



MINUTES
BOARD OF DIRECTORS MEETING
Thursday, December 15, 2022 – 10:30 AM
Dulles State Office Building
Conference Room 100, 1st Floor
Watertown, New York

The Development Authority of the North Country Board of Directors met in regular session at the Dulles State Office Building, Conference Room 100, 1st Floor, Watertown, New York, on Thursday, December 15, 2022, at 10:30 AM.

Members Present

Voting

Margaret Murray, Chairperson
Thomas Hefferon
Alex MacKinnon
Dennis Mastascusa
Kenneth Bibbins
Mary Doheny
Eric Virkler

Non-Voting

James Hollenbeck
Stephen Hunt
Brian McGrath*

*Attended via videoconferencing.

Members Absent

Mark Hall
Nancy Henry

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
Regina Rybka-Lagattuta, Director of Human Resources
David Wolf, Director of Telecommunications
Angela Marra, Executive Assistant
Sonja Brown, Administrative Assistant

Guests:

Jennifer Granzow, Counsel, Wladis Law Firm

1. Chairperson Murray called the meeting to order at 10:30 AM.
2. Chairperson Murray requested a roll call.
Roll Call was repeated at 10:33 AM due to technical difficulties.
 - A quorum of voting and non-voting members was established.
3. Privilege of the Floor –
4. Upon a motion by D. Mastascusa, and seconded by K. Bibbins, the minutes from the October 27, 2022 Board Meeting, were approved.
5. Chairperson's Report –
 - a. Budget Work Session – February 9, 2023
 - b. Next Board Meeting – February 23, 2023
6. Executive Director's Report
 - a. City of Watertown – Disinfection Byproducts Update
Authority staff attended the City's quarterly meeting on December 14 to discuss the progress in resolving the ongoing issue with high levels of disinfection byproducts in City produced water. An update was provided by GHD, the City's consulting engineers, regarding the Granulated Activated Carbon (GAC). While the pilot's results appear positive, the Authority believes there to be a different reason for the high levels of disinfection byproducts in the City's water. We believe the root cause of the high levels of disinfection byproducts is due to a dammed off portion of the Black River being used as a sedimentation basin instead of a tank. The pilot of the sedimentation tank will not begin until the spring of 2023, resulting in the preliminary engineering report not being completed until January of 2024. This timeframe complies with the EPA's corrective action plan. While it is good that the City is moving forward, the lack of urgency remains concerning. Conversations with the City Manager will commence to discuss expediting a solution to this issue that affects City residents, Fort Drum, and other outside users.
 - b. Harrisville (RTS) Update
St. Lawrence County will bring in their last load of recyclables on December 30. The sale will be finalized during the first few weeks of January. It will be an asset to the Authority and our partners to have a local recycling facility.
 - c. Army Water Line Pipeline Project – phase 1
This capital budget item was previously authorized in the amount of \$9.1 million. The procurement procedure was completed and only one bid was received. This bid was for \$10,968,000 plus a 10% contingency resulting in a total project cost of \$13 million. The bid was reviewed by the Authority's consulting engineer, EDR, who determined this increase to be due to many factors such as the lack of available contractors to complete the work, supply

chain issues, market uncertainty, and a difference in the engineer's estimated labor hours for the removal and replacement of the existing pipeline.

K. Bibbins asked if this was bid by invitation or open market. C. Farone responded that this was an open bid and further explained the process.

B. McGrath asked if this bid was processed in concordance with state law. C. Farone responded yes.

At this time, neither the consulting engineering nor Authority engineering staff believe rebidding would result in lower project costs, and could possibly result in receiving no bids. Contractors who attended the pre-bid meeting but did not bid were contacted to ask why they did not bid and the primary reason they did not respond was due to the amount of work entailed in the temporary bypass. Two resolutions will be presented at the end of this meeting for Board review.

d. Materials Management Office Renovation

The office renovation has been completed, and the roof replacement will take place in the spring.

e. Water Quality Office Renovation

The office renovation is progressing quickly at Warneck, and the new conference room is projected to be complete by March 31.

f. FYE 2024 Budgets

The budget process has begun, and will include the objectives outlined in the Strategic Plan. The Finance and Budget Committee will meet on February 9th to review the preliminary budget. This meeting will be open to the whole Board.

g. Happy Holidays

A happy and safe holiday season was wished to the entire Board and their families. C. Farone also thanked each of them for their continuing commitment to the Development Authority.

7. Finance Report – Chief Financial Officer

J. Staples presented the October year to date financials.

The statement of net position shows a total change of assets and liabilities from fiscal year end through the end of October has been a decrease of \$2.3 million. The balance sheet does not reflect a great deal of movement. Accounts receivable increased by \$1.2 million due to increased revenue at MMF and under Telecommunications we are still waiting for the funds from USAC as well as Westelcom still being in arrears. Westelcom is in the process of being sold and their sales agreement states that the Authority will be paid in full once the sale is final. This sale is predicted to be complete by the end January to mid-February.

The change in net position was reviewed under the summary of all units. In total, the operating revenue is close to the year to date budget, however MMF is over budget by \$627,000. This is due to projected tons year to date being over budget

by 31,631 tons. Within the operating expense, closure/post closure costs and community benefits are over budget as a result of the higher number of tons being brought in to MMF. Water purchases are also over budget, mainly due to the Army Water Line. This is a result of several water main breaks, a new line was brought on, and the summer being very dry which resulted in more water being used. Waste diversion is over budget due to the heavy attendance at the household hazardous waste events and mattress recycling increasing over last year by 32%. Under non-operating revenue, interest income is at a negative \$1.2 million with the market adjustment being at -\$1.7 million resulting in the actual interest income at \$535,000. The market adjustment will grow as interest rates are beginning to improve. We will not realize the market adjustment unless we cash in our investments early, and there are no plans to do so.

The total change in net position for October is a negative \$3.4 million versus a year to date budget of negative \$2.7 million, with the main reason contributing to the difference in amount being due to the market adjustment.

Upon a motion by E. Virkler, and seconded by M. Doheny, Financials ending October 31, 2022, were unanimously approved.

5. Technical Services Summary Report –

C. Tuttle reviewed the Technical Services Summary Report and noted that these contracts are within our service area and generate revenue under \$100,000 annually.

a. Non-Lewis County Contracts -

- I. Town of Hermon, O&M, Town of Hermon Operation & Maintenance for Wastewater Treatment Facilities, Total Agreement Amount \$101,901, 1/1/22 – 12/31/27, St. Lawrence County
- II. Town of Madrid, O&M, Town of Madrid Operation & Maintenance for Water & Wastewater Treatment Facilities, Total Agreement Amount of \$287,836, 11/1/23 – 12/31/28, St. Lawrence County

C. Tuttle stated that both Hermon and Madrid have reached out to B. Nutting requesting proposals to provide operation and maintenance services for their existing facilities due to their current staff retiring and they are now looking for another certified operator to run these facilities.

- III. Town of Morristown, O&M, Town of Morristown Operation & Maintenance Water & Wastewater Treatment Facilities, Total Agreement Amount of \$304,847, 1/1/23 – 12/31/2027, St. Lawrence County
- IV. Route 3 Sewer Board, O&M, Route 3 Sewer Corridor Operations/Maintenance & Administrative Service Agreement, Total Agreement Amount of \$109,902, 1/1/23 – 12/31/23, Jefferson County
- V. City of Ogdensburg, MS, City of Ogdensburg Management Services for Water & Wastewater (renewal of existing contract), Total Agreement Amount of \$865,5000, 1/1/23 – 12/31/27, St. Lawrence County

C. Tuttle stated that the Morristown, Route 3 Sewer Board and Ogdensburg are all existing contracts looking to renew with the same scope of services.

- VI. Town of Hermon, TSA, Town of Hermon Grant Administration, Total Agreement Amount of \$5,000, 1/1/23 – 12/31/23, St. Lawrence County
- VII. Village of Richville, TSA, Village of Richville Engineering Planning Grant Administration – Amendment 1, Total Agreement Amount \$7,900, 12/1/22 – 12/31/23, St. Lawrence County
- VIII. Historic Saranac Lake, TSA, LDD DANC NBRC Grant Administration (Authorized Previously per Res. 2016-08-93), Total Agreement Amount \$7,000, 12/1/22 – 8/31/24, Franklin County
- IX. Town of Tupper Lake, GIS, Town of Tupper Lake GIS Hosting Agreement (Authorized previously per Res. 2021-03-64), Total Agreement Amount \$4,400, 1/1/23 – 12/31/27, Franklin County
- X. Town of Long Lake, GIS, Town of Long Lake GIS Hosting Agreement (Authorized previously per Res. 2021-03-64), Total Agreement Amount \$4,400, 1/1/23 – 12/31/27, Hamilton County
- XI. Town of Harrietstown, GIS, Town of Harrietstown GIS Hosting Agreement (Authorized previously per Res. 2021-03-64), Total Agreement Amount \$4,400, 1/1/23 – 12/31/27, Franklin County

C. Tuttle stated Tupper Lake, Long Lake and Harrietstown are all GIS Hosting contracts up for renewal with existing customers.

Upon a motion by A. MacKinnon, and seconded by D. Mastascusa, the contracts included on the Technical Services Summary Table for the month of December were unanimously approved.

6. Materials Management –

- a. Resolution No 2022-12-92, amends the FYE 2023 Materials Management Budget to increase Fuels Expense from \$350,000 to \$486,000 and reduce Sewage Treatment Expense from \$730,918 to \$594,918.

B. McGrath asked if we are still looking at a transition to electric vehicles to help offset this expense. C. Tuttle stated that yes that is our plan; however, these specified vehicles are large diesel vehicles and are not good electric candidates.

Upon a motion by D. Mastascusa and seconded by K. Bibbins, Resolution No. 2022-12-92, Materials Management Division, FY 2022-2023 Budget Amendment, was unanimously approved.

7. Regional Development -

a. Loan Report –

M. Capone reported that the loan portfolio looks good with only one borrower being three months past due. Golden Technology Management should be sending a payment before the end of December. Dralick Maple should have the second half of their payment for this year before the end of December. We will continue to follow up on them, otherwise all loans are being paid as agreed.

- b. Resolution No 2022-12-93, approves a loan in the amount of \$300,000 to Armour Environmental Inc. from the Community Development Loan Fund at the terms and conditions outlined on the Term Sheet attached to the resolution, and further authorizes the Executive Director or the Chief Financial Officer to execute all documents necessary to make the loan. Furthermore, it is authorized that this is considered a Type II Action under the State Environmental Quality Review (SEQRA) and is considered and exempt activity requiring no further action.

B. McGrath asked if when this sale was authorized, was this expected that they would come back for loan funds to implement the operations of the purchase. B. McGrath further stated that this sounds like renegotiation of the purchase effectively through loan funds. M. Capone responded that we knew they would be looking for public funds as part of the total project. In addition to purchasing the property, they will also be looking into purchasing \$1.7 million in equipment. This appears to be two different phases, one being acquisition of real estate and the other being acquisition of the equipment. C. Farone further stated that this sale was made with no contingencies. They were welcome to apply like any other entity that is going to create jobs in our area but it was not part of the deal with Geiter Done. They researched loan funds in Lewis County but found there was none available at this time, before approaching the Authority. Based on the benefits this business will bring to the North Country this was determined to be a prudent investment on our part.

Upon a motion by A. MacKinnon and seconded by E. Virkler, Resolution No. 2022-12-93, Community Development Loan Fund, Armour Environmental Inc., Loan, was unanimously approved.

- c. Resolution No 2022-12-94, authorizes the subordination of the loan to MLR Realty LLC in the original amount of \$250,000 to a loan from Watertown Savings Bank in an amount not to exceed \$5 million for construction to permanent financing subject to a satisfactory appraisal and all necessary approvals and authorizes the Executive Director or Chief Financial Officer to execute any necessary documentation.

Upon a motion by D. Mastascusa and seconded by A. MacKinnon, Resolution No. 2022-12-94, Authorizing Community Development Loan Fund, MLR Realty LLC, Subordination, was unanimously approved.

- d. Resolution No 2022-12-95, approves a loan in the amount of up to \$90,000 from the Housing Revolving Loan Fund to Pink Palace Properties, LLC at the terms and conditions outlined in the term sheet attached to the resolution, and further authorizes the Executive Director or the Chief Financial Officer to execute all

documents necessary to make the loan. It is further resolved that 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. 2022-12-95, Authorizing Housing Revolving Loan Fund, Pink Palace Properties, LLC, Loan #3, was unanimously approved.

8. Telecommunications –

- a. Resolution No 2022-12-96, authorizes the Chief Financial Officer to increase the budget for Capital Project 30662 (Avangrid Dark Fiber) from \$838,700 to \$7,444,350.

K. Bibbins asked who determines the make ready work and what the scope is. C. Farone responded that this is done by the Development Authority as well as NYSEG.

Upon a motion by K. Bibbins and seconded by E. Virkler, Resolution No. 2022-12-96, Authorizing Telecommunications Division, FY 2022-2023 Capital Budget Amendment, Avangrid Dark Fiber Project, was approved. D. Mastascusa abstained from this vote.

- b. Resolution No 2022-12-97, amends the FYE 2023 Telecommunications Division Capital Budget to establish a new capital project for Fiber Procurement with a budget of \$230,000, to be funded from Telecom Capital Reserves.

Upon a motion by A. MacKinnon and seconded by D. Mastascusa, Resolution No. 2022-12-97, Authorizing Telecommunications Division, FY 2022-2023 Capital Project Budget Amendment, Fiber Procurement, was unanimously approved.

- c. Resolution No 2022-12-98, amends the FY 2022-2023 Telecommunications Budget to increase the following:

	<u>Current Budget</u>	<u>Amended Budget</u>
Telecom Wages	\$1,298,098	\$1,375,098
FICA Expense	\$93,149	\$99,049
Workers Compensation	\$2,567	\$3,067
Post Retirement Overhead	\$73,488	\$78,988

Upon a motion by K. Bibbins and seconded by A. MacKinnon, Resolution No. 2022-12-98, Authorizing Telecommunications Division, FY 2022-2023 Budget Amendment, Telecom Wages, was unanimously approved.

9. Water Quality

- a. Resolution No 2022-12-99, amends the FY 2022-2023 Army Sewer Line Budget to increase the following:

	<u>Current Budget</u>	<u>Amended Budget</u>
Customer Billings	\$3,115,915	\$3,263,715
Auto/Light Truck Fuel	\$55,000	\$81,000
Cleaning Services	\$17,600	\$26,400

Overtime Wages	\$22,259	\$35,259
Pipeline Maintenance	\$34,492	\$134,492

Upon a motion by E. Virkler and seconded by A. MacKinnon, Resolution No. 2022-12-99, Authorizing Water Quality Division, Army Sewer Line, FY 2022-2023 Operating Budget Amendment, was unanimously approved.

- b. Resolution No 2022-12-100, amends the FY 2022-2023 Regional Water Line Budget to increase the following:

	<u>Current Budget</u>	<u>Amended Budget</u>
Water Purchase	\$90,415	\$122,800
Utilities	\$23,000	\$31,500

It is further resolved that such additional expenditures be funded from the Regional Waterline Reserves.

Upon a motion by D. Mastascusa and seconded by K. Bibbins, Resolution No. 2022-12-100, Authorizing Water Quality Division, Water Quality Contracts, FY 2022-2023, Operating Budget Amendment, was unanimously approved.

- c. Resolution No 2022-12-101, amends the FY 2022-2023 Water Quality Contracts Budget to increase the following:

	<u>Current Budget</u>	<u>Amended Budget</u>
Customer Billings	\$1,585,342	\$1,608,062
Water Quality Wages	\$798,477	\$768,477
Health Insurance	\$146,667	\$131,667
Overtime Wages	\$32,280	\$100,000

Upon a motion by D. Mastascusa and seconded by A. MacKinnon, Resolution No. 2022-12-101, Authorizing Water Quality Division, Water Quality Contracts, FY 2022-2023 Operating Budget Amendment, was unanimously approved.

10. Executive Session – to discuss the employment history of a particular person

Upon a motion by K. Bibbins, and seconded by D. Mastascusa, the committee moved into Executive Session at 11:23 AM.

Upon a motion by T. Hefferon, and seconded by A. MacKinnon, the committee moved out of Executive Session at 11:38 AM.

No action was taken during Executive Session.

- a. Resolution No 2022-12-106, designating the conference room located at the Warneck Pump Station as the “James W. Wright Conference Room”, and shall be signed accordingly.

Upon a motion by T. Hefferon and seconded by A. MacKinnon, Resolution No. 2022-12-106, Authorizing Recognition of Service, James W. Wright, was unanimously approved.

- b. Resolution No 2022-12-105, authorizes the Executive Director to implement the Retention Incentive Proposal, as attached to the resolution.

Upon a motion by E. Virkler and seconded by M. Doheny, Resolution No. 2022-12-105, Authorizing Executive Director to Implement Employee Retention Incentive, was unanimously approved.

11. Governance –

- a. Resolution No 2022-12-102, authorizes and directs the Chief Financial Officer to submit the PARIS Five Year budget and financial plan for FYE 2024 as attached to the resolution, and shall direct said plan to be posted to the Authority's website.

J. Staples stated that approval of this resolution is not authorizing the budget for the next five years; this is not authorizing us to spend any money, and is only authorizing the finance department to submit this report to the New York State Authorities Budget Office as our best guess at a five-year projection.

Upon a motion by K. Bibbins and seconded by D. Mastascusa, Resolution No. 2022-12-102, Authorizing Public Authorities Reporting Information System (PARIS), Five Year Budget and Financial Plan for FYE 2024, Annual Submission, was unanimously approved.

- b. Resolution No 2022-12-103, authorizes the Chief Financial Officer to increase the budget for Capital Project 10-003 (Fleet Vehicles FY23) from \$209,876 to \$227,876 for the purchase of five fleet vehicles.

Upon a motion by D. Mastascusa and seconded by A. MacKinnon, Resolution No. 2022-12-103, Authorizing Administrative Division, FY 2022-2023 Capital Budget Amendment, Fleet Vehicles, was unanimously approved.

- c. Resolution No 2022-12-104, amends the FYE 2023 Army Sewer Line Capital Budget, to establish a new project for Sewer Pipeline Rehabilitation with a budget of \$200,000 to commence engineering and prepare bid documents.

C. Farone and C. Tuttle reviewed a PowerPoint presentation offering a high-level analysis of the Army Sewer Line, the steps that have been taken thus far, and where we anticipate this project to be going.

Upon a motion by A. MacKinnon and seconded by D. Mastascusa, Resolution No. 2022-12-104, Authorizing Water Quality Division, Army Sewer Line, FY 2022-2023 Capital Project Budget Amendment, Sewer Pipeline Rehabilitation, was unanimously approved.

12. Additional Resolutions –

- a. Resolution No 2022-12-107, authorizes the Chief Financial Officer to increase the budget for Capital Project 42041 (AWL Pipeline Replacement Phase 1) from \$9,100,000 to \$13,000,000.

B. McGrath commented that the cost increase is a lot, but he would also like to note that since joining the Authority he has noted many times that our main

purpose is to support the infrastructure needs of Fort Drum. This is something that directly aligns with the core mission of what we do. While none of us are happy about increased costs, it is clear that the Authority staff have done an excellent job of trying to solicit the widest range of bidders and then following up with determining why only one bid was returned to confirm what the best approach would be in terms of rebidding or accepting this bid. B. McGrath further stated that he is supportive of this resolution and thank the staff on the excellent work they have done. Obviously, the cost is higher than we all would have liked, but this reflects a good amount of work by the staff and he wanted to commend them and encourage everyone to support this resolution.

Upon a motion by T. Hefferon and seconded by D. Mastascusa, Resolution No. 2022-12-107, Authorizing Water Quality Division, FY 2022-2023 Capital Budget Amendment, Army Water Line Pipeline Replacement Project, was unanimously approved.

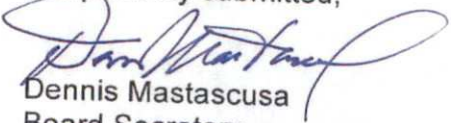
- b. Resolution No 2022-12-108, authorizes the Authority to execute, sell, and deliver bonds or notes having a maturity not to exceed 30 years to finance costs in an amount not to exceed \$14,000,000 to replace approximately 13,000 feet of ductile iron pipe with high density polyethylene pipe. It is further resolved that the Chairperson, Vice Chairperson, and Executive Director are designated Authorized Representatives of the Authority and are further authorized to sell all or a portion of the bonds or notes to the New York State Environmental Facilities Corporation. The person executing the Financing Documents is authorized to agree to changes, insertions, omissions and modification as they may approve. This resolution shall take effect immediately. A copy of the resolution and the attachments will be on file in the Authority office and available for public inspection during business hours. The project is a Type II Action under the State Environmental Quality Review and requires no further action under SEQRA.

Upon a motion by T. Hefferon and seconded by A. MacKinnon, Resolution No. 2022-12-108, Authorizing Reconstruction Financing, Fort Drum Water Line, Issuance and Sale of Authority Bonds, Note(s) or Other Obligations, was unanimously approved.

13. Next Board Meeting Date –
Budget Work Session, February 9, 2023
Board Meeting, February 23, 2023

14. Upon a motion by D. Mastascusa, and seconded by K. Bibbins, the meeting was adjourned at 12:08 PM.

Respectfully submitted,


Dennis Mastascusa
Board Secretary