Talbott and Monica Hutt on strengthening the relationship between the Community High School of Vermont and AOE, particularly around post-incarceration services and services provided to the community-based programs.

Secretary Racine and I are also scheduled to meet in the next two weeks to discuss comprehensive, wraparound, school-based services.

School Safety: The Vermont School Crisis Planning Team (VSCPT) continues to work to provide guidance to schools. This is a volunteer group made up of state police, local police, school resource officers, AHS staff, and representatives from the professional education associations.

Vermont's High School Graduation Rate: I wanted to make sure that you saw Diane Ravitch's blog post, which can be found here: <http://dianeravitch.net/2013/01/26/14593/>. Using the Average Freshman Graduation Rate, the most conservative estimate, Vermont's graduation rate is up to 78.2%, the highest in the nation. It is an interesting blog with an ending comment, "*Vermont has what really matters: strong communities, informed citizens, generous taxpayers who support their children, and committed professionals in the classroom.*"

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To: Governor Peter Shumlin
From: Greg Smith, Executive Director, VT Lottery
Date: Feb 1, 2013
Re: Weekly Report

Status of Governor's Priorities:

Continued work on cost savings efforts

Legislative Issues/Contacts:

I appeared before the house approp comm. to discuss lottery in general, and our plan for fy14 for costs. The question was raised about how involved the Gov/Admin was in setting sales goals and addition of new games – I said I have had general direction but not specific. And no involvement with the break open tickets or topic. No action on the i-gaming or i-lottery report. I did learn that this report was not requested by the House comm. who we submitted the report to – not sure who asked for it.

Press Issues/Releases/Contacts:

None this week.

Significant Events/Meetings:

No meetings of consequence. Next Friday is our now bi-monthly Tri-state meeting in NH – set for 2nd Friday of even numbered months.

Evolving Issues:

Public record request matter is progressing smoothly. Dr. Jolley has so far accepted the restrictions we have explained for some of the data, and acknowledged the possible cost of a few hundred dollars to label the data in a fashion that we would never need to for our internal purposes.

Summary of Key Agency Department Activity:

State and Federal reporting for tax statements has been met. US Postal Service damaged a few dozen – ripping them in half. A few recipients stated that their SSN could be floating around in the mail due to ripping. We have directed them to USPS to discuss that, and we are replacing the tax statement.

Executive Director's Commentary:

So far, so good.

Executive Privilege

TO: Governor Peter Shumlin
FROM: Secretary Brian R. Searles
DATE: Friday, February 1, 2012
SUBJECT: VTrans - Confidential Report to the Governor

Legislative Update

With the final decision on the T-Fund share of the HP settlement, the Budget Adjustment Act for VTrans became a much easier matter. Originally responding to a \$3.3 million downgrade in the January forecast, the HP settlement T-Fund amount of \$4.3 million restores and increases the money available for "spring leveling", a program that has been valuable in helping us deal with unanticipated winter pavement damage not covered by projects in the capital program.

In terms of the FY-14 proposal, the serious questions in both committees are about how to fill the gap and not about the spending plan. The focus has been on the 2% of Purchase and Use that goes to the Ed Fund (\$29 million) but I don't think either of the Transportation Chairs believes that this is a viable source of funds in the short term (FY-14) due to the potential collateral damage it creates for property tax payers. However, we should be prepared for a proposal from the Senate that requires a commitment over time to bring that money back to transportation in an incremental way along the lines of the JTOC reduction over the last 10-15 years.

Circ Alternative Task Force

The group met last night and approved a study agenda that supports a third set of projects to replace the Chittenden County Circumferential Highway. The projects in the alternative selected emphasize corridor improvements on Rt. 2A in Williston, development of grid streets between Rt. 2 and 2A near Taft Corners, a reconfiguration of Exit 12 of I-89 and traffic signal optimization in the area.

The important development here is that as we near the end of the process, neither Segment A nor Segment B of the original Circ is on the table. This happened with a unanimous vote, which includes the votes of IBM and CLF. We are now ready to move forward over the next ten years with a total of 15 smaller projects that will not have the level of opposition experienced by the Circ and will cost considerably less. It is anticipated that the total of these fifteen projects will be in a range of \$55-75 million over

time as compared to an estimated \$150-200 million to complete the Circ to I-89 in Colchester.

The Task Force has worked so well that there was an effort by a couple of members to extend the life of the group beyond 2013. However, MPO Director Michele Boomhower and I argued against that idea as it would create an indefinite additional layer of bureaucracy without a well-defined purpose. The group will review the planning studies for the five new projects in September and then formally select that group of projects in November, and then disband.

The first group of projects continues to move through the project development process. The VT 2A & James Brown Drive intersection project had a public hearing on January 24 with nine nearby property owners attending to hear how the project will improve traffic operations and flow. Concerns were mostly around aesthetics, such as landscaping.

The Crescent Connector Project that is designed to get traffic away from five corners in Essex Junction is going through environmental review and negotiations with the New England Central Railroad over crossing design.

Danville – The End is in Sight

Landscaping is now the emphasis area for this complex redesign of Rt. 2 through the village as the highway part of this project is scheduled to wrap up by July 1 of this year. The focus will be on the Danville Green in addition to the town gazebo and various artistic installations. Our landscaping folks are working with the contractor to establish limits of work zones to protect old trees and reduce soil compaction where new trees will be planted.

Brookfield Floating Bridge

Personnel from the Advanced Structures and Composites Center (ASCC) at the University of Maine with the assistance of our Structures staff have installed two sets of pressure transducers at the bridge this past Monday to measure ice pressure and depth in both the longitudinal and transverse directions. This information will be used to design the future fiber reinforced polymer flotation to withstand ice pressures over the anticipated 100-year design life of the new bridge.

This project has been the subject of some press coverage locally and folks in this area are very pleased that the new bridge, which will look much like the original and its 1978 replacement, is going forward. A consensus on the replacement was reached between VTrans and regional planners in the last several months. It is a \$4.7 million dollar project that has at least as much tourism value as transportation utility.

CNN – AC360 Coverage of the High Speed Rail Program

The transportation blogosphere has been lit up all week following the Anderson Cooper/Drew Griffin report on the President's High Speed Rail Program which featured our project on the NECR. We will participate in a national conference call among about

20 states that are interested in rail and want to build a stronger coalition to support the President's agenda. One of the more than 12 columns that have been written on the CNN hatchet job was done by Jon Margolis for VTDigger.org. It has been distributed widely around the country and has been quoted by the Federal Rail Administration, who will be on our call this afternoon. It appears that this lousy story could be the best thing that's happened in a long time to create unity and energy around a progressive rail agenda.

Privileged and Confidential
Memorandum

To: Peter E. Shumlin, Governor
From: Douglas A. Racine, Secretary of Human Services
Re: AHS Weekly Report
Date: February 1, 2013

Vermont Department of Health (VDH)

Maple Leaf Farm – Pine Ridge Expansion Certificate of Need (CON): Maple Leaf Farm has submitted a CON application in relation to their plan to move to the new Pine Ridge facility. Deputy Commissioner Barbara Cimaglio has received copies of all of their documents and has been working with Donna Jerry, Green Mountain Care Board (GMCB), to answer questions about Maple Leaf's current budget and budget assumptions for the new facility. Interested party status has also been granted to several other substance abuse treatment providers related to this CON. The major questions arising are about state commitment to funding and income assumptions. The VDH works on a year-to-year grant basis with Maple Leaf and does not make any commitments beyond the fiscal year and Governor's budget.

Pediatric Flu Vaccine Update (N): Although the VDH's supply of pediatric flu vaccine for the 2012-13 season has been exhausted, additional requests for vaccine are still being received. On January 23rd, the CDC made 2,000 additional doses of the pediatric flu vaccine available to Vermont from the national stockpile with the stipulation it may only be used for children eligible for the federal Vaccines for Children program. In order to maintain Vermont's universal approach to providing vaccine for use in all children, the VDH must provide a certain percentage of state-purchased vaccine for use in privately insured children. To meet this need, the department has identified an excess of the pediatric influenza vaccine in three area home health agencies and is in the process of purchasing this vaccine at cost. In addition, the department is moving the pediatric flu vaccine around the state from providers who have extra doses to other providers in need of more.

Department of Mental Health (DMH)

Legislative Testimony: Interim Commissioner Moulton and Heidi Hall, DMH Finance Director, presented testimony on the DMH Budget Adjustment request this week before the Senate Committee on Appropriations. Members had questions regarding the system of care that we are creating and have asked for a depiction of this in the 2014 budget presentation. We are working on this for next Tuesday's 2014 budget presentation to the House Committee on Appropriations. We continue to get questioned on our decisions to build 4 extra crisis beds versus a 7 bed facility in the Northwest quadrant of the state. There was no money appropriated for that project and we accentuate that our beds are working very well for us, causing us to come in \$300,000 under budget for the 2013 Act 79 expenditures.

Next week we also expect to be called before the House Committee on Human Services on the decision to cut the 4-bed intensive residential recovery residence in Rutland out of the 2014 budget. This project was not far enough along to support without considerably more clarity. We also are being questioned by Rep. Pugh regarding our decision to close the temporary residential facility in Middlesex at the time we open the Berlin-located psychiatric hospital. Rep. Pugh indicates that the legislature expected this facility to be open for at least two years. I see no statutory requirement to do so.

Planning for Berlin-based Hospital: Planning for the hospital moved forward this week with focus design groups meeting on specific parts of the building. The meeting went very well and final decisions are close at hand on the final architecture.

At least a dozen names have come forward for the new hospital from interested parties. Those have been submitted to BGS, which will forward them to the General Assembly for a final decision.

Secure Residential: Slight delays at this point are being experienced due to the delivery of lighting fixtures being out further than expected. This will cause the opening to be pushed up to April 1st. Given the late opening date and early closure date, I am questioning whether we want to put a spotlight on opening. We should keep this a discreet affair rather than having an open house.

DOC/DMH: The Corrections work group began on Wednesday. Interim Commissioner Moulton is consistently asked about the role of the DMH with those needing treatment in correctional facilities. The meeting with DOC went well and helped to identify potential collaborative projects. Brainstorming brought about ideas such as: congregate housing for Serious Functional Impairment (SFI) and other high mental health needs clients; 1-2 psych techs working the busiest shift in the Alpha unit of the Springfield Correctional facility where there are people with significant mental health issues; finalizing protocols for inmates needing psychiatric hospitalization. We will continue this discussion between the two departments.

Green Mountain Care Board (GMCB): Interim Commissioner Moulton also attended the GMCB meeting, during which time there was a group discussion on what it means to have mental health truly integrated into primary care. While this is a very good goal, it was pointed out that for the highest need clients, the existing mental health system provides services that would probably not be available at a primary care physician's office. Ed Paquin of Disability Rights Vermont accentuated that it is very important that we not lose the services for very needy individuals while creating an integrated model.

Department of Disabilities, Aging and Independent Living (DAIL)

Health Care:

Commissioner Wehry and Commissioner Larson testified before House Committee on Human Services on the status of the Choices for Care (CFC)/Global Commitment Waiver consolidation and the Vermont Dual Eligible Demonstration (DUALS) project. Advocates are fanning fears that CFC 'savings' and re-investment in Home and Community Based Services will be lost if the

waiver is consolidated. We may have alleviated that somewhat but not by much. We acknowledged there is much to be sorted out between DUALS, OneCare and Medicaid Accountable Care Organizations (ACOs).

Ongoing Issues:

Adult Protective Services (APS): Remains stable. We are working overtime to respond quickly to Rep. Pugh's requests for data, which are reasonable. We do not expect overtime costs to continue but will have to monitor closely.

APS Litigation: Remaining discovery delivered today. Commissioner Wehry has been told that Barb Prine continues to try to drum up hallway support for her position that the system remains badly broken. The Times-Argus story was not sympathetic to APS but we can't tell if there's any traction to her [unfounded] allegations.

Program of All-Inclusive Care for the Elderly (PACE) follow-up: A primary care physician in Rutland has agreed to absorb care for PACE participants who otherwise would have been without a doctor when the program dissolves on March 31st. Adult day services are also being developed for those who need them. We anticipate the legislature will take a more active interest in the loss of this program before too long. Rep. Heath served on the board of the Chittenden program and she along with others is disappointed by its closure. We rejected a request to provide significant funding for the Rutland program (but not the Chittenden program) because of the amount and the lack of plan for sustainability.

Legislature:

The House Committee on Human Services heard testimony from lobbyists/advocates (Sirotkin, Majoros, Tessler, Pelosi) following DAIL's testimony with Commissioner Larson. The prevailing wisdom according to one observer was that "the State" has done a good job of engaging stakeholders, but may simply be trying to do too much (State Innovation Models (SIM) grant, OneCare, Medicaid Shared Savings Program and DUALs).

Rep. Johnson is putting forth a bill that would require DMH and DAIL to disclose to law enforcement the identities of certain individuals placed in a "designated residential service home." Interim Commissioner Moulton and Commissioner Wehry have made clear our opposition to the policy which we believe violates HIPAA and would be of questionable utility. AAG Stuart Schurr has conveyed our concerns to Katie McClinn as follows: *45 C.F.R. §164.512 (HIPAA Regulations) allows a covered entity to disclose protected health information without first obtaining the individual's authorization under limited circumstances. For example, subsection (j) permits the use and disclosure of information "if the covered entity, in good faith, believes [it] is necessary to prevent or lessen a serious and imminent threat to the health or safety of a person or the public; and the use or disclosure is to a person or persons reasonably able to prevent or lessen the threat, including the target of the threat." As proposed, the mere fact that one has been convicted of or charged with a listed crime, without regard to whether the individual poses an imminent threat, would require the applicable Department to disclose information to the local law enforcement agency. In the absence of another provision authorizing disclosure, such action may constitute a violation of HIPAA.*

Department of Corrections (DOC)

Press Issues/Releases/Contacts:

Associated Press (AP): The AP will be running a story regarding the DOC's recent drop in people under the age of 22 in the custody of the DOC. This number was over 2,000 a few years ago and is now under 1,000. The story focuses on the success that we are seeing with some credit going to the legislatively established youth probation officers and the creation of diversion programs such as the Rapid Intervention Program in Chittenden County. The AP interviewed some of the DOC's Probation and Parole staff. This story is linked to the Governor's proposal to redefine the Community High School.

Significant Events/Meetings:

Senate Committee on Appropriations: On January 29th, the DOC testified on the 2013 budget adjustment. Testimony was short and turned quickly to the Community High School of Vermont (CHSVT) plan. This will be a topic of conversation during the 2014 budget testimony.

House Committee on Institutions and Corrections (HIC): Testimony continued on the update of the DOC progress over the past year. The DOC will likely be asked to prepare a report, due by January 15, 2014, to the Legislature with a plan to close the out of state program within five years. Testimony was also provided on the AHS SFI report. The DOC is scheduled to be back with the HIC on February 5th for further testimony on updates.

Other:

State Auditor's Office: It appears that the Office of the State Auditor is proceeding with an audit of the DOC's contract for medical/mental health services with Correct Care Solutions (CCS). The DOC is currently providing records, etc., associated with this contract.

Population:

The Department has maintained the incarcerated population around the 2050 mark. The detention population remains around 20% of the overall incarcerated population. The female population remains in the 130 range with 35% of that population being detained inmates.

Department for Children and Families (DCF)

Evolving Issues:

3Squares Supplemental Nutrition Assistance Program (SNAP) Error Rate: For FFY'11, Vermont was sanctioned for having a Payment Error Rate (PER) of 8.59%. The PER indicates the percentage of total recipients who did not receive the correct amount of benefits. In other words, they were either under or over paid. The U.S. Department of Agriculture (USDA) Food and Nutrition Service (FNS) requires all states to achieve an accuracy rate of at least 94% when issuing SNAP benefits (which means our payment error rate must be no greater than 6%). Because of our high PER, Vermont's had a sanction liability of \$341,187. The FNS allows

states to submit a proposal to reinvest half of that liability into a plan that will help reduce our PER. Vermont's approved plan includes providing intensive training in the most error prone areas.

The Economic Services Division (ESD) just completed FFY'12 case reviews and although we have made improvements, our PER will be 6.96%, meaning that we are still over the allowable amount of 6%. The ESD will have to pay back the second half of last year's liability and will also be sanctioned an additional amount that has not yet been determined. Our best estimates are \$140,000 to \$180,000 in sanctions.

In December 2012, FNS was on site for a visit for 3 days and below you will see a summary of their report.

Executive Summary

On December 4-6, 2012, FNS conducted a Payment Accuracy Review of the Department of Children & Families' (DCF) Supplemental Nutrition Assistance Program (SNAP). In Vermont, this program is known as 3SquaresVT, it will be referred to as SNAP for purposes of this report. The review took place at the DCF's (temporary) Central Office in Essex Junction and at the Burlington District Office. This following report provides a description of the work performed, people contacted, observations and suggestions, and noteworthy initiatives. The quick synopsis is an already known fact: district offices are overburdened and the primary causes are due to staffing shortages and the accompanying backlog of cases from business process reengineering.

Observations:

- (1) Despite statewide business process reengineering, District Offices are unable to consistently utilize enhanced workflow procedures due to understaffing.
- (2) Supervisory Case Reviews are not being routinely or systematically conducted.
- (3) Corrective Action Strategy Team has not met in 18 months.
- (4) Language on some of the client notices should be revised.
- (5) Additional training for workers is needed.
- (6) Information Technology (IT) support for SNAP needs to be a greater priority.

Emergency Housing: On January 24th the ESD hotel reservationist discovered that only five rooms remained available through the weekend at the two dozen hotels used to provide emergency housing. Vermont 211 was overwhelmed with shelter calls and the Community Action Programs could not keep up with the increased volume of clients seeking shelter.

Anticipating continued temperatures below zero ESD Operations reached out to the VDH to ask Red Cross to provide shelter. We held two conference calls on Friday to work through the logistics (Security, MH counselors, etc) and the Red Cross opened a shelter at 3:30 PM on Friday. Clients seeking shelter were notified that mass shelter would be provided instead of hotel rooms. Once the Champlain Valley Office of Economic Opportunity (CVOEO) made the change to mass shelter the number of requests reduced dramatically. On January 25th ESD and VT 211 approved 21 people for the shelter and no one showed up. On January 26th VT 211 approved an additional 7 people and no one showed up. On January 27th after a conference call we closed the shelter but Red Cross said they would still help house people in motels they had relationships with for Sunday night. VT 211 approved 7 additional clients on Sunday; 6 adults and 1 family and 5 single adults showed up at the Fairfield Inn taking 4 rooms (1 couple).

The cold weather exception in General Assistance (GA) ensures housing for the homeless in severe weather but this example is a clear indicator that people want motels, not shelters. Currently the only option we have is motels.

Department of Vermont Health Access (DVHA)

Legislative Issues/Contacts:

Choices for Care/Dual Eligible Testimony: Commissioner Larson and Commissioner Wehry testified to the House Committee on Human Services on January 29th on the status of the CFC waiver proposal and transition planning and gave an update on the DUALS project.

Health Care Budget: On January 29th, Commissioner Larson and Robin Lunge continued testimony (from January 24th) to the House Committee on Health Care on the 2014 and 2017 financing plans. Specifically, Commissioner Larson and Robin testified about the premium and cost sharing subsidies and the cost of holding individuals “harmless” to the current Vermont Health Access Program (VHAP) and Catamount levels. In particular, we pointed out that under the “hold harmless” scenario many individuals would actually see higher premiums than the Administration’s proposal.

Press/Media Contacts:

Financing plans: Commissioner Larson and Robin Lunge continue to respond to media requests related to the financing plans. This has included requests from Peter Hirschfeld, Andrew Stein, and Bob Kinzel. Requests have primarily been about Medicaid projections in the 2017 report and “hold harmless” estimates for the cost sharing and premium assistance subsidies.

Significant Events/Meetings:

CMS/Duals Demonstration: Representatives from DVHA, DMH, DAIL, and AHS Central Office (AHSCO) held an all-day conference call with CMS to begin discussion of an MOU for the Dual’s Demonstration.

DVHA is separately applying to be an approved managed care entity to serve as the state’s Managed Care Organization (MCO) under the demo. This application is what a private MCO would have to file to be part of a demo in another state. The application is due mid-February. A particular concern for the state of Vermont is the State’s need to apply as a Medicare Advantage Plan. The State is concerned that it will fail the network adequacy standards as Vermont generally lacks providers in certain specialties and regions. As part of the application, Jeb must attest that DVHA is either a licensed insurer or meets other requirements for managing financial risk (specified in the application).

CGI Contract: The Exchange systems integration contract signed in December included the need for an amendment to work through additional detail. DVHA is working closely with the Department for Information and Innovation (DII) on this amendment, which includes some changes to functionality as well as hosting requirements. The amendment will increase the cost

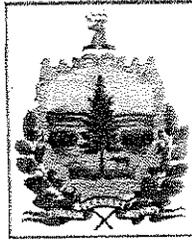
of the overall contract, preliminarily by around \$16m. The negotiation with CGI should be finalized today and documents sent to CMS for review before amendment signature.

Emerging Issues:

FAHC/graduate medical education payment: The State has requested CMS approval for a Graduate Medical Education (GME) payment to Fletcher Allen using UVM funds as the state match. Commissioner Larson was informed by our CMS Regional Office contact that approval of this state plan amendment has been held up until outstanding issues with our provider tax are resolved. It is unclear why these two issues have been connected and Commissioner Larson has communicated this concern. Vermont is awaiting a response from CMS on questions it submitted about the provider tax and hearings for the hospital's appeal are scheduled for next week. Fletcher Allen has been in communication with the congressional delegation about the GME state plan amendment.

Auditor Request: One of the contractors working on the Exchange is KPMG, which also provides audit work for the state. The DVHA and KPMG have both previously assessed the work and are confident the relationship is appropriate. The State Auditor's Office contacted DVHA to make us aware that they are assessing the independence of KPMG with respect to its conduct of the state's annual financial statement. The DVHA has sent the Auditor's Office the requested documentation and will continue to engage with them as they request.

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Chuck Ross, SECRETARY

STATE OF VERMONT
AGENCY OF AGRICULTURE

Confidential and Privileged

TO: Gov. Peter Shumlin
FROM: Chuck Ross, Secretary of Agriculture
RE: Weekly Memo
DATE: February 1, 2013

Secretary's Top Issues:

Quarantine was issued on a horse farm in North Concord, VT this week in response to a positive rabies diagnosis in a miniature horse on that property. The quarantine will last for 6 months. This is the second quarantine that is active through the animal health office at this time.

There has been a report of a dairy cattle farm with listeria in their milk. This is not an issue if properly processed but could be serious, including potentially fatal, to anyone drinking the raw milk. The farm generally sells raw milk to few neighbors but has voluntarily stopped until they get back a clean sample of milk.

Agency staff will be meeting with neighbors of the proposed Whistle Pig Distillery today. The context of the meeting is to listen to the neighbor's concerns and to provide information regarding the Agency's role in the local zoning process.

Working Lands Enterprise Initiative

- Greater than \$10 million in total request for funds, more than 10 x amounts available - \$986,500.00.
 - Applications submitted from every county
 - **Enterprise Grants:** 187 applications
 - **Service Provider Grants** – Letters of Intent:
 - \$3,240,229 in total requests, 84 applications
 - 27 from forestry, 57 from agriculture
 - **Capital & Infrastructure Investments** – Letters of Intent:
 - \$6,562,077 in total requests, 111 applications
 - 22 from forestry, 89 from agriculture

Deputy Secretary Diane Bothfeld and Henry Marckres attended the Senate Ag committee to review the joint resolution supporting the Agency of Ag to enter into rulemaking on maple grading changes. Several minor changes were made, with the expectation the resolution will proceed by the middle of next week.

Deputy Secretary Bothfeld led a meeting on Dairy at the VT Farm Show. The meeting included an overview of the industry from 2012, updates on feed, lending, milk prices and a visit from Congressman Welch to discuss the Farm Bill. There were 75 attendees who included dairy farmers, UVM College students, high school students and ag related business people. Milk prices are predicted to hold fairly steady in 2013 between \$19 and \$20.50 but feed prices and fuel prices are keeping margins tight. One ag supplier stated that seed supplies are tight due to the drought last year. Message was to order seeds and fertilizer and to work with USDA Farm Service lenders early. USDA Farm Service operating loans are nationally funded and demand from southern states depletes the available funds earlier in the year due to planting dates.

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AGENCY OF AGRICULTURE

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TO: Gov. Peter Shumlin
FROM: Chuck Ross, Secretary of Agriculture
RE: Weekly Memo
DATE: February 1, 2013

Status of Governor's Priorities:

Press

Legislative Issues

Testified regarding the fee bill and proposals for increases in feed, fertilizer and pesticide programs with the Ways and Means committee.

Secretary Ross testified before Senate Appropriations to explain Budget Adjustment for VAAF. M.

Testified regarding the formaldehyde study report with Senate Ag. The formaldehyde study was performed this past summer on a number of farms in Franklin County in order to determine if the use of formaldehyde in foot baths was affecting air quality when manure is spread. Jeff Comstock, Cary Giguere and Jim Leland attended the meeting with the Department of Health to explain the study and the study results. The study determined that there were no observable impacts on ambient air quality as a result of formaldehyde use on farms.

Secretary Ross testified to the House Ad Hoc Committee on Rural Development. Explained the process and the numbers associated with the work lands bill.

Secretary Ross testified to the Joint Committee on Climate Change. Made it clear I believe it's happening and is man induced. Then reviewed how agriculture is affected, how it contributes to problem and how it could be part of the solution.

Deputy Secretary Bothfeld testified in House Agriculture and Ways and Means regarding Agency's fee bill. Areas of concern for both committee – VT Branding Program, fee for Apiary (bee hives) and Small Farm Operation water quality program.

Steve Parise, Consumer Protection Specialist and Apiarist and Henry Marckres, Consumer Protection Section Chief testified at House Ag on Wednesday on the Apiary registration. The committee asked several questions, but seemed to be supportive of our initiative.

Henry Marckres testified at House Ag on Wednesday about the proposed maple grade changes and the joint resolution sponsored by Senate Ag. I found no dissention among the committee.

Deputy Secretary Diane Bothfeld and Henry Marckres attended the Senate Ag committee review of the joint resolution on maple. Several minor changes were made, with the expectation the resolution will proceed by the middle of next week.

Significant Events/Meetings:

Dr. Haas attended the Governor's Homeland Security Advisory Council meeting on 1/29. Topics on the agenda included a review and draft revision of the Executive Order that codifies the Council, updates on the After Action Review process post-Irene provided by VEM, and a briefing provided by the state police on preparedness actions being taken at the local level to protect school children from threats such as active shooters.

Dr. Haas participated in a conference call with VEM representatives to discuss VAAFMs use of MOUs with the SSF11 support organizations. These support organizations are available to be deployed during emergencies in instances where local resources are overwhelmed. Currently, the Agency has a MOU with the Vermont Disaster Animal Response Team, Inc. and is in the process of finalizing one with the Rutland Area Disaster Animal Response Team. Going forward, an animal health-oriented employee of VAAFMs will collaborate with VEM and Colchester Technical Rescue to develop a Large Animal Technical Rescue organization that will be deployed through local fire departments and can provide rescue and recovery services for livestock animals in Vermont impacted by manmade or natural disasters. These events would include but not be limited to barn roof collapses, fires and floods.

Deputy Secretary Bothfeld led a meeting on Dairy at the VT Farm Show. The meeting included an overview of the industry from 2012, updates on feed, lending, milk prices and a visit from Congressman Welch to discuss the Farm Bill. There were 75 attendees who included dairy farmers, UVM College students, high school students and ag related business people. Milk prices are predicted to hold fairly steady in 2013 between \$19 and \$20.50 but feed prices and fuel prices are keeping margins tight. One ag supplier stated that seed supplies are tight due to the drought last year. Message was to order seeds and fertilizer and to work with USDA Farm Service lenders early. USDA Farm Service operating loans are nationally funded and demand from southern states depletes the available funds earlier in the year due to planting dates.

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Quarantine was issued on a horse farm in North Concord, VT this week in response to a positive rabies diagnosis in a miniature horse on that property. The quarantine will last for 6 months. This is the second quarantine that is active through the animal health office at this time.

Summary of Key Agency Department Activity:

Administration

On Monday, January 28 all managers, division heads and supervisors took part in training on misconduct and performance with John Bedard from HR.

Agricultural Development

Working Lands Enterprise Initiative

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- Deadlines have passed to apply for this round of WLEB funds. Hope to announce second round as early as August, 2013 if and when approved by legislature.
- Board will be busy reviewing applications over the next couple of months. Selection criteria takes into account - quality of application, need for funds, job creation, sustainability, readiness and viability of project, new and growing businesses, first time applicants, ability to leverage other funds, impact on the supply chain, creates replicable and innovative model, enhances the working landscape and the Vermont brand.

Food Safety and Animal Health and Consumer Protection

Dr. Haas and Jim Cameron met on 1/31 to develop a budget and justification for operating on a pre-award letter for the upcoming cooperative agreement cycle. The approval of this letter by USDA will enable the Animal Health section to incur expenses against the cooperative agreements after April 1 but before the final agreements are fully executed. The previous business manager disallowed the use of pre-award letters, and AH will be working closely with the current business manager in this initiative.

Dr. Haas attended a Euthanasia technician certification meeting at Central Vermont Humane Society this week. Prior to being allowed to euthanize domestic animals for humane societies, prospective technicians must complete required training, including a practical and written exam scored and observed by members of the Euthanasia Advisory Board

Dr. Haas managed to reduce her inbox on 1/29 to a size that made it unnecessary to scroll down using the scroll bar to the far right of the screen. This is only the 2nd time this has happened in over 5 years of employment, and it was very exciting. Given that it happened at 6PM, no one was around to share the exciting news with, which necessitates its inclusion in this weekly report. Editors Note – oh Happy Day!

Henry Marckres attended the annual meeting of the Vermont Maple Sugar Makers Association on Tuesday. I presented the syrup and product awards from the judging on Monday night.

Members of the Food Safety and Consumer Protection Division served as judges at the Farm Show on Monday. Marc Paquette, Mike Larose, Jim Cameron and I judged maple, while Steve Parise judged honey and honey products.

Animal Health field staff worked on AFCG contracts this week and performed poultry testing at Dresser Hill. The poultry testing appointment afforded an opportunity to continue to train the section's new Animal Health Specialist.

Animal Health Specialist, Jim Cameron met with humane officers at Elizabeth Brown Humane Society to train them on the VAAFM role in livestock animal welfare cases. There still exists widespread misinformation on this topic, and training sessions such as these serve to educate officers and provide a forum during which questions can be answered.

Animal Health Specialist, Darryl Kuehne completed the Compliance and Market Report at Addison Co. Commission Sales in East Middlebury, Vermont on 1/28

AHS, Darryl Kuehne met with Ben Palmer, currently of Bridport Vermont, who is planning to start an elk farm in Franklin Co. Kuehne and Zachary Bartlett reviewed the rules and regulations regarding importation, handling, fencing and testing procedures of captive cervids.

AHS Darryl Kuehne completed additional dairy farm biosecurity surveys. This process is ongoing in anticipation of a New England regional exercise this spring pertaining to milk permitting during a FMD outbreak.

Meat Inspection

- Program Chief, Randy Quenneville participated in the Meat Processing Task force meeting with discussions concerning the farm to plate initiatives and directions for the task force. Also gave a presentation on historical context for the meat industry in Vermont
- Program Chief Quenneville did another Joint farm visit with ARM's division for an on farm slaughter operation in White River Junction
- Program Chief Quenneville met with an individual in East Hardwick interested in starting a sausage kitchen but also discussed options for him to hook up with other plants that may be able to provide the services instead of building a new facility for a limited amount of production
- Program Chief Quenneville consulted with an attorney for Tennessee State legislature concerning Vermont's rules around on farm slaughter of red meat animals. The lawyer also referenced the legislative report on the issue that was prepared by Dr. McNamara
- Program Chief Quenneville spoke with an individual in the Rutland area concerning the possibility of preparing soups and sauces that contain meat for the wholesale market

Agricultural Resource Management

Met with DEC staff regarding a wide variety of water quality issues. Primary discussions revolved around the TMDL, the de-delegation corrective action plan and legislative agenda items. This is a monthly coordination meeting with DEC.

A pre-hearing conference call will be held today with the Holden farm of Bennington relative to a proposed penalty for not maintaining adequate freeboard in a manure pit at the farm.

Agency staff will be meeting with neighbors of the proposed Whistle Pig Distillery today. The context of the meeting is to listen to the neighbor's concerns and to provide information regarding the Agency's role in the local zoning process.

Staff met yesterday to discuss mosquito permits and grants for the upcoming year. It is the Agency's intent to provide clarity for the districts regarding financial and technical assistance this coming year. Some of the permit and grant conditions may create discomfort for the districts. We hope to meet with the districts in the near future when we have a complete grant application, scope of work and deliverables, a permit application and instructions and a checklist for the districts that covers all the regulatory requirements for the mosquito control program. In the past, much of this work was performed on behalf of the districts by Agency staff. The Agency cannot afford to provide this level of assistance in the future. There are also potential conflicts when representing districts that we also regulate.

Agency field staff has brought up a number of issues relating to the Vermont Yankee Post Plume sampling team. These issues need to be discussed and decisions made regarding future Agency participation in these exercises. The time commitment to this effort has significant impacts on Agency workloads and continues to grow. In addition, logistical concerns about the role and usefulness of the sampling team have been expressed.

The Ag Working group is meeting today. This group has been formed as a result of a series of public stakeholder meetings about ag water quality issues. Numerous farmers, interested parties and legislators will be attending. It is hoped that this group will be able to develop program directions for future water quality efforts in response to the EPA TMDL that will be released next year at this time.

Secretary's Comments

Trip To DC

- New Zealand Embassy - Attended reception at the Embassy at the invitation of Ambassador Moore. Met a number of other Representatives who serve on the House Ag Committee

- Congressional Office visits - met with agricultural staff for Senator Leahy, Senator Sanders and Congressman Welch's office. Discuss if and how the farm bill might move forward. Also touched on FSMA rules and the voice the State of Vermont will try to develop.
- USDA Offices - Met with Deputy Secretary Merrigan to discuss the role of community based agriculture and Vermont's leadership. Also discussed how I could help change NASDA if I become President this fall.
- Met with Under of Natural Resources Ann Mills.
 - Reviewed the status of Vermont's water quality efforts and which states may have complimentary programs from which to draw.
- Bob Gray, dairy lobbyist for the northeast - met to discuss status of farm bill and role of the northeast states.

Maple - met with maple leaders about their concerns with two grading systems. Did follow up call with Governor Shumlin to develop an alternative grading proposal. that includes a transition.

Sustainable Agriculture Council - attended meeting to discuss future work plans for the organization.

Legislature - testified before Senate Appropriations to explain Budget Adjustment for VAAFM

Vermont Cheese Council - attended annual meeting in Pomfret and spoke of the leadership they have played for the rest of agriculture.

Branding - met with Elliot Berg and Lawrence Miller on advancing the branding program.

Current Use - participated in conversation on how to adjust Current Use program

Agriculture Liaisons - met with Susan and Leigh to discuss topics in agriculture

Legislature

- testified to the House Ad Hoc Committee on Rural Development. Explained the process and the numbers associated with the work lands bill.

- testified to the Joint Committee on Climate Change. Made it clear I believe it's happening and is man induced. Then reviewed how agriculture is affected, how it contributes to problem and how it could be part of the solution.

Farm Show Week Speaking Roles

Maple Banquet - explained process going forward

FFA Luncheon - discuss agricultural literacy

Consumer Night - help to house a cooking competition between House, Senator and Agency. House won

Mark Johnson Show - appeared on show and discussed state of food systems.

Dairy Banquet luncheon - spoke at Dairy banquet to a large crowd

Windham Food and Farm Link - attended a meeting and dinner at the Gleanary in Putney to discuss their work and success.

UVM Food System Master Program - will speak to class and instructors about what is needed for such

Host Agricultural water quality Work Group with David Mears - purpose is to develop strong working group to help evaluate and recommend approaches to dealing with water quality

Hunger Free Vermont - will attend meeting to discuss state's role relative to other organizations.

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Deborah L. Markowitz
Agency Secretary

Justin G. Johnson
Deputy Secretary

**State of Vermont
Agency of Natural Resources**

CONFIDENTIAL and PRIVILEGED

To: Governor Peter Shumlin
From: Deborah Markowitz, Secretary, Agency of Natural Resources
Date: February 1, 2013
Subject: ANR Weekly Report

Governor Level Issues:

Fulflex (Brattleboro): Fulflex was the recent recipient of an EPA enforcement action. Air Quality staff are amending their permit to address changes at the facility and to address issues raised by EPA. We had a call with them this week to discuss final changes to the draft permit and learned they are considering a fuel switch to natural gas. We will now try to incorporate that change into the current permit.

Moretown Landfill: Moretown Landfill's new management, Advanced Disposal, worked to complete as much of the temporary cap as possible after the stay by the District Commission was lifted. They expect to complete a substantial portion of the temporary cap within the deadline imposed by the district commission. They also reported that they intend to do the perimeter air monitoring, but they need a suitable break in the weather temperatures to meet sampling specifications.

We granted a request by MLI to allow additional time to make their case in response to the Intent to Deny letter. In effect, the public comment period was extended two weeks beyond the initial deadline of January 21st, but we still intend to issue a decision by the original date of March 8th. The abutter's attorney submitted objections to the extension, citing rule of law and fairness related to his client's inability to respond to the applicant's last minute comments. We clarified that in the event that the Agency was swayed by the submittal, and a certification was supportable, a draft certification would be issued and subject to the public comment period contemplated in rule.

Current Use/Fee: Michael and Justin provided testimony on the Fee Bill to the House Committee on Ways and Means this week, introducing our fee idea for the first time. As

predicted, they were very surprised by the proposal. They understood and appreciated our goal – and seemed to agree that it made sense to have the users of the county forester services pay the cost of the program; but, not surprisingly, they hated the fee idea. They liked the idea of adjusting the formula (our original thought) but understood that there were timing difficulties such that this would not bring in revenue until FY 15. They are now in full problem solving mode looking for alternative revenue to cover us in FY 14 with the thought that we would address the funding issue by adjusting the formula to take into account our management of the program. We will keep Louis, Liz and Jim in the loop as the committee continues its work on this.

VT Gas Pipeline: Staff attended a meeting with ANR, VTGas, and other invested constituents to discuss the new VT Gas pipeline route proposed in the Lake Champlain Valley. The pipeline, previously planned to be routed mostly along roads, is now proposed to mostly follow the VELCO right of way. There are several large wetlands and significant natural communities that would be crossed by this route. We are working with them to try to ensure there is a way to bore under the wetlands. One of the larger bogs may be problematic. They are working with Jeff Nelson who is an engineer who generally does great work, so we will see what he comes up with.

Seneca Wind: F&W staff provided testimony to the Public Service Board on the proposed MET towers for the Seneca wind project. Currently there is a lot of local opposition to the project. Given that we are addressing only the MET towers, and not the impacts from the wind project overall (which are problematic because it is at a pinch-point for habitat connectivity), we have been able to reach an agreement with the developer on issues related to birds, bats, and bear habitats.

EVERYTHING ELSE:

Legislative Issues/Testimony:

Introduction to DEC: Commissioner Mears appeared before the Senate Natural Resources and Energy Committee to provide an introduction to new members and overview of DEC's programs, funding and strategic priorities.

Blasting Impacts on Groundwater: DEC staff members Matt Chapman and Mike Smith testified before the House Fish, Wildlife and Water Resources Committee regarding the impacts of blasting on groundwater. The central thesis of this testimony was to point out that ANR does not have inherent jurisdiction over blasting / groundwater impacts, though there is an affirmative obligation under the public trust doctrine to protect groundwater. Following concerns about impacts from large scale energy projects (Lowell Mountain Wind) the program is developing a proposal and guidance for new jurisdiction under a new program for groundwater monitoring in instances when more than 5,000 cubic yards of fill are displaced.

Joint Hearing on Water Quality Funding: Representatives from DEC, the Agency of Agriculture and the Agency of Transportation testified in a joint hearing on water quality remediation, implementation and funding options (the Act 138 Report) before members of the House Fish, Wildlife and Water Resources, Senate Natural Resources and Energy, and House and Senate Agriculture committees. Many questions were asked but the primary theme was “we asked for a prescription, but you gave us a menu – can we have some more direction?” Some legislators indicated support for broad based taxes to support an investment in clean water since it is a resource that benefits everyone. While no legislation is currently introduced in response to the Act 138 Report, Chair Deen and Chair Hartwell both stressed that their committees will continue to take testimony and move this work forward, even in the absence of a bill.

Lake Champlain Total Maximum Daily Load (TMDL): On Friday morning, DEC staff members Pete LaFlamme and Eric Smeltzer provided an overview of the history, current issues and timeline for next steps with the Lake Champlain clean-up plan before the House Fish, Wildlife and Water Resources Committee. The purpose of this testimony was mainly to bring new committee members up to speed on the events from EPA’s 2011 disapproval of the 2002 TMDL through the ongoing efforts to come up with a new plan.

Scrap Tire Piles: DEC staff member Buzz Surwillo testified before the House Natural Resources and Energy Committee regarding the department’s Report on Problem Scrap Tire Piles. The committee was generally responsive and appreciative of the report’s methodology and conclusions, especially considering the relatively smaller scope and price tag than the committee had expected. The Committee did not ask for a recommendation regarding funding for abatement.

F&W Testimony: Staff provided testimony to the House Fish and Wildlife Committee regarding the new rule governing public use of department lands. The committee seemed supportive of the rule and how the department is approaching managing the various public uses of our lands.

Ban on wind development on state lands: ANR Lands Director Mike Fraysier testified before the Senate Natural Resources and Energy Committee on S. 21 (An Act Relating to Prohibiting Commercial Construction on Certain State and Conserved Lands). Given the ample protections already afforded to ANR lands, the Agency does not believe this legislation is necessary.

Press Issues/Releases:

Water Quality in the News: Commissioner Mears appeared in two TV news casts and a radio news report all related to water quality. One report was on WCAX regarding stormwater runoff and the recent stormwater permit issued to a number of the larger communities in the Lake Champlain basin. This story focused on the 20 year compliance period in this permit with supportive comments from South Burlington’s Tom DiPietro and concerns from CLF’s Chris Kilian. The second report was on WPTZ and was about the recent report to the legislature about the cost of water quality improvements. Finally, VPR ran a piece on the water quality funding

report as well. This one focused on the lack of funding for water quality in the Governor's budget and concerns from legislators and advocates about that.

New Bear Management Strategy: The Vermont Fish & Wildlife Department is unveiling a new strategy to manage Vermont's growing black bear population. The strategy involves extending the bear hunting season and implementing a low-cost early season bear tag to collect additional data on bear harvest success rates and hunter effort. Vermont's black bear population is currently estimated at 6,000 animals, which is the very upper limit of the management objectives set forth by the state's 10-year big game plan. The population has been growing at approximately 4 percent per year and the department would like to slow the population growth.

Significant Events/Meetings:

Act 138 Report: DEC staff in the Ecosystem Restoration Program hosted a webinar on the Act 138 Report (relating to water quality funding options) for all interested parties who participated in the 25 consultation meetings held over the course of the summer and fall.

Lake Champlain TMDL: Commissioner Mears and DEC staff met with EPA Region One, and staff from Agency of Agriculture to discuss the status of the Lake clean-up plan and to prepare for our cooperative effort on the major steps to be completed, including decisions about wasteload allocations, how to provide reasonable assurances, and public consultation. The EPA informed us that their new schedule is to release modeling results and draft allocations for public review in August 2013, and to issue a final TMDL (targets for phosphorus reductions and an action plan) in late spring 2014. This is a positive development and will give us time to do additional public outreach to build support for the legislative and funding requests we will need to make to comply with federal and state Clean Water Act requirements.

Meeting of the Climate Cabinet State Operations Workgroup & members of the Climate Neutral Working Group (CNWG): The intent of this meeting was to determine how the various staff and functions of the CNWG (originally established under Executive Order #11-02 under Gov. Dean) could be integrated into the State Operations Workgroup. s (GHG) emissions and continuing to reduce energy consumption through building efficiency (both heating and electricity), State of Vermont fleet efficiency, and employee commuting efficiency. The State Operations Workgroup recognized the need for changes to our GHG accounting methods that attempt to account for the significant disruption over the past year and a half to "normal" state operations and energy consumption following Tropical Storm Irene. Since much of the new office space is leased space, the group agreed that it would be very useful to at least have a dialogue with the landlords to see if they are willing to provide energy data that can be used to estimate our GHG emissions going forward. Without this information, the workgroup will have to develop surrogate metrics to track progress towards our GHG reduction goals.

SUMMARY OF KEY DEPARTMENT ACTIVITY

Environmental Conservation

ANR v. Nick Tsouknakis d/b/a Pizza Chef: In another contempt hearing, we obtained an order from the Environmental court. As reported last week, Mr. Tsouknakis failed to comply with several provisions of a Final Administrative Order relating to drinking water violations at his restaurant. Mr. Tsouknakis did not appear for the contempt hearing and no other representative appeared on his behalf. The Court found Mr. Tsouknakis in contempt and issued an order to pay the outstanding penalty or enter into a payment schedule with the Agency, and to submit a P.E. certification of project completion. The Court also imposed a coercive sanction of \$150 per day, purgeable upon timely completion of the directives. Senator John Campbell has contacted the department regarding this matter, and he has been provided with a copy of the Court's Contempt Order.

Arlington water system: We recently received an inquiry from Representative Browning asking about the availability of funding for potential acquisition and improvement of the privately owned Arlington water system by the Town of Arlington. Subsequent to that inquiry the Select Board submitted a priority list application for \$2.0M for inclusion on the FFY12 DWSRF priority list. This privately owned system serving an estimated population of 1,250 people has longstanding compliance problems with its distribution system. Hopefully, if the Town acquires the system it will undertake the necessary upgrades to correct low pressure problems and bring the system into compliance.

Connecticut River Dams: In a major collaborative effort coordinated by the USFWS, DEC staff are working with the Department of Fish and Wildlife and other state and federal agencies to prepare 72 requests for studies as part of the TransCanada Connecticut River projects (Wilder/Bellows Falls/Vernon) FERC relicensing. Final requests are due on March 1.

Fish and Wildlife

Rare Plant Data Shared: Staff exchanged new rare plant data with the New England Wild Flower Society, including data for the only known population to Vermont of *Scutellaria parvula* var. *missouriensis* (shale barren skullcap S1). The population was previously seen only in 1981 and was found again this summer along a roadside in Bird Mountain WMA.

Proposed solar development in a wetland: Staff met with consultants for a developer in Burlington on Apple Tree Terrace. This is an historic project that has significant wetlands present. Staff opposed a residential project on the property many years ago. Now they are proposing a solar project to be developed on this property. We are still in the information collection phase of project review.

Ice Fishing: Last week's frigid temperatures has created much better ice conditions, except for the largest lakes, most bodies of water now have safe ice conditions. With the improved ice

conditions there has been an increased fishing pressure. Although the fishing pressure is higher, angler success is still low.

Berlin Pond: The new test water regulation has dramatically reduced the fishing pressure on Berlin Pond.

Injured Moose on Passumpsic river ice: In St. Johnsbury a moose which had wandered onto the Passumpsic River received a lot of attention from on lookers. Unfortunately, Wardens were forced to euthanize it after it severely injured itself when it slipped and splayed its feet apart.

Injured Turkey: Wardens were called to the Bellow Falls bus station to pick up a fatally injured turkey that had flown through the windshield of a local commuter bus.

Forest, Parks and Recreation

Grand Isle Proposal: The Town of Grand Isle has expressed interest in the State transferring a small portion of Grand Isle State Park to the Town for a community recreation area. This parcel has been developed into recreation fields and other recreation facilities by the town under a long-term license agreement with the Department. The Department will be exploring this proposal with the town and may be seeking legislative approval this year for this transaction.

Camel's Hump LRMP: A preliminary draft long-range management plan for the 26,000 acre Camel's Hump Management Unit is currently under internal review by the Agency. The management unit includes Camel's Hump State Park, two contiguous Wildlife Management Areas (Robbins Mt. WMA and Huntington Gap WMA) and a portion of Camel's Hump State Forest. Once any necessary revisions are made to the draft plan, it will be released for public comment.

Parks Partner Events: Rochelle Skinner and Craig Whipple have met recently with both Eastern Mountain Sports and VT Mountain Bike Association to coordinate state parks and EMS presence at the annual Mountain Bike Festival to be held next summer in the Ascutney area. Plans are also being finalized for EMS camping clinics at several other parks throughout the season.

Business Office

FW Audit: KPMG, the State Auditor's Office's independent audit firm for auditing the State's financials, has asked for a copy of the report done on the DFW financial situation by the former State financial employee that we hired to do the review. They also have questions about the potential issues involving Federal money.



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Jeb Spaulding, Secretary

**PRIVILEGED AND CONFIDENTIAL
MEMORANDUM TO THE GOVERNOR**

TO: Governor Peter Shumlin
FROM: Secretary Jeb Spaulding
DATE: February 1, 2013
SUBJECT: Confidential Report to the Governor

BUILDINGS AND GENERAL RESOURCES

Legislative Issues/Contacts:

Met with SIC on the St. Albans project.
Meeting with Sen. Hartwell re: ANR reallocations.

Press/Media Notes:

Answered questions regarding Barre City Place posed by Andrew Stein, VT Digger.

Evolving Issues:

Future of rebuild of Derby Line rest area.
Monitoring situations at Bennington SOB and Brattleboro SOB.

FINANCE AND MANAGEMENT

Financial Operations (FinOps) Division:

2012 Form W-2 – The 2012 Form W-2s were processed, reconciled, mailed and received by employees this week; the IRS deadline for mailing is January 31st.

2012 Form 1099 – The 2012 Form 1099s have been processed. However, in reconciling the printed forms it was discovered that 1099 eligible vendors for the Green Mountain Care Board (GMCB), a new unit in FY 2013, were not picked up by the 1099 print program. FinOps and DII are working to correct those 45 vendors 1099s to include the GMCB eligible amounts and get them out today.

Deputy Commissioner Zeller has just received the annual US-PIRG transparency survey tool. The survey comes pre-filled with US-PIRG's preliminary determination of credit (Yes – Full Credit, No Credit, or Partial Credit). States have until February 8, 2013 to challenge US-PIRG's determinations and provide proof for US-PIRG to consider changing the determination prior to publishing the final report in March 2013. Zeller will be working on this into next week.

HEALTH CARE REFORM

Status of Governor's Priorities:

Press/Media Notes:

I have spoken with several press regarding the financing plans and budget proposals over the last week.

Significant Events/Meetings:

Jan 17

- VT's Affordability with Cindy Mann, CMS – We spoke with Cindy Mann about federal match for the premium and cost-sharing proposals. The result was generally positive, although we need additional work with them on the cost-sharing side.

Jan 22

- Relationship with VITL follow-up conversation – we had a follow up to discuss prioritizing the state's work requested from VITL on electronic medical records to ensure that we are achieving the Governor's top priorities.

Jan 28

- ERISA w/ Sanders' staff – I spoke with Sanders staff to talk about an approach on pushing for an ERISA exception or waiver. We have a follow up in a week.

Jan 30

- Act 48/farm workers – I spoke with the Congressional delegation to alert them to a requirement under Act 48 that we look at ways to ensure immigration avenues for currently undocumented farm workers.
- Tax Advisory Board – I presented the financing plan information to this group. It was well received.

Evolving Issues:

Co-op licensure; financing plan roll-out; GC waiver

HUMAN RESOURCES

Legislative Issues/Contacts:

Commissioner Duffy testified before Senate Committees on Economic Development and Government Operations on S.14, which would require all employees who are not members of a union to pay an agency fee to compensate the union for activities that arguably benefit non-members. Commissioner Duffy also attended the Democratic caucus at which the bill was discussed.

Commissioner Duffy testified before House GovOps on an Executive Order transferring IT positions from AHS to DII. The Committee approved the order by a vote of 5-0. The Committee also asked about positions, the position pool and the total number of state employees. Commissioner Duffy stated she would provide additional information and appear before the Committee for a more fulsome discussion if they are interested.

Commissioner Duffy testified, along with Commissioner Flynn, on S.7, a bill that would prohibit employers from accessing password protected materials from social media sites by requesting passwords as part of the application process. Commissioner Duffy testified to the need to permit access for law enforcement applications and criminal and employment investigations. A coalition of IT companies provided supporting testimony and offered an entirely new draft of the bill. This draft is somewhat confused and will require refinement.

Commissioner Duffy testified before Senate GovOps on conflict of interest issues involving executive branch employees, particularly appointees, and legislators. The Committee will meet tomorrow to determine whether to draft a bill that addresses some of the concerns raised about conflicts of interest in the wake of the departure of Karen Marshall.

Commissioner Duffy attended testimony given by Melissa Jackson, the Administrator at the Vermont Veterans' Home, before several committees. The committees expressed concern about the fiscal difficulties now experienced by VVH, as well as past regulatory problems. Senator Sears noted that if VVH could not operate in a fiscally sound manner, the Legislature would need to consider alternatives for the home's future.

House GovOps is reviewing exemptions to the Public Records Act, particularly the "personal" information exemption. DHR General Counsel Steve Collier attended. The Committee discussed its desire to override a balancing test now employed when assessing the exemptions requirements, which was engrafted onto the act by a case issued by the Vermont Supreme Court. The Committee asked Mr. Collier to indicate whether it would be necessary to include an express statement to this effect in order to ensure the intention is clear. Collier stated that an express statement of the Committee's intent would be the best manner to effectuate its intent.

Significant Events/Meetings:

Secretary Spaulding, Commissioner Obuchowski and Commissioner Duffy met with representatives of the VSEA to discuss the parking situation in Montpelier. VSEA requested, and Secretary Spaulding agreed, to schedule a town meeting to discuss parking and possible solutions in approximately two weeks.

Commissioners Duffy and Noonan and Labor Counsel Anderson met with the Governor's staff to discuss the Administration's position on the equal pay bill.

Evolving Issues:

DHR representatives met with the Auditor's office to discuss the State's contract with Express Scripts. At this point, it appears the Auditor will not conduct an audit on this contract but will review audit results prepared by our consultants.

INFORMATION AND INNOVATION

Legislative Issues/Contacts:

House Corrections & Institutions – Richard testified with Jim Reardon explaining the IT financing recommendations. I talked about what we knew about IT spending, what we need to analyze more and how it aligns with our IT Strategic plan. The committee seemed very receptive. They were also interested in how DII was looking at projects differently since the recent failures. I outlined our process for vetting projects, how it had changed and that the vetting no longer stopped after project kickoff but continued through the project lifecycle.

House Ways & Means – Richard testified with Annie Noonan regarding the workers comp system and VDOL's project to replace their antiquated system. We also presented a timeline for the VDOL project requested during my previous testimony. While the committee acknowledged the need for a new system, they were resistant to paying for it with fees. Annie and I agree the testimony went well, but the outcome is still undecided.

House Appropriations – Richard presented the DII budget, along with talking the committee through the recent IT failures, changes in our process to reduce the risk on future projects and walked the committee through the highlights of the IT strategic plan. The committee was very engaged and appreciative and had some excellent questions, most of which were answered. DII will follow up on two questions we did not have an immediate answer for.

Evolving Issues

State of Vermont Fiber WAN Expansion, Fiber Connect Libraries, and State Police Barracks Wired Backup Connectivity remain at risk due to delays in Sovernet fiber installations

LIBRARIES

Significant Meetings/Events/Project Updates

Digital Literacy in Libraries

Last week the ALA Digital Literacy Task Force issued their report: *Digital Literacy, Libraries, and Public Policy* which covers digital literacy activities for citizens and students in school, public and academic libraries nationwide. (I am a member of the Task Force which was tapped to write this report). In addition, FCC Chairman Genachowski released a short video in which he talks about the important role that libraries have in digital literacy/computer training for American citizens. Much of this work is leading up to the Connect 2 Compete project which will provide an online interactive map for citizens to use to locate digital literacy programs. Vermont libraries will be included on this map and we are working with national partners on this effort.

ALA Partners with Harwood Institute for Public Innovation

I attended 2 programs conducted by Rich Harwood on his program for improving civic engagement (“turning outward”) and fostering positive community change. He is partnering with libraries nationwide to introduce his program in local public libraries and this offers us some real opportunities here in VT. I am interested in implementing this program in some selected Vermont libraries and will explore possible Vermont partners.

TAXES

Legislation

Statewide Property Tax Rate

W&M is set to pass bill out this week. Appear inclined to accept lower base ed rate, looking at other strategies to limit increase, including possibly limiting income sensitivity.

Miscellaneous Tax Bill

Michael Costa did an arduous section by section walk-through, with W&M set to debate everything, including the section titles.

Break Opens: Sara Teachout presented several estimating methodologies, but when pressed opined her best guess that revenue is 6M.

EITC: Getting some questions from legislators in private.

Cloud: No testimony scheduled as of yet.

Estate Tax

The Department brought together a meeting of lawyers and CPAs, attended also by the Lake Champlain Chamber and Senator Galbraith. The Director of Taxpayer Services described strategies to improve processing. One of the new tax policy analysts described the Department’s application of the current statute and all were in agreement about the interpretation of the complex scheme. Then there was a discussion of possible proposals (which Senator Galbraith appeared poised to champion). The practitioners are most interested in VT recoupling

To simplify a very complex issue, the Federal Tax for many years provided a credit that all states uniformly adopted as the basis of taxation. During the Bush era, the credit was instead made a deduction (in effect, transferring revenue to the feds), and the federal exemption and rates bounced around – the federal tax even disappeared briefly. During this time, most states eliminated the estate tax; VT is one of about 15 states that retained a tax. Like most of these states, VT tied back to the 2001 federal scheme – we have a progressive structure topping out at 16%, however taxpayers can do an alternative calculation with a \$2.75M exemption and then a 40% tax (many of the 15 states employ a \$1M exemption). There is a “bubble” of income between \$2.75M and \$3.5+M where there is a high marginal rate, although effectively a more advantageous tax than the VT table. Then there are further state complexities with the portability of the exemption from one spouse to another, and treatment of planning tools such as Qtip.

The upshot is that practitioners argue that Vermont should simplify by linking back to the current federal code – which after the fiscal cliff, has settled on an indexed 5M deduction, or 10M for couples. The

practitioners argue that chasing the money between \$2.75M and the federal deduction is futile – we don't have the audit resources to find it (true) and practically, taxpayers are moving out of state or employing all sorts of complicated strategies to avoid the tax. The practitioners argue that over several decades of planning even the federal tax can be avoided, and any tax generally hits only the sudden decedent or the ultra wealthy. The argument is that Vermont might actually gain revenue on income tax that it loses on tax planning strategies to avoid the estate tax. However, the practitioners also acknowledge that in the past 11 years, we have had 3 estates each pay over \$13M of estate tax under the current scheme.

TIF

The Department has drafted a proposal for internal discussion that would acknowledge forgiveness of the current audit findings of money due and create an arbitration mechanism to resolve audit findings in the future. This would avoid entangling the Administration in ongoing oversight and disputes over TIFs that would inevitably end in litigation or serial legislation by local reps in aggrieved towns.

Local Option Tax

There appears to be some interest in a bill to allow any town to adopt a local option tax by vote.

Tax Advisory Board

The Board met for the third time, and was very engaged on everything from legislative proposals to operational issues. They enjoyed meeting with the Secretary, W&M and the Speaker Pro Tempore. They particularly appreciated Robin Lunge's presentation on the Exchange, and asked for an update at every meeting.

Budget Adjustment: Tax Computer Modernization Fund

The Commissioner's presentation on continuing to re-invest part of our modernized compliance enhanced revenue into an integrated tax system encountered some skepticism in Senate Approps, particularly from Sen. Starr. Sen. Westman "helpfully" suggested privately that he could make the case for technology, and the Commissioner provided him some additional information. Within the Department, we have made great progress with our consultant on defining business requirements – the project logjam broke when we removed our IT Director from the meetings. We are on track for an RFP in the spring.

Operations

Tax Season

The IRS began accepting forms Jan 30 (about a week late), and vendors appear ready to go as well with VT online filing. In fact, Turbo Tax and others have been heavily promoting e-file, so we are anticipating that our electronic filings for personal income might even top 80% this year. Our printed forms will be distributed next week.

Outreach

The Department made its first appearance at the Farm Show, a commitment we had made to House Ag last year. The feedback should be interesting, since the Department's inside joke is that farmers fundamentally believe they are exempt from taxes.

Irene Recovery Situation Report
2/1/2013

IRENE RECOVERY OFFICE

WSOC-VSH

- On Feb 7, we will be briefed on the status of the various elements of the funding stream for WSOC, but we do not expect the complete picture to be ready by the Feb 8 target due largely to timelines for internal FEMA review. Mark Landry expresses confidence that despite this slippage, we will be ready for a joint announcement during the week of Feb 25. Requests for improved and alternate projects that will enable funding to move from damaged buildings slated for demolition to the new addition are being completed in consultation with FEMA.
- FEMA has proposed a process for completing EHP review at WSOC, needed before we begin asbestos abatement and demolition. Based on this, we expect approval by March. While it is an expedited process in which FEMA will conduct a number of reviews concurrent with our finalization of PWs and improved project requests, it represents a delay over the February timetable we had previously been assured would be possible.
- Lexington has provided responses to FEMA's questions on WSOC insurance coverage, but it is unclear how quickly differences will be resolved. Currently, FEMA interprets the policy as providing much greater reimbursement than Lexington does, which would leave the state with a significant gap because they will take a larger reduction on PWs than we will receive from Lexington. We hope to resolve this prior to the PWs being finalized, but if not, we will have to dispute the insurer and if we lose, FEMA will pay.

FEMA PA

- 3,297 project worksheets (PWs) have been written by FEMA, of which 3,178 (up 1 from last report) have been obligated.
- Federal share obligated to date (at 90%) stands at \$132,630,559 (an increase of \$110,453 since last week).
- Responses to FEMA's Requests for Information (RFIs) for reevaluation of 10 debris PWs in Bennington, Woodford, and Rockingham were submitted on Jan. 10-11. FEMA has moved their target response date back to 01/30, but it may slide into early next week.
- Chairman David Deen of Vermont House Fish, Wildlife, and Water Resources Committee is seeking committee testimony on FEMA bridge and culvert funding on 02/06/13. Sue Minter, Dave Rapaport and Ben Rose are scheduled to testify.
- To date, we are in receipt of 14 appeals which need to be conveyed to region within 60 days of receipt. We have received decisions from Region One on 6 appeals (3 wins, 3 losses), and await responses on 9. Two appeals on behalf of Grafton were submitted on 01-30-13.

- To date, we have received at least 186 time extension requests, of which at least 105 have been approved and forwarded to FEMA and at least 40 are awaiting signature for delivery to FEMA on 01-31-13. We are aware of approximately 169 other PWs (77 from towns and 92 from State Agencies, including WSOC and VSH) which will require time extensions for work after March 1. Most of these time extension requests will be delivered from the AOT Grants team to JFO on 01-31-13. Coleen Krauss's team reports that only 8 towns and 1 state agency have subgrant agreement extension requests outstanding. We will likely need to extend our Feb. 1 deadline by a few weeks to capture all PWs with unfinished work.
- During February, we continue to search for all small PWs to identify Architecture and Engineering ("A & E") PWs which require extensions to avoid loss of eligibility for scope change requests.
- To date, we have received at least 121 scope change requests. 31 have been approved, resolved, or deferred to close-out versioning. 36 have been denied by FEMA. 18 have been submitted to FEMA and we are awaiting response. 24 have been kicked back to the applicants for additional information.
- Of approximately 445 large project PWs, 132 are already completed and closed; 125 are complete and are now "in close-out".

Individual Recovery

- A memorandum was submitted to the Disaster Case Management Program (DCMP) regarding grant conditions for Construction and Volunteer Coordinator Funding through the BAA, to be included within the contract agreement with DCF and CVCAC. This memorandum, as drafted, reflects the Administration's desire to ensure accountability and maximum leverage of these positions to assist individuals still recovering from Irene.

HMGP

- A request to DC via Mark Landry to extend the time we have to spend HMGP funding by 12 months. The request was developed by Ross Nagy and Ray Doherty in consultation with Mark and others at the JFO, who have expressed a great deal of confidence that we will be given at least 6 months.
- To date we have \$13.7 million approved or pending from rounds 1 and 2 plus \$3.1 million forwarded to FEMA for round 3 for a total of \$16.8 million in applications. For round 4, after extensive outreach the state has received 30 letters of intent totaling \$5.3 million. We expect there will be something on the order of \$10 million in unsubscribed funds remaining when the current deadline expires on March 1.

Current Status of Buyout Properties:

HMGP Approved	89
HMGP Pending	21
Appealing HMGP Determination	6
HMGP Ineligible	10
Round 4 (Potential)	9
Grand Total	135

Link to Map: <http://www.trorc.org/buyouts.html>

VTRANS

Program Development Division

- **Irene Sites/Corridors** - Scoping summaries due 2/1/13 for corridors on VT 100, US 4, VT 11, VT 9, VT 73, VT 12A. Scope and fee received for several individual sites, working to acquire authorizations. Woodstock site on VT 12 identified and programmed.

Policy, Planning and Intermodal Development

- Checked with VEM on status of the VTrans HMGP Round 3 application to the transportation resilience project. The application was forwarded to FEMA and a response is expected in 4-6 weeks (Late February/Early March)

Operations Division

All District Irene Related FHWA ER Sites	This Week
Total sites	688
Total sites complete	417
Total sites under construction	15
Total sites awarded	84
Total sites ready for bid	122
Total sites scoping/design complete	136
Total sites no activity	21
Total sites given to PDD	65
Total sites on hold ROW/ENV	50

Finance and Administration Division

- Transportation System Recovery Expenditures through January 29, 2013:
\$211,451,608

	Totals	Federal	State	Local
FHWA-ER	\$106,786,814	\$100,551,011	\$3,795,452	\$2,440,352
FEMA - 4022	\$97,189,596	\$93,572,970	\$3,616,626	\$0
FEMA- RREW	\$7,475,198	\$0	\$7,475,198	\$0
	<u>\$211,451,608</u>	<u>\$194,123,981</u>	<u>\$14,887,276</u>	<u>\$2,440,352</u>

Memorandum

Vermont Public Service Department

Privileged and Confidential

To: Hon. Peter Shumlin, Governor & Sarah London, Governor's Counsel
From: Christopher Recchia, Commissioner
Subject: Weekly Report
Date: February 1, 2013

Governor Level Issues:

Status of Priorities and Cases of Interest:

- **Thermal Energy:** We testified in SNRE regarding the economic and environmental benefits associated with the Thermal Efficiency Task Force recommendations, and methodology to create those values. This week, PSD staff reviewed and discussed the TETF Analysis & Recommendations Report with Legislative economist. Discussion included underlying assumptions, methodologies used to estimate the economic impacts of the TETF proposal.
- **Energy Generation Siting Commission:** We conducted a site visits to S. Burlington Solar Farm and McNeil Generating Station, followed by public hearing at UVM. As with Brattleboro – this was a thoughtful hearing with the public (mostly students here) presenting balanced, mostly pro-wind comments.

Legislative Issues/Contacts:

- **Testimony:** on Monday we testified in Senate Finance on RF emissions report; Wednesday in House Commerce on electronic document system (PUREDOCS) section of H.39; I testified on S.30 and S.21 in SNRE on Friday, and H.9 in HNRE. Upcoming – We're meeting Kathy Keenan on 2-7 re PSD FY14 budget in advance of 2-13 testimony in House Approps.
- **Issues:**
 - **H.117 and H.96 – Regulation of Propane:** These bills propose to have the Department regulate propane due to pricing issues perceived by the legislators. Similarly, H.94 requires disclosure of heating fuel prices and proposes PSD post those daily. We believe the concept is sound but the methods, particularly for H.94 are unworkable. I'd be interested in feedback from the 5th floor on these bills, so we know what position to take. Let me know if we need to discuss.
- **Legislative Hearings:** H.24 - Staff sat in on testimony regarding H.24 in the House Committee on Housing & Military Affairs. This bill would require that an energy code certificate be included in the

property transfer return when a building is sold. Committee members asked many basic questions about the energy codes/certificates and staff answered many of those questions from the sidelines. As this has no impact on title, we'd like to support this; tax has issues with this and other certification declarations that we'll need to resolve. I have discussed this with Louis.

Staff sat in on Senate Econ and House Commerce Committee hearings with EVT. In Senate Econ the Chair expressed concerns about the organization being top heavy at the executive management level. Senator Doyle had questions about survey data presented by EVT and requested an example of the questions asked of participants. EVT deferred to this question to PSD staff so we explained our role as EVT's regulator and evaluator including a high level description of the process and impact evaluation PSD conducts on EVT's programs. One House Commerce Committee member was particularly interested in PSD role as the EVT regulator and placed some responsibility on PSD for any lack of sector equity that may be occurring.

Staff sat in on H.9 hearings all week and in HNRE and attended Energize VT press conference on Thursday regarding their 2013 Clean Energy Plan.

Press Issues/Releases/Contacts

- I did a WAMC phone interview with Pat Bradley on Thursday regarding climate change and the Energize Vermont energy plan.

Significant Meetings/Events:

- On Monday I visited GMP, VGS, and IBM; and on Thursday visited VEIC for introductory meetings covering a range of issues.
- On Thursday, I met with Anya Wallack et al regarding public representation in energy and health care. She was interested in evaluating the PSB model relative to consumer protection issues; 2-1: Met with Harry Chen et al re emissions; Held CETI stakeholder working group conference call. 1-30: Hopkins attended meeting of Governor's Energy and Environmental Council. Council members were engaged in and concerned about siting of renewable generators (from various perspectives).

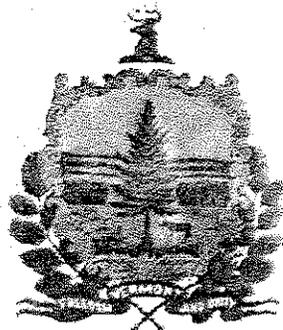
Other

Support Key Department Activity by Division:

Business and Consumer Affairs:

REG Renewal - Docket 162 - 163 - 164 - 165 - 166 - 167 - 168 - 169 - 170 - 171 - 172 - 173 - 174 - 175 - 176 - 177 - 178 - 179 - 180 - 181 - 182 - 183 - 184 - 185 - 186 - 187 - 188 - 189 - 190 - 191 - 192 - 193 - 194 - 195 - 196 - 197 - 198 - 199 - 200 - 201 - 202 - 203 - 204 - 205 - 206 - 207 - 208 - 209 - 210 - 211 - 212 - 213 - 214 - 215 - 216 - 217 - 218 - 219 - 220 - 221 - 222 - 223 - 224 - 225 - 226 - 227 - 228 - 229 - 230 - 231 - 232 - 233 - 234 - 235 - 236 - 237 - 238 - 239 - 240 - 241 - 242 - 243 - 244 - 245 - 246 - 247 - 248 - 249 - 250 - 251 - 252 - 253 - 254 - 255 - 256 - 257 - 258 - 259 - 260 - 261 - 262 - 263 - 264 - 265 - 266 - 267 - 268 - 269 - 270 - 271 - 272 - 273 - 274 - 275 - 276 - 277 - 278 - 279 - 280 - 281 - 282 - 283 - 284 - 285 - 286 - 287 - 288 - 289 - 290 - 291 - 292 - 293 - 294 - 295 - 296 - 297 - 298 - 299 - 300 - 301 - 302 - 303 - 304 - 305 - 306 - 307 - 308 - 309 - 310 - 311 - 312 - 313 - 314 - 315 - 316 - 317 - 318 - 319 - 320 - 321 - 322 - 323 - 324 - 325 - 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Memo



TO: Governor Peter Shumlin
FROM: Keith W. Flynn, Commissioner
DATE: February 1, 2013
SUBJECT: Weekly Report

EMERGENCY MANAGEMENT AND HOMELAND SECURITY

Issues/Updates:

- a. We are monitoring ice jam / flooding situations around the State with primary impact in Northern Vermont.
- b. Director Flynn testified before Senate Government Operations and Senate Finance on Emergency Preparedness with specific interest in the Radiological Emergency Response Plan. We anticipate returning to these Committees with follow up in 30 days.
- c. Scheduling meetings with the American Red Cross regarding what the appropriate number should be pertaining to sheltering expectations resulting in evacuations due to a radiological release in Vernon. This effort feeds return to the Senate Committees mentioned above (a.).
- d. Submitted the Annual Letter of certification to FEMA regarding the Vermont Yankee Nuclear Power Station in Vernon.
- e. We still await the Comptroller for the State of New York to provide a signature on the VT Alert contract and we still await further input from DII Commissioner Boes on the registration of the VTAlert.gov URL.
- f. Attended the Governor's Homeland Security Advisory Council meeting and briefed out on the Irene After Action Report.

General Information/Other:

- a. Director interviewed with the Brattleboro Reformer to provided clarification on question on the annual letter of certification.
- b. Met with representatives from Ping4 about emergency notification services for smart phone devices.
- c. PO being processed for 244 (changed to 276) new (Homeland Security funded) VSP portable radios.

- d. 3,297 project worksheets (PWs) have been written by FEMA, of which 3,178 (up 1 from last report) have been obligated. Federal share obligated to date (at 90%) stands at \$\$132,630,559 (an increase of \$110,453 since last week).
- e. Meeting with the Towns of Brattleboro and Dummerston on revisions to their emergency plans.
- f. Attended the LEPC meeting in Manchester.

FIRE SAFETY

Issues / Updates:

- Construction Summary Plans Review: Between January 23-31, 2013, the division received **(\$50,923,000)** in new construction valuation collecting \$278,000 in fees.
- John Black accepted the Chief Electrical position with an effective date of January 28, 2013.
- The vacant fire Safety Officer and Electrical Inspector position in Williston have been posted for recruitment.
- The manager meeting is scheduled for Friday February 8, 2013.
- Robert Spoonable has submitted an application to enter into the Vermont Public Manager Program.
- Putting together the final paperwork on the procurement of new lap tops and mounts for the new cars and replacement of some older lap tops that are extremely slow.
- Portable fire extinguishers are being dispersed and installed in our state vehicles.
- Fire and electrical performance evaluations to be completed prior to the manager meeting.
- Will be scheduling appointments with those communities we have inspection agreements with in the near future and will coordinate this with you.
- Tomorrow we are going to try to come up with the decal layout for the new cars so we can move forward on the delivery of the new cars.
- Attended Fire Service Training Council meeting.

Administration and Finance

• FY13 BAA/FY14 Budget Building:

- Electronic Grants Management Project: Still working on the development of an RFP to post for bids on our project. We hope to have this ready for posting within a few weeks.
- State Auditor's Office Review of DPS Payroll Processes: StoneTurn is working on the final summary of their review. We will fill you in on that conversation at the meeting later today. Steve Vantine of the SAO is also working on setting up a meeting for early next week to discuss the final phase of the review.

- **Electronic Payroll entry project (also known as the ERP...):** The training phase of the project is gearing up. Each state employee is required to participate in a basic training webinar to help them to understand the navigation within the new time reporting system. We are also working on a schedule of meetings within DPS to ensure all DPS employees understand the new account coding process that is required under the new system.
- **Updated Indirect Cost Rate:** Our indirect rate proposal for FFY13 has been approved by the US Agency of Homeland Security. The paperwork is on its way back to us now.

Criminal Justice Services

Marijuana Dispensaries

A third dispensary has been conditionally approved. This dispensary will be in Brandon. We have received notice from the town administrator that the dispensary is not in conflict with the towns zoning by-laws and can operate.

Breath Alcohol Program

There is a large hearing next week in St. Johnsbury that is intended to discredit the lab's alcohol testing processes. An Attorney has filed a motion arguing that because the alcohol in the simulator solution is not traceable all tested taken with the datamaster statewide should be suppressed. Apparently he has an expert witness from New Mexico who is going to testify that having traceable alcohol is a best practice.

Information Technology

Information Technology – VJISS

We had a teleconference this week with our team of personnel working on the replacement (open justice broker) for the metatomix query software, which will be the new Vermont Justice Information Sharing System. We gave preliminary design approval to the query formats. This design is being worked in conjunction with the Hawaii, integrated justice system. This is part of our participation in the open justice broker consortium (OJBC).

We have had problems with DII approval in getting our membership (\$85K) in the OJBC paid. The Director has a meeting on Friday with a project manager from DII to talk about the cost analysis of the OJBC. I believe DII has given us preliminary approval to pay the bill as long as the cost analysis is completed. We are moving forward but at snails pace.

VCOMM

The last email we have seen regarding the interference issue from the "lifeline" system is that the solutions memo is in draft form and being vetted amongst the VCOMM steering committee.

Other problems that have surfaced with this project include the failure to keep VTrans engaged in the solutions associated with the interference. They have not seen the MOU that they thought was being produced.

The new Killington radio tower has problems with ice load issues. There is a concern that heavy icing on the tower may damage other transmitters because ice shields were not installed.

Vermont State Police

Jan. 21 – Jan. 27, 2013

A Troop

FF

- TSU / HNU activated to assist Winooski PD with the execution of a search warrant and attempt arrest of a subject wanted out of NYC for a shooting. SW was executed, 3 females and 2 males were detained. Wanted subject was not located however one of the males was found to have an active VT warrant. WPD subsequently located a firearm outside of the residence.
- Two subjects (wife and husband) arrested by Williston and St. Albans Troops after they were found to be operating two stolen vehicles from Burlington. Male subject fled to home after short pursuit. Search warrant of home for his arrest.
- Subject arrested for vandalism spree in Charlotte.
- Subject arrested for Burglary with multiple burglaries reported throughout Tri County area.
- The St. Albans Barracks had a total of six arrests/seven charges for the week, including two for DUI and one for Domestic Assault/Impeding Police Officer.
- Seven thefts were reported this past week, and five Directed Patrols were conducted.
- Troops out of Williston were involved in a pursuit with a stolen vehicle out of Quebec; they were able to take one suspect into custody, but a second suspect had fled on foot. K-9 tracked the suspect for two miles (35 minutes) to a residence in Grand Isle. Upon further investigation, it was found that it was reasonable that the suspect was in the residence and a search warrant was applied for and signed. Troopers were able to take the suspect into custody based on the charges and outstanding warrants.

BCI

- Assigned Sex Assault case
- Working on Auxiliary Trooper Background
- Assisted Morristown PD with school Lockdown drill in Morristown.
- Assigned drug case at CRCF
- Assisted Winooski with wanted person case
- Drug buy in Richford
- Assisted uniform with search warrant
- Assisted S Burlington with missing person believed to be a victim of a homicide.
- Dead Body- Richford- OCME classified it as homicide- 2 elderly Alzheimer's patients in the lock down unit of Our Lady of The Meadows. One pushed the other down which started the downward spiral of the victim who died 10 days after the incident.
- Assigned sworn background investigation
- Female prisoner transport to Federal Court in Burlington for NIU
- Worked on child porn case related to Jenkins homicide, Delivered Wrote request for subpoena related to homicide investigation and submitted paperwork to States Attorney

B Troop

FF

- Tpr investigated a single-vehicle crash with serious injury to the operator, the operator is at Fletcher-Allen in critical condition.
- Trooper closed out 6 burglary cases and charged Sheila Conley with all 6 in the area.
- 4 camp burglaries (Wheelock, Concord, Burke & Sutton) Trooper executed a search warrant for phone records
- Derby: Search Warrant applied for and executed for indoor Marijuana Grow in Westfield.
- Directed Patrols I-91 Subzero temperatures, Patrols covered following night shift

and day shift picked up in morning.

BCI

- Rock Homicide follow up. Two interviews left and then case is complete
- Conference call meeting with AUSA, AG, and VSP on O'Hagan
- Bill review animal registry.
- Assist troopers with Domestic Sheffield
- Assist troopers with drug warrant in Derby.
- Jail case-Drugs

C Troop

FF

- Rutland one (1) lost skier Killington
- MV Stop leads to Search Warrant and ARREST for Possession of MJ
- DUI arrest
- Burglary arrest
- LSA arrest, crash into a home in Rutland Town
- Unlawful Mischief cases closed with ARREST of 3 individuals in Rutland City (also responsible for over 100 vandalisms in Rutland PDs 3 individuals arrested for False Information, Possession of Stolen Property and Accessory. Search Warrant conducted on the vehicle to obtain the property; Possession of Stolen Property Arrests, Rutland City.
- NewHaven:VT17 North Mission (Ongoing Burglaries & Thefts): Burglaries, thefts and vandalisms in the northern part of the county. C2 will focus on VT17 North to combat the continuing trend of activity. Objectives: Intel Based Enforcement. Officers will stop at general stores, attend community meetings, and speak to residents and their local contacts in the area. General Comments: Met with Chief Merkel (VPD) & (TOPS). Both will continue to assist with patrols throughout the next 2 weeks. ACSO will assist when available. Working to schedule the C1 LPR as well. Troops are making arrests (9 total this past week) and are conducting consent searches two (2) this past week and ten (10) for January. VSP and

VPD have conducted two (2) search warrants during the month of January with a third pending.

- On 01-21-2013 between 0800-1200 Troopers participated in a directed patrol with the Manchester Police Department. The directed patrol targeted aggressive driving in the area between exit 3 and 4 on US RTE 7, located in the Towns of Manchester and Sunderland, Vermont. 19 vehicles were stopped, 16 tickets were issued for speed.

BCI

- Investigation in Killington VT, possible information breach.
- Correctional facility case, drugs found in clothing.
- Bill review of S.38.
- Assist Det. Wilkins in an attempt to locate POI in burglary investigation.
- Paula Welden case: received new information and reviewed case file.
- Researched possible larceny case of Dorset victim, Sunderland accused. Rec. from Lt. Trayah.
- Weybridge Town Clerk Embezzlement: Joint meeting with involved accounting firm and representatives from the Town of Weybridge; investigation ongoing with the amount of embezzled funds just under .5 million dollars.
- Worked burglary in Shaftsbury from 2008.
- Two new jail cases involving drugs.
- Burglary in Readsboro; large amount of copper.
- Bill Review: S.20.
- Sex offense in the town of Bennington
- Assigned new sex offense in Brandon. Reported 18 yo having sex with 13 yo
- Assisted uniform with traffic stop on larceny suspects.

D Troop

FF

- 8 Assisted Brattleboro PD with a case involving threats made by Kaleb Gaudinier.
- Royalton: investigated a one car crash on I91 in Hartland. The 82 year old operator appeared to have minor injuries and was transported to DHMC. The operator died over the weekend, and autopsy is being done by the NH Medical Examiner's Office to determine the cause of death.

BCI

- Bennett Homicide follow up (meet with victims family)
- Hill Homicide follow up
- Assist with sex assault investigation
- Sex Assault of 14 year old. Victim interview written up, wire warrant written and signed
- Barratt homicide- interviewed witnesses with US Attorney in Brattleboro area
- VSP civilian background- started background for dispatcher applicant
- Assisted Det Kinney with sex assault case.

Arson

- Finished follow up on South Burlington Fatal fire
- Follow up on M & R gun shop fire
- Assist BCI with crack buy in Richford
- Follow up on Barre city fire
- Suspicious vehicle fire in St Johnsbury – follow up with USAA insurance as well
- Follow up on O'Hagan case with Tpr Finn
- Follow up on Curtis Auto fire – review of more jailhouse phone calls

- Fire investigation in Glover – commercial/residential property – fire undetermined but not suspicious at this time

ICAC

- Completed forensic report for VSP New Haven Agg Sexual Assault on Child Case (12C203561)
- Meeting with Walt Smith and Bill McSalis to review Prue laptop report
- Prepared and mailed images to NCMEC for above case
- 10 Autopsies
- Assist to NYSP with fatal fire victim information
- 2 inspections

