

## TIMELINE OF SHAFTSBURY/NORTH BENNINGTON WATER DISPUTE

In 1924, the Jennings family of North Bennington bought a plot of land in Shaftsbury with a plentiful spring on it. A pipeline was dug to North Bennington and established the water system in North Bennington; they then gifted it to the Village.

In 1939 the town of Shaftsbury entered into an agreement to buy water from the North Bennington system and established their own water system.

Over the years, several contracts were entered into to establish a price for the water for Shaftsbury's system. The original contract established the price at 30% of what a North Bennington customer would pay and further stated that "the Board will later reduce the 30% charge made against said district if the return therefrom proves in the sole opinion of the Board to be sufficient to warrant such a reduction". In 1966 a contract set the price at 70% of what North Bennington customers would pay; and the last known contract dated in 1986 stated that the price would be negotiated and if there was no agreement it would go to arbitration and even after that North Bennington still had the final say as to the price paid by Shaftsbury for water.

There are no recorded minutes of this being signed by the Shaftsbury Selectboard, in fact the minutes reflect the sentiment of the Board

that this was not a reasonable contract and members refused to sign it, but there are signatures on the contract.

Mr. Joe Herman, a Shaftsbury resident, has become known around town as the "water man". He has taken a deep interest in the system and even served as the water commissioner until recently. Joe was appointed to the North Bennington Water Board by that Board, NOT by a vote of the Shaftsbury Selectboard to represent Shaftsbury. Over the years, Mr. Herman would advise the town (Shaftsbury) that water rates were going up - without any formal notice or negotiations and the Shaftsbury Board would acknowledge that increase by paying the water bill when it was presented.

In 2003, the treatment facility needed a major upgrade and North Bennington secured a bond to do the work and Shaftsbury shared in the repayment of this bond based on the percentage of water used --- that bond was just paid off.

In 2014, Tim Scoggins, then Chair of the Shaftsbury Selectboard became aware that Shaftsbury was being charged the same rate per thousand gallons as a North Bennington Customer, but we had to pay to maintain our own system and so when these costs were added onto our customer water bills they ended up paying almost twice as much as a North Bennington Customer.

A request was made to Mr. Steve Goodrich, chair of the North Bennington Water Board at that time, to meet and address the inequality. It took almost 2 years for this meeting to take place. The Shaftsbury Selectboard, at this meeting, requested that we negotiate

a new contract that would establish a wholesale price because we received no services from North Bennington as far as maintenance and upkeep of our system or meter reading or billing services. They said they would consider it and get back to us.

Two weeks later, the response from Mr. Goodrich was "there is no contract, there never will be a contract and you will pay what everyone else does".

In 2018 the North Bennington Waterboard undertook a major upgrade of their water system that started beyond the connection that Shaftsbury has with the mainline, and continuing all the way into North Bennington and also included some major upgrades within the Village system.

In June of 2020, a water bill was sent to Shaftsbury that had an increase in the rate from \$4.25 to \$5.00/thousand gallons. We were not informed of this rate increase, and had already sent out our bills based on the previous rate, and this also contained a bond payment charge of \$7,790. North Bennington justified this charge by saying that Shaftsbury was responsible for 25% of the bond payment, Bennington College for 25% of the payment and North Bennington for the remaining 50%. (Bennington College has its own district water system that supplies all of its dorms and facility with water purchased from North Bennington, but is at the end of the water line, so it did benefit from the upgrade).

Shaftsbury refused to pay this bill because of no prior notice of the rate increase and the work on the system was solely for the improvement to the North Bennington system and there was no need for Shaftsbury to make bond payments.

North Bennington sued Shaftsbury for non-payment. Shaftsbury spent \$58,000 in lawyer fees for discovery, depositions, etc. The case went before a judge who stated that before this went to trial it had to go to mediation.

A moderator was hired, both parties agreed to pay their own legal fees and split the mediation cost. At the end of the day, an agreement was reached - Shaftsbury did not have to pay a bond payment and we would pay the same water rate as North Bennington.

Before this agreement was reached every North Bennington customer was assessed a bond payment of \$37.50 on each water bill. One would assume that with Shaftsbury not having to make a payment that each North Bennington customer would have to pay a little more to make up for the loss of Shaftsbury income.

When the next water bill was received in June of 2023, we were not assessed for the bond but the rate for the water increased from \$5.00 to \$6.50/ thousand gallons and North Bennington customers continued to pay just the \$37.50 bond payment per billing.

Before this agreement, our proposed bond payment was \$7,790 per billing, or twice a year.

The increase of 30% in the water rate gave North Bennington an extra \$18,033 from Shaftsbury, a considerable amount more than the proposed original bond payment.

We asked the North Bennington Water Department for an explanation for the 30% increase. They stated that there had not been an increase in water rates for a long time. This is not true because in 2020 the

rate increased from \$4.25 to \$5.00 - a 17.7% increase. They also stated that some of their costs were up dramatically. We asked to see what some of these were and through the Freedom and Information Act, we obtained their budget - most things were up slightly due to inflation, but it was obvious that legal fees were up the most substantially. This showed us that they were making sure we paid for their legal fees, only after we both agreed to pay our own.