

Meeting Minutes
Addison County Regional Planning Commission
Wednesday, January 8, 2014

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

ROLL CALL:

<i>Addison:</i>		<i>Orwell:</i>	
<i>Bridport:</i>	Ed Payne Mark Pumiglia	<i>Panton:</i>	
<i>Bristol:</i>	William Sayre Peter Grant Garland "Chico" Martin	<i>Ripton:</i>	Jeremy Grip
		<i>Salisbury:</i>	
		<i>Shoreham:</i>	
<i>Cornwall:</i>	Jim Duclos Stan Grzyb	<i>Starksboro:</i>	
		<i>Vergennes:</i>	
<i>Ferrisburgh:</i>		<i>Waltham:</i>	
<i>Goshen:</i>	Jim Pulver	<i>Weybridge:</i>	
<i>Leicester:</i>	Diane Benware	<i>Whiting:</i>	Ellen Kurrelmeyer
<i>Lincoln:</i>	Steve Revell David Ludwig		
<i>Middlebury:</i>	Karl Neuse Ted Davis		
<i>Monkton:</i>	Thea Gaudette		
<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: Thea Gaudette, ACRPC's Vice 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 Thea and began her discussion of Vermont Gas's proposed project. ES apologized for not having written responses to the questions ACRPC had asked of Vermont Gas Systems ("VGS") prior to the meeting. She noted she did not have time to complete them and have them reviewed by legal counsel. Nevertheless, she agreed to stay and answer questions to the best of her ability.

These minutes summarize the discussion surrounding the presentation.

ES started with an update of events that had happened since her previous presentation to the Commission at its November 2013 meeting. She noted that VGS had agreed to expand their energy efficiency offerings to all residents abutting the transmission route or service area.

She also noted that the Certificate of Public Good ("CPG") for Phase I had issued. She noted that all conditions of ACRPC's MOU with VGS and the extra equipment for first responders ACRPC had requested had been include in the CPG. She also noted that energy efficiency was a big part of the CPG, largely because the Board was interested in ensuring that this project did in fact lower the carbon footprint of the region.

Bob Fisher, a guest of the Commission and Planning Commission member from Shoreham, asked ES whether VGS's efficiency programs would benefit the entire town hosting the pipeline or would it be limited to people within the service area.

ES responded that the efficiency program would benefit those abutting the proposed transmission and distribution line, whether or not they received gas service.

Peter Grant of Bristol asked what the Phase I decision meant for Phase II of the Project.

ES noted that Phase I was not a final decision yet. It was still subject to appeal. She also noted that she felt it was a very thoughtful decision and that the Board had gone out of its way to explain why it reached certain conclusions, specifically regarding greenhouse gas emissions and its lack of jurisdiction over the fracking issue. She thought certain portions of the decision would benefit Phase II in addition to deciding Phase I. However, she also noted that the Board addressed the Phase I project solely on its own merits. She expected the Board would do the same for Phase II.

Ed Payne of Bridport noted that the commission had devoted some of its time in Phase I of the project to a discussion of natural gas vehicles. He asked how the increased size of the pipeline in Phase I might impact the market for natural gas vehicle fuel?

ES noted that a transmission line was necessary to deliver fuel to large scale customers selling and delivering compressed gas. However, she noted that most natural gas vehicles could be filled from the distribution system and she hoped to see some involved in Middlebury. She also noted that the entity developing bio-methane in Salisbury was

interested in selling bio-gas as vehicular fuel. ES concluded that transportation is a big contributor to climate change and that vehicle fuel was something VGS should be looking at.

Ellen Kurrelmeyer of Whiting asked ES to explain how the Georgia looping portion of Phase II will benefit the Addison Region and the proposed expansion to Rutland.

ES explained that International Paper (“IP”) will pay for the Georgia looping portion of the project. However, the Georgia looping and other portion of the improvements will largely favor Rutland first, largely because IP will remain an industrial customer with an “interruptible demand”. This means on the coldest days, Rutland will receive natural gas before IP.

Steve Revell of Lincoln noted that the commission would really like to see the questions its committee asked prior to the meeting answered in writing.

ES responded that VGS appreciated that request and was working on writing and verifying them. They would distribute the answer as soon as VGS created and vetted them. ES noted that she was taking the questions seriously and that she would answer the questions to the best of her ability. She was trying to be helpful by answering the questions now, but wanted everyone to know she was doing things on memory and reserved the right to correct herself in the future.

PG asked about the impact of NAFTA on this project since the gas was imported from Canada.

ES responded that she did not think any significant impacts existed. VGS would look to the Vermont process and the PSB for a ruling to govern the gas.

Ellen Kurrelmeyer asked whether VGS planned to serve the Village of Fort Ticonderoga in New York and whether that might impact jurisdictional questions.

ES responded that currently VGS does not have plans to serve the Village of Fort Ticonderoga. She would not rule it out, but stated that VGS’s next project would be Phase III to Rutland.

Stan Grzyb asked Eileen to explain how VSG’s proposal satisfied ACRPC’s plan, specifically when Goal D, sub-section B of the Energy Section of ACRPC’s Regional Plan, at page 7-28 specifically provides that no undue adverse impacts can occur from transmission lines designed to serve elsewhere.

ES noted that the project would have several very positive impacts for the region.

1. Air quality. She explained that the project would reduce green house gases by over 1,000,000 tons over 20 years.
2. Lower gas rates for customers than without Phase II because of IP’s contribution of \$45 million supporting building transmission to Rutland.
3. Service to the communities of Shoreham and Cornwall.

4. Benefits to Rutland, which impact Addison County. ES noted that \$45 Million in benefit to Rutland County would lower the cost of construction to Rutland and would provide service sooner than otherwise possible.
5. Economic benefits to Addison County while the project is being built.
6. Increased tax revenue to places with the Transmission line.

Stan Grzyb then asked ES to explain the \$45 million in benefits that IP's contribution would support for Rutland.

ES responded that:

1. \$25M of Phase I benefits would support transmission to Rutland.
2. An additional 4.5 mile line segment south in Middlebury would shorten the distance to Rutland.
3. Last, the 3 miles of looping in Georgia would benefit Rutland by making capacity available.

Chico Martin noted that he was concerned that the International Paper connection came into this process late and he questioned how rates might be impacted only after the project changed after IP.

ES noted that IP did come to the project late. She also noted that after VGS changed the pipeline to accommodate IP, that she had represented the cost savings, or increase without Phase II.

Someone asked if Phase I will go forward even if Phase II is not approved.

ES responded that yes it would, but it would be more expensive and a rate increase to all VGS customers would be necessary to cover expenses to date.

Another member of the audience joining the commission meeting asked whether he had heard correctly that this project had a beneficial effect on greenhouse gas emissions. He noted that methane was a very potent GHG, especially compared to carbon dioxide. He asked whether VGS had taken the life cycle emissions of gas into account when it made this statement. ES responded that questioner had heard correctly. VGS had incorporated material about methane into its calculations and it had still produced less total greenhouse gases than comparable existing fuels.

Paul Wagner noted that he was still not hearing anything about cost to property owners hosting the transmission line. He noted he wanted them to form a group to reduce their costs and share legal representation.

ES responded that this was a reasonable approach.

Jamie Stewart, the Director of the Rutland Economic Development Corporation spoke. He noted that he had served as head of Addison RDC for twelve years and was familiar with a

lot of businesses in the region. He believes Addison businesses will benefit from Phase I of this project. He asked ACRPC to support Phase II of this project for Rutland, just as Rutland had supported Phase I for Addison. Jamie noted that the OMYA plant in Florence was the second largest energy consumer in the state and would benefit tremendously from this project.

The presentation concluded at 8:30 p.m. and Thea thanked Eileen and Vt Gas's other representatives for joining the Commission.

Business Meeting:

After a short break, Harvey Smith restarted the business meeting at 8:45.

- I. Approval of the Minutes: Ellen Kurrelmeyer of Whiting moved the minutes. Thea Gaudette seconded them. The Commission passed the minutes unanimously by voice vote.**
- II. Executive Board Minutes:**
- III. Treasurer's Report:** Adam handed out the treasurer's report dated as of January 8, 2014 (The balance Sheets listed current balances as of today; the monthly budget reflects activity through the end of November 2013). Adam noted that this month, revenues had moved back ahead of expenditures, but noted that was largely because of some new receivables we were able to bill up front. He noted cash on our accounts was down, but that the receivables billed should allow us to catch up shortly. Adam offered to take any questions on the Treasurer's report. **Steve Revell of Lincoln moved to accept the Treasurer's report as presented. Jeremy Grip of Ripton seconded the motion, which passed unanimously.**
- IV. Committee Reports:**

Act 250: Ellen gave the ACT 250 report as follows:

New Applications: On January 3, 2014 Community Health Centers of the Rutland Region filed an application through their engineers, Champlain Consulting, with plans to construct a health center on a 2.5 acre parcel on Route 22A in Shoreham.

Approvals or Denials:

1. On December 18, 2013 the District 9 Environmental Commission issued an Administrative amendment to a previously granted permit to VVII Housing Associates of Montpelier to make limited improvements to an existing 12 unit elderly housing development. Improvements included new siding, a new fence, a sprinkler system and other internal restoration of the property.
2. On December 19, 2013 the District 9 Environmental Commission issued Administrative amendment to a previously granted permit to the Addison County Fair and Field Days incorporating the conditions of a new wastewater permit issued to Field Days.
3. On December 23rd, 2013 the Public Service Board issued an Order and a Certificate of Public good approving Phase I of the Addison Natural Gas line with conditions. Copies of

the decision are available online and Adam has about 5 hard copies for anyone interested in the decision.

Other: On December 20, 2013 Verizon Wireless filed a notice of intent to construct a telecommunications facility after a 45 day period at 24 Gibeault Road in Whiting. The facility will consist of a 140 ft monopole with 9 antenna mounted on it, plus support facilities.

Ellen also noted that the Committee would meet again upon receipt of written answers from Vermont Gas to discuss Phase II of the proposed Vermont Gas pipeline project.

Energy: The Energy Committee met on December 19, 2013 to create questions for Vermont Gas. Jeremy Grip will send out an e-mail to schedule another meeting once we receive written responses from Vermont Gas.

Local Government: The local government Committee did not meet.

Natural Resources: The Natural Resource Committee also met to discuss and create questions for Vermont Gas.

Transportation Advisory Committee: reported that the TAC had devoted its last meeting to a public hearing of the Vermont Transportation Board. He noted that a number of members of the public had attended and that the meeting had been well received.

Plan Rewrite Committee: Adam noted the committee had not met, but he would be scheduling a meeting shortly.

V. Joint Partners Report: None.

VI. Delegate/Staff Recognition/ Project Highlights: Adam handed out the sheet of highlights. He focused on Tim's highlight noting that all towns were now required to have Local Emergency Operations Plans and that the needed to be submitted by **May 1st**. He asked Towns to call Tim for help with that work.

Ellen requested that Tim call her.

Harvey turned the floor back over to Thea for her to run the next portion of the meeting.

VII. Old Business:

Discussion Regarding Conflicts of Interest and vote as necessary: Thea raised the topics of conflict noting that we had had a discussion about it at our previous meeting and at the Executive Board meeting. She allowed Adam to open the discussion. Adam noted that it was important for the commission to have this discussion to make sure our house was in order prior to any votes on Phase II of the Vermont Gas pipeline. He wanted to make sure that the public knew ACRPC had an open and fair voting process. He also wanted to make

sure that the debate and discussion regarding Phase II of the pipeline would focus solely on the substantive merits of the project and how it related to the Addison Regional Plan.

Adam noted that our current bylaws contained our conflict policy. He shared it with the Commission again and noted that it did not contain a definition of a conflict. Instead, it left that to the judgment of each Commissioner and at the request of any commissioner, to a vote of the full commission. Adam noted that at the last meeting and at the Executive Board meeting the Commission had considered amending the bylaws to add a definition. He encouraged all commissioners to read the Executive Board minutes. The E-Board had undertaken a thoughtful discussion of this issue and looked at a number of different definitions. Ultimately, it had decided that trying to amend these bylaws immediately prior to this vote constituted a poor idea. They decided the Commission would be best to use its existing bylaws to address any conflicts of interest that came before it. After further discussion, the Commission chose not to make any changes to its bylaws.

It then engaged in a discussion about whether any commissioners may have conflicts regarding the proposed Phase II of the Vermont Gas Pipeline.

Chico Martin noted that he felt our house was in order. He felt that our conflict rules rely on the individual judgment of each of our Commissioners. Having known many of the Commissioners for many years, he was confident that all would exercise their best judgment in the interest of the public good. And that the Commission could judge each Commissioner's character by the consistency of their actions.

Ted Davis noted that our conflict rules were to ensure the public that the Representatives of the regional Planning Commission would be voting based upon the best interest of the public and not their own interest. In order to provide the public with those assurances, ACRPC needed to interpret its conflict provisions broadly and individual delegates should step back from issues when a perceived conflict could exist. He noted he was not questioning any member's integrity. He was stating his preference of interpretation to ensure the body kept the public trust.

Thea acknowledged Ben Marks, a guest of the Commission. Ben introduced himself as a citizen of the Town of Cornwall and the attorney representing the Town of Cornwall in the Vermont Gas litigation. Ben acknowledged the quality of the debate that the Commission was having regarding this issue, but also noted that as an attorney, it would be his job to highlight conflicts or other flaws in ACRPC's processes if the result of any vote did not favor his client.

Bill Sayre of Bristol spoke next. He acknowledged he was one of the Commissioners that could be perceived to have a conflict. He noted that he served on the Board of Vermont Gas. He also noted that he had disclosed this to the Commission over a year earlier. He felt the disclosure was important in that it allowed all Commissioners to measure his words appropriately. He also noted that he believed that he always had and always would use his best judgment on any issue before the Commission. He noted that one of the beauties of the

group was the ability to have open, honest and non-confrontational discussions on regional topics from a number of viewpoints. The diversity leads to good discussion and decisions. He expressed a concern that given the small size of the Region and Vermont that too broad or strict an interpretation of conflict would stifle the voices of people interested in multiple issues. Lastly, he noted that he had spoken very little about Vt Gas and had not participated on the committees making recommendations to the broader group. However, he concluded that he did not want to be a distraction to the substance of the issue. He therefore recused himself from any future discussion of or vote on issues concerning Vermont Gas before the Commission as outlined in the Commission's bylaws.

Harvey Smith spoke next. He noted that, as he had disclosed previously, Vermont Gas had approached him to lease some of his land for a laydown area for construction of Phase I of the project. He noted that he had not yet signed an agreement with Vermont Gas. He also noted that a small portion of his property was subject to an easement for the transmission pipeline. Harvey stated that he did not feel that either of these transactions were significant enough to warrant a conflict, but as per the bylaws asked the Commission for its determination of whether a conflict existed.

Chico Martin of Bristol moved that the Commission determine that Harvey had no conflict of interest for phase II of the project. Ellen Kurrelmeyer seconded the motion.

The Commission engaged in a discussion regarding the conflict. Discussion revolved around public perception and transparency. Several commission members felt that the Commission needs to be extra sensitive to perceived conflicts and that they would vote a conflict existed enough to influence public perception. Others felt that Harvey had disclosed the issue satisfactorily and they deferred to his judgment. If he felt that the potential transactions would not influence his judgment and that he could vote in favor of what he felt would be in the public's best interest, then the Commission should defer to his judgment. Others expressed concern that they did not like to be "threatened" by Cornwall's lawyer and that that should not influence the Commission's decision. After lengthy debate, Peter Grant moved to table the discussion. Karl Neuse seconded the motion to table. The motion passed on a show of hands 9-7 and the vote was tabled. Bill Sayre abstained from the vote.

Other: None.

VIII. New Business:

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

Other: Adam raised two items.

First, he noted that some members of the public from the Town of Shoreham Orwell and Cornwall had requested to present their concerns regarding the pipeline to the Commission.

The Commission agreed that the Executive Board should determine how they should address the commission at their next meeting.

Second, Adam noted that he had passed out pertinent portions of ACRPC's audit for FY 2013 to the full Commission earlier in the meeting. He referred the Commission to the audit letter and noted that the audit was "clean" and had no adverse findings. He also noted that the Executive Board had conducted a telephone interview with the auditor and had also been satisfied with his findings. **The Commission voted to accept the audit as presented.**

IX. Adjourn: Peter Grant moved adjournment. Karl Neuse seconded the motion. All voted in favor. The Commission adjourned its meeting at 10:30.

Respectfully Submitted:

Adam Lougee, Director