

1 **TOWN of MIDDLEBURY, VERMONT**
2 **Special Town Meeting**
3 **Minutes**
4 **November 6, 2017**
5

6 Moderator James Douglas called the meeting to order at 7pm and read the warning of the Special Town
7 Meeting and article 1 for the public. He further asked if there would be any objection to non-Middlebury
8 residents Town Manager, Kathleen Ramsay, Asst. Town Manager, Chris English or VGS Representative
9 Tom Murray speaking at tonight's meeting. No objections expressed.

10
11 Douglas asked that everyone make sure they have signed in with the Town Clerk, Ann Webster, as this is a
12 legally warned meeting of the Town of Middlebury. He then introduced the members of the Selectboard,
13 Heather Seeley, Nick Artim, Victor Nuovo, Susan Shashok, Brian Carpenter, Farhad Khan, and Laura
14 Asermily. He then invited Selectboard Chair, Brian Carpenter, to make any opening remarks he may have.

15
16 Carpenter read a brief summary of what had led the SB to this point, having approved three easements to
17 VGS across public lands, the process for a public petition and the impending vote. (Summary attached).
18

19 George Klohck spoke on behalf of the petitioners and in the absence of Ross Conrad, who had initiated the
20 petition. Klohck indicated that he himself had never supported the installation of the gas pipeline through
21 Vermont, and felt he had not been alone in his convictions as many hundreds of Vermonters as well as
22 organized groups and organizations had petitioned the Public Service Board, now renamed the Public
23 Utilities Commission, to either stop the project or demand VGS live up to its promises and claims. Concerns
24 have included cost estimates and safety issues.
25

26 Klohck continued that he felt the purpose of tonight's meeting and tomorrow's pending vote was to ask our
27 Selectboard to go back to the negotiating table with VGS and make the best deal possible for our town.
28 Klohck indicated that VGS itself had referred to natural gas as a transitional fuel or a bridge fuel. At this
29 time he read a statement from the Rev. Barnaby Feder, who was also not able to be at the meeting,
30 requesting that the SB consider negotiating a new deal with VGS where they contribute to an ongoing fund
31 for the development of cleaner, renewable energy sources for the future. Klohck reminded voters of the
32 State's goal of reducing fossil fuel energy consumption to 90% less than 1990 levels by 2050.
33

34 SB Vice Chair, Susan Shashok, read to the community her letter to the editor which had appeared in a recent
35 issue of the Addison Independent. It stated how she is not a supporter of VGS, but had come to the decision
36 as a SB member that she must treat all businesses equitably. The town did not have a precedent of charging
37 fees for easements for distribution lines across public lands. If the request had been for transmission lines
38 she would have considered it differently. (Letter attached)
39

40 Alice Eckels expressed her opinion that there are no good reasons to provide free easements to VGS. She
41 felt they had led the SB to believe that other towns do not ask for compensation for easements, but in fact
42 they very seldom ask for easements across public lands because they typically use the highway rights-of-
43 way. Further VGS has paid for easements across lands of Middlebury College and a couple of private
44 businesses. Why would they treat the Town of Middlebury differently? She also indicated that VGS is not

45 providing a product that is unavailable to consumers, but an alternative to a readily available product. Eckels
46 conceded that VGS would pay property tax on their lines, but their tax liability would decrease each year as
47 the pipeline value depreciates, whereas our property taxes increase each year. The VGS pipeline value
48 would bottom out at 30% in 30 years, while VGS profits would be realized for 50 years or more. As
49 Middlebury ranks within the top 10 of towns with the highest property tax rates in the State, our leaders
50 should be looking for as many revenue sources as possible.

51
52 Eckels further challenged the argument that VGS paying for an easement will increase costs to consumers;
53 she felt that due to a Memorandum of Understanding with the Public Service Board the additional costs
54 would be absorbed by VGS shareholders. She also questioned Middlebury's goal of reduced dependence on
55 fossil fuels and commitment to a cleaner environment being compromised for the sake of corporate welfare.
56 She encouraged VGS to create a fund to support cleaner alternative energy development.

57
58 Margaret Klohck summarized her involvement opposing VGS coming through Vermont for the last 5 years.
59 VGS has not been a good neighbor and has used bullying techniques to obtain eminent domain. They still
60 have several lawsuits pending due to their tactics. As taxpayers we should be compensated for the use of
61 public lands by this private company.

62
63 Rick Buck, owner of Mr. Ups Restaurant, spoke in support of his restaurant and his employees stating that
64 natural gas could save him a lot of money. He could empathize with people who felt their land had been
65 taken for VGS development. He felt a similar experience with the building of the Cross Street Bridge. He
66 felt his land had been taken, that he had almost gone out of business, and he had received very little help
67 from the Town. But he did challenge the idea that VGS would not be paying its fair share if they were going
68 to be paying substantial property tax on their distribution lines. He felt the tax payments year after year
69 would amount to much more than the cost of an easement. Buck encourages residents to vote "yes"
70 tomorrow.

71
72 Frank Winkler felt that he was one attendee who was neutral on the issue, but wanted to ask a few questions.
73 What is the difference between these easements and laying distribution lines along the highway rights-of-
74 way?

75
76 Ramsay responded that the SB had approved work in the highway right-of-way areas several years ago and
77 permits are issued if certain conditions are met. The current situation does not pertain to rights-of-way, but
78 to easements across public land.

79
80 Winkler further questioned, what is the annual town budget? Ramsay responded the General Fund budget is
81 about \$11,000,000, all funds roughly \$14,000,000. Winkler hypothesized that an easement may provide the
82 town a few thousand dollars and that benefit to individual taxpayers would be a few dollars at best, where
83 savings to the Town Offices or Ilsley Library and businesses such as Mr. Ups could be substantial.

84
85 G. Klohck commented that there is a large contingent of people across our community, the State and the
86 nation who feel we must find a way to get off fossil fuels at some time. The petitioners are not looking for
87 VGS to be denied easements, but to pay towards a fund that will promote and support clean, green,
88 renewable energy sources in order to reach the goal of the Energy Conservation Commission to reduce
89 dependency on fossil fuels. Let's take VGS at their word that natural gas is a transitional fuel source in
90 heading towards those goals.

91
92 Steven Terry urges residents to vote yes tomorrow. Having worked for Green Mountain Power for several
93 years he feels that there are people who are opposed to most energy sources including not only nuclear, but

94 wind and solar. To try to determine which fuel sources we will allow here at this time may be setting a
95 precedent that could be a real mistake for Middlebury. The Town Plan calls for a balance of energy sources
96 for the Town. Terry indicated that having distribution lines in place would be beneficial to those entities
97 such as Middlebury College and the Goodrich farm in Salisbury, which are developing a method to generate
98 renewable natural gas with the use of animal and food waste.
99

100 Terry further commented that we want our downtown and surrounding areas to be strong and viable
101 economically and a “no” vote may send the message that we are picking and choosing which energy sources
102 are acceptable based on our personal opinions. The SB made the right choice.
103

104 Mark Mooney wanted to make a point based on a business transaction perspective with one entity wanting
105 to provide a service making the best possible profit and the other entity wanting to make the best possible
106 decision for the entire community. He felt that there may be misinformation regarding VGS not paying
107 municipalities to cross public lands. The town of Hinesburg was looking at an initial agreement for VGS to
108 compensate the town \$75,000 for an easement to cross under the lands of a park located in that municipality.
109 The final agreement is for VGS to pay \$250,000 for that easement.
110

111 Mooney continued that he felt the current easement language indicated that the Town and VGS were
112 entering a partnership with both having certain rights and certain responsibilities. Mooney asked if
113 compensation had ever been discussed.
114

115 Carpenter responded to Mooney that the SB was aware of the Hinesburg agreement, but that was for a
116 transmission line and not a distribution line. Compensation was discussed, VGS was questioned thoroughly
117 and asked to come back to respond to concerns several times. The Board weighed the fact that a handful of
118 Middlebury businesses would be served by the gas line and wanted them to remain competitive. We looked
119 at the nominal value of the right-of-way provided by the Town Assessor, roughly \$2,500, knowing that we
120 would be receiving a few hundred thousand dollars in taxes from VGS, who is now a local business in
121 Middlebury. We had several in depth discussions which were sometimes difficult as we have several SB
122 members who are not in favor of VGS.
123

124 Carpenter further added that without the VGS infrastructure we would not have the opportunity to develop
125 the renewable natural gas option which is in the works. This will not only help solve a food waste problem,
126 but will allow those wanting to do the right thing in choosing renewable energy.
127

128 Mooney asked if the SB ever considered an agreement with VGS for a reduced rate on gas for all the
129 municipal facilities and covering the cost of any conversion to that system.
130

131 Carpenter responded that was an interesting idea and maybe something could be negotiated in the future.
132 Middlebury has been pushing for underground infrastructure to provide energy services for some time and
133 Carpenter did not see how we could treat VGS differently than Green Mountain Power or Comcast in order
134 to run their lines.
135

136 Mooney said that he had not seen anything in the easements that required horizontal drilling. Is that
137 something that will be expected by VGS? Or are there requirements for renovation following an open trench
138 installation? And what is the size of the pipe being installed?
139

140 Murray, VGS representative, said that they prefer to do horizontal drilling, but in some areas open trench is
141 required. He said with other utilities being already in place on these three sites they may have to do open
142 trench. The pipe size is two inch.
143

144 Victoria DeWind asked if the Town is considering using natural gas. If so, what would the conversion costs
145 be in order to use natural gas? Could VGS be required to cover the cost of any conversion for the use of
146 natural gas? DeWind also indicated that current costs of natural gas may be low, but all indicators are that
147 prices will go up. As the State has a goal of moving the State away from fossil fuels it is counterproductive
148 to use natural gas.

149
150 Carpenter indicated that we are potential customers, but that is an unknown as the pipes are not even laid
151 yet.

152
153 Laura Asermily wanted to acknowledge what a complicated issue the use of fossil fuels is and that she too
154 was opposed to fracked gas being distributed through our State. As a SB member she also came to realize
155 that personal preferences was not the equitable way to make decisions regarding access to municipal
156 infrastructure. She knows that she has neighbors who want to use natural gas as a more economic and
157 cleaner energy than what they are currently using. I am hoping our fossil fuel companies will be our partners
158 in moving to cleaner energy production.

159
160 Barbara Clearbridge wanted to make the point that she did not feel that VGS was just another utility
161 company. Our Vermont Legislature has banned fracked gas in Vermont because it is so toxic. This company
162 is bringing a product to our State that we have banned the production of and is also a product we have said
163 we do not want to be using in the future.

164
165 Barrie Bailey of Salisbury stepped forward to speak and Moderator Douglas reminded the assemblage that
166 this was actually a legally warned meeting of the Town of Middlebury regarding tomorrow's vote and was
167 not an open forum. He questioned if there was objection to a nonresident speaking. There was no objection.

168
169 Bailey is a member of the Salisbury Conservation Committee and she feels Salisbury residents are
170 concerned that they will be paid compensation for easements over a small strip of their land, but the
171 easement will affect the value of the entire property. She was very interested to hear about the ideas to have
172 VGS pay something where the entire town may benefit and encourage development of clean energy in the
173 future.

174
175 Buck said he agreed with much of what the opposition was saying in regard to renewable energy. He does
176 use solar panels for both his home and business. But he felt no one was speaking about the article that would
177 be voted tomorrow. He asked that we vote on the article and not on your beliefs on fossil fuels or
178 greenhouse gases.

179
180 Bill Schneider commented that he would like to come down on the side of the SB representing all of its
181 citizens and taking the opportunity to negotiate a better arrangement with VGS. If this set a new precedent
182 than maybe this is time to set a new precedent. We have a stated goal of becoming carbon neutral by 2050
183 and we should be able to partner with our local businesses to reach that goal. Vote your conscience.

184
185 Eckels felt there may be some confusion and she wanted to clear up the matter. She suggests we vote "no"
186 to provide the opportunity for the SB to revisit the issue, not to deny VGS access to the easements.

187
188 M. Klohck has been listening to people speak with their feelings, yet it is indicated that we should not use
189 our feelings to make our choice. She believes our feelings determine who we are and we should vote from
190 the heart.

191
192 Seeley wanted to ask VGS if they are willing to come back to renegotiate if the vote is a "no" tomorrow.

193

194 Murray indicated that if they get a “no” vote that they will back off, take a pause and not renegotiate. That
195 could change in the future.

196
197 Khan acknowledged that there are many strong feelings on this issue asked VGS if it wouldn't be a good
198 will gesture to offer something to the townspeople and local businesses at this time. He did not agree with
199 VGS saying they would take a pause.

200
201 Murray said that the current agreement does have expenses for VGS included, such as agreement to cover
202 any expense to move lines in the future, to cover Middlebury's legal expenses, and the property taxes that
203 would be paid annually. By delaying Middlebury could potentially lose money. There has also been a long
204 standing precedent to not charge utilities for easement in Middlebury, and they would hope they would be
205 treated the same as all other utilities. VGS has over 50,000 customers with a high approval rating.

206
207 Melanie Peyser from Monkton wanted to speak and the moderator asked again if there was an objection to a
208 nonresident speaking. Carpenter said he felt this was a Middlebury meeting and was not intended to be a
209 referendum on Vermont Gas. Shashok wondered if we would have additional people from outside
210 Middlebury who would want to speak or if this was the last one. No one else identified as a nonresident
211 wanting to speak.

212
213 Peyser felt there were three things that the voters had the right to know. First a permit is needed, but an
214 easement is not required to work within a highway right-of-way. An easement is needed to go through a
215 parking lot. They are two different things.

216
217 Second Peyser felt the voters should know that it is not a negotiated benefit that VGS agrees to move their
218 lines, at their cost, if future municipal development determines the need for such move. In a case with South
219 Burlington the Supreme Court has already ruled the utility must move their lines at their cost under such
220 circumstances.

221
222 Last, Peyser felt that Murray may have misspoke in indicating that 50,000 customers rated VGS with 95%
223 satisfaction. VGS does a sample survey of their customers each year of approximately 300 people. She said
224 that she did not want to dispute that 95% of the 300 customers responded as indicated by Murray, but it was
225 not 95% of 50,000 people.

226
227 David Pistilli identified himself as a satisfied VGS customer and was pleased that they were finally serving
228 his household after 5 years of waiting. He came to offer support for the SB. We elect them to do a very
229 difficult job for our town, pay them precious little, and make enormous demands of their time. In my
230 estimate they did in this instance what they felt was in the best interest of the Townspeople.

231
232 M. Klohck expressed a concern regarding Tom Murray's response that VGS would take a pause and not
233 come back to the negotiating table if a “no” vote succeeds tomorrow. She interpreted this to mean it must be
234 VGS's way or not at all.

235
236 Seeley made a motion to adjourn, seconded by Nick Artim. Motion passed by unanimous voice vote.
237 Meeting adjourned at 8:25pm.

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239
240
241
242

James H. Douglas, Moderator

Ann F. Webster, Middlebury Town Clerk