

WEEKLY REPORTS

Checklist
10/19/2012

Bill Lofy

Agency of Commerce and Community Development – Lawrence Miller

Agency of Agriculture – Chuck Ross

Agency of Transportation – Brian Searles

Department of Labor – Annie Noonan

Alex MacLean

Weekend Agency of Natural Resources – Deb Markowitz

Department of Public Safety – Keith Flynn

Public Service Department – Liz Miller* (shared with Sarah)

Susan Bartlett

Agency of Human Services – Doug Racine

Sarah London

Department of Financial Regulation – Steve Kimbell

Jeb Spaulding

Agency of Administration – Jeb Spaulding

Special Reports

Additional Report: Education

Additional Report: Lottery

Additional Report: Irene Recovery Office

Additional Report: Boards and Commissions

To: Governor Peter Shumlin
From: Lawrence Miller, Secretary - Agency of Commerce and Community Development
Date: October 19, 2012
Re: Weekly Report

Jen and Irene Recovery Officer Sue Minter and AHS, met with the FEMA Project Officer for the state's disaster case management grant. Supporting disaster case managers is a new function for FEMA. Officer Liz Gibson traveled from the FEMA national office to gather information on Vermont's experience and how FEMA can be more flexible to states that have non-traditional disaster recovery models.

Ethan Allen – Orleans: The company reports that business is steady and the Vermont facilities are doing well primarily because of their efficiency, productivity and workforce. They are extremely concerned about the cost of electricity and workers compensation. The North Carolina plant pays 5cents/kwh for power. In Orleans it's 12 cents. NVDA is working on a feasibility study for alternative energy technologies. Employment is at 361 in Orleans and 106 in Beecher Falls.

Tax Credits: Caitlin and Chris traveled to the Brooks House in Brattleboro to provide direction on [the] work plan changes driven by their anchor tenant. A number of course corrections were recommended to assure the project moves forward predictably. They next went to Wilmington to meet with local and state fire safety officials at the Vermont House (a large B&B vacant since the flood) to broker common-sense compromise between fire safety and historic preservation requirements (fire safety code officials often want to see numerous changes which often conflicts with historic preservation standards). It was also great opportunity to see Dot's Diner back on its new and taller foundation (above flood elevation) with the help of state and federal tax credits.

Small Hydro Initiative: Historic Preservation Scott met with Ann Margolis, Dept. of Public Service, and Brian Fitzgerald and Elena Siverts-Wong from ANR for a preliminary discussion concerning an initiative to expedite project review of small/low impact hydroelectric projects in Vermont. Act 165 was passed by the General Assembly last year and directs the Commission of Public Service, in consultation with the Secretary of the Agency of Natural Resources, to seek to enter into a Memorandum of Understanding with the Federal Energy Regulatory Commission (FERC) for a program to streamline the procedures for FERC's granting of approvals for such projects in Vermont. In some regards, this process may confuse responsibilities for complying with federal law, i.e., Section 106 of the National Historic Preservation Act, which clearly places the responsibility for compliance on FERC. To say HP's capacity is already stretched is an understatement, especially with Irene priorities.

Recruitment Rack Card: The Office of the Creative Economy in partner with VDTM has developed a recruitment rack card on behalf of ACCD to promote the Governor's "Live. Work. Play. Make Vermont Home" initiative. This rack card invites recent graduates, as well as college students and other industry professionals to pursue Vermont as a stomping ground for growing their careers. The card provides resources for career development, job search, and more. Joe Bookchin plans to hand these out at upcoming technology events such as Tech Jam.

Vermont State Parks: The CMO met with the VSP team to discuss cross promotional opportunities between State Parks and Fish & Wildlife divisions for next season as well as formalizing a deployment plan for the new 'how to camp' video series. The CMO will be scheduling a meeting with the Eastern Mountain Sports team to debrief this past season's camping clinics pilot program findings and discuss how to expand upon the partnership with this leading regional outdoor retailer to promote day visits and overnight camping at Vermont State Parks next season.

Executive Privilege

TO: Governor Peter Shumlin
FROM: Acting Secretary Rich Tetreault
DATE: Friday, October 19, 2012
SUBJECT: VTrans - Confidential Report to the Governor

Materials & Research Moves into New Modern Facility

After striving for nearly two decades, the Agency has successfully established a more functional and habitable facility for the Materials & Research functions. The flooding of Memorial Day 2011 was the final catalyst that moved the transition into action. With the remodeling of the east end of the vacant Capital City Press Building adjacent to Knapp Airport, the team now has a modern facility meeting all the needs of FHWA testing requirements. No more days of struggling to balance ventilation systems with heating systems, suspending test operations and working in conditions that were less than desirable. The day has finally been realized when the environmental controls and physical space for testing have been built to the new standards. Staff reaction has been overwhelmingly positive to the new facility and the Agency has positioned itself for emergent technologies with the facility. A simple cost comparison between NHDOT's move of several years ago and VTrans' costs demonstrate as not only cost effective but efficient as well. All in all the staff is very excited that this day has finally come.

Sandgate Town Highway 9 Bridge 27 *Recommendation for Closure*

An email and follow-up letter is being sent to the Town of Sandgate today recommending bridge closure due to progressive deterioration, beam crushing and abutment damage sustained in Tropical Storm Irene. The concern is that with no bypass, there may be a resistance on the part of the Town to act. The Agency will work with the Town, via the District Office, in meeting the challenges that this will pose.

Removal of Political Signs from State Highway Rights of Way

It's once again the high season for controversy over removal of political signs from state highway rights-of-way by VTrans maintenance crews.

In *Lewis v. Searles*, 2002 WL 31947782 (D.Vt.), the United States District Court for the District of Vermont upheld the constitutionality of the Vermont Sign Law's ban on political signs within highway rights of way, as well as VTrans' practices for summary removal of political signs from state highway rights of way.

Privileged and Confidential
Memorandum

To: Peter E. Shumlin, Governor
From: Douglas A. Racine, Secretary of Human Services
Re: AHS Weekly Report
Date: October 19, 2012

Vermont Department of Health (VDH)

Children's Personal Care Services (CPS): The CPCS administrative functions were transferred to the VDH from the DAIL earlier this year; however, no statutory or regulatory amendments were adopted in advance of this transfer. The transfer coincided with significant changes in the evaluation tool used to determine eligibility for these Medicaid-funded services. The changes were necessary because the program had evolved to covering services other than for assistance with a child's activities of daily living. The changes resulted in reduction or elimination of CPCS services for many families, some of whom are appealing for internal VDH or Human Services Board review. A number of the initial determinations have been reversed on appeal. Vermont Legal Aid (VLA) has sent a demand letter to Commissioner Chen requesting a meeting and outlining their view that the notices sent to families do not comply with due process and Medicaid notice requirements. The VDH has instituted a temporary moratorium on sending notices of denial or reduction of services to allow us to review the VLA concerns. AHS and the relevant departments (VDH, DAIL and DVHA) are working to better coordinate and document this transfer to assure compliance with current statutory, regulatory and notice requirements. We anticipate that a meeting will be scheduled with VLA in the next week or two.

VDH Sponsors Symposium: Working Together to Address High-Risk Drinking on College Campuses: On October 9, 2012 Norwich University hosted a College Symposium to address high risk drinking, sponsored by the Department of Health. Keynote presentations provided information on effective evidence-based strategies, how best to work collaboratively with community partners and how to support the role of students in addressing the issue. Participants included 19 colleges and universities, community coalitions and law enforcement.

Safe and Effective Prescribing of Opioids: The second continuing medical education training for health care providers and pharmacists on Safe and Effective Prescribing of Opioids will take place on October 20, 2012 in Manchester.

Emergency Medical Services Conference: The annual Emergency Medical Services conference will be held at the Sheraton-Burlington on October 26-28. Participants will include EMS personnel from ambulance services and fire departments across Vermont. The focus of this year's conference is disaster preparedness and response.

Department of Mental Health (DMH)

Morrisville: On schedule to admit first patient the week of November 12th.

Secure Residential: Bids for the modular construction are back to BGS. We expect a decision to be made early next week. All of the permitting processes are on schedule. A potential hold up is whether or not anyone in Middlesex will appeal the Zoning Board's decision. The appeal waiting period ends Friday, October 26th.

New 25 bed hospital: The planning for building as well as the Emergency Certificate of Need (CON) is still on schedule. The Emergency CON should be filed the first week in November.

Mental Health Oversight: The committee took a lot of testimony Thursday on multiple topics, asking about a lot of details. Over all it went well. The focus was on costs for individual placements, status of the department's budget as it applies to Act 79 and housing subsidies. Also of interest were gaps in mental health services to elders, which is a long standing problem without easy answers.

Individual wrap around placements: So far, the individual placements of hard to serve individuals continue to go well.

Vermont State Hospital (VSH): Plans are underway for a "farewell" to the VSH on October 27th and 28th, culminating in a service Sunday evening. This project is being led by Rep. Tom Stevens. The DMH is participating in a supportive role, along with other parties.

Department of Disabilities, Aging and Independent Living (DAIL)

Ongoing Issues:

Adult Protective Services: Overall situation remains stable. Litigation discovery demands are placing pressure on the system but Director Suzanne Leavitt has worked out a plan to manage it with limited and targeted overtime.

Emerging Issues:

Requests for services (new cases and new needs) from the developmental disability service providers will exert unanticipated pressure on both the FY13 and FY14 budgets. Commissioner Wehry and her staff are working with the providers to control the demand and the size of the budgets and to uncover the causes for the spike. Preliminary analysis has identified four critical contributors: growing public safety role beyond the original mission and mandate; rise in refugee population; aging of care-giving parents; and, children displaced from CPCS (Children's Personal Care Services) due to change in policy.

Deputy Commissioner Camille George and Commissioner Wehry participated in this year's White Cane Awareness Day in Rutland and Montpelier, respectively. Both donned blindfolds and were escorted through town using white canes, gaining an increased participation for the challenges faced by a person with visual impairment. The Montpelier event was also attended by Mayor Holler.

Legislature:

DMH Commissioner Flood and DAIL Commissioner Wehry testified before the mental health oversight committee to speak to gaps in elder mental health services. They spoke about the ongoing cooperative work between the two departments and answered questions about a new proposal to reduce inappropriate medication use in nursing homes.

Department of Corrections (DOC)

Significant Events/Meetings:

Corrections Oversight Committee meeting: The Corrections Oversight Committee met on Tuesday at the So. Burlington Police Department to hear testimony from invited guests regarding the need for additional corrections resources for the Northwest part of the state. All witnesses testified that resources were adequate. In the end the Committee thanked the Department for its leadership and for working through the transition of the Chittenden facility.

Other:

Offenders at Southeast State Correctional Facility: We received a letter thanking us for the donation of pumpkins from the facility to the St. Ascutney Prevention Partnership. The offenders at this facility are doing a great job of growing and donating pumpkins.

VT 50 Mile Bike or Ultra Run Contract: Southeast State Correctional Facility work crew had a contract to do some clean up for VT 50 Mile Bike or Ultra Run, the amount of the contract was \$150, however they sent the DOC double the amount (\$300) and indicated that they wanted to pay more, felt the work crew did an awesome job and it was worth it to pay double.

Population:

The department is maintaining a detention population that has not reduced below the 430 mark for the last week. The department has, however, reduced the overall incarcerated population to less than 2100. This was accomplished by reducing the sentenced incarcerated population by 23 since Friday of last week. The female population remains high at 150 on Wednesday; 30% of this population are detained inmates.

Department for Children and Families (DCF)

Evolving Issues:

Targeting Benefits To The Most Needy: Low Income Heating Assistance Program (LIHEAP): Seventy-two percent of our LIHEAP households are considered vulnerable with either elderly, disabled or young children age five or less. The DCF is exploring the possibility of giving a larger benefit to these vulnerable households and reducing benefits to non-vulnerable households next year. The federal government encourages such prioritization.

Our preliminary estimate is that if the DCF reduces the benefits for non-vulnerable families by 50% and redirects those saved dollars to vulnerable families, non-vulnerable families would still get one 100+ gallon delivery and the annual benefit for vulnerable families would be increased by roughly 50%. If the DCF implemented this plan based on this year's fuel budget, the annual benefit for our most vulnerable families would move from covering 30% of their annual heating costs to nearly 50% of their cost.

Please let us know if this is a policy change you are comfortable with.

Letter of Preliminary Review Regarding Vermont Spay and Neuter Incentive Program (VSNIP): The Vermont State Auditor is conducting a Letter of Preliminary Review on the DCF regarding the VSNIP contract. The request is driven by concerns raised about the RFP process, the subsequent awarding of the contract, and the financial management of VSNIP. The requested documents will go out this week. The DCF is confident that the documentation will prove that there was no impropriety or prejudice in the RFP and contract award process.

Increased Threats to FSD Social Workers: The DCF and the Department of Buildings and General Services (BGS) have been working together to create a plan to support a Family Services Division social worker who has received significant and specific threats from a parent facing Termination of Parental Rights (TPR). Given the criminal history and alleged instability of the perpetrator, the social worker was put on temporary leave and then relocated to a different local DCF office until the case can be transitioned to a new worker and the courts can determine an appropriate course of action. The DCF recently had a similar situation in another district where BGS and DCF worked together to make special arrangements to protect a social worker from very serious threats.

Department of Vermont Health Access (DVHA)

Press/Media Contacts:

Jeff Wennberg: Jeff Wennberg from Vermonters for Health Care Freedom emailed Lindsey Tucker on Thursday with questions regarding Exchange enrollment estimates and what will happen to Dr. Dynasaur in 2014. She responded on Thursday clarifying that the Level 2 Exchange grant did update Exchange enrollment figures and that Dr. Dynasaur eligibility does not change in 2014.

Significant Events/Meetings:

Monthly public conference call on health care reform: At the request of Robin Lunge, Mark Larson and Kara Suter presented on shared savings/Accountable Care Organization (ACO) models of payment reform. This conference call is hosted by Robin on a regular basis. The presentation focused on the need for payment and delivery system reform, models of payment reform, the shared savings model, differences between Medicare and Medicaid shared savings, and the relationship with the Duals Demonstration proposal.

External Forums/Meetings: On Wednesday, October 10th, the DVHA and the Department of Financial Regulation (DFR) hosted a public forum on the Exchange at the Bennington Free

Library. DFR Commissioner Kimbell and DVHA Deputy Commissioner Tucker spoke. CAT-TV Public Access station and the Bennington Banner covered the event. The final forum for fall 2012 is targeted at small businesses and will be held in Burlington the morning of October 23rd. Commissioner Kimbell and Deputy Commissioner Tucker will speak at the event.

Emerging Issues:

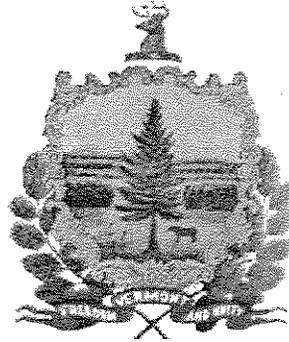
HP contract: Hewlett Packard (HP) serves as the DVHA's MMIS/claims processing vendor. DVHA will be issuing an RFP soon for a new MMIS system but this procurement is a multi-year process. During this time, the DVHA must extend its contract with HP to maintain current services. HP has requested a contract extension that includes a base increase in the cost of their services and a yearly inflation adjustment during the years of the extension. The DVHA is meeting with HP leadership to negotiate for a more reasonable increase.

In-Person Assistance Request for Information (RFI): The Exchange team released a request for information on Monday regarding in-person customer assistance for the Exchange and Medicaid. The RFI sought questions to help develop: the in-person assistance program for individuals and families, which will include the state-funded Navigator program as well as federally-funded in-person assistance (through another grant, due 11/15), and the broker program. A tool called Survey Monkey was used in the release, and less than 48 hours after release, 70 organizations had responded. The close of the survey is Monday, 10/22.

Contracts: The Exchange is moving quickly with a number of IT projects. The following is a list of items for review by our federal partners to help us move forward in our work:

- User Design / Website Vendor: RFP draft sent to Centers for Medicare and Medicaid Services (CMS) on 10/12
- Selection of Qualified Health Plans: RFP draft sent to CMS on 10/16
- Premium Processing Vendor: RFP draft sent to CMS on 10/17
- Integrated Eligibility Solution: RFP draft to send to CMS on 10/18
- Exchange Systems Integrator: contract draft to send to CMS on 10/18

Blueprint Progress: At our design review meeting with CMS and CCIIO in Bethesda two weeks ago, they said they would follow-up with a "report card" of sorts, reviewing our progress to date. We received this response this week. Of the 12 required sections of our Exchange Blueprint development. We have completed supporting documentation for five and have completed partial supporting documentation for two others. We are working hard to complete more components of this work for the November 16th Blueprint submission deadline. We will not complete this work entirely. Given our progress and timelines, we can expect that CMS will give us a designation of "conditional approval" for our Exchange build, rather than full approval. We have been told that no state is currently able to receive full-approval status.



Memo

TO: Governor Peter Shumlin
FROM: Keith W. Flynn, Commissioner
DATE: October 19, 2012
SUBJECT: Governor's Report

EMERGENCY MANAGEMENT

Issues/Updates:

- a. With Chris Reinfurt, met with ANR/DEC/F&W/F&P senior leadership to discuss ICS training and implementation.
- b. Conducted separate meetings with the Red Cross, then Entergy to review the ARC RERP budget application thoroughly.
- c. Met with DOL, ANR, and AG about their RERP budget requests; final versions by the end of next week.
- d. Received a VY/VEM Letter of Understanding about post-accident and/or incident assistance; will be seeking input from legal.
- e. Continue involvement in the Public Safety Broadband Network initiative with Karen Marshall.
- f. Met with USHFCC, HF Cellular provider regarding HF Fail-Safe emergency notification communications.
- g. Met with Ping4 regarding emergency notification communications via smart-phone app.
- h. Department COOP meeting not well attended. Plan briefing to division directors will be in November.
- i. Offer has been accepted for Kathleen Peyerl as second hazard mitigation planner who starts on 11/4/12.
- j. Spoke, attended and presented at the National Guard Liaison Officer Program.
- k. RERP staff and some EPZ EMDs toured the VY Reactor.

General Information/Other:

- a. Met with FEMA and AHS regarding the status of the Disaster Case Management (DCM) grant.
- a. **Met with ANR and other agencies on SEOP annex updates; finalized the SEOP Logistics Support Annex with BGS and AOT.**
- b. **Met with Troop D Captain Keefe to review EPZ planning issues, dosimeters for LLE and training requirements.**
- c. Coordinating DLAN demonstration and subsequent training with Major Gates from the National Guard.
- d. Gave mitigation presentation in Wilmington; worked to resolve SHPO/FEMA R1 Historic-Preservation issues for home buy-outs; coordinated "kick off" calls to towns with approved HMGP grants.
- e. Hosted a meeting with reps from VDH to talk about the HOC and SEOC interface during emergencies.
- f. Attended "Resilient VT" workshop in Sugarbush and a codes and standards meeting with AOT and ANR.
- g. Attended LEPC #4 and LEPC #6 monthly meetings.
- h. Contacted public safety/emergency management directors from Vermont's largest colleges to initiate a conversation about building stronger partnerships.
- i. Met with Civil Air Patrol to discuss partnerships and reviewing the MOU that was signed in 2007.
- j. Conducted training in EPZ town Halifax for Fire and EMS then for the school.

FIRE SAFETY

Issues / Updates:

- The division reviewed \$3,000, 000.00 in new construction valuation collecting \$20,000.00 in permit fee revenue.
- Still waiting on classification response for the Chief Electrical Inspector and waiting for the dual employment waiver so we can fill the vacant assistant fire marshal position. Engineer position remains posted.
- Mike Dio's last day of employment is October 26, 2012.
- Meeting with Brad McAvoy, AOT Facility Manager to discuss our requirements regarding building permits. Roger Barry who was working in this position ended up leaving transportation. Also will explore a blanket electrical work notice for their maintenance work but does not seem likely.
- Awaiting word on the new two year sole source contract although the paperwork was submitted a couple of weeks ago. I've been working on outstanding administrative penalties.
- The Ford Fusions should be ordered next week.
- Downtown Board meeting on Monday October 22, 2012.

- We have regional manager/regional assistant meeting on October 30, 2012 to discuss new data base.
- Issues ongoing with Ski Inn. Contacted Liquor Control as a Keg Party was advertised for last weekend. Affidavit filed.
- John Wallek status still unresolved.
- Will be attending NFPA meeting in Quincy MA next week.
- Fire Code Update approved by ICAR today.
- 2 of 4 Regional Code update workshops completed.
- Wilmington School Consolidation- NBF Architects submitted plans for renovations and additions to the Deerfield Valley Elementary School at an office meeting in Springfield last week. This phase is a \$3 million part of a consolidation of three schools in the area into two renovated buildings.
- The Whitingham High School will be renovated, and additions made to accommodate the current student population for Wilmington High School. Those plans were discussed with the architects today, and several potential problems were resolved with the able assistance of Plan Reviewer Paul Spicer.
- Haystack Base Lodge, Wilmington- a \$1.5 million first phase of this ski area base lodge replacement was approved this week to allow for groundbreaking to begin before weather turned.
- Commonwealth Dairy, Brattleboro- Site and foundation approval was granted to this \$3.5 million addition to this yogurt plant that was originally built in 2010.
- Brooks House, Brattleboro- architect contacted this office this week to advise that plans for this significant rehabilitation of a fire-ravaged downtown block were being finalized and will be submitted by mid-November. This will be a major renovation, with some possible additions, and will house a variety of uses, including restaurants, shops, apartments and business tenants.

VERMONT STATE POLICE

Oct. 8th – Oct. 14th, 2012

A Troop

FF

- Received a report of four missing hikers (UVM students) on Camel's Hump in Huntington. The hikers had traveled from Burlington to Huntington on 10-13-12 at approximately 7 p.m. to hike Camel's Hump. They were supposed to meet up with several other UVM students who had hiked to Montclair Glen Lodge earlier that evening on 10-13-12. The two groups never met up on the mountain. A member of the group of UVM hikers who had climbed Montclair Glenn Lodge reported the second group of hikers missing when she and the other members of her group came off the mountain during afternoon on 10-14-12. VSP responded

to a parking area at the base of Camel's Hump in Huntington and located the missing hiker's vehicle. VSP and Waterbury Backcountry Rescue were preparing to respond to Camel's Hump at approximately 4:30 p.m. on 10-14-12 when Trp met up with the missing hikers. Trp met up with the hikers at the base of the trail near parking lot in Huntington where they had parked their vehicle. None of the hikers were injured and no medical rescue response was required.

- St. Albans Barracks had a total of 13 arrests & 19 charges for the week, including four Possession of Marijuana arrests.
- 4 directed patrols were conducted in the past week
- Multiple DUI arrests

BCI

- Arrested subject for Script Fraud x5 12A200510 and arrested second subject for Script Fraud x3 12A200511
- Search Warrant for ICAC to evaluate evidence in Voyeurism Case, which US Attorney's Office has accepted and defendant has been indicted, arrested, and is currently lodged for Child Pornography. After the warrant was signed, delivered evidence to ICAC for evaluation.

B Troop

FF

- Fugitive from justice arrest
- Directed Patrols based on crime reports
- 5 burglaries in the Danville area, Tprs have developed suspects, investigation ongoing.

BCI

- Assist on stolen property case with multiple burglaries in Danville, Waterford, and Barnet. Also assisted on purchase of stolen property on this case.

C Troop

FF

- DDACTS Patrols in Benson and Mt. Holly

- Assisted Bristol PD with a crash at a soccer tournament. The operator with an unknown medical issue or DRE related, accelerated into the crowd and 2 parked vehicles. 5 injuries (1 driver, 2 adults and 2 children). Entrapment with serious injuries resulting. Troops from New Haven and Williston assisted with scene security and statements (over 50 statements obtained)
- Mission Period: Oct 1, Oct 14, 2012 Enforcement Focus (Burglaries & Larcenies): We are continuing to see ongoing Burglaries & thefts in the northern area of the county (New Haven, Bristol, Lincoln, and the past weeks Ferrisburgh & Monkton). Troopers assigned to coordinate case Intel & Follow up. Scheduled directed patrols. Enforcement Focus (Crash Reduction): Aggressive MV enforcement to reduce crashes in affected areas (VT17 North with a continued focus on New Haven, Bristol). Objectives: Proactive directed patrols will occur within the identified areas during the above time frames. These patrols are in addition to regular commuter time patrols. During the above time periods shift supervisors are to ensure each area(s) has patrol coverage daily. Mission Summary: Hours of Patrol: 50 Contacts : 68 VTC's: 22 Warnings: 27 Arrests: 10 (POMx3, DWIx4, DLSx2, Arrest Warrantx1) Consent Searches; 4 3 K9 Uses (Drug Searches, Warrant Security)
- Troopers responded to a missing person who suffered from Alzheimer's. The 88 year old was located a short distance away from his residence unharmed. The family was also put in contact with Care Track to assist them.

BCI

- Dalai Lama detail

D Troop

FF

- Troopers conducted a rural patrol on 10/12/12 in Westminster and Rockingham focusing on reducing crashes on state highways.
- Troopers conducted a saturated patrol in the Cavendish area on 10/05/12 with many vehicles stopped
- Ongoing investigation of 10-50F involving the pedestrian on I91

BCI

- Grega follow up
- Middlebury shooting follow up

TOPS

- Assist to Shelburne PD
- Dalai Lama escort in Middlebury
- Fatal accident assist

Arson

- Residential fire at a dorm at UVM – Fire determined to be arson, follow up to be done by UVM Investigator and arrest of student made
- Fire investigation in South Londonderry – fire to a barn on Under Mountain Rd (same area as 7 arson fires last year). VSP putting together investigative strategy. Previous suspect has not cooperated w/ law enforcement when approached in past investigations.

ICAC

- Activations for 10-F I-89 in Royalton's area. Processing of both vehicles that struck victim.
- Started new ICAC case, 12RL02508, Rutland PD CP possession case
- Started new CP/Voyeurism case: 12A302772



State of Vermont
Agency of Administration
Office of the Secretary
Pavilion Office Building
109 State Street
Montpelier, VT 05609-0201
www.adm.state.vt.us

[phone] 802-828-3322
[fax] 802-828-3320

Jeb Spaulding, Secretary

**PRIVILEGED AND CONFIDENTIAL
MEMORANDUM TO THE GOVERNOR**

TO: Governor Peter Shumlin
FROM: Secretary Jeb Spaulding
DATE: October 19, 2012
SUBJECT: Confidential Report to the Governor

CONNECT VT

Nothing to report.

BUILDINGS AND GENERAL RESOURCES

Status of Governor's Priorities:

- Governor's priorities intact.

Legislative Issues/Contacts:

- Preparation for Joint Institutions Committee meeting 11/19 to review and hopefully approve recommendation to reconstruct the WSOC.

Significant Events/Meetings:

- Water supply for the Berlin VSH project.
- Review of projects in the west region with Dave Burley.
- Participated in COOP tabletop sessions.
- Held directors and senior staff meeting to improve communication.
- Attended WSOC design review meeting.
- Attended state employees service memorial meeting.

FINANCE AND MANAGEMENT

Issues Update:

ERP Project: A scheduling wrinkle occurred this week when DII announced plans to move the VISION system to the RAC server system, from its present location, before the ERP Go-Live date. We are not yet certain how much Finance & Management staff time may be required for testing due to this largely technical move. A meeting is being scheduled between Finance and DII to work out his issue.

New Vantage Budget System: With the technical problems of the new Vantage budget system resolved, field departments are entering data into the system as they prepare for their individual budget meetings with Commissioner Reardon. This year, all state-wide salary and benefit information is being entered into Vantage by the Budget Office, rather than the field departments. The budget analysts, working in conjunction with their respective field departments, are busy updating individual salary and benefit records to correctly reflect the FY 2014 personnel costs.

FY 2014 Governor's Recommended Budget: Commissioner Reardon, Budget Director Matt Riven and the appropriate budget analyst(s) have begun meeting with individual departments or units of government on their FY 2014 budget needs and potential FY 2013 budget adjustment items. This week's meetings include: the Attorney General's Office; Agency of Natural Resources; Forests, Parks & Recreation; Environmental Conservation; Information Technology, and the University of Vermont.

Spotlight.Vermont.gov: Deputy Zeller met with Commissioner Richard Boes this week to plan DII/VIC standing up the financial transparency website for content management training and loading content (Phase 1). Commissioner Boes suggested a new path for Phase 2 (open source searchable databases). He suggested that development and maintenance of these databases might be better handled by an outside open source provider and not handled internally by DII or VIC. He assigned Harry Bell to determine which providers exists and what the estimated costs are. Meanwhile, stand-up and training are being scheduled.

Deputy Zeller will be testifying on Spotlight before the Government Accountability Committee on Monday, October 22, 2012.

HEALTH CARE REFORM

Nothing to report.

HUMAN RESOURCES

Press/Media Notes:

DHR has been working closely with Secretary Spaulding to provide information to Terri Hallenbeck on salaries, positions and overtime costs.

Significant Events/Meetings:

Veterans' Home: At DHR's repeated request, VSEA and staff at the Vermont Veterans' Home finally provided potential schedules for employees at VVH. One proposed schedule may present us with a mechanism to ensure adequate staffing while providing employees with every other weekend off. DHR is meeting with VSEA and employees to further discuss this schedule and other possible avenues to work towards a solution to concerns raised by VSEA. DHR will provide Secretary Spaulding with updated information as it becomes available.

COOP Tabletop Meeting: DHR leadership attended two meetings to conduct COOP tabletop exercises. The meetings were productive. DHR would recommend that a similar type of meeting be conducted for the extended cabinet, many of whom were not able to attend the meetings.

GWEDC: Commissioner Duffy attended the Governor's Workforce Equity and Diversity Council meeting. The members discussed a delay in the signing of the new Executive Order, as well as topics for its December retreat.

Evolving Issues:

The ERP Project is well into the testing phase. Considerable work remains. DHR is working with staff to identify a realistic go-live date, even if some compromises must be made. Based upon current estimates, the go-live date could be as late as April, but DHR is committed to moving go-live up to late February or early March by adding resources or finding alternatives to the proposals made to date.

DHR is working closely with DVHA to create positions recently approved by the JFO. Twelve of 20 new positions have been created and the remaining positions should be completed by the end of the week.

Commissioners Chen and Larson would like to hire an outside consultant to assess the need for a market factor to assist the recruitment of nurses. A similar effort was made by DII to recruit IT staff, with mixed results and reviews. Many nurses already have a market factor built into their salaries, but this effort would look to expand it to all nursing staff, not simply clinical staff. DHR recommends that an assessment of the potential fiscal impact should be made prior to the retention of a consultant.

DHR is working with Merryn Rutledge to develop workshops for employees to help them transition into the open floor plan concept. DHR is also creating a list of resources on how best to manage in open space environments. This information can be used for future trainings or brown bag lunches and to facilitate on-going conversations with staff and leadership about changes at the National Life facility.

INFORMATION AND INNOVATION

Status of Governor's Priorities:

Technology Financing: Commissioner Boes, Commissioner Reardon and Steve Wisloski have met to discuss funding strategy for Information Technology. They believe there is insufficient information to an appropriate assessment and will discuss the options with Representative Emmons and Senator Hartwell on Friday, October 19th.

Budget: DII budget draft indicates an increase over FY13. The increase is due primarily to the following:

- Increase in network costs due to reconfigurations resulting from Irene
- Increase in positions due to positions from healthcare and tax
- DII taking ownership of Microsoft Licensing statewide

Healthcare: Contract negotiations are progressing with Oracle. RFP for Integrated Eligibility Solution Design, Development, and Implementation is in final draft form with a planned posting date of November 2nd.

Evolving Issues:

The Web Portal Project contract will next be completed in the next day or two and forwarded to the AG's office for review and then shared with the vendor.

A new site for Financial Transparency will be created using the new state template as soon as we have final design specs from the CMO's Office. The site should be ready for training sometime the week of the 22nd.

DII's Harry Bell met with Vermont Health Connect and the CMO's Office to begin work on their informational Website intended to serve as a temporary site until the transactional site has been developed.

Legislative Issues/Contacts:

As discussed above, Commissioner Boes is meeting with Representative Emmons and Senator Hartwell on Friday, 19 October to discuss a recommended approach assessing IT funding options.

LIBRARIES

Nothing to report.

TAXES

Legislation:

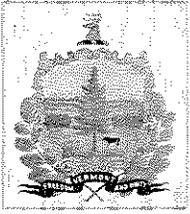
Sales Tax Study and Amazon Legislation: The third meeting of the study committee was held, focused on remote sellers. Again, the committee just heard testimony; there does not appear to be much inclination for action. Susan Mesner testified that current national estimates for the revenue potential of federal legislation must be tempered. Susan believes that the business to business component of remote sales is not properly accounted for. B-B sales are an area of relatively high compliance, and often are subject to resale or manufacturing exemptions. The impact of a likely small seller exception has to be factored in (vendor compensation is more unlikely, but would represent a slippery slope of potential revenue loss). Susan is consulting with Sarah Teachout on a methodology to provide a Vermont specific estimate for federal legislation.

In the meantime, Tom Cheney called from Rep. Welch's office. He has been involved in discussions on the federal legislation, and Rep. Welch is working the issue. Tom reports some confidence that a bill will be attached to one of the lame duck bills, such as a revenue extender. He asked whether we had any concerns – the Commissioner reiterated that a digital goods sourcing bill could erode revenue that we are already collecting on electronic music, books and movies.

Hydro Dam Valuation: Bill Johnson, Molly Bachman and Bill Griffin met with Senator Kitchel. She appeared to recognize the tremendous cost if the state were to pick up the tab for the defense of the towns valuation of the dams, and seemed open to a middle ground of the state paying the valuation company's fee. Bill Johnson is working with the company to ascertain a range for those costs, and Molly is contacting the town attorneys.

Operations:

Data Warehouse Project: At our monthly steering committee meeting with the vendor, we reviewed the latest figures showing that the project, which has been live since February, has produced approximately \$500,000 in enhanced revenue. This is great progress from the Department's perspective, but significantly off forecast. Installation of the collection module was delayed because of IT issues related to ETM. The vendor is urging the Department to act more aggressively on the new leads the warehouse is generating, which is valid but limited by resource constraint, the need to update business processes, and lack of some legislative tools like administrative bank levy. The vendor also concedes its contract forecasts may simply have been over optimistic.



State of Vermont...

Department of Financial Regulation

89 Main St. Drawer 20 Montpelier, VT 05620-3101 Main Number: 802-828-3301

Divisions: Banking, Insurance, Captive Insurance, Securities, and Health Care Administration

www.dfr.state.vt.us

Memo from Commissioner Steve Kimbell

CONFIDENTIAL AND PRIVILEGED – NO SHARING Report to the Governor for Week Ending Oct. 19, 2012

Governor's Priorities

Health Care Reform

Deputy Commissioner David Reynolds took part in a panel presentation at the Vermont Association of Mental Health and Addiction Recovery Annual Conference where the integration of mental health services was discussed. He also was a presenter at the Legislative Mental Health Oversight Committee.

General Information

Administrative Division:

We welcomed Brenda Luciano to the legal staff this week. She comes to us from Paul Frank and Collins in Burlington.

Banking and Securities Divisions:

Highly Confidential: Next week, officials at the Vermont State Employees Credit Union (VSECU) will send a letter to all its members informing them that the credit union has misplaced an unencrypted backup disk containing personal financial information. The credit union feels the disk may be in a landfill but does not have conclusive evidence and it is therefore notifying the membership. It appears the credit union has complied with state and federal law in handling the notice of the breach.

Senior Banking Examiner Chuck Carey was appointed vice chairman of the Conference of State Bank Supervisors (CSBS) Technology Committee. This committee works closely with the FDIC to develop bank examination software programs used for every bank examination and for monitoring the condition of the institutions by the Banking Division.

Captive Division:

Folks from the Captives Division met with the Vermont Captive Insurance Association (VCIA) to hear ideas for this year's housekeeping bill and it looks like there will be some good, newsworthy changes coming as a result.

Insurance Division:

Also attached to this e-mail are the consumer assistance section's quarterly statistics and the health care quarterly statistics.



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

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

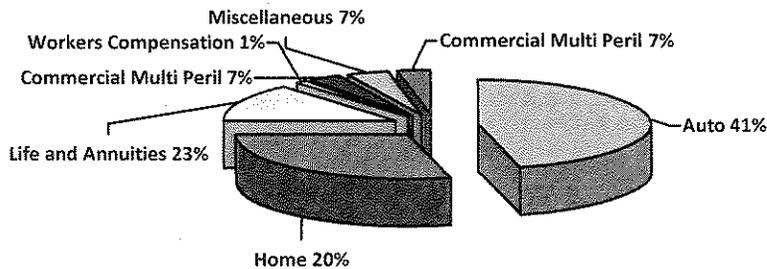
Division of Insurance
Consumer Assistance Section
Property/Casualty, Life/Annuity and Miscellaneous
Quarterly Statistics
July 1, 2012 – September 30, 2012

Summary of Written Inquiries and Complaints Totals

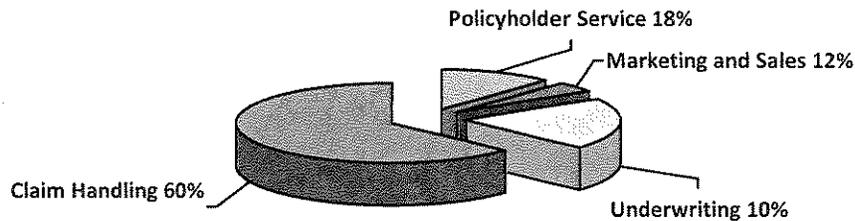
Table with 2 columns: Category and Totals. Rows include: Inquiries Opened (244), Written Complaints Opened (76), Telephone calls received (724).

Table with 2 columns: Category and Totals. Rows include: Dollar Amount Recovered for Consumers (\$ 52,767.00), Average Days to Close Complaint (39).

Types of Complaints by Percentage



Nature of Complaints by Percentage





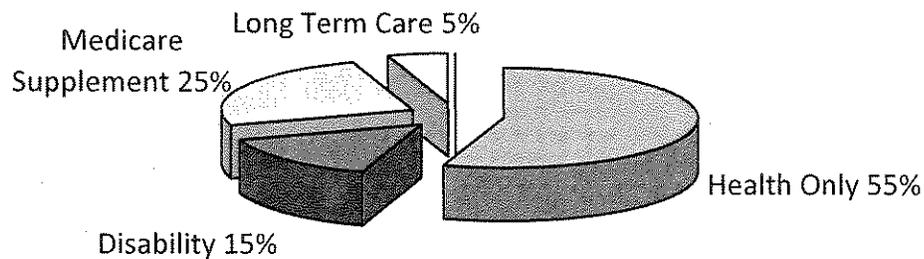
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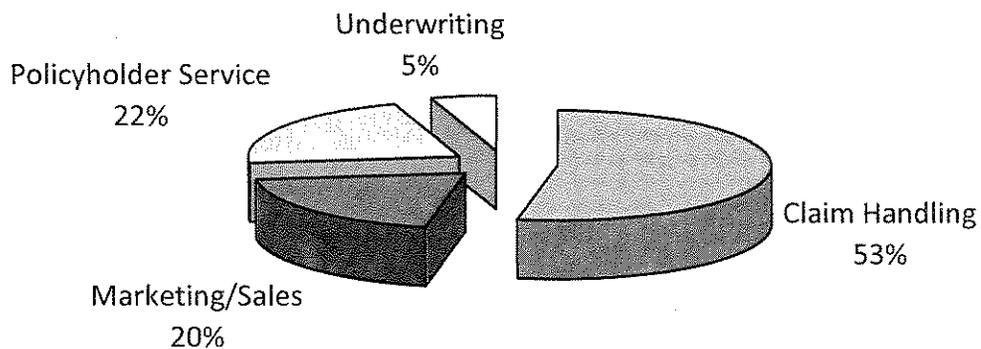
**Division of Insurance
 Consumer Assistance Section
 Health Care
 Quarterly Statistics
 July 1, 2012 – September 30, 2012**

Summary of Written Inquiries and Complaints	Totals
Inquiries Opened	68
Written Complaints Opened	38
Telephone calls received	393
Dollar Amount Recovered for Consumers	\$18,254.00
Average Days to Close Complaint	42

Types of Complaints by Percentage



Nature of Complaints by Percentage





DEPARTMENT OF EDUCATION
120 State Street
Montpelier, VT 05620-2501

**CONFIDENTIAL AND PRIVILEGED: NO SHARING
MEMORANDUM**

TO: Governor Shumlin
FROM: Armando Vilaseca, Commissioner
DATE: October 19, 2012

State Board of Education: The Board held its regular monthly meeting at the Windham Regional Career Center in Brattleboro on Tuesday, October 16. Addressing the achievement gap was a primary focus for the day. Deputy Commissioner John Fischer, DOE ISL Director Karin Edwards, and Deb Price, School Effectiveness Coordinator, described work the Department is leading to address the achievement gap for students in poverty and students with disabilities as well as schools identified as in need of technical assistance, including Multi-Tiered Systems of Support (MTSS), Educational Support Systems/Teams (ESS/EST), Positive Behavioral Interventions & Supports (PBIS), and implementation of the State Personnel Development Grant focusing on literacy and behavior. Brattleboro's Academy School principal Andy Paciulli and Jean Schultz, 2nd grade teacher, presented on gains in student achievement levels the school has made in the last six years, through distributive school leadership, time and focus of professional development, effective use of data to drive decisions, using best practices (early intervention and response, formative assessments, flexible opportunities for remediation), a culture shift for all (i.e., all students can succeed; we all have a responsibility for all students), and simply putting children first. Representatives from the Windham Regional Collegiate High School described their program that allows students to earn both high school and college credit while attending classes during the regular school day. Board members visited classes and interacted with students at the high school and the career center. In other action, the Board voted to authorize a supervisory union boundary change study for the Windham Southwest Supervisory Union and to permit them to hire a superintendent for up to two years while the study is completed. This is a small supervisory union, comprised of seven towns with a total student enrollment of less than 800 students.

2012 Milken Educator Awards: On Monday, I was part of a recognition celebration in honor of Matthew Hajdun, a fourth- and fifth-grade teacher at Champlain Elementary School in Burlington, VT. This is one of education's most prestigious recognitions and comes with a \$25,000 cash prize to be used however he chooses. Hajdun was nominated for his innovative and fun-loving teaching style. He often takes his students outside the classroom's four walls and regularly incorporates Spanish into his lessons. Hajdun is very skilled at differentiating instruction, teaching complex concepts, and easily adapts between teaching the struggling learner and the gifted child. He will join the Milken Educator Network, a group of distinguished educators whose expertise serves as a valuable resource to fellow educators, legislators, school boards and many others. To view the press release in its entirety, click [here](#).

Healthier US School Challenge (HUSSC): On Wednesday I joined James Arena-DeRosa, the Northeast Regional Administrator of FNS, and other representatives from USDA at the Sustainability Academy at Lawrence Barnes, in a ceremony recognizing the Burlington School District with the prestigious HUSSC award. The HUSSC award recognizes schools that have created healthier school environments through improvements in the quality of food while providing both nutrition and physical education to promote healthy lifestyles. Burlington schools embraced the challenge to provide their students with a healthier school environment by incorporating healthy choices into their menus without sacrificing taste. Eight Burlington schools (Champlain Elementary School, C.P. Smith Elementary School, Integrated Arts Academy at H.O. Wheeler, John J. Flynn Elementary School, the Sustainability Academy at Lawrence Barnes, Edmunds Elementary School, Edmunds Middle School, and Christ the King School) join a select group of only 3% of schools throughout America that are certified as HUSSC schools. For more information on HUSSC, click [here](#).

32nd Annual Outstanding Teacher Day: On Wednesday I joined the University of Vermont's College of Education & Social Services, Vermont Supervisory Unions, and School Districts to honor Outstanding Teachers. The five standards that are used to choose all Outstanding Teachers are learning, professional knowledge, advocacy, collegueship, and accountability. Each year, about 90-100 teachers are nominated for this award and over 45 school districts in Vermont participate.

Child Nutrition/School Meals: In collaboration with Secretary Ross and Commissioner Chen, a press release was distributed on Thursday in support of the new federal child nutrition standards. We are in agreement that these new requirements support students' health and academic achievement and create an opportunity for statewide discussions on the very important issue of child nutrition. To read the entire press release, click [here](#) .

Springfield School District: The Department of Education has been invited by the Springfield School District School Board to assume the management and oversight of the district's school improvement work. This district has been a mess for too long and the students are paying the price. This endeavor will entail the assignment of a School Effectiveness Specialist that will work directly with the district and report back to me on a monthly basis. The work of the School Effectiveness Specialist will address at least the following areas: Curriculum & Instruction, Leadership and Governance, Financial and Operational, and Student Support. Complete implementation of this plan is expected to be underway by early December. This effort is intended to improve student outcomes in this troubled district and I am pleased that our professional assistance has been sought and am confident that the School Effectiveness Specialist and his/her team will be able to make significant improvements in Springfield.

CONFIDENTIAL and PRIVILEGED

To: Governor Peter Shumlin
From: Greg Smith, Executive Director, VT Lottery
Date: Oct 19, 2012
Re: Weekly Report

Status of Governor's Priorities:

n/a

Legislative Issues/Contacts:

n/a

Press Issues/Releases/Contacts:

n/a

Significant Events/Meetings:

Monthly Lottery Commission meeting was held this Wed. Good review of current marketing and sales/expense status through first quarter.

Evolving Issues:

Lottery was named in wrongful discharge suit of gaming vendor's employee. Still in process on this one. Accepted resignation of Director of Marketing on Monday, effective through Nov 2. Active involvement with HR for this departure and preparation for replacement. I will be assuming these duties until replacement is hired.

Summary of Key Agency Department Activity:

System upgrades with online vendor – Intralot – to improve online game and system functions. Installation is planned for Sunday Oct 28.

Shifting of duties with marketing staff to prepare for current director's departure.

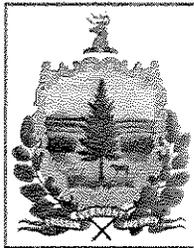
Reviewing applications for replacement of retiring field sales rep in Western VT. Selection will occur in Nov.

Budget preparation for summary submission today.

Executive Director's Commentary:

I will be travelling to Miami for meeting on Monday with all Powerball states on legal issue. I will provide more details afterward. I will be back in the office Tues.

8To 116 STATE STREET
MONTPELIER, VERMONT 05620



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

Chuck Ross, SECRETARY

STATE OF VERMONT
AGENCY OF AGRICULTURE

Confidential and Privileged

TO: Gov. Peter Shumlin
FROM: Chuck Ross, Secretary of Agriculture
RE: Weekly Memo
DATE: October 19, 2012

Secretary's Top Issues:

The WLEB had their third meeting on Tuesday, October 16. The Board adopted Board policies and spent a large portion of the meeting reviewing grant making criteria, eligibility, time-line and the draft documents for the "request for proposals". The goal is to release RFP's by November 15, 2012. The Board will have an additional meeting to get this work done. The Board heard a presentation from NOFA-VT on their Infrastructure Assessment/Institutional Demand/Producer Scaling-Up research project that was funded by the VT Ag Innovation Center (AIC). Board members were making parallels as to how a similar study could be conducted in the Forestry sector. The continuing challenges for the Board include the aggressive time-line to set up the framework and funding mechanism for this very large initiative and balancing the very different investment needs of agriculture and forestry.

Animal Health Program Coordinator and Drs. Mehlenbacher and Haas assisted Sue Isham with DMS in a Livestock Handling and Welfare course held at Shelburne Farm on October 13th. This training was open to humane agents, including Animal Control and Law Enforcement Officers and was intended to educate individuals who have legal authority to investigate and enforce animal welfare violations on farm biosecurity, animal ID, and acceptable vs. unacceptable parameters for body condition and environments of cattle, swine, small ruminants and poultry. Feedback was positive, and it is anticipated that this course will become a permanent part of the annual police academy training that is open to humane agents each September.

On Wednesday October 17th, Koi Boynton from the Ag Development division collaborated with Child Nutrition at DOE and VT FEED and VT School Nutrition Association to hold webinar for school food service directors and staff. The webinar, Don't Panic: Managing Change and Opportunity in Vermont's School Food Service, offered tips and techniques for dealing with the new USDA meal requirements that have reduced total calorie and protein servings and increased fruit, vegetable and whole grain servings. Farm to School was highlighted as a perfect tool to implement the new regulations. Farm to School not only provides food service with opportunities for purchasing more variety of full flavor vegetables from local farms but also couples hands on farm and food education to empower our students to make healthier choices.

Animal Health received a suspect Brucellosis result from a raw milk producer. AH had a conversation with both the producer and cheese processing plant that receives the raw milk to use it for raw cheese production. A quarantine has been placed on the farm until confirmatory results come back from the National Veterinary Services Laboratory in Ames, Iowa, likely next Tuesday or Wednesday. The quarantine means that no animals may leave the premises and no milk destined for human consumption, unless it will be pasteurized, may leave the farm. The processing plant has a pasteurizer and may consider pasteurizing the milk to make a special batch of pasteurized cheese. Suspect Brucella results do not happen frequently however it may a good idea for raw milk producers to have a plan B as the same type of quarantine happens in the case of TB suspects, which happens more frequently.

Maple Grading Hearings: The Vermont Agency of Agriculture, the Vermont Maple Sugar Makers Association and UVM Extension hosted three public meetings this week – Middlebury, So Woodstock, Hyde Park -- on the proposed changes in maple grading. Over 150 people attended and most offered feedback about the importance of Vermont's brand and tradition, market opportunities and the importance of labeling. Each meeting was recorded and a summary will be presented to Secretary Ross for review and recommendation for decision.

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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: October 19, 2012

Status of Governor's Priorities:

Press

Maple Grading: Interviewed Henry Marckres, Chief, Consumer Protection

- WCAX
- WDEV

Significant Events/Meetings:

Working Lands Enterprise Board:

The WLEB had their third meeting on Tuesday, October 16 in Montpelier. The Board adopted Board policies and spent a large portion of the meeting reviewing grant making criteria, eligibility, time-line and the draft documents for the "request for proposals". The goal is to release RFP's by November 15, 2012. The Board will have an additional meeting to get this work done. The Board heard a presentation from NOFA-VT on their Infrastructure Assessment/Institutional Demand/Producer Scaling-Up research project that was funded by the VT Ag Innovation Center (AIC). Board members were making parallels as to how a similar study could be conducted in the Forestry sector. The continuing challenges for the Board include the aggressive time-line to set up the framework and funding mechanism for this very large initiative and balancing the very different investment needs of agriculture and forestry.

State veterinarians met this week with colleagues at the Vermont Department of Health to continue to draft a written response plan for food-related emergencies. Although already existing emergency plans under ss11 reference situations where the food supply may be impacted by emergency events such as floods, radiologic contamination and disease outbreaks, this plan which is entitled the Vermont Food Emergency Response Plan, focuses on response to situations where the food supply is the emergency in that it is adulterated due to natural or intentional contamination. The discussions to date have highlighted areas within Vermont's food production systems where neither VDOH nor VAAFMM have authority and other situations where there is dual authority over food supply nodes or products. This plan will be finalized by VEM's October 26th deadline, and follow up discussion between both agencies will occur to clarify areas of no or dual jurisdiction.

Animal Health Program Coordinator and Drs. Mehlenbacher and Haas assisted Sue Isham with DMS in a Livestock Handling and Welfare course held at Shelburne Farm on October 13th. This training was open to humane agents, including Animal Control and Law Enforcement Officers and was intended to educate individuals who have legal authority to investigate and enforce animal welfare violations on farm biosecurity, animal ID, and acceptable vs. unacceptable parameters for body condition and environments of cattle, swine, small ruminants and poultry. The morning session took place in a classroom setting, and students were exposed to hands on handling of pertinent species in the afternoon utilizing the livestock at Shelburne Farms. Feedback was positive, and it is anticipated that this course will become a permanent part of the annual police academy training that is open to humane agents each September.

State veterinarians continue to investigate and meet with legal counsel regarding the violative tissue residue repeat offenders that VAAFMM now has statutory authority to take compliance action against. We anticipate that Notices of Violation will be mailed within the next two weeks to two dairy farms in Franklin county that have had multiple violative residues, detected at slaughter, in animals that originate from their herds. The FSCP Division hopes that this action will further deter producers from administering antibiotics and other drugs in a manner that can result in violative tissue residues. Vermont has a significant problem in this area, and it represents a potential threat to public health as well as a mark against the Vermont Brand.

The FSCP Division held its annual staff retreat on October 12th in Hinesburg. Approximately 25 employees attended, and a three hour training was provided by Judy Ringer on communication techniques in stressful situations. Judy is also a martial arts expert, and she uses the principles of Aikido to impart her message. The training was unique and interactive, but a black belt in karate was fortunately not a prerequisite. Division employees hopefully will be able to utilize the skills learned when communicating with disgruntled constituents, the media, or the legislature. An excellent potluck lunch was enjoyed by all, and several employees left with FSCP Ag-emmy awards and gift certificates for unique or noteworthy behavior during the past year. Thanks to all FSCP folks who were able to attend!

FSCP management has worked diligently this week to put forth a viable proposal to Administration that outlines the suggestions for filling the anticipated budget deficit for FY2014. The meetings and brainstorming sessions with the business office were productive and resulted in several good options for meeting this goal. Discussions on this topic will continue as the Division's suggestions are further evaluated.

Drs. Haas and Mehlenbacher and AH Program Coordinator Darryl Kuehne provided instruction for an Animal Husbandry/Handling/Welfare Course hosted by Dairy Marketing Services for VT Animal Control Officers and Humane Agents. The course was held Saturday, Oct 13 from 8-5 at Shelburne Farms and provide both classroom and hands on instruction.

Drs. Haas, McNamara, and Mehlenbacher attended a second meeting with the VT Dept of Health to continue the process of developing a joint Agency Food Emergency Response Plan for Vermont. We intend to meet the deadline of Oct 26th to have the plan in draft finalized form. The process itself in developing this plan has had the sided benefit of building relationships with the VDH

Maple Grading Hearings: The Vermont Agency of Agriculture, the Vermont Maple Sugar Makers Association and UVM Extension hosted three public meetings this week – Middlebury, So Woodstock, Hyde Park -- on the proposed changes in maple grading. Over 150 people attended and most offered feedback about the importance of Vermont's brand and tradition, market opportunities and the importance of labeling. Each meeting was recorded and a summary will be presented to Secretary Ross for review and recommendation for decision.

Evolving Issues:

- Animal Health (AH) began an investigation into possible import violations of swine imported to VT from a NY dealer without the required CVI.
- AH met with legal counsel to move forward with two administrative penalty procedures for dairy producers with repeat tissue residue violations from FDA and USDA.
- AH met with the Business Office and within the FSCP Division to discuss methods to reduce the FY14 budget gap.
- For the proposed fee bill, AH provided fee increase recommendations and additional cost of services charges to Dr. Haas and the business office.

AH received a suspect Brucellosis result from a raw milk producer. AH had a conversation with both the producer and cheese processing plant that receives the raw milk to use it for raw cheese production. A quarantine has been placed on the farm until confirmatory results come back from the National Veterinary Services Laboratory in Ames, Iowa, likely next Tuesday or Wednesday. The quarantine means that no animals may leave the premises and no milk destined for human consumption, unless it will be pasteurized, may leave the farm. The processing plant has a pasteurizer and may consider pasteurizing the milk to make a special batch of pasteurized cheese. Suspect Brucella results do not happen frequently however it may a good idea for raw milk producers to have a plan B as the same type of quarantine happens in the case of TB suspects, which happens more frequently.

Summary of Key Agency Department Activity:

Administration

Deputy Secretary LaClair spoke to the Vermont State Grange annual meeting in Montpelier, highlighting the Agency's scope of work on the regulatory and development side, addressing the challenges VT faces regarding the federal farm bill if it does not pass in the lame duck session, and thanking the VT State Grange for support for Vermont's agricultural community through volunteerism and fundraising for the VT Farm Disaster Relief Fund.

Deputy Secretary LaClair participated in the COOP (continuity of operations plan) exercise in Mplr on Monday. The Agency is working to update its COOP plan and provide staff training on its components in the next few months.

Agricultural Development

On Wednesday October 17th, Koi Boynton from the Ag Development division collaborated with Child Nutrition at DOE and VT FEED and VT School Nutrition Association to hold webinar for school food service directors and staff. The webinar, Don't Panic: Managing Change and Opportunity in Vermont's School Food Service, offered tips and techniques for dealing with the new USDA meal requirements that have reduced total calorie and protein servings and increased fruit, vegetable and whole grain servings. Farm to School was highlighted as a perfect tool to implement the new regulations. Farm to School not only provides food service with opportunities for purchasing more variety of full flavor vegetables from local farms but also couples hands on farm and food education to empower our students to make healthier choices.

Boynton has also been working with DOE's public information officer on two press releases for National School Lunch week. The first release highlighted Burlington School's recognition as recipient of the Healthier US School Challenge. With Burlington School Food Project, Burlington is one of the states and the country's most respected Farm to School programs. The second release highlighted Reading school being honored at the School Nutrition Association Conference for their work with Albert Bridge school to start a school food program. Albert Bridge in partnership with Wethersfield school is a 2012 Farm to School Grant recipient.

Representing the Agency as a platinum sponsor, Boynton will speak at the SNA-VT Child Nutrition: The Heart of Learning conference on Friday in Stowe. The conference is a collaborative effort among the School Nutrition

Association of Vermont (SNA-VT), Hunger Free Vermont (HFVT), Vermont FEED, VAAFV, VDH, and VT DOE. This annual conference created a platform for professional development and to honor the work and accomplishments that food service personnel are doing in their schools. In recent years Farm to School has become a major focus of the conference as a strategy to increase meal participation and student preference for vegetables.

Oct 1-3: Food Export Forum, Chicago

Deputy Secretary Jolinda LaClair and Sr. Agricultural Development Coordinator Chelsea Bardot Lewis attended the annual Food Export Forum, which brings together international marketing experts, buyers, directors of state export programs, and food exporters from across the country. Vermont has approx 4 dozen Vermont businesses participating in the national program, funded through the Foreign Ag Service, Market Access Program. Bascomb Maple was among five Vermont companies attending the forum; contacts with in-market reps from across the world are opening significant market prospects.

Oct 10-12: Swiss delegation visit

A delegation of 11 Swiss agricultural policy makers spent two days in Vermont learning about our food system and state and federal policy. Secretary Ross gave a presentation on agriculture in Vermont, and Agency staff organized tours at Blue Spruce Farm, Golden Russet Farm, and the Intervale Center. Groundwork was laid to continue a partnership between Vermont and our counterparts in Switzerland, who are similarly interested in promoting a multifunctional agricultural system that promotes environmental stewardship, community development, and tourism.

Grants awarded

The Agency was awarded a Federal-State Marketing Improvement Grant for "Scaling Up New England's Value Added Meat Industry." The goal of this project is to promote viability and vibrancy of New England's value-added meat industry, with a focus on providing education, marketing tools, and exposure to innovation at the producer-processor nexus.

Food Safety and Animal Health and Consumer Protection

Nearly 1,000 syrup hydrometers have been tested by our Weights and Measures Lab to date this fall. An estimated 7,000 total will be tested and distributed to all maple producing states and provinces.

The meetings of the International Maple Syrup Institute and the North American Maple Syrup Council will be held in Mystic, Connecticut next week, Monday, October 22 through Thursday, October 25. I will be giving a technical presentation, reporting on the grade change meetings and judging the international syrup contest.

The IMSI grading school will be held in Connecticut on October 26 and 27. Henry Marckres will be teaching along with Kathy Hopkins from the University of Maine.

Animal Health (AH) continuing a tissue residue investigation involving Bob veal found with gentamicin and sulfamethazine; residue was detected 11 months ago and we are just now receiving the report from the FDA

AH continues to complete dairy biosecurity surveys – 8 surveys were completed this week by our hard working field staff, putting our total (including the ones done by the Agri Mark field staff) to approximately 100/1000. AH performed Avian Influenza testing at a poultry farm; this testing is done at no charge through a USDA Coop agreement.

Meat Inspection

- Met with Vermont Department of Health to collaborate on writing the Vermont Food Emergency Response plan.

- Program chief presented an inspection module at the Hannaford Career Center for the new skilled meat cutter program.
- Program is in process of evaluating in-depth Hazard Analysis Critical Control Point plans for startup state inspected processing operation covering several processes such as raw ground, raw not ground, fully cooked shelf stable, fully cooked not shelf stable, heat treated not fully cooked not shelf stable, etc.
- Program Chief consulted with a representative of maple wind farm in connection with establishing a state inspected poultry operation in the Richmond area.
- Program chief has been consulting with engineers for a state inspected slaughter plant proposal in Wilmington Vt.
- Meat and poultry Inspection personnel are participating in poultry webinars concerning new inspection techniques for establishment process control for sanitary dressing procedures in poultry plants.

Agricultural Resource Management

- Pre-hearing conference relative to an administrative penalty for pesticide misuse at an apiary was held earlier this week. Pesticide program staff is confident that a settlement can be reached.
- Lab staff is meeting regarding future space requirements for a new facility. Lab staff also met will meet with the Health Dept. regarding west Nile virus and EEE analysis next year and what the labs can and cannot do to support these efforts. EEE work requires an additional level of certification that the spaces in the Hills building cannot meet.
- Information continues to be collected relative to laboratory losses last year and FEMA reimbursements. I met with representatives of the Irene Recovery Office to discuss matters related to Waterbury lab and relocation to Burlington and associated costs.
- Conference call with EPA to discuss data collected by the Agency relative to large and medium farms. EPA would like to create a data platform that describes the known universe CAFOs in the country. We currently do not keep our information in a database. These calls are being made to all 50 states.
- Issues of arsenic and chicken feed and the resultant application of manure to farm fields have been brought up as a result of a few articles in the press. This has also been raised relative to composting operations using chicken manure. Feed sampling may be conducted at a few egg laying facilities for informational purposes. The source of the arsenic is allegedly specific pharmaceuticals used in broiler operations.
- UVM men's soccer fought for a tough 1-0 victory over Binghamton last Saturday, once again in double overtime. Conor Leland preserved the shutout with 7 saves in the hard fought battle. UVM still leads America East.

Secretary's Comments

- Attended Maple Grading Hearings in Middlebury and Hyde Park.
- Keynote speaker at Lamoille County Economic Development Corporation Annual Meeting
- Chaired Working Lands Enterprise Board meeting – program development moving at rapid pace.
- Participated in Governor's Strategic Planning session #8, Working Lands.
- Attended Ribbon Cutting at Farmstead Cheese grand opening at Windsor Industrial Park w/Governor;
- Attended and spoke at VHCB's 25th anniversary celebration in Highgate;
- Visited with Burlington's City Market General Manager to review their very successful business model to consider how this can be replicated in other Vermont markets.
- Attended Energy Action Network meeting to discuss opportunities for state and non-profit sectors to work together on a complimentary path to support the State Energy Plan.

Memorandum

Vermont Public Service Department

Privileged and Confidential

To: Hon. Peter Shumlin, Governor & Sarah London, Governor's Counsel
From: Sarah Hofmann, Deputy Commissioner
Subject: Weekly Report – Priorities Version
Date: October 19, 2012

Status of Priorities and Cases of Interest:

- Entergy CPG Renewal - Our testimony and that of other intervenors is due on Monday, 10/22. Through the weekend, the testimony will be edited, but we now have seen drafts of all the witnesses the PSD will be presenting. Concerns have been raised internally regarding the somewhat unusual contractual arrangements for PSD's experts; they are sub-contracting with PSD outside counsel WilmerHale but invoices are paid by PSD. Sarah is meeting with Mike Clasen and David Beatty on Monday to make sure there are no problems with getting our experts paid and the bill-backs sent to Entergy.
- Vermont Yankee Operations – The earthquake did not affect operations. A High Pressure Heating Bypass valve in the turbine building is leaking in the turbine building. This is leaking at about 5 gals a minute and it is contaminated. It is going into the drains it is supposed to go into as a contaminant. They packed the seal on the valve on Thursday and so far it is holding. If it holds then the plant will continue to operate as usual. Entergy didn't downpower to make the repair. However, if the packing around the seal doesn't hold, Entergy will have to shut down the plant probably for about a day in the near future to make the repair.
- Atlantic Wind (Windham) –The Board issued a memorandum requesting Atlantic file an additional response to the Department's and the town's comments. Atlantic's response is due 10/26.
- Seneca Wind - The Department filed a legal memorandum arguing that the Newark Town Plan as recently amended by the town selectboard is controlling in the proceeding. The Department limited its analysis to this issue and did not weigh in on that broader question of whether the application should be approved. A status conference in the docket is scheduled for 10/18.
- Energy Generation Siting Commission – The first meeting is scheduled for October 31st in the afternoon. This will be a meeting where a lot of foundational information will be presented to the Commission. We are also going to hire a consultant, Linda McGinnis to help us complete the Commission's work in the allotted time.

Legislative Issues/Contacts:

- Michele Kupersmith called Sarah wondering where VLITE was in the process of picking the VELCO Board members. I explained the process VLITE is using. She had a

constituent who applied and didn't get an interview. She didn't sound like she was pushing for that person but wanted information to convey back.

Press Issues/Releases/Contacts

- We issued a press release on the first meeting of the Energy Generation Siting Commission on October 31st.
- We had a contact from a reporter at Energy Daily who is doing a story on Entergy and the CPG process including water considerations.
- A NYT reporter called about Granite Reliable Wind in NH. I was only able to provide her with a NH contact.
- The Caledonia Record called with questions about what we were planning to do regarding sound monitoring around the Therrian household.
- The Caledonia Record called with questions about the plans of Louise Hart to do a number of solar farms totaling 200 MWs. We have not received a CPG application from the developer although I have spoken with her many times. The reporter also wanted to know that biggest solar farm so far in VT. We have 3 that are 2.2 MWs.

Significant Meetings/Events:

- Liz met with Steve Clark who is the deputy energy secretary in MA. He is working on the coordinated renewable procurement that the NE states are working on and Liz talked about VT's interests and they exchanged ideas.
- Liz met with Marie-Claude Francoeur from Quebec to complete the planning on the upcoming meeting. Liz mentioned an interesting discussion with Marie-Claude on the transitory nature of the minority/non-coalition government.
- Liz spoke with IBM VP Stan Litkow re Burlington's application to get a Smarter Cities grant from IBM. Burlington would be the smallest city ever chosen if it is successful. Chances of success look good. There should be a decision by early to mid-November.
- Liz spoke to Energy Action Now about the total energy standard study, coordination of efforts on the Comprehensive Energy Plan, thermal efficiency and the new energy generation siting commission.
- Liz met with Andrew Savage about his work and the challenges faced by the industry.
- Liz met with Joan Gamble re the CETI project. Joan is on loan from GMP to work on the CETI. The conversation was about the strengths and weaknesses and how to move forward.

Evolving Issues:

- PSD starts meeting with key Legislators this next week in preparation for the upcoming session. This week, we will meet with Margaret Cheney.
- The first of the fall forums on the CEP get underway next week to talk about progress and solicit input.

To: Honorable Governor Peter Shumlin
From: Annie Noonan, VDOL Commissioner
Re: Weekly Report - week ending October 19, 2012

Issues of critical note: *Vermont's one-tenth of a percent increase in the UI rate puts us as tied for 6th place for lowest unemployment rate in the country. We are still the lowest in New England. Mat Barewicz, our LMI Director, believes that this regional 'smooth out' is likely now resolved and that we will probably not see an increase next month (fingers crossed). *Reminder: Please advise when you would like VDOL to announce the minimum wage increase effective January 2013 (will be \$8.60 per hour). *We also need to discuss the Prevailing Wage issue (calculation of benefits into the PW, similar to Massachusetts and NY, see prior reports and email), as Labor is asking for our decision on this. *A former participant on VDOL's WIA OJT is suing MBA Health Group for discharging him from the job site. This person went all the way through the VDOL/USDOL appeals process and had a small settlement with DOL for the few weeks he lost some income. *We are having problems with some of the NEG disaster grant recipients who are balking at VDOL staff's required auditing of the worksites and tasks assigned to staff. *Chuck Ross and I are having our staff members collaborate on some H2-A issues. I've advised Chuck that Senator Sanders had previously suggested to me that he does not believe that Vermont needs as many of the visas as applied for by the farming community. I am examining the statistics and methodology for approval. On a side note: VDOL is pulling the staff person working on these visas into central office after January 2013 due to inadequate numbers, documentation and reports, as well as failure to respond to the federal grant requirements. *Meeting next week on 10/24 in Jay with Bill Stenger on jobs for the Newport project; meeting with him again in Montpelier on 10/31 with many state agencies and departments for overview.

Unemployment and Wage Issues: UI Trust Fund model will be available for your review within a week or two. Call Center Stats: For the week ending 10/13/12 we took 2,441 calls. This is a decrease of 45 calls from the week ending 10/6/12. We processed 392 initial and 570 additional claims. This is a decrease of 18 initial claims and an increase of 118 additional claims from the week ending 10/6/12. 31 claimants exhausted all tiers of benefits with the week ending 10/13/12 compared to 46 claimants who exhausted all tiers of benefits during the week ending 10/6/12. We paid 4,984 claimants during the week ending 10/13/12 compared to 5,042 for the week ending 10/6/12. UI prepared a new STC denial letter for employers who are "negative balance employers".

Labor Market Info: Mat Barewicz worked on a story on seasonal hiring patterns of the retail industry, requested by Fox 44. Also, LMI worked on story for Women's Health Magazine with LCRCC on women's employment in Burlington. VDOL is working on the Make Vermont Home campaign by continuing our daily calls to employers. We are picking up new openings each day.

Workplace Safety and Health: *I have scheduled a meeting for the Interagency Misclassification Taskforce on Nov 8th. *VDOL received a bad decision from the VOSHA Review Board that VDOL will now appeal to Superior Court. In essence, the Board said an employer is free to ignore requirements to provide fall hazard training to roofers as long as the employer "felt" that the roofers were experienced and probably had "some training" by somebody, somewhere, at some time...

Meetings of Note this week: ESB; WETF grant review; meeting with principals from JVSG on WETF application; budget preparation for submission to F&M; meeting with Sue Minter and FEMA Rep on disaster grants through USDOL; Workers Comp staff on various issues; Make Vermont Home meeting with ACCD - Pat Moulton Powden, Kathy Murphy and Meghan Smith; CVEDC annual meeting; VOSHA meeting.

