



MINUTES
BOARD OF DIRECTORS MEETING
Thursday, May 26, 2022 – 10:30 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, May 26, 2022 at 10:30 am.

Members Present

Voting

Margaret Murray, Chairperson
Thomas Hefferon
Alex MacKinnon
Dennis Mastascusa
Mary Doheny
Mark Hall
Eric Virkler

Non-Voting

Nancy Henry
James Hollenbeck
Brian McGrath

Members Absent

Stephen Hunt

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
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
Angela Marra, Executive Assistant

Guests:

Jennifer Granzow, Counsel, Wladis Law Firm
Jeremiah Evans, Union President, Ogdensburg

1. Chairperson Murray called the meeting to order at 10:31 AM.
2. Chairperson Murray 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 A. MacKinnon, and seconded by E. Virkler, the minutes from the March 24, 2022 Board Meeting, were approved.

5. Chairperson's Report

- a. June 23rd Board Meeting - MMF
Chairperson Murray stated that this meeting will be held in Rodman at the Materials Management Facility and will include a ribbon cutting for the Southern Expansion and we would hope that all Board members can attend.
- b. Annual Board Evaluation Forms
Chairperson Murray extended her appreciation to the Board for completing the Board Evaluation and Executive Director Performance Evaluation. Both documents have been compiled and will be reviewed in executive session during this meeting.

6. Governance –

- c. Resolution No. 2022-05-36, approves the Pesticide Use Policy with modifications cited within the resolution.

Upon a motion by D. Mastascusa, and seconded by A. MacKinnon, Resolution No. 2022-05-36, Approving Modifications to Pesticide Use Policy, was unanimously approved.

7. 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 Morristown, Technical Services Agreement, Local Waterfront Revitalization Program Update, Total Agreement Amount of \$15,000, 5/10/22 – 11/30/22, St. Lawrence County
 - II. Village of Clayton, Technical Services Agreement, Department of Public Works Asset Management Program Plan, Total Agreement Amount of \$7,500, 4/25/22 – 8/25/22, Jefferson
 - III. Town of Edwards, Technical Services Agreement, Water System Assessment, Total Agreement Amount of \$5,500, 5/12/22 – 11/30/2022, St. Lawrence County
 - IV. Village of Tupper Lake, Technical Services Agreement, Additional Water Meter Services, Total Agreement Amount of \$64,000, 6/1/22 – 7/31/2024, Franklin County

- V. Town of DeKalb, SCADA Services Agreement, DeKalb SCADA Services for WWTP Improvement Project, Total Agreement Amount of \$88,000, 6/1/22 – 12/31/2023, St. Lawrence County
- VI. Town of Diana, SCADA Services Agreement, Diana SCADA Services for Water System Improvements Project, Total Agreement Amount of \$54,000, 4/1/22 – 12/31/23, Lewis County
- VII. Village of Lowville, GIS Hosting Agreement, Village of Lowville GIS Hosting Agreement, Total Agreement Amount of \$8,300, 6/1/22 – 5/31/27, Lewis County
- VIII. Village of Turin, GIS Hosting Agreement, Village of Turin GIS Hosting Agreement, Total Agreement Amount of \$4,400, 6/1/22 – 5/31/27, Lewis County
- IX. Town of Wilna, Operation & Maintenance Agreement, Town of Wilna O&M Wastewater Facilities, Total Agreement Amount \$48,262, 5/27/22 – 5/31/27, Jefferson County
- X. NYPA, Memorandum of Understanding, NYPA/DANC Pilot – Broadband Deployment, Total Agreement Amount \$49,000, 2/1/22 – 1/31/23, St. Lawrence/Lewis Counties

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

8. Engineering –

- a. Resolution No. 2022-05-37, approves the Technical Services Agreement between the Authority and the Village of Tupper Lake. The Executive Director is authorized and directed to execute this Agreement Amendment.

Upon a motion by A. MacKinnon, and seconded by E. Virkler, Resolution No. 2022-05-37, Technical Services Agreement Amendment, Village of Tupper Lake, Water System Improvement Project, was unanimously approved.

9. Water Quality –

- a. Resolution No. 2022-05-38, authorizes the Executive Director to enter into this Water Service Agreement with the Village of Dexter.

Upon a motion by E. Virkler, and seconded by D. Mastascusa, Resolution No. 2022-05-38, Water Service Agreement, Village of Dexter, Regional Water Line, was unanimously approved.

- b. Resolution No. 2022-05-39, determines the Army Waterline Pipeline Replacement Project Improvements project is a Type II Action and will have no significant adverse impact on the environment resulting in no Environmental Impact Statement needing to be prepared, and no further action with regard to SEQRA being required.

A MacKinnon asked if we had already started this project because he noticed digging on Route 11 by the trail. C. Tuttle stated that that while in the same vicinity, the digging is a Town of Pamela project.

Upon a motion by A. MacKinnon, and seconded by D. Mastascusa, Resolution No. 2022-05-39, Army Waterline Pipeline Replacement Project Improvements, SEQRA Type II Action, No Significant Impact on the Environment, was unanimously approved.

- c. Resolution No. 2022-05-40, 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 \$10,000,000 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.

C. Farone explained that the Authority will be authorized to issue bonds up to \$10 million. He further noted that bond council has reviewed such resolution.

Upon a motion by A. MacKinnon, and seconded by E. Virkler, Resolution No. 2022-05-40, Reconstruction Financing, Fort Drum Water Line, Issuance and Sale of Authority Bonds, Note(s) or Other Obligations, was unanimously approved.

- d. Resolution No. 2022-05-41, authorizes the Director of Regional Development to submit an application for a grant up to 70% of the total project costs not covered by other federal grants associated with Phase I of the Army Water Line Pipeline Replacement Project to the Office of Local Defense Community Cooperation. Furthermore, the Director of Regional Development is authorized to execute the grant agreement with the Office of Local Defense Community Cooperation, and if funded implement the grant.

C. Farone stated this resolution goes with Resolution 2022-05-40, providing an option to obtain funding if the Authority is not approved for grant funding.

Upon a motion by A. MacKinnon, and seconded by D. Mastascusa, Resolution No. 2022-05-41, Phase I Army Water Line Pipeline Replacement Project, Office of Local Defense Community Cooperation, Defense Community Infrastructure Pilot Program, was unanimously approved.

10. Telecommunications –

- a. PowerPoint Presentation – Rural Broadband Deployment

D. Wolf explained that the governor announced a \$1 billion Connect All Initiative in January. There was approval to conduct a pilot to leverage existing state fiber assets as part of the state budget under a New York Power Authority (NYPA)

initiative. NYPA approached the Authority asking how to better utilize fiber already within their transmission corridors in Buffalo and Sherburne, which we declined due to being outside the Authority's area of service. NYPA later agreed to complete projects in Lewis and St. Lawrence Counties and one of their original selected areas. This resulted in projects being proposed in the Town of Pitcairn, Town of Diana, and Sherburne plus one additional in Nichols, New York. We will be working through a public-private partnership where we will tap into the fiber NYPA has to build to unserved homes in these areas. 140 residents will be connected in the Town of Pitcairn and 150 residents in the Town of Diana. We have assisted with consulting, data collection, and pole attachments in Sherburne. NYPA has been helpful in communicating with National Grid to complete this project. A public announcement will be made in Sherburne on May 27 with the Broadband Program office from ESD and several other state and local officials, as well as Ryan Piche from Lewis County. D. Wolf further explained the public-private partnership in that the Authority will be tapping into NYPA's backbone, the Authority will build out the infrastructure, and SLIC will build off our cable to the customer's homes to provide the service, equipment and billing. SLIC will in turn share a portion of the revenue with the Authority to cover pole attachment fees and ongoing maintenance.

C. Farone stated that NYPA approached the Authority about working to help the whole state. C. Farone and D. Wolf met with some of their executives and declined because our priority is within Jefferson, Lewis, and St. Lawrence Counties. NYPA then agreed to focus on two areas within our tri-county area, resulting in the Authority agreeing to help with engineering in an area outside our service area. The construction costs for these projects will be reimbursed by NYPA, and the Authority will then collaborate with SLIC to provide the actual internet.

D. Mastascusa asked if the 5% of unserved households was 5% of the total unserved in the three-county area. D. Wolf replied that the 5% was in St. Lawrence County, and a little more than that in Lewis County.

- b. Resolution No. 2022-05-42, authorizes the Executive Director to enter into an Agreement with NYPA to deliver broadband services to approximately 150 unserved homes in the Town of Diana in Lewis County, and to Approximately 140 unserved homes in the Town of Pitcairn in St. Lawrence County. Furthermore, the Executive Director is authorized to enter into an agreement with a Fiber to the Premise service provider to deliver the broadband service. The Authority Comptroller is authorized to establish a "NYPA Fiber to the Premise" capital project in the amount of \$1,400,000 with funds to come from the telecommunications capital reserve fund. This reserve will be replenished by NYPA upon completion of the project.

Upon a motion by D. Mastascusa, and seconded by A. MacKinnon, Resolution No. 2022-05-42, Capital Project, Telecommunications, New York Power Authority Fiber to the Premise, was unanimously approved.

11. Regional Development -

- a. Loan Report –

M. Capone reported there are a couple loans over 30 days that she is working with to help make their payments. GOCO Ventures is at 86 days, but have assured her that they had issues with their bank withdraw and that it was being processed to bring them current.

M. Capone also reported that the Project Development Committee met on May 24 to discuss a workout scenario for MCM Development Malone. This loan was approved as a write off at the March Board meeting. Following them receiving the papers from our attorney, they reached out and wanted to work on their loan. M. Capone requested information, which she presented to the Project Development Committee, and they accepted. MCM Development Malone intends to bring their payments current through June of 2022 and will then sign a confession of judgement, meaning we will not file the judgement as long as they are making good on all their payments to us. This collection action will not have a resolution.

M. Doheny asked the dollar amount they are behind due to be paid in June of 2022. M. Capone responded \$17,000, and further stated that they do have about \$260,000 in employment tax credits that they filed in 2021 and have yet to receive. Senator Schumer's office has confirmed the check is in the mail. These funds are what they will use to bring us current.

B. McGrath asked about a loan discussed at the last meeting where we were pursuing legal action which had been referred to the Barclay firm months ago and was just being filed, had been followed up on. M. Capone replied that at this time she only knows that they were served, she is unsure why Barclay took as long as they did. B. McGrath renewed his request that we find the cause of the delay. M. Capone confirmed that she would ask.

- b. Resolution No. 2022-05-43, ratifying the grant/loan commitment in the amount of up to \$144,000 (\$72,000 loan/\$72,000 grant) from the North Country Redevelopment Fund to BRB Café, LLC at the terms and conditions outlined in the term sheet attached to the resolution, consistent with the Empire State Development program requirements, and further authorizes the Executive Director to execute all documents necessary to make the loan. This resolution further resolves this to be a Type II Action under the State Environmental Quality Review and is considered an exempt activity requiring no further action.

B, McGrath asked if these are Authority funds, or ESD funds that we administer. M. Capone stated these are grant funds the Authority received from the Empire State Development (ESD) and once we lend them and they are revolved, they become our funds.

B. McGrath asked what the purpose of the grant was. M. Capone replied that the program was created with a grant from ESD to rehabilitate vacant and dilapidated buildings. This program can provide up to 90% financing, with 10% owner cash contribution. This project is taking a blighted building and putting it back into productive use with a restaurant and market-rate apartments. This project also received Restore New York funding from the state for the same purpose. We have done other projects through this program such as the J&L Property in St. Lawrence County, Lyons Falls Pulp and Paper Mill in Lewis County, and Frontiertown in Essex County. The end use of the building does not matter, only that the building is being put back into productive use.

After noticing that this resolution is at 1%, as well as others in the read ahead packet, B. McGrath asked if there is a limit on the interest rate or if that is what the program requires. M. Capone replied that the work plan that was submitted to ESD to utilize these funds did specify 1% interest rate. Once all funds have been lent out and revolved, we can revisit increasing the interest rate. She further stated that she would be reviewing all interest rates for all Development Authority loan funds.

Upon a motion by E. Virkler, and seconded by A. MacKinnon, Resolution No. 2022-05-43, North Country Redevelopment Loan Fund, BRB Café, LLC, Ratifying Loan and Grant, was unanimously approved.

- c. Resolution No. 2022-05-44, ratifying the grant/loan commitment in the amount of up to \$500,000 (\$250,000 loan/\$250,000 grant) from the North Country Redevelopment Fund to 259 JB Wise Partners, LLC at the terms and conditions outlined in the term sheet attached to the resolution, consistent with the Empire State Development program requirements, and further authorizes the Executive Director or Chief Financial Officer to execute all documents necessary to make the loan. This resolution further resolves this to be a Type II Action under the State Environmental Quality Review and is considered an exempt activity requiring no further action.

Upon a motion by A. MacKinnon, and seconded by E. Virkler, Resolution No. 2022-05-44, North Country Redevelopment Loan Fund, 259 JB Wise Partners, LLC, Ratifying Loan and Grant, was unanimously approved.

- d. Resolution No. 2022-05-45, ratifying the grant/loan commitment in the amount of up to \$300,000 (\$150,000 loan/\$150,000 grant) from the North Country Redevelopment Fund to River Creek, LLC at the terms and conditions outlined in the term sheet attached to the resolution, consistent with the Empire State Development program requirements, and further authorizes the Executive Director or Chief Financial Officer to execute all documents necessary to make the loan. This resolution further resolves this to be a Type II Action under the State Environmental Quality Review and is considered an exempt activity requiring no further action.

Upon a motion by A. MacKinnon, and seconded by D. Mastascusa, Resolution No. 2022-05-45, North Country Redevelopment Loan Fund, River Creek, LLC, Ratifying Loan and Grant, was approved.

- e. Resolution No. 2022-05-46, authorizes a loan from the Economic Development Fund in an amount up to \$350,000 to the Potsdam Consumer Cooperative Inc. at the terms and conditions outlined in the term sheet attached to the resolution, and authorizes the Executive Director or Chief Financial Officer to execute all appropriate documents necessary to make the loan. This resolution further resolves this to be a Type II Action under the State Environmental Quality Review and is considered an exempt activity requiring no further action.

Upon a motion by D. Mastascusa, and seconded by A. MacKinnon, Resolution No. 2022-05-46, Economic Development Fund, Potsdam Consumer Cooperative, Inc. Bridge Financing Loan, was unanimously approved.

- a. Resolution No. 2022-05-47, approves the loan modification for Cambray Housing Corporation through September 1, 2022, and authorizes the Executive Director or Director of Regional Development to execute all necessary documentation.

Upon a motion by A. MacKinnon, and seconded by E. Virkler, Resolution No. 2022-05-47, Affordable Rental Housing Program, Cambray Housing Corporation, Loan #1 Modification, was unanimously approved.

- b. Resolution No. 2022-05-48, approves a loan up to \$250,000 for the Cambray Housing Corporation from the Affordable Rental Housing Program at the terms and conditions attached to the resolutions, and authorizes the Executive Director or Chief Financial Officer to execute all necessary documentation. This resolution further accepts the action of the Village of Gouverneur Planning Board taken under the State Environmental Quality Review and affirms negative declaration for this project.

M. Capone explained that if we were to do 2%, the cash flow would not work and felt it best to keep it at \$250,000 for 30 years at 1% annual interest with a balloon payment at the end. She further explained this project is in dire need of rehabilitation, and 1% is not unusual for an affordable housing project. This loan will still have a co-proportional first mortgage on the real estate with New York State.

B. McGrath stated there are good policy reasons to move forward with this. He further stated it is important for everyone to be clear on the 1% interest rate that we will lose money to issue these funds.

Upon a motion by A. MacKinnon, and seconded by E. Virkler, Resolution No. 2022-05-48, Affordable Rental Housing Program, Cambray Housing Corporation, Loan #3, was unanimously approved.

- c. Resolution No. 2022-05-49, accepts the Annual Report, waives the Annual Meeting of the Housing Development Fund Company by written consent, and appoints Dennis Mastascusa as Vice President, and effective May 26, 2022 the remaining directors of the HDFC shall continue in office until the next Annual Meeting.

M. Capone stated that the remaining directors, T. Hefferon, C. Farone, and M. Capone, will remain effective and shall continue in office until the next annual meeting.

Upon a motion by E. Virkler, and seconded by A. MacKinnon, Resolution No. 2022-05-49, Annual Report, Creek Wood Housing Development Fund Company, Inc. Waiving the Annual Meeting, Appointing Directors, was unanimously approved.

- d. Resolution No. 2022-05-50, accepts the Annual Report, waives the Annual Meeting of the Housing Development Fund Company by written consent, and appoints Dennis Mastascusa as Vice President, and effective May 26, 2022 the remaining directors of the HDFC shall continue in office until the next Annual Meeting.

Upon a motion by A. MacKinnon, and seconded by E. Virkler, Resolution No. 2022-05-50, Annual Report, Creek Wood II Housing Development Fund Company, Inc., Waiving the Annual Meeting, Appointing Directors, was unanimously approved.

- e. Resolution No. 2022-05-51, consenting to the interest transfers and assignment of management rights, further authorizing and empowering the Development Authority of the North Country to execute, and deliver certain documents including, but not limited to, any consent letters, waivers of rights granted under any purchase options, or rights of first refusal, as well as any and all other agreements, documents, certificates, instruments and amendments to be executed in connection with such consents. This resolution further resolves that the Development Authority transfer interest of Creekwood I LLC and Creekwood II LLC to Beacon. All action taken and all instruments executed by authorized persons on behalf of Development Authority prior to the adoption of these resolutions, with respect to the financing and operation of the properties and all matters related thereto, are ratified, confirmed and approved. The Executive Director is authorized and empowered to act on behalf of the Development Authority, Creekwood I HDFC, and/or Creekwood II HDFC, as applicable, and take any and all other actions as the Executive Director may deem necessary or desirable in connection with Interest Transfer and the Assignment of Management Rights, and execute and deliver the Transaction Documents and to otherwise carry out the intent of the foregoing resolutions and the consummation of the transactions described therein. Lastly, this resolution may be executed by facsimile, electronic signature, or PDF, for all purposes to be deemed an original.

Upon a motion by A. MacKinnon, and seconded by D. Mastascusa, Resolution No. 2022-05-51, Consent and Resolutions, Creek Wood Housing Development Fund Company, Inc., Creekwood I, LLC, Creekwood II, LLC, Summit Wood Homes, was unanimously approved.

12. Executive Session –

Upon a motion by A. MacKinnon, and seconded by E. Virkler, the Board moved into Executive Session at 11:19 AM.

Upon a motion by A. MacKinnon, and seconded by J. Hollenbeck, the Board moved out of Executive Session at 11:30 AM.

Chairperson Murray stated no action was taken.

13. Executive Director's Report -

- a. Telecommunications Committee Update –

The Telecommunications Committee met at the end of April to review the results of the RFP that had been released to evaluate our telecommunications system, industry trends, and to help staff with developing the five-year strategic

plan for the telecommunications system. The RFP was posted to the Authority website, emailed to 19 telecommunications companies, 52 entities downloaded the RFP, 18 attended the pre-RFP meeting, and zero proposals were received. Authority staff contacted most of the entities who attended the pre-bid meeting to ask why, and were told there is too much work right now and that many do not have the staff or the resources to respond to this RFP. Based upon there being zero responses, the Telecommunications Committee reviewed the following three options for moving forward; the RFP could be reissued, the five-year strategic plan could be completed in-house, or the plan could be tabled temporarily. After some discussion, the committee decided to table the RFP and reevaluate it in September of 2022. At that time, it will be decided if we will reissue the RFP

b. Harrisville RFP –

An RFP was issued for the purchase and redevelopment of the Harrisville property. We received several phone calls and one letter response, but the letter was not a full proposal to purchase and re-develop the property. We would like to meet with those entities that have expressed interest in the property and determine if it is feasible for them to purchase and redevelop the property. We will follow-up by having staff reach out to these companies and ask about their plans for redeveloping the property. We have been working with the Lewis County IDA to advertise that this property is available and believe we are still in a good position to move this project forward.

c. Army Water Line – EPA Administrative Order -

The Development Authority received an administrative order from the EPA earlier this year regarding disinfection by-products in the Army water line. The Authority immediately contacted the City of Watertown to ask what plans they have to mitigate the disinfection by-products. The following week the City Manager confirmed the city had authorized an engineering firm to complete a study to determine what needed to be done to reduce the disinfection byproducts in City water. On April 18th C. Tuttle, B. Nutting and C. Farone met with the EPA where it was determined that they would like the Authority to work with the city to resolve this issue. The EPA was very clear that the solution needs to collectively resolved for the City and the outside users on our water line. The Authority has a meeting set up with the City for next Friday to discuss the timeframe for correcting this situation.

d. NYS Open Meetings Law –

The Development Authority has been able to use videoconferencing to conduct business. We have a legal opinion from counsel supporting this. Under the current Open Meetings Law, we are meeting our obligations when we post the Zoom link and Authority web address on our meeting notice. Through the budget process, a language change was noticed making this more complicated. If the Authority is going to continue to allow Zoom meetings, and in order for the individual(s) participating on Zoom to count as a quorum, we must post that individual's address or location on our meeting notice. If we choose not to include the addresses on our meeting notice, those members would be able to vote during the meeting but would not count toward the quorum. J. Granzow also added that to participate remotely, whether you counted toward the quorum or not, you would need to be visible to the public. C. Farone further stated that this would be in effect after the emergency order

is lifted, and currently Governor Hochul has extended this order for COVID through June 14. He further stated that in order to allow Board Members to participate at a location that is not open to the public, we would need to have a public hearing followed by a Board resolution stating exactly what the circumstances are for granting access via video conferencing. Being able to use videoconferencing has helped us to meet our quorum requirements and while we are currently fine, C. Farone suggested that we should have a public hearing and draft a resolution that allows for these extenuating circumstances to have on record.

A. MacKinnon stated that his address is in the phonebook and on the internet. He further commented when he was on the Board of Legislators, he went to Florida and he had to disclose where he was staying, and allow anyone who wanted to attend the meeting to come. While he did not have too many people come, it was still a reality.

B. McGrath stated that he is usually in his office and has no issue with this being publicized for people to attend at that location. He further asked if we could hold a hearing and have a resolution that would allow in circumstances where for whatever reason we do not wish to disclose our location, that person could participate but not for quorum purposes. J. Granzow responded that if the Board member needs to be counted for quorum, their location has to be publicized and open to the public, but you could attend for non-quorum counting purposes and attend remotely without your location being published to the public. She stated that she expects there will be challenges and changes to this because utilizing remote services has greatly improved attendance and participation. She suggested that if the Board determines what will be considered extenuating circumstances to allow for remote participation that they include "in the reasonable discretion of the executive director or chairperson of the Board", so when there are situations that arise we are able to get this discretion.

J. Granzow stated that we expect there will be changes to this as more boards become aware of the actual impact this will have, but in the mean time we would like to have a resolution from the Board that would allow remote participation that will set forth in stating there are some things that are always going to be considered extenuating circumstances to permit remote attendance, and also have a catch-all that states "as reasonably determined by either the Board Chairperson or the executive director" to cover private circumstances.

B. McGrath stated he is in favor of such a resolution.

e. June 23rd Board Meeting –

This meeting will be held at the Materials Management Facility in Rodman, followed by a ribbon cutting for the Southern Expansion. C. Farone further commented that he hopes to have as many Board members as possible attend this meeting in person. This is a project that has been in process for 18 years, and we are very excited about the southern expansion opening.

f. City of Ogdensburg – Request for Services -

The Authority received an official request from the City of Ogdensburg City Council requesting that the Authority expand the services currently being provided in the City of Ogdensburg. The Authority is currently providing the City of Ogdensburg with management services with one person on site to provide oversight for facility operations. We also provide experts in GIS and SCADA to oversee everything. In the request from the City of Ogdensburg, they asked for the Authority to not only provide the management services, but also provide expanded services to include the employment of those individuals that actually run the plant's water and wastewater.

C. Tuttle explained that the City of Ogdensburg passed a resolution at their May 9 council meeting, in which they requested the Authority to provide a proposal to provide water quality management services and also operation and maintenance services. This request is different from the current services provided in that both of those services are provided, but not in the same location. The current Authority management services contracts include the Village of Clayton, Village of Carthage, City of Ogdensburg and the City of Malone. At each of these locations, the Authority has a full-time staff member that is a supervisor, typically with an engineering background, overseeing the management of that facility. Their duties include overseeing financial responsibility for developing budgets for water and wastewater, all regulatory compliance matters, and overseeing municipal staff doing the day-to-day operations. The operators in those facilities are not Authority employees, but they do work for the Authority in that we supervise them and set their schedules as per the terms of the management services contracts. Operation and Maintenance contracts are smaller contracts the Authority has with the Town of LeRay, Town of Champion, Town of Pamela, DeKalb Junction, Gouverneur, Newton Falls, Heuvelton, Lisbon, Morristown, and many others. In these situations, there are no municipal employees to do the day-to-day operations, but instead are done by Authority employees that are the operators. These are not typically engineers or have degrees, but they do have licenses that are necessary to provide these services. In many of the small plants, the operations are so small they may not require a full time operator. This allows those contracts to be grouped, and we may have one staff member that is the chief operator for several small plants. This request from Ogdensburg would put our management services and our operation and maintenance contract together with the Authority providing all of these services under a single service contract. This would require five new staff positions. The city currently has six staff positions; however, the Authority also has an existing vacancy that has yet to be filled since being approved by the Board in the water quality division. To move forward with this request the Authority would want to bring on the city's six staff members. Operators are hard to come by, and these staff have various levels of licensing that are necessary. In many cases, Authority staff have trained those operators. C. Tuttle further explained that this aligns with the Authority's strategic plan for one to five years by seeking opportunities to assist new municipal customers with sewer and water services, to enhance service levels, and reduce costs through improved processes. As stated in our strategic plan, the Authority would explore the feasibility of and opportunities to pilot one or more water source plants and/or sewage treatment plants, to demonstrate capabilities, and gain experience in the operation of these service facilities. C. Tuttle shared a map showing Ogdensburg as being surrounded by other municipal contracts operated by the Authority. Strategically placed

clusters of contracts in the same area allow for greater efficiency when providing operation and maintenance services. The Authority can provide Ogdensburg with the necessary services and experience. The city is in a financial hardship position and they currently have the highest tax rate in the county. They are looking for changes they can make to help make the city sustainable, and have expressed they would like to explore this opportunity as it could result in cost savings. C. Tuttle discussed the benefit of the City of Ogdensburg receiving the wastewater from the Village of Heuvelton as well as the offsetting revenue. The potential of having a regional system in Ogdensburg that could receive outside waste from other municipalities could affect tax rates and sewer rates for the city and the surrounding communities. This is very similar to what the Authority already does in Jefferson County with both the Army sewer line, Army water line, and the Regional Water Line. This opportunity could also be beneficial to the Authority in providing a complex wastewater treatment plant and water treatment plant to train operators for licensing. The only other plant of this level in our region is in Watertown and it is typically difficult to license staff at these levels with limited locations to train.

C. Tuttle concluded in stating it is the staff's recommendation that we respond to this request from the City of Ogdensburg for the reasons discussed. This would entail preparing a contract as is done for other communities when they request our services. This proposal would identify the scope of services and fees for those services and would be presented to the city council to evaluate and make a decision regarding how they would like to proceed.

D. Mastascusa asked if the Authority was going to own any infrastructure and what is the analysis of the infrastructure there. C. Tuttle replied that the wastewater treatment plant is concluding a \$43 million capital improvement project, which the Authority was contracted to oversee. This project should be completed in December, resulting in all the mechanical and electrical equipment within the plant being replaced. Their collection system is in need of work, but that would not be the Authority's responsibility as it would be under the city's department of public works. The water treatment side is much less complicated, but is in need of improvements and has an upcoming capital project in the process of being funded.

J. Hollenbeck asked if the Authority would essentially absorb the six city employees. C. Tuttle responded yes, this is part of the proposal.

Jerimiah Evans, the City of Ogdensburg Union President, requested permission to comment on the Authority putting in the proposal to take over full control of the Ogdensburg water and wastewater treatment plants. C. Farone agreed. J. Evans continued by stating "DANC came to Ogdensburg several years ago to fill the void of an operator at their wastewater treatment plant as a hybrid model that is used at other facilities. At first the city employees were unsure of DANC coming to their facilities and C. Tuttle reassured them that the Authority never wanted to take full control of their facility. She also gave tours of other facilities that ran on the hybrid model to help ease their worry. This model seems to be working well because we've been using them for several years. Currently there are six city employees that control these duties inside and out of the water wastewater treatment facilities. They also assist the Department of Public Works in other tasks as needed. Will you [the Authority]

be able to provide the same level of service? Most of these employees are city residents and are able to respond to an emergency within minutes. Would you [the Authority] be able to provide the same level of service? Our understanding of DANC in the North Country was to help fill the voids that could not be filled by current staffing, and we are capable of staffing our plants with city employees except for a wastewater treatment operator, which has been provided by you [the Authority] in the last several years. We have run the numbers as an organization, and we can't quite figure out how it would even be a cost savings to the city, unless you didn't keep the six staffing members full time at our facilities, which you recommend, or you're basically robbing Peter to pay Paul, which would be other municipalities would be footing the bill because DANC employees make more money than our employees. We actually lost an employee to DANC because of money. Both New York State Retirements System and health care are similar across the board. We don't want to lose these union jobs or the unions in these facilities and we will not sit by and just let this happen." J. Evans concluded and thanked the Board for their time.

J. Hollenbeck asked J. Evans if he was CSEA. J. Evans replied yes.

C. Farone stated this request came from the city council where they voted and have requested the Development Authority provide a proposal. This proposal would provide the city with a comparison they could use with current costs and make an informed decision. It would then be their decision if they deem the Authority to be the cost-effective method of moving forward. Ultimately, this is the Authority trying to do what is right for the benefit of the communities we serve. This is a direct request from the city council of Ogdensburg for the Development Authority to provide these services. C. Farone further stated that the Authority should honor their request and provide them with a proposal for services. This gives the city an option to evaluate costs.

D. Mastascusa asked to clarify that the six city employees will become Authority employees. He further asked that no one was to lose their job or be asked to relocate. C. Farone stated that is correct.

J. Evans asked if the Authority was going to guarantee that those six employees were to only work in the City of Ogdensburg. C. Tuttle replied we would not.

D. Mastascusa asked if those employees had to leave the City of Ogdensburg, would they be reassigned to closely located communities where the Authority already provides services. C. Tuttle replied yes, as they would rather have people in plants not in trucks.

B. McGrath asked for more information about the following points raised by Mr. Evans; prior representations that the Authority would always proceed in partnership rather than takeover, the notion that the Authority has pulled employees from the City of Ogdensburg, and would the Authority running this project have any kind of impact on response time to emergencies. C. Farone responded that the Authority's motto is that we go where we are asked and this the Authority responding to a request from the City of Ogdensburg. We are not soliciting this business. C. Tuttle responded that the employee referenced that

came to work at the Authority was not approached by the Authority to recruit them. The employee applied for an advertised vacancy that the Authority had advertised within the Water Quality division, was interviewed, received an offer, and accepted that offer. This was the employee's decision to leave employment with the City of Ogdensburg and choose to work for the Authority. C. Tuttle continued to answer the question regarding response time. The current plan is to hire the employees that are providing that service now. Not all of these operators live within the City of Ogdensburg as that is not a requirement of being an operator. Within all of our contracts we have goals regarding response time and this would be no different with our current contract with the City of Ogdensburg or with any other municipal contracts. We have people strategically located throughout our service area allowing us to respond throughout the three county service area we serve.

J. Hollenbeck stated that as a union representative, he is not in favor of eliminating union positions, but the ultimate decision rest with the City of Ogdensburg.

M. Doheny asked to clarify what was being asked of the Board today, in that the request is only to approve the preparation of the proposal to be made to the City Council of Ogdensburg at this point. C. Farone stated that is correct.

(Zoom connection was lost and quickly restored.)

E. Virkler asked as this moves forward, would the decision come back to the Board for formal approval once the city has accepted the agreement. C. Farone responded yes.

B. McGrath commented that more discussion is necessary as to whether this fits our mission and purpose and this should require a bit more consideration. He also stated the last thing the Authority should do is enter into a political issue that there may not be unanimity within the community. B. McGrath reiterated his concerns about the Authority being careful to avoid overstepping, and there doesn't seem to be enough facts with this situation. He further stated that he doesn't think anyone on this Board today has a true sense of the political dynamic that we will be walking into, and he feels it is unwise for us to proceed with this right now given the absence of information, unless there is a time constraint.

A. MacKinnon stated that if the Board were to wait, we would be making a decision for the City of Ogdensburg. He continued by stating that the Authority has been asked to provide information and the decision is solely up to the city regardless of any political or union problems. A. MacKinnon further stated he is not comfortable with making this decision for the city, that the Authority should provide them with the information they have requested and let them decide.

B. McGrath disagreed in that he is not stating the Authority should not submit a proposal, but that information has been presented today for the first time and the Board has not had the opportunity to digest that information to which he feels as a Board we should be given time to understand what we are being asked to do and to now do it in the course of a 15 minute presentation given at

the end of a Board meeting. B. McGrath further suggest that we take some time to explore this project and revisit it at the next regularly scheduled meeting. He further stated if an interim meeting is needed to expedite it then so be it, but it is irresponsible to proceed into this now with the absence of the full information. B. McGrath stated that it is the Board responsibility to understand more how this request came to be, to take a pause and think about it.

J. Hollenbeck asked if there was a time constraint on this. C. Tuttle responded that the City of Ogdensburg resolution is requesting this proposal in time for them to make a decision effective January 1, 2023. J. Hollenbeck stated he is in agreement and feels the Board should wait another month and explore possible repercussions.

D. Mastascusa stated that from a technical standpoint we are familiar with the system and the Authority can move ahead, but asked what is being requested that we explore other than the political ramifications. C. Tuttle responded that while there may be political ramifications, but what is the right thing to do for the community. As A. MacKinnon stated the community is going to be the one to make that decision.

D. Mastascusa asked if there was going to be an upcoming election that would change the makeup of the city council. C. Tuttle replied no. He further asked what was the vote of the city council. C. Tuttle responded it was four to three.

E. Virkler stated that he follows the City of Ogdensburg politics from afar and we should continue to pay attention to that. He further stated that the Authority has been asked to respond to the city's request. This is something C. Tuttle has prepared before and is not going to take a significant amount of time. C. Farone commented that this is the first or second time the city has requested this. We have done research internally and examined what the cost would be. The original request came from the city manager and at that point, it was not enough for the Board to move forward. With this request now coming from the city council, it appears to have become a more serious request.

E. Virkler commented that while working for the Village of Lowville, DANC was providing some interim services and village employees began to talk of a takeover. The city council has asked us to provide a proposal, it is important for us to consider this. Today's presentation contained a lot of good information and made it clear that this fits within our mission and strategic objectives.

A. MacKinnon stated that there is a first and second, and now needs to move forward or be withdrawn. Chairperson Murray called for a rollcall vote.

A motion was made by A. MacKinnon, and seconded by E. Virkler, approving the proposal be submitted to the City Council of Ogdensburg, as per their request for water quality management services and operation and maintenance services, was approved.

Rollcall Vote:

M. Murray – yes

A. MacKinnon – yes

D. Mastascusa – yes

M. Doheny – yes

E. Virkler - yes

g. Finance Report – Chief Financial Officer

J. Staples reviewed a high-level financial report. In June, there will be a detailed audit report of FY22 reviewed in detail at the Audit Committee and reviewed in summary at the June 23rd board meeting. Beginning with operating revenue, total customer billings came in on budget. MMF was over due to the additional tonnage received. Grant revenue was over budget in association with the Community Development Loan Fund making loans for \$888,000. Other income was over by \$60,000 due to landfill gas to energy production. In January and February of 2022 there was an increase in electrical rates resulting in an increase of revenue provided to the Authority for \$76,000. A portion of these funds is shared with the Town of Rodman. Operating expenses were under budget by \$2.5 million. Salary and fringe were under budget by \$1.1 million. This was mainly due to an adjusting entry of \$419,000 for GASB 68 pension. Operating and maintenance was underspent by \$538,000 mainly in Telecom where equipment contracts for Cisco gear were discontinued resulting in no maintenance contract being available. Also, offnet circuit leases was underspent by \$83,000 due to a cancelled offset circuit lease of \$42,000, and a potential new customer did not come to fruition, resulting in money budgeted not being spent. Depreciation was over by a half million dollars associated with the southern expansion. Due to low interest rates, interest income is under budget by \$355,000. The market adjustment discussed at the March Board meeting came in at \$1.5 million loss. This is an accounting entry based upon the investments we have. These are marked to adjust to the market, and unless we turn them in early, we do not actually lose money.

J. Staples commented that interest rates are increasing, and it is our anticipation that in fiscal year 2023 we will see the market adjustment at an even higher loss. Ultimately, this is a good thing in that when we turn over these investments, we should be getting a higher interest rate.

J. Staples continued with the financials by explaining about pensions coming in 4% below budget. GASB 68 requires that the Authority report a proportionate share of the state's overall net pension liability and pension expense in our annual audited financial statements. An adjusting entry is made in March for the GASB 68 requirement. This year it was a \$419,000 gain to the profit and loss sheet, whereas last year we took a \$1 million loss. No money will be issued, and we will not receive any money for this, this is only a required GASB accounting entry.

J. Staples concluded by stating that materials management waste volumes were over the projected volumes, except for construction and demolition which was under resulting in us being 4% over the projected tonnage. Likewise, host community benefits were over budget. This is directly related to waste volumes, and for every ton we bring in, we provide host community benefits.

Upon a motion by A. MacKinnon, and seconded by E. Virkler, Financials ending March 31, 2022, was unanimously approved.

A. MacKinnon made a request to staff, that if we are to continue with Zoom meetings that we come up with a better way to do this. It cannot work with microphones not working. This is not fair to those attending via Zoom. C. Farone

stated that part of this year's capital project is a Warneck renovation to make their conference room larger. This should accommodate the full Board and include high tech microphones and equipment to provide a much better experience.

- h. Next Board Meeting Date – June 23, 2022 – at MMF
- i. Upon a motion by A. MacKinnon, and seconded by D. Mastascusa, the meeting was adjourned at 12:44 PM.

Respectfully submitted,



Dennis Mastascusa
Board Secretary