

Approved January 6, 2015

TOWN OF CORNWALL
SELECT BOARD MEETING
Cornwall Town Office
Tuesday, December 16, 2014

Present: Bruce Hiland, Ben Wood, Ben Marks, Magna Dodge, Dave Sears

Also Present: Mary Martin, Randy Martin, Raph Worrick, Rudi Olsen, Mike Broughton, Mary Jane Broughton, Annie Wilson, Holly Noordsy, James A. Dumont, Stan Grzyb, Kathy Grzyb, Bethany Menkart, Rebecca Foster, Melane Pyser, John D. E. Roberts, Andrew Marks, Mary Dodge, Timothy Fisher, Tracy Himmel Isham, Marc Cesario, Klara Calitri, Lisa Calitri, Brian Gill, Meg Harris, Amy Quesnel, James Gill

The meeting was called to order at 7:00 pm.

Agenda - *approved*

General Fund and Highway Orders - *signed*

MINUTES

December 2, 2014 – Ben W MOVED / Magna SECONDED a motion to approve the minutes as distributed. Motion passed.

CORRESPONDENCE

- Reminder from the Town auditors that the deadline for providing information for the Town Report is January 16, 2015.

PUBLIC COMMENTS – no comments on issues not on the agenda

TOWN CLERK / TOWN TREASURER'S REPORT – none

ROAD COMMISSIONER'S REPORT – none

NEW BUSINESS

Consider proposed term sheet for agreement with Vermont Gas Systems if Phase 2 project approved by Public Service Board

Bruce Hiland briefly reviewed the history of Cornwall's dealings with Vermont Gas Systems (VGS), since representatives from VGS first came to Cornwall in November of 2012, to introduce a proposal to build a gas transmission pipeline

(with no gas distribution to Cornwall homes or businesses) through Cornwall, on through Shoreham and under Lake Champlain, in order to serve a single business in New York state, International Paper's Ticonderoga mill. Bruce said that the Town's strategy has been 2-fold [see Select Board minutes October 1, 2013] to oppose Phase 2 of VGS's Addison pipeline project in its entirety as an intervener through the Public Service Board's (PSB) 248 process, while at the same time, continue discussions/negotiations with VSG in order to obtain the best deal for the Town, should the project receive a Certificate of Public Good (CPG) by the PSB.

Bruce H. added that until recent changes in leadership at VSG, discussions have been fruitless. The most recent meetings between the board and VSG, have resulted in proposed terms (see attached Term Sheet) which would be the foundation for a Memorandum of Understanding (MOU).

Magna MOVED/ Ben W. SECONDED a motion to approve the proposed Term Sheet as the basis for an MOU with VGS.

Discussion:

Ben Marks – Speaks tonight in his role as the Attorney advising the Town on this issue and representing Cornwall in the PSB process. The Town has a conflict of interest policy. For the record, Ben M. will abstain from any vote taken tonight pertaining to the pipeline. He said that if the Select Board approves the basic terms listed on this Term sheet, the board would then work with attorneys at VT gas to finalize an MOU before Christmas. The final MOU would need to be approved by the Select Board at a subsequent public meeting. PSB formal hearings are scheduled to begin on January 12, 2015 and that the Town will get the best deal (have the most leverage with VSG) if the MOU is complete before January 12.

Stan Gryzb: Asked if this MOU means that Cornwall will no longer intervene in the PSB process, that the Town will no longer oppose the application?

Ben Marks: Said that the MOU would take the place of Cornwall's testimony. Cornwall will still be an intervener. Cornwall would not be asking the PSB to deny the application.

Mary Martin: Asked if this is happening because the Town ran out of money.

Bruce Hiland: Said that the Town has spent the \$50,000, but that is not the reason. The Select Board has concluded that it is unlikely that the PSB will deny the CPG and that spending more money to oppose the project would not be prudent. The board considered key factors other than money - that political support for all phase of VGS's pipeline project at the highest level of State government has been unrelenting, that the historic record of the PSB is to

approve 248 applications, even in the face of opposition; as well as the Town's experience in the past 2 years.

Mary Martin: – Feels it is unfair to say the result is carved in stone, as the PSB has had a shift in membership, with a new members who seems more sympathetic, affected citizens have made great strides with legislators, and have met twice with the governor. Feels this MOU just gives VGS more “ammo”.

Brian Gill: Appreciates the time spent by the board on this issue, but these terms are such a green light for VGS, with Cornwall ending up just like Shoreham (with an MOU). Who wrote these terms - Cornwall or VGS?

Ben Marks: The dollar figures are result of negotiations with VGS. State policy is to expand natural gas service. If the Town continues fighting with expensive funds, he thinks there is an 80% chance we would lose. The Public Service Department is not interested in advocating for Cornwall in the PSB process, only in pushing forward the governor's agenda. If it is going to happen, what is the best thing to do? He has sympathy for those who are disappointed in this. Others will be glad about the taxes going down.

Rudi Olsen: – Said he was forced out of his former home in Pennsylvania by a gas company project. Said he is upset about the suddenness of consideration of terms of an MOU, while citizens thought the Town was focused on the fight to oppose. Believes the Town has a 3rd choice – not to be a part of it. No matter what the outcome of the PSB process, we can say “they did this to us, but we did not make an agreement with the gas company to help them do it to us.”

Raph Worrick: Feels the Select Board is throwing the landowners under the bus, is concerned that these terms were made in a back room and this is a bad deal for the Town. There is not one thing for the landowners in this agreement. He does not want the town to roll over.

Bruce Hiland: Explained why the board had to discuss strategy with the attorney in Executive sessions, how discussions with VGS have been futile until very recently, that the proposed terms were only agreed upon by the board and VGS two days ago, and why the proposed terms are now being discussed in a public meeting.

Bethany Menkart – Is also upset, about the suddenness of the announcement of proposed terms. Feels that there are not 50% of the people of Cornwall that want natural gas. She thinks the Select Board is saying that they know what is best for the Town, despite wide spread opposition. She said “This is blood money and we don't want it.”

Tim Fisher: Are the terms on this sheet what you have agreed with VGS?

Bruce Hiland: – Responded by saying that the board has a motion before us to approve the proposed Term Sheet as the basis for an MOU with VGS and we (and the citizens here tonight) are discussing that motion now.

Ben Marks: Added that the terms are the basis for what would be a more extensive MOU that would include many other details, such as training for the Fire Department, what might be called non-material terms.

Rudi Olsen: Asked if the motion can be tabled. It feels rushed without the opportunity to hear if the citizens really support an MOU.

Bethany Menkart – Give us another week.

John Roberts: Said he is not in favor of the pipeline but is willing to accept it. The pipeline route does go through his property. He feels it would be good to have a town vote on it. He and his wife are selling their farm and prospective buyers know about the pipeline and have not pulled back.

Randy Martin: Wants to know why is this the best time to negotiate.

Ben Marks: Because it is worth something to VGS for us not to testify against them in the formal hearings.

Raph Worrick – said that in other words, the most “quiet” money is available right now.

Randy Martin: Has the PSB ever approved a CPG that involved an out of state entity?

Ben Marks: said he did not know.

Jim Dumont: said that this is an unprecedented unique case.

Randy Martin: asked why would the Town agree that the VGS application complies with 248, after 2 years of saying that it does not.

Stan Grzyb: – The last paragraph on this Term Sheet is most critical thing – Cornwall saying that the application complies with 248, when it clearly does not. Also, if Cornwall is not on record to testify, and there were appeals, testimony usurped from VGS will not be in the record.

Ben Marks: If you mean Cornwall not cross examining VGS testimony, yes, that is correct, it will not be there.

Stan Grzyb: Also pointed out that the money mentioned in these terms is negligible, compared to what VGS and IP will make. Money is not the issue.

Dave Sears: Said he is not in favor of the pipeline and has been adamant about financial remuneration for the landowners. Believes that the PSB will rubber stamp anything. Money is an issue for people on fixed or low incomes and these folks will appreciate the tax break.

Jim Gill: Pointed out that people with fixed and low incomes currently get tax rebates on their property tax from the State.

Klara Calitri: said that as a citizen she is opposed to the project. She feels that we are right in refusing these terms and she is outraged that she is not being heard.

Bethany Menkart: said that the last 2 pipeline projects (prior to VGS Phase I application) in Vermont were denied by the PSB.

Rudi Olsen: Thinks that if the majority of the citizens of Cornwall do not want an MOU with VGS, then the Select Board should not sign it. The citizens deserve that much from their Select Board.

Jim Dumont: the window of time for an MOU is actually longer than January 12. It can be submitted any time during the formal hearings, or even after the hearings have concluded, that has happened.

Mary Martin: said that she wants the last paragraph of the proposed terms removed.

Bruce Hiland – this meeting informs our judgment, and we can make any changes we want in drafting an MOU.

Holly Noordsy: Described several other points that should be included in an MOU, if one is finalized.

Randy Martin: Would the board like to receive citizen suggestions by email.

Bruce Hiland: Yes.

Ben Wood: Said he is against the pipeline. He is not comfortable with signing any MOU without the backing of the community. The board should ask the citizens, if there is agreement to sign an MOU and if not, and we continue to oppose the project within the PSB process, is there agreement to spend more money.

Ben Marks: We would need 30 days to have a duly warned special Town Meeting. Formal hearings will be over by then.

Raph Worrick: Suggests that we not spend another \$ 50,000 but not role over, either. He opposes signing an MOU. He does not want to help VGS take over his land.

Melanie Pyser (from Monkton): Said that in Monkton, after the Town signed an MOU with VGS, they were left with no protection from a specific contaminant, because there was no mention of this in the MOU. She advises Cornwall to consider environmental conditions in any MOU. She will be glad to send information about lessons learned in Monkton to the Cornwall Select Board.

Jim Dumont: Added that VGS cannot condemn any land owned by the Town.

Mark Cesario: said he takes a long view as the father of a young child who plans on living in Cornwall for a long time. He also respectfully disagrees with John Roberts that agriculture continues as usual once a pipeline goes in.

Mary Martin: Asked if the old Town road on our property is considered Town land.

John Roberts: Said that if roads were out of use by certain date (thinks it is 1978), they are considered “thrown up” permanently, even if it was not done properly at the time.

Holly Noordsy: Referred to budget work going on now and asked if more funds were needed for the PSB process, could that be considered.

Bruce Hiland: Replied that the budget will be prepared as normal. If additional legal funds are needed for the PSB process, an item would be warned at Town Meeting.

Meg Harris: would the issue brought before the citizens before an MOU is drafted.

Bruce Hiland: Replied that the Select Board needs a document to bring before the Town. The term sheet or an MOU based on the term sheet would be that document.

Rebecca Foster (from Charlotte): asked if any of the \$ 50,000 was used to negotiate the MOU.

Ben Marks: said that he would not be submitting a bill to the Town for any advice regarding negotiations with VSG that resulted in the proposed terms.

Rebecca Foster: If the Town delays on signing an MOU, will the Town continue to intervene in the PSB process. if delay, will town intervene?

Ben Marks: Yes, Cornwall will continue to intervene, but it is up to each party as to how to participate. If Cornwall signs an MOU, we would most likely not cross exam and present testimony.

Stan Grzyb: is concerned that this negates an awful lot of work for past 2 years.

Mary Dodge – Thinks the board should go to the townspeople before any MOU proceeds.

Rudi Olsen: says he can't accept the last point in the proposed terms document.

Holly Noordsy: Thinks that just creating an MOU would give too much momentum.

Mary Dodge: The Select Board should ask the citizens - does Cornwall still want to fight the pipeline or is the Town now ready to negotiate an MOU.

Lisa Calitri: – Thinks the board should ask the Town if we want to accept the terms as the basis for an MOU.

Bruce Hiland: Asked for practical suggestions on how to proceed.

John Roberts: Would like to see negotiations continue and he also wants a vote.

Raph Worrick: send out letter or card.

John Roberts: wants a binding vote.

Mary Martin: ask PSB for a delay, ask VGS for a delay.

Jim Dumont: talk to VGS for their response to the omission of the last paragraph from the terms.

Raph Worrick: Loyalty should be to the people of Cornwall, not to VSG. Negotiations can fall through.

Bruce Hiland: Thanked citizens for their feedback and said that now the board would consider the motion.

Dave Sears: Wants to have Australian ballot, so everyone had a chance to vote.

Ben Wood: Thinks we should have a vote in two parts - one vote on the term sheet and another vote on spending more funds to continue the fight in the PSB process.

Magna Dodge: agrees with Ben Wood that Town citizens should have some form of vote on term sheet as drafted now. Meanwhile, continue to develop an MOU.

Bruce Hiland: Imagined going back to VGS with approval for the term agreement, but with exception of section headed "Cornwall Support for Project" and subject to a vote from the Town by Australian ballot.

After more discussion, it was agreed that the next step really should be to talk with VSG to see their reaction to this.

Magna MOVED / Ben W. SECONDED a motion to table the original motion. Motion (to table the motion) passed.

Bruce Hiland said that the next step is to communicate with VT Gas.

Ben MOVED / Magna SECONDED a motion to adjourn the meeting. Motion passed.

The meeting was adjourned at 9:25 pm.

Respectfully submitted, Sharon Tierra, Clerk of the Select Board