

Meeting Minutes
Addison County Regional Planning Commission
Wednesday, November 13, 2013

ACRPC held its monthly meeting at ACRPC's office on 14 Seminary Street in Middlebury with Harvey Smith of New Haven, presiding.

ROLL CALL:

<i>Addison:</i>		<i>Orwell:</i>	
<i>Bridport:</i>	Ed Payne Andrew Manning	<i>Panton:</i>	James Dayton
<i>Bristol:</i>	Bill Sayre Peter Grant Garland "Chico" Martin	<i>Ripton:</i>	Jeremy Grip
<i>Cornwall:</i>	Jim Duclos	<i>Salisbury:</i>	Tom Scanlon
<i>Ferrisburgh:</i>		<i>Shoreham:</i>	
<i>Goshen:</i>	Jim Pulver	<i>Starksboro:</i>	
<i>Leicester:</i>		<i>Vergennes:</i>	
<i>Lincoln:</i>	Steve Revell	<i>Waltham:</i>	
<i>Middlebury:</i>	David Hamilton Karl Neuse Ted Davis Ross Conrad	<i>Weybridge:</i>	
<i>Monkton:</i>		<i>Whiting:</i>	Ellen Kurrelmeyer
<i>New Haven:</i>	Harvey Smith		

CITIZEN INTEREST REPRESENTATIVES:

Addison County Farm Bureau:
Addison County Economic Development Corp: Harvey Smith
Otter Creek Audubon Society:
Otter Creek Natural Resources: Paul Wagner
Addison County Chamber of Commerce:

ACRPC EXECUTIVE BOARD

Chair: Harvey Smith
Vice-Chair: Thea Gaudette
Secretary: William Sayre
Treasurer: David Hamilton
At Large: Steve Revell
Andrew Manning
Chico Martin

STAFF

Executive Director: Adam Lougee
Assistant Director/GIS Manager: Kevin Behm
EM/Senior Planner: Tim Bouton
Transportation/Senior Planner: Daryl Benoit
Land use Planner: Claire Tebbs
Office Manager/Bookkeeper: Pauline Cousino

7:30 p.m. Public Program: Harvey Smith, ACRPC's chair welcomed the commission's guests for the evening, Eileen Simollardes, John Heintz and Charlie Pugh all working on Phase II of the Addison/Rutland Natural Gas Project. Ms. Simollardes ("ES") thanked Harvey and began her discussion of Vermont Gas's proposed project. ES noted that Vermont Gas Systems, Inc. ("VGS") had renamed Phase II of the project to emphasize Rutland because VGS had already contributed a substantial sum in Phase I that will benefit bringing the pipeline to Rutland.

ES noted that in Phase I, the IP agreement caused VGS to bring the transmission line 12 miles of larger transmission pipe closer to Middlebury and Rutland than it had originally proposed. She noted that Phase 2 also included another 7.5 miles of pipeline that would be necessary to operate in Rutland (4.5 miles of larger sized transmission line in Middlebury and another 3 miles in Georgia. She noted that all told, IP would be contributing Forty –five million dollars \$45,000,000 that would benefit extending the pipe to Rutland.

She noted that over 20 years, this investment was projected to save the citizens of Rutland County approximately Seven Hundred Million Dollars (\$700,000,000).

ES noted that VGS had filed its application for Phase II and that it hoped it would receive an affirmative decision on its request for a Certificate of Public Good by December 31, 2014. ES also noted that the VGS expected a decision on Phase I of the project by December 31, 2013.

ES noted that another highlight of the project for Addison County would be distribution service to the villages of Cornwall and Shoreham.

Upon completion of her presentation, ES opened the door for questions. Notes of that discussion generally follow:

Ted Davis of Middlebury asked what happens if phase II is not approved?

ES responded that VGS will still complete Phase I. However, it will also need to increase the rates of all customers. She also noted that IP proposed to invest approximately Eighty Eight Million Dollars of its own capital in the project, forty five million of which would benefit both Addison and Rutland counties.

Peter Grant asked why in Phase I VGS proposes to construct Bristol and Monkton at the same time.

ES responded that it was largely a matter of resources. VGS could not commit to installing Monkton and Bristol while it was also installing Vergennes and Middlebury. Also, Monkton's gate station would take some time to permit.

Peter Grant also asked if VGS had a line in mind to go to Rutland.

ES replied that VGS had some general thoughts about where the line should go, but would not put lines on a map until it was ready.

Ross Conrad of Middlebury (“RC”) asked When Phase II is built, how much of the gas will go to Cornwall and Shoreham and how much will go to IP?

ES responded that upon completion of Phase II 99% of the gas will go to IP. She noted that after VGS reaches Rutland, about half the gas will go to Rutland and half will go to IP.

RC asked how much of the Phase II project involved bio-methane.

ES responded that VGS wants to incorporate bio-methane into its pipeline. It is doing so in Phase I and committed in its MOU with ACRPC to continue to work with delivering bio-methane.

Ed Payne (“EP”) of Bridport asked what happens if IP shuts the Ticonderoga Mill before the pipeline is paid off.

ES responded that VGS’s agreement is with IP corporate, not just the mill. The contract has penalty clauses to ensure IP pays for the majority of the line. The exact amount of payments required depends upon the date of the shut down.

Paul Wagner of Bridport asked what Cornwall’s opposition to the line means?

ES stated that VGS desires to work with Cornwall. However, she also noted that the requirements for a certificate of public good would not allow one town to stop a project if the public service board finds the entire project is in the public good of the State of Vermont. Eileen gave the example that Highgate would not have been allowed to keep VGS’s system from serving the rest of Franklin and Chittenden counties.

Peter Grant of Bristol asked Eileen to speak about VGS pipeline safety record.

ES responded that VGS has been in business since 1965 serving Chittenden and Franklin Counties. They have an excellent safety record. They have never had an accident on their transmission lines. They have very few accidents on their distribution lines and they have a no tolerance policy for leaks. She noted that under the lake VGS proposes to horizontally drill the pipeline and will be 30-50’ under the lake bottom. She notes VGS builds its pipes to be cathodically protected against corrosion and built to higher standards than required under pipeline codes in the US.

David Hamilton of Middlebury asked other than the rate impact she mentioned earlier, what are the other impacts if the project is not built?

ES responded that failing to build Phase II is a lost opportunity to reach Rutland. Without Phase II Rutland expansion is significantly delayed or can only be completed at higher costs to all ratepayers.

Ross Conrad noted that fault lines exist in the Champlain Valley and Lemon Fair valley, he asked what VGS had done to protect against pipeline damage from earthquakes.

John Heintz, the project engineer answered that the construction of the pipelines themselves protected them very well against earthquake damage. He noted the pipelines are very bendable and will shift with the earth. He noted that pipelines run across some of the biggest faults in California without damage.

David Hamilton asked if any difference exists between this pipeline and others that have broken.

ES responded that most of those lines were old cast iron lines. VGS does not have any old cast iron lines. All VGS lines have been upgraded to lined, cathodically protected steel pipes. VGS also has a public outreach campaign notifying people to call VGS if they smell gas. They build the pipeline above the required safety code and routinely inspect them. Eileen urged anyone with safety concerns to speak with their colleagues in Franklin or Chittenden County where VGS has operated for 45 years.

Ellen Kurrelmeyer of Whiting asked about economic benefits of the project to Addison County.

ES responded that the project will:

1. Create Sixty Four Million dollars of new taxable property in the region;
2. Provide distribution service to the villages of Cornwall and Shoreham;
3. Provide businesses and citizens of Shoreham and Cornwall with Two Million Dollars in direct benefit over 20 years, including reduced costs to town offices and schools;
4. Provide businesses and individuals with the benefits of VGS's award winning efficiency programs;
5. Increase the local economy by a multiplier through service sector income necessary to support the construction; and
6. Support all of the Vermont Jobs and timber market linked to IP.

Ross Conrad asked how long it took for the company to depreciate the value of the line to zero and therefore stop paying property taxes on the line.

ES responded that the value never went to zero for tax purposes. VGS depreciated the line over 70 years, but the value for tax purposes will never go to zero.

Ellen Kurrelmeyer asked how VGS will pursue other biogas opportunities.

ES responded that VGS is very interested in pursuing biogas and that it's MOU with ACRPC in Phase I it agreed to pursue other opportunities. It is currently working with the Goodrich farm in Phase I. It intends to learn a lot from that project and will apply that to other opportunities along the Phase II line.

Jim Pulver of Goshen asked Eileen to explain the permitting process in New York. **ES** explained that VGS will need to pursue multiple permits for the project, including from the State of New York and from two districts of the federal Army Corps of Engineers (both the New England office and the New York office). VGS will also get FERC's approval for jurisdiction to remain at the state level since the line will serve only one customer in New York. VGS will look to synchronize its New York permitting with its Vermont permitting.

Ellen Kurrelmeyer asked **ES** about environmental benefits of the project.

ES noted that over a 20 year period switching **IP** from fuel oil to gas will reduce the plant's carbon emissions by 1,000,000 tons of greenhouse gases. **ES** also noted that since gas also burns cleaner than oil, **IP** expects to reduce SOX, NOX and fine particulate emissions.

Jeremy Grip asked about VGS's price projections.

ES noted that VGS just had another rate reduction on November 1, 2013. She believes the prices are as accurately projected as possible.

Mary Dodge of Cornwall asked how diversion of gas to **IP** would impact service to Rutland.

ES responded that VGS models flow to serve Rutland on the coldest days of the year when demand is highest. The proposed pipes are sized adequately to serve Rutland. Also, since **IP** is on an interruptible load, **IP** faces shut downs on the coldest days, not consumers in Rutland.

Mary Dodge asked why VGS chose to go through Cornwall over its objections.

ES responded that VGS had looked at other alternatives and had taken Cornwall's input seriously. However, it noted that at the end of the day the southern route alternatives that avoided Cornwall would have cost about Twenty five Million Dollars more than the proposed route and have had more environmental issues. The Cornwall Route chosen only affects 6 landowners in Cornwall, some of whom support the pipeline.

Mary Dodge offered that a portion of the extra Twenty five million dollars in cost **ES** described above would have benefited bringing the pipe to Rutland because it would bring the pipe that much further south.

ES agreed that some portion of that expense would benefit Rutland, but noted that Twenty Five million dollars is a large sum of money for anyone to finance. The portion of that money benefitting Rutland would still sit unused and therefore unrecovered for several years before VGS could begin Phase III to Rutland.

Ellen Kurrelmeyer asked Eileen if she would speak to the idea of natural gas as a bridge fuel.

ES responded by quoting governor Shumlin. In his speech at the Rutland Economic Development Corporation Governor Shumlin noted that he did a lot for climate change. He was one of the only Governors to acknowledge it and lobby to act to stem it. However, he also does not believe that this means shutting everything else off. Governor Shumlin supports bringing gas to Rutland.

Vermont Gas provides Vermonters with a choice. There are not currently enough renewable energy sources available to support the economy. Natural gas is a less expensive and cleaner burning alternative to what many Vermonters are currently using.

Jeremy Grip of Ripton noted that cold climate heat pumps provided a good alternative currently available that could reduce energy use and cost.

ES agreed that heat pumps are a good technology and noted that efficiency needed to be a part of the answer. She also noted that VGS had just won a national award for its efficiency program and that it would be making this program available in Addison County.

Steve Revell of Lincoln asked if Phase II was similar to Phase I and quoted from the Addison County Regional Plan, Energy Section Goal D, sub part b which addresses the impacts of transmission lines intended to serve interests outside the Region.

ES responded that Phase I of the project brought more direct benefits to the Addison Region than Phase II. However, she also felt that Phase II brought significant benefits to the region, including significantly reducing the rate impact of the Rutland expansion to all ratepayers. She also noted that Rutland and IP are tied directly to the Addison region both geographically and economically and asked each commissioner to consider how valuable those entities were to the Addison Region. She concluded that she felt both Phase I and Phase II were compatible with the Addison County Regional Plan.

That concluded the program. Adam thanked Eileen, John and Charlie for their presentation.

Business Meeting:

- I. Approval of the Minutes:** Ed Payne of Bridport moved the minutes of the October 9, 2013 meeting. Jeremy Grip of Ripton seconded the motion. The Commission unanimously passed the minutes by voice vote.
- II. Executive Board Minutes:** Harvey noted that the minutes were contained in the package sent to everyone and handed out for informational purposes. Harvey asked if anyone had any questions regarding the Executive Board Minutes. Hearing no questions, Harvey moved to the next item on the agenda.
- III. Treasurer's Report:** Adam handed out the treasurer's report dated as of November 13, 2013 (The balance Sheets listed current balances as of today; the monthly budget reflects activity through the end of October 2013). Adam noted that ACRPC's balances had improved since last month and that our revenues were tracking ahead of expenses year to date. Adam offered to take any questions on the Treasurer's report. **Peter Grant of Bristol moved to accept the Treasurer's report as presented. Ellen Kurrelmeyer of Whiting seconded the motion, which passed unanimously.**
- IV. Committee Reports:**
Act 250: Ellen gave the ACT 250 report as follows:

New Applications: None.

Approvals or Denials:

1. On August 12, 2013 Green Mountain Power, GMP submitted an Act 250 application for the relocation and construction of 5,742 feet of electric distribution line in Brandon and Leicester. The project moves a line from farm fields to along Town Farm and Delorm Road to improve maintenance accessibility and therefore reliability in the area. The District 9 environmental Commission treated the application as a Minor Application and issued a permit on September 12, 2013.
2. On October 23, 2013 Agri-Mark to add an equalization and storage tank to its existing facilities on Exchange Street in Middlebury.
3. On October 30, 2013 the District 9 Environmental Commission issued an administrative permit amendment to the Vajra Dakini Nunnery extending the construction period for a permit it had previously secured to construct a temple in Lincoln.
4. On September 23, 2013 Integrated Energy Solutions, Inc filed an application for a permit for a commercial composting and animal bedding and composting facility related to the renewable biogas project it is building on the Goodrich Farm in Salisbury. The District 9 Commission treated the project as a minor and issued a permit on November 7, 2013

Other: The District 9 Commission issued a filing schedule in the Whistlepig case asking parties to file proposed findings of fact by November 20th and responses by December 3rd. The Commission intends to close the hearing and make its findings.

Ellen also noted that the Act 250/248 committee met last night in preparation for the meeting with Vermont Gas this evening and developed many of the questions asked this evening.

Energy: The Energy Committee did not meet.

Local Government: The local government Committee did not meet.

Natural Resources: Dave Hamilton reported that the committee would be reconvening with the next meeting scheduled for November 24th.

Transportation Advisory Committee: Andrew Manning reported that the TAC had spent the majority of its meeting with Tony Reddington discussing roundabouts and appropriate places within the Addison Region where they should be considered.

V. Joint Partners Report: Harvey noted he did not have a report from Addison County Economic Development.

VI. Delegate/Staff Recognition/ Project Highlights: Adam directed the Commission to the project highlights he had handed out earlier. He focused on Daryl's project highlight. Daryl's research paper concluded that radar speed signs can be effective in reducing speeds in certain locations and should be considered as a low cost solution to controlling speeds on certain types of local roads. Adam offered commissioners that had expressed interest in controlling speed in their villages during the earlier presentation copies of the full study.

VII. Old Business:

Other: Harvey Smith announced that he had recently been approached by representatives of Vermont Gas Systems asking whether they could use a portion of his property as a construction yard for the anticipated construction of the Phase I project. He noted that this was one reason he did not ask any questions during the presentation and only introduced Vermont Gas. Harvey noted that he has just started to negotiate a short term lease and that he had not signed anything to date. However, he wanted to disclose this potential relationship to the Commission prior to executing anything so all would know about it.

VIII. New Business:

Proposed Budget Adjustment: Adam distributed a proposed budget adjustment for the year. He noted that this year he had been much more conservative in his budget estimations than he had in the previous year. During the course of the first 5 months of this year, ACRPC had secured a number of contracts increasing our potential revenue. Those new contracts are represented in the new budget. Adam also noted that he had not included any raises to staff in the budget he presented in May because he did not have the revenue to justify them at that time. He did reserve the right to request raises in the future if the budget could justify them. He believes that the new budget can justify the request and has included raises as an expense

item. Adam asked all to review the budget proposal. He noted he would be requesting a vote on it at the December meeting.

Plan Review Committee: Adam noted that when he asked for committee requests this past July, he included a new “Plan Review Committee” and that the charge of the committee would be to rewrite the plan. He also reminded the Commission of the review that the Agency of Commerce had conducted of ACRPC’s plan this past summer. He requested that the Committee also be charged with reviewing the areas of the plan that the Agency had highlighted as needing work. The commission agreed that this would be an appropriate charge.

Energy Planning/Siting Commission. The Commission agreed to defer this item until next meeting.

Other: None.

- IX. Members Concerns:** Adam noted that the Transportation Board would be holding a public hearing at the next TAC meeting at ACRPC on November 20th at 6:00 p.m.
- X. Adjourn:** Peter Grant of Bristol moved to adjourn the meeting, Ellen Kurrelmeyer of Whiting seconded the motion. The motion, passed unanimously and the meeting was adjourned at 9:20 p.m.

Respectfully Submitted:

Adam Lougee, Director