



MINUTES
BOARD OF DIRECTORS MEETING
Thursday, December 16, 2021 – 10:00 AM
Dulles State Office Building
317 Washington Street, Watertown, New York

The Development Authority of the North Country Board of Directors met in regular session in person and via Zoom Videoconference at the Dulles State Office Building, 317 Washington Street, Watertown, New York on Thursday, December 16, 2021 at 10:00 am.

Members Present

Voting

Frederick Carter, Chairman
Margaret Murray
Dennis Mastascusa
Alfred Calligaris
Mary Doheny
Thomas Hefferon
Alex MacKinnon
Eric Virkler

Non-Voting

Nancy Henry
Stephen Hunt
James Hollenbeck
Brian McGrath

Members Absent

Staff Present:

Carl Farone, Executive Director
Jennifer Staples, Chief Financial Officer
Carrie Tuttle, Chief Operating Officer
Stephen Bohmer, Director of Information Technology
Dawn Caccavo, Comptroller
Michelle Capone, Director of Regional Development
Kevin Feuka, Director of Engineering
Laurie Marr, Director of Communications and Public Affairs
Brian Nutting, Director of Water Quality
Patricia Pastella, Director of Materials Management
David Wolf, Director of Telecommunications
Regina Rybka-Lagattuta, Director of Human Resources
Angela Marra, Executive Assistant

Guests:

Jennifer Granzow, Counsel, Wladis Law Firm

1. Chairman Carter called the meeting to order at 10:03 AM.
2. Chairman Carter requested a roll call.

- A quorum of voting and non-voting members was established.
3. Privilege of the Floor was offered
 4. Upon a motion by D. Mastascusa, and seconded by M. Murray, the minutes from the October 28, 2021 Board Meeting, were unanimously approved.
 5. Chairman's Report
 - a. Strategic Planning will follow the Board Meeting. Lunch will be provided.
 6. Executive Session – to discuss the employment history of a particular person.

Upon a motion by F. Carter, and seconded by D. Mastascusa, the meeting moved into Executive Session at 10:04 AM.

Upon a motion by F. Carter, and seconded by D. Mastascusa, the meeting moved out of Executive Session at 10:18 AM.

Chairman Carter stated that no formal action was taken during Executive Session and that C. Farone would present Resolution 2021-12-138 to the full Board for consideration.

7. Resolution No. 2021-12-138, authorizing the Executive Director to enter into an agreement with St. Lawrence County to transfer specified assets to St. Lawrence County for the processing of single stream recyclables. Furthermore, the Authority will cease to operate the Recycling Transfer Station on or before December 31, 2022 when St. Lawrence County has constructed the needed improvements to the Ogdensburg Transfer Station.

Upon a motion by A. MacKinnon, and seconded by D. Mastascusa, Resolution No. 2021-12-138, Recycling Transfer Station, Transfer of Assets, St. Lawrence County, was unanimously approved.

A. Mackinnon stated that the event of establishing the recycling center in Harrisville was a genuine attempt to encourage recycling. Unfortunately it did not work, so the next best thing would be to ensure the equipment is utilized to encourage recycling as much as possible. Other partners found other methods which they have deemed more effective than utilizing the Harrisville site. He concluded by stating he supports this resolution.

C. Farone suggested that the Board move to Resolution No 2021-12-139 while B. McGrath is present as he is the Chairman of the Telecommunications Committee.

B. McGrath began with explaining that the Telecommunications Committee has met three times over the last eight weeks to discuss what roll the Authority's Telecommunication Division has played in advancing the role of the increased demand for high speed broadband and telecommunications technology, especially in light of the COVID-19 pandemic. They also reviewed how the Authority has succeeded in building over 1,800 miles of broadband that works with private partners, and what more the Authority could do to advance this initiative and/or what might be in the best interest of the Authority given the dynamic nature

of telecommunications, the change in technology, and the expected cost and maintenance of large fiber networks now and into the future. The committee worked with the head of Telecommunications and the Executive Director to collect information on the history of the division, its current operation, and what remains to be completed from the initial objectives of the division when it was created 17 years ago. The committee unanimously moved to proceed with the next step by putting a motion before the full Board to recommend we retain a consultant to review the Authority's current operations and to then make their recommendations and provide advice on what may need to be done going forward, including the potential expansion of operations, retooling of operations, or changes in the Authority's role in telecommunications.

8. Resolution No. 2021-12-139, authorizing the Telecommunications Committee to develop and advertise a Request for Proposal to hire a consultant to evaluate telecommunication industry trends and the operations of the Authority's Telecommunications Network to ensure maximum utilization of such network for the benefit of Jefferson, Lewis, and St. Lawrence counties, and to assist the development of the strategic objectives of the Authority's Telecommunication Network for the next five years. Furthermore this resolution authorizes an increase in Consulting Expense (GL 5970) from \$25,000 to \$100,000.

A. MacKinnon commented that he thought the work of the committee was well thought out. As part of the information provided to the committee there were several articles referring to the public/private service model for the 21st century. A. MacKinnon read a quote from one such article.

"In some of the most promising partnerships, the public entity funds, builds, and owns underlying communications infrastructure, and the private entity does the rest. It provides elements and service over that infrastructure that deals with the complexities of running a broadband business. The public/private service model leverages the best capabilities of the public and private sectors."

A. MacKinnon continued by stating that he feels this is exactly what we have done. There were three articles shared that the Board may want to go back and look at as they talk about the public/private model that the Authority has been using for 17 years, making us the leaders in telecommunications for very rural areas. We are doing the right thing by taking this next step with having an outside eye make suggestions of what may happen in the future. He further stated that fundamentally owning the infrastructure is effective and proves to be good, but it never hurts to take a look at things just as we did with the recycling at the MRF. The industry is looking at public/private partnerships as a way into the future for rural areas. He further stated it is good to keep in mind that the population per square mile of St. Lawrence County is 41, but in New York City it is 27,000 and there is a great deal of difference between a mile of cable with 27,000 potentials and not having anyone on the other side. He concluded by stating that even though he feels the Authority is the go-to for future telecommunications, we will take a closer look and he supports the resolution.

F. Carter commented that the Authority has a highway that is debt free and we should all be very proud of that. With this resolution we will see where we need to go to take care of our partners, and anything we can do for the whole state of New York. He wants to make certain that St. Lawrence, Jefferson, and Lewis Counties, the City of Watertown, and Fort Drum are taken care of.

Upon a motion by A. MacKinnon, and seconded by D. Mastascusa, Resolution No. 2021-12-139, FY 2022 Telecommunications Division Operating Budget, Amendment, Retention of a Telecommunications Consultant, was unanimously approved.

9. Executive Director's Report

a. COVID Update –

COVID protocols have been a bit of a rollercoaster the last few months. In November we were informed by Fort Drum that the Authority is considered a federal contractor and would need to abide by EO 14042 which requires all Authority employees to be vaccinated or have an exemption, either religious or medical. We did our research, spoke with counsel, and determined it was not limited to the staff working on the federal property but all Authority staff. A meeting was held with all Authority staff via Zoom to inform them of the new requirement. Unfortunately we have lost two staff but overall the transition has gone very well. Of 86 employees, 71 are now fully vaccinated, seven have their second shot scheduled, and eight have exemptions. The executive order has since been stayed through the courts, however Fort Drum is still enforcing the vaccine requirement with random checks at the gate. Because of Governor Hochul's mandate of 100% mask or 100% vaccinated to hold meetings such as this, today we provided six feet of separation and required 100% vaccination with documentation. The important thing is that the Authority continues to provide our essential services every day.

F. Carter asked if the Governor had given any idea how long we can continue meeting via Zoom. C. Farone replied that she has not extended this, but our counsel did review the law and believes that using videoconferencing is within the purview of the Freedom of Information Law and Public Authority Law as long as we post the meeting link on our meeting notice. C. Farone further stated that we need to continue holding Zoom meetings because COVID is not improving anytime soon.

B. McGrath commented on one clarification regarding the federal executive order. The courts have not rescinded the federal executive order. It has been stayed in the Sixth Circuit and is to be determined. It is on pause rather than rescinded. C. Farone was appreciative of the clarification, and stated that we still need to abide by the rules on Fort Drum so it is still impacting the Authority.

b. Waste Audit – MMF –

Students from SUNY Stony Brook provide waste audits free of charge. These audits have previously cost the Authority up to \$30,000. The students were on site the first week in November. We should have the audit results in 30 to 45 days. Hopefully this will continue to be a service they are able to provide in the future, but we did have some staff observe so we can learn how to do this more effectively ourselves.

c. Authority United Way Campaign –

Our Director of Human Resources, Regina, was our campaign chairwoman this year. We are very happy to report that we increased our contribution from Authority Staff by 59%.

d. NYS CFA Award - GIS -

Tupper Lake was awarded \$350,000 on Monday for a GIS study. The Authority's GIS supervisor, Star Carter, wrote the grant on behalf of Tupper Lake. This is for 25 municipalities in St. Lawrence and Franklin Counties with Tupper Lake being the lead applicant. Tupper Lake will retain the Authority to do all of this work over the next two years to develop a regional GIS infrastructure for highways and public works. The Authority will assist with asset management, budgeting, and planning.

e. DOT Fee –

New York State Legislature will be back in session next month. We are hoping there will be some progress then regarding the DOT fee. At this time there are many from the Assembly and Senate writing bills against this.

f. EPA Audit –

In October of 2020 the EPA did an audit at the Solid Waste Management Facility for air quality. At the time everything was fine, but a year later we received a letter stating that the way we calculated the emission rate was not the way they would like to see it. Under the current EPA regulations, construction and demolition (C&D) can be taken at 74% non-biodegradable, however the EPA is now questioning this. We are taking a much harder look at this and need to prove what amount of the C&D is not biodegradable. Our engineer with B&L is involved, as well as Robert Tyson, a lawyer who has assisted the Authority with our Title 5 permitting, as well as Carrie Tuttle and Patti Pastella. It appears as long as we modify our process to quantify the C&D regarding what is degradable versus biodegradable we will be ok.

C. Tuttle stated that we have a procedure that has been developed and the next step will be to have the attorney submit this information back to the EPA. Their technical staff will review it, but we are hopeful that they will accept what we are proposing. We believe we are close based on a conference call with their technical staff earlier this month.

J. Hollenbeck asked how often the EPA comes to the landfill. C. Tuttle explained they do not come very often, but we have found out they visited our landfill and several other landfills close to the threshold limit around the same time. If we were determined to be over our limit it would require more regulation and may be tied politically to what is happening with the EPA and the current change in administration.

C. Farone stated that the meeting with the EPA seemed to start off one way but ended very positive. One key component was we had another test that was substantially lower than the limit. Once they saw we have run tests subsequent to when they had tested it helped our cause. We are hopeful we will be able to continue operating under the same requirements.

10. Finance Report – Chief Financial Officer

J. Staples reviewed the October 2021 financial information. Within the statement of net position there is a change in the overall assets as a result of Resolution No. 2021-08-106 approved by the Board in August. Investments were moved from investments to restricted assets for the closure and liner pre-funding. Under liabilities the liner and

replacement restricted liability account as well as the undesignated liability account increased due to the pre-funding for the liner and closure. Likewise, under liabilities the reserve for wetland mitigation and the capital reserve accounts decreased. A separate restricted account will be created to clarify the closure prefunding amount and remove it from undesignated funds.

Within the Summary of all Units, under Change in Net Position, customer billings are over budget by \$591,000 due to MMF being over budget by \$414,000 from additional tonnage received. October year to date, they are at 135,255 tons versus the budgeted 126,674 for an overall increase of 8,581 over budget due mainly to municipal solid waste. Customer billings are also over budget in the Telecom Division by \$103,000, and the Army Water Line is over by \$162,000. Under operation and maintenance, operating expenses are under budget by about \$400,000 mainly due to pole attachment fees being under budget. Water purchases are over by \$42,000 due to the Army Water Line using more water, and likewise the revenue has increased there as well. Community benefits is over budget due to the timing of the benefit payment so this should come more in line each month. Community benefits will remain over budget if MMF tonnage continues to be over budget in tons.

C. Farone asked if the pole attachment fees are due to timing. D. Wolf responded yes, these are billed every six months.

J. Staples continued by stating that under non-operating revenue, interest income is off-budget by \$305,000 due to low interest rates on investments. Overall the change in net position is a loss of \$261,000, versus the budgeted loss of \$1.8 million,

Upon a motion by D. Mastascusa, and seconded by M. Murray, Financials ending October 31, 2021, was unanimously approved.

- a. Resolution No. 2021-12-128, authorizing the CFO to submit the PARIS five year budget and financial plan for FYE 2023 and shall direct said plan to be posted to the Authority's website.

J. Staples explained that this is in a format that was provided to us. In previous years there has been a discussion regarding what numbers were to be used for each category. This was previously determined and has remained consistent going forward. From the numbers that were audited and then entered, there is a negative \$374 while we had projected a positive \$77 last year. This difference lies within two areas, investment earnings was off by roughly \$1 million and some expenses came in lower than projected. The 2022 estimation pulls numbers from our budget, to include all changes made throughout the year from the Board approved resolutions resulting in the latest budget information. Looking forward from 2023 through 2026 projections are based on a 2% to 3% increase year over year for revenue and expenses. Many weeks could be spent assembling this report, but by projecting out as a percentage what we anticipate to happen, and inputting the actual numbers for the items that we do know, a great deal of time is saved. Within the detail provided MMF stands out regarding losses. These are based on projections with the new southern expansion and needing additional income of \$10.50 within the tip fee in order to fund the reserves. By starting out with the approved tip fee increase of \$3 in January we are starting with a deficit. To offset this we will use money from the tip fee stabilization reserve.

C. Farone stated that this is an exercise you could spend a great deal of time putting together. This exercise was completed within a couple of days and even though it is a very high level overview, it is actually a meaningful exercise.

Upon a motion by E. Virkler, and seconded by A. Calligaris, Resolution No. 2021-12-128, Authorizing Public Authorities Reporting Information System (PARIS), Five Year Budget and Financial Plan for FYE 2023, Annual Submission, was approved with one vote in opposition.

- b. Resolution No. 2021-12-129, approving the amended Sexual Harassment Prevention Policy.

Upon a motion by A. MacKinnon, and seconded by D. Mastascusa, Resolution No. 2021-12-129, Approving Modifications to Sexual Harassment Prevention Policy, was unanimously approved.

B. McGrath left the meeting at 11:03 AM.

11. Technical Services Summary Report –

C. Tuttle reviewed the contracts listed individually, and the table was approved with two motions. These items are within our service area, and under \$100,000.

- a. Jefferson / St. Lawrence County -

- I. Route 3 Sewer Board, Operations & Maintenance/Administration services, Total agreement amount of \$107,747, 1/1/22 – 12/31/22
- II. Village of Alexandria Bay, Technical Services Agreement, WTP Amend 2 – Design Phase, Total agreement amount of \$40,000, 12/20/21 – 2/28/23

C. Tuttle explained that the next three contracts are similar in that they deal with wastewater, they are very small, and they are now required by the DEC to install disinfection equipment. The Authority has been working with them through preliminary engineering and funding, and they are each progressing to design.

- III. Town of Clifton, Technical Services Agreement, Newton Falls WW Disinfection Amend 1 – Design Phase, Total agreement amount \$25,000, 12/20/21 – 1/31/23
- IV. Town of DeKalb, Technical Services Agreement, WW Disinfection Amend 3 – Design Phase, Total agreement amount \$39,000, 12/20/21 – 8/31/22
- V. Village of Theresa, Technical Services Agreement, WW Disinfection Amend 2 – Design Phase, Total agreement amount \$33,000, 12/20/21 – 10/31/22
- VI. Town of LeRay, SCADA Services Agreement, DOF Pump Station RTU Upgrade and VFD Installation, Total agreement amount of \$32,000, 4/1/22 – 6/30/23
- VII. Town of Rutland, SCADA Services Agreement, RBPS Control System, Improvements, Total agreement amount of \$42,000, 4/1/22 – 3/31/23

- VIII. Village of Potsdam, SCADA Services Agreement, SCADA and Instrumentation Support, Total agreement amount of \$20,000, 11/15/21 – 12/19/26.

Upon a motion by D. Mastascusa, and seconded by M. Murray, Board Contract Summary Table items numbered I through VII for the month of December, was unanimously approved.

b. Lewis County -

- IX. Lewis County, Technical Services Agreement, NBRC Copenhagen, Pinckney, Denmark, Total Agreement \$25,000, 11/1/21 – 9/30/24

Upon a motion by A. Calligaris, and seconded by M. Murray, Board Contract Summary Table item numbered VIII for the month of December, were approved.

E. Virkler abstained from this vote due to being the Treasurer of Lewis County.

12. Engineering –

- a. Resolution No. 2021-12-130, approving the Management Services Agreement, by and between the Authority and the Village of Clayton. Furthermore, the Executive Director is authorized and directed to execute said Agreement.

Upon a motion by F. Carter, and seconded by D. Mastascusa, Resolution No. 2021-12-130, Management Services Agreement, Village of Clayton, Water and Wastewater Facilities, was unanimously approved.

- b. Resolution No. 2021-12-131, approving the Management Services Agreement, by and between the Authority and the Village of Malone. Furthermore, the Executive Director is authorized and directed to execute said Agreement.

Upon a motion by E. Virkler, and seconded by D. Mastascusa, Resolution No. 2021-12-131, Management Services Agreement, Village of Malone, Water and Wastewater Facilities, was unanimously approved.

13. Regional Development -

- a. Loan Report –

M. Capone reported there is only one loan that is one month past due. This is a tourism loan to Windwater. They had indicated they will be getting a payment to us.

MCM Development in Malone was funded through North Country Redevelopment Fund. As reported at the last Board meeting, they have been sent to collections. Our collections attorney has mailed the last default letter requesting the amount due by December 23rd. If it remains unpaid we will continue with legal to implement the collection.

Within the portfolio there have been several significant pay offs, such as Kelsey Creek, The Ledges, and Wood Creek. These total almost \$4 million in loan funds, with a bit higher interest rates because they were affordable housing that we refinanced and put at the market prime rate of about 4% to 6%. These payoffs will result in a reduction of our loan receivables and loan interest income in the future.

- b. Resolution No. 2021-12-132, approves a loan of up to \$750,000 to Cambray Housing Corporation from the Affordable Rental Housing Program subject to the terms and conditions in the term sheet attached to the resolution, and further authorizes the Executive Director or the Chief Financial Officer to execute all documents necessary. Furthermore, the Executive Director or Chief Financial Officer are authorized to execute all documents necessary to make the loan. The Board accepts the action of the Village of Gouverneur Planning Board taken under the State Environmental Quality Review (SEQRA) and affirms a Negative Declaration for this project.

Upon a motion by A. MacKinnon, and seconded by M. Murray, Resolution No. 2021-12-132, Affordable Rental Housing Program, Cambray Housing Corporation, Loan #2, was unanimously approved.

- c. Resolution No. 2021-12-133, ratifies a loan in the amount of \$100,000 from the Regional Tourism Transformational Community Revolving Loan Fund to James Andrew Milne, or new corporation to be formed, at the terms and conditions outlined in the term sheet attached to the resolution. Furthermore, the Executive Director or Chief Financial Officer are authorized to execute all documents necessary to make the loan. This is considered a Type II Action under the State Environmental Quality Review (SEQRA) and is considered an exempt activity requiring no further action.

Upon a motion by T. Hefferon, and seconded by E. Virkler, Resolution No. 2021-12-133, Regional Tourism Transformational Community Revolving Loan Fund, James Andrew Milne, or New Corporation to be Formed, Loan Ratification, was unanimously approved.

- d. Resolution No. 2021-12-134, accepting the grant of \$176,000 from the Northern Border Regional Commission for planning associated with broadband projects in St. Lawrence, Jefferson, Lewis and Franklin Counties, and further authorizes the Executive Director or the Chief Financial Officer to execute all necessary documents.

Upon a motion by F. Carter, and seconded by D. Mastascusa, Resolution No. 2021-12-134, Northern Border Regional Commission, Broadband Planning Grant, was unanimously approved.

14. Water Quality –

- a. Resolution No. 2021-12-135, amending the Operating Budget of the Army Water Line to increase the budget for Water Purchases from \$664,255 to \$730,681 , and increase Customer Billings from \$2,015,330 to \$2,081,756.

Upon a motion by F. Carter, and seconded by A. Calligaris, Resolution No. 2021-12-135, FY 2022 Army Water Line Operating Budget, Water Purchase Costs, Amendment, was unanimously approved.

- b. Resolution No. 2021-12-136, amending the Operating Budget of the Regional Water Line to increase the budget for Water Purchases from \$85,065 to \$112,950, and increase Customer Billings from \$85,068 to \$112,950.

Upon a motion by M. Murray, and seconded by A. Calligaris, Resolution No. 2021-12-136, FY 2022 Regional Water Line Operating Budget, Water Purchase Costs, Amendment, was unanimously approved.

- c. Resolution No. 2021-12-137, amending the FY 2022 Water Quality Contracts Budget as reflected in Appendix A which reflects an increase revenue for additional contracts authorized and additional expenses to add a Water Quality Operator to support such contracts.

Upon a motion by A. MacKinnon, and seconded by D. Mastascusa, Resolution No. 2021-12-137, FY 2022 Water Quality Contracts Budget, Amendment, Additional Water Quality Operator, was unanimously approved.

15. Additional Resolution –

- a. Resolution No. 2021-12-140, approving the additional lending by Farm Credit East on its line of credit to Tug Hill Vineyards, LLC by \$70,000 to \$170,000, and further authorizes the Executive Director or the Chief Financial Officer to execute all necessary documents.

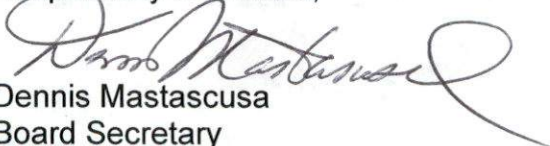
Upon a motion by T. Hefferon, and seconded by M. Murray, Resolution No. 2021-12-140, North Country Value Added Agriculture Revolving Loan Fund, Tug Hill Vineyards, LLC, Loan Modification, was unanimously approved.

16. Strategic Planning – immediately following the Board Meeting

17. Next Board Meeting Date – February 10, 2022 (Budget Work Session)

18. Upon a motion by M. Murray, and seconded by E. Virkler, the meeting was adjourned at 11:26 AM.

Respectfully submitted,


Dennis Mastascusa
Board Secretary

RECEIVED

JAN 03 2022