



MINUTES
BOARD OF DIRECTORS MEETING
Thursday, May 25, 2023 – 10:30 AM
Warneck Pump Station
James W. Wright Conference Room
23557 NYS Rt 37, 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 Warneck Pump Station, 23557 NYS Rt 37, Watertown, New York on Thursday, May 25, 2023 at 10:30 AM.

Members Present

Voting

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

Non-Voting

James Hollenbeck
Stephen Hunt
Brian McGrath*

*Attended via videoconferencing.

Members Absent

Kenneth Bibbins
Nancy Henry

Staff Present:

Carl Farone, Executive Director
Jennifer Staples, Chief Financial Officer
Carrie Tuttle, Chief Operating Officer
Alex Barham, Environmental Health and Safety Manager
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
Christine Alteri, Human Resources Specialist
Angela Marra, Executive Assistant

Guests:

Jennifer Granzow, Counsel, Wladis Law Firm

1. Chairperson Murray called the meeting to order at 10:34 AM.
2. Chairperson Murray requested a roll call.
 - A quorum of voting and non-voting members was established.
3. Privilege of the Floor -
4. Upon a motion by E. Virkler, and seconded by A. MacKinnon, the minutes from the March 23, 2023 Board Meeting, were approved.
5. Chairperson's Report
 - a. The next Board Meeting will be held on June 22, 2023 at 10:30 AM. Following the meeting, we will have a formal dedication of the conference room to James W. Wright. Lunch will be provided.

B. McGrath indicated that he will be available for quorum purposes at the beginning of the meeting, but will need to leave early to catch a flight.
 - b. The Authority will host an Open House at the Materials Management Facility on August 24th from 4:00 to 6:00 pm. The Board meeting will be held the same day at the facility at 10:30 am. A bus will provide tours of the facility and lunch will be provided.

A. MacKinnon indicated that he would not be available for this meeting.
6. Executive Director's Report
 - a. Performance Measurements Report – FYE 2023 –

C. Farone reviewed the FYE 2023 Performance Measures Report, which is a listing of the activities addressing the objectives for the fiscal year. C. Farone reviewed several of the highlights from the past 12 months, such as Materials Management opened the Southern Expansion on time and on budget, the finalized evaluation of the Harrisville Site and making the determination to sell and then selling the property to Geiter Done, and D. Wolf and M. Capone through Telecommunications, continuing to work with our county partners to close the digital divide between Jefferson, Lewis and St. Lawrence Counties. Problematic elements were listed in red, to include the Army Water Line operating under an EPA Administrative order due to violations of Disinfection Byproducts, the Authority established MWBE goal of 30% and only reaching 25.2%, and 23 environmental incident reports (EIR) this past year.

E. Virkler asked if the EIRs were all at MMF. C. Farone stated they are at all facilities. C. Tuttle clarified that the majority were under Water Quality, and are at within contract or municipal facilities. Some are within new facilities where we find many violations until we can get operations under control. C. Farone followed up stating that we are documenting everything and taking corrective actions. C. Tuttle further commented that we are also documenting near misses.

Upon a motion by D. Mastascusa, and seconded by A. MacKinnon, accepting the Performance Measures for FYE 2023, was unanimously approved.

A copy of this full report will be available on the Authority website under Annual Reports / Financial Information.

- b. Armed Forces Day Breakfast –
C. Farone shared a picture of several Veterans who are also Authority staff and attended the Armed Forces Day Breakfast. He further stated that 15% of the Authority staff are veterans and listed all of their names.
- c. Adopt a Platoon –
C. Farone stated that Authority staff have adopted a platoon from the 10th Mountain Division that is currently stationed in Romania. We will send cards and tokens of appreciation to them. L. Marr is heading this effort up.
- d. Lewis County Conference –
C. Farone reported that along with himself, M. Capone and M. Siver attended the Lewis County Economic Development Conference. C. Farone participated on a panel where he spoke about the Telecommunications team's collaborative efforts with the three county partners as well as the great work that Lewis County has been doing to help close the digital divide.
- e. Telecom NTIA Grant –
C. Farone reminded the Board that the Authority applied for a NTIA grant to support a \$24 million dollar project that NTIA would provide a 60% grant in partnership with National Grid to build out 344 miles of fiber. We are expecting to hear the results of the grant application in June.
- f. Army Water Line – Capital Project Update –
C. Farone stated that Marcellus Construction has been retained and is in the process of installing the temporary bypass. Photos of this process were shared during the meeting. This extensive project is nearing completion and they will begin installing the new waterline. We had not expected them to bury the temporary line, but from a liability perspective, they felt it was better to do so. They are also ahead of schedule on this \$13 million dollar project with costs to date of about \$3 million. We are closing on a bond anticipation note with EFC on June 1 for \$12.5 million. This project is progressing very well and we expect it to be completed this year from an operational perspective.
- g. Army Sewer Line – Capital Project Update –
C. Farone reported that the Authority hired EDR and they have almost completed the preliminary engineering for the project, which will require that we reline our sewer pipe from the Kanik Trail to the Warneck Pump Station. This project is estimated at \$10 - \$11 million dollars. We anticipate that the bid documents will be drafted in June and the award will be made in July. We anticipate this project to be completed this calendar year with clean-up work done next year.

- h. City of Watertown – Disinfection Byproducts –
C. Farone stated that the City of Watertown is currently working with their engineering firm. At this point in time they have a best cost estimate of \$50 million. It is positive that this is moving forward and the City is on track with completing the SEQRA review and the preliminary engineering so they can then apply for various grant funding opportunities in June. As stated in our contract, the Authority is responsible for 25% of the capital costs for the filtration due to an allocation of 25% capacity to Fort Drum. The City will likely bond over 30 or 40 years and the Authority would pay 25% of those payments. The contract also calls for a 20% markup.
- i. Warneck Conference Room Dedication – June 22nd
C. Farone announced that Jim and Carol Wright will both be attending the dedication of the conference room, and we hope that many of the Board members can attend in person.
- j. David Rohe -
C. Farone announced that D. Rohe, a Water Quality staff member, passed his 4A Wastewater License. He is also licensed for 1A, 1B water. This is the highest qualification in the business, giving him the highest rating for a municipal wastewater operator. Congratulations! This is very helpful to the Authority to have him on staff with this certification.

7. Finance Report – Chief Financial Officer

J. Staples reviewed the highlights to the fiscal year-end financial report. She further commented that the Audit Committee would be meeting with the external auditors on June 14th. At that time, the auditors will provide a full report of the fiscal year 2023 Audit Results. The auditors will again present at the June 22nd Board Meeting.

J. Staples noted that GASB 87, which changes the way we report leases, is not reflected in these numbers. The auditors have reviewed the report we provided them of potential leases and made a determination of which agreements need to comply with GASB 87. We expect to receive the results and make a final journal entry prior to the full audit report. The GASB 87 requirement had very little impact on our finances because only two leases qualified under GASB 87. The two leases are for office space at the State Office Building and the Canton Office. This should be an insignificant adjustment to our balance sheet of \$66,000.

J. Staples continued with the finance review beginning with customer billings, which came in at 1% below budget, due to engineering being 27%, or \$187,000, below budget because of staffing issues at funding agencies, backlogs, and process changes, which delayed projects. Grant revenue was over budget by \$1.2 million; of which \$943,000 were funds received by Telecom with \$720,000 being funds received from NYPA associated with the Connect All Project. J. Staples further commented that the Connect All Project was funded through state grants. Expenses are under budget by 7%, or just over \$1.6 million, with \$549,000 of that due to the GASB 68 year-end adjustment in association with pension. Another GL to be noted with large underspending was consulting, which was under by \$103,000. The majority of these underspent funds were set aside for a Telecom business study that did not move forward.

Interest income is improving as interest rates rose in FY23, resulting in the Authority realizing an additional \$478,000 over the budgeted amount. However, the market adjustment associated with the investments was noted as an \$807,000 loss. This is not a recognized loss unless we were to turn our investments in early and there are no plans to do so. This is considered an accounting entry only. Pension came in 5% below budget, and the GASB 68 adjustment to the pension is a decrease to expenses of \$549,000. This GASB adjustment is strictly an accounting entry because we participate in the NYS Retirement Pension Plan, which requires us to report a proportionate share of the state's overall pension liability and pension expense. We do not receive funds or pay funds for this and therefore, is strictly an accounting entry.

Materials Management waste volumes came in 9% over projection, due to an increase in non-beneficial sludge and contaminated soil. The non-beneficial sludge increase was from a project in Lowville, and the contaminated soil was from to a project in Jefferson County.

Host Community Benefits were over budget by 17% due to the higher actual tonnage than was projected. There was also \$56,000 in the Host Community Benefits that were associated with the Landfill Gas to Energy revenue share.

Upon a motion by E. Virkler, and seconded by D. Mastascusa, Financials ending March 31, 2023, were unanimously approved.

8. Governance –

- a. Resolution No. 2023-05-32, approving the Social Media Policy attached and incorporated in this Resolution.

C. Farone explained that this policy is new to the Authority, and felt necessary due to the rising use of social media. He emphasized that the purpose of this policy is not to infringe upon the employees freedom of speech. C. Farone read through the basic principles of the proposed policy.

Upon a motion by D. Mastascusa and seconded by T. Hefferon, Resolution No. 2023-05-32, Authorizing Social Media Policy, was unanimously approved.

9. Technical Services Summary Report –

- a. Jefferson / St. Lawrence County, Municipalities of Lewis County –

- I. Town of Gouverneur, Technical Services Agreement, Grant Writing for CDBG Application, Total Agreement Amount of \$3,500, 06/01/23 – 08/31/23, St. Lawrence County
- II. St. Lawrence County, Technical Services Agreement, Grant Writing for CDBG Application, Total Agreement Amount of \$3,500, 06/01/23 – 08/31/2023, St. Lawrence County

C. Tuttle stated that both agreements are continuations of services already being provided to these communities.

Upon a motion by A. MacKinnon, and seconded by T. Hefferon, Board Contract Summary Table items numbered I and II for the month of May were unanimously approved.

b. Lewis County –

III. Lewis County, Technical Services Agreement, Lewis County Planning and Community Development, Total Agreement Amount \$10,000, 06/01/2023 – 12/31/2023, St. Lawrence County.

C. Tuttle stated that this is also a continuation of current services with Lewis County.

Upon a motion by D. Mastascusa, and seconded by T. Hefferon, Board Contract Summary Table item numbered III for the month of May was approved. E. Virkler abstained.

10. Engineering –

a. Resolution No. 2023-05-33, approves the Technical Services Agreement by and between the Authority and the Village of Chateaugay, and further authorizes and directs the Executive Director to execute said Agreement.

B. McGrath asked where Chateaugay is located. C. Tuttle responded it is located in Franklin County, near Malone, where we currently provide services. This lead to Chateaugay contacts speaking with other engineers we are working with in Malone. Since Chateaugay has been struggling with treatment plant issues, we were recommended to them by their engineering firm.

B. McGrath asked for clarification that we did not approach them, they approached us. C. Tuttle confirmed this.

Upon a motion by T. Hefferon, and seconded by D. Mastascusa, Resolution No. 2023-05-33, approving Technical Services Agreement, Village of Chateaugay, Sewer Improvement Project, was unanimously approved.

b. Resolution No. 2023-05-34, approves the Technical Services Agreement by and between the Authority and the Town of Tupper Lake, and further authorizes and directs the Executive Director to execute said Agreement.

C. Tuttle stated that at the last Board meeting there was a resolution for a water system improvement project with Tupper Lake. She further stated these are existing water and sewer districts. Tupper Lake also has several unserved parcels that are contiguous with served parcels, and they are reviewing these projects to see if it makes sense to extend service to these new users as well as to address issues within their existing system.

Upon a motion by D. Mastascusa, and seconded by E. Virkler, Resolution No. 2023-05-34, approving Technical Services Agreement, Town of Tupper Lake, Sewer District No. 1 Improvement Project, was unanimously approved.

11. Materials Management –

- a. Resolution No. 2023-05-35, authorizes the Executive Director to implement said rules, applications, permits, and fees attached to and incorporated within this Resolution, effective May 25, 2023.

C. Tuttle reviewed the two main changes in detail within the Solid Waste Disposal Permit Requirements, Permit Application, and Landfill Site Rules policy attached to this resolution. The first change includes three additional holiday closures at the landfill. She stated that these dates have been discussed with our county partners, as well as with the private haulers who bring material to the landfill. With their approval, C. Tuttle is recommending we move forward with this change. The second notable change is regarding the posted speed limit for trucks as they cross the scale. The current posted speed limit is 5 mile per hour for safety reasons, and to allow for better radiation detection as the trucks pass through the equipment on their way into the facility. By adding this information to the policy, this information will match what is posted at the site.

Upon a motion by E. Virkler and seconded by A. MacKinnon, Resolution No. 2023-05-35, authorizing Operating Permit Rules and Requirements, Materials Management Facility, Revision, was unanimously approved.

- b. Resolution No. 2023-05-36, approves the Leachate Treatment Agreement, by and between the Authority and the City of Ogdensburg, and further authorizes and directs the Executive Director to execute said Agreement for a period of three years.

C. Tuttle stated this is a new agreement that has been approved by the City of Ogdensburg. She continued by providing information regarding the current leachate process and how this would be beneficial to the Authority to have another location for leachate disposal. This agreement is modelled after the existing agreement with the City of Watertown, but for only three years to test the process. C. Farone further stated that this agreement commits the Authority to bring a minimum of one tanker per week to ensure our haulers stay familiar with the route and the facility. This agreement provides the Authority with an additional option within the three county area.

Upon a motion by T. Hefferon and seconded by D. Mastascusa, Resolution No. 2023-05-36, approving Leachate Treatment Agreement, City of Ogdensburg, was unanimously approved.

12. Telecommunications –

- a. Resolution No. 2023-05-37, authorizes Carl E. Farone, Jr., Executive Director, the Authorized Official to make and sign a Catalyst Grant Program application to the Northern Border Regional Commission for a total project of \$3,537,599 of which \$2,830,079 is grant funded and \$707,520 is match. It is further resolved to authorize the Executive Director to execute all documents

necessary to the submission and execution of said grant, to include establishing a NBRC Catalyst Capital Project in the amount of \$3,537,599.

Upon a motion by T. Hefferon and seconded by D. Mastascusa, Resolution No. 2023-05-37, approving Northern Border Regional Commission, Catalyst Grant Program, Authorization, was approved. M. Murray and E. Virkler abstained.

- b. Resolution No. 2023-05-38, amending the FYE 2023 Telecommunications Division Capital Budget for Project 30683 (NYPA Fiber to the Premise), to increase the budget from \$1,900,000 to \$2,297,088, to be funded from Telecom Capital Reserves and reimbursed by the New York State Power Authority.

Upon a motion by E. Virkler and seconded by A. MacKinnon, Resolution No. 2023-05-38, approving Telecommunications Division, FY 2022-2023 Capital Project Budget Amendment No. 2, New York Power Authority Fiber to the Premise, was unanimously approved.

13. Water Quality –

- a. Resolution No. 2023-05-39, authorizes the Authority to determine that this project is a Type II Action and will not have a significant adverse impact on the environment, and therefore, no Environmental Impact Statement needs to be prepared and no further action is required with regard to SEQRA.

Upon a motion by D. Mastascusa and seconded by A. MacKinnon, Resolution No. 2023-05-39, approving Army Sewer Pipeline Rehabilitation Project, SEQRA Type II Action, No Significant Impact on the Environment, was unanimously approved.

- b. Resolution No. 2023-05-40, determines within Sections 1 – 9 of the resolution that the Authority has been vested with all the powers necessary and convenient to carry out the purposes and provisions of Title 29 of the Public Authorities Law. The Authority is to issue its bonds, notes or other evidences in an aggregate original principal amount not to exceed \$11,000,000. The Authority is authorized to undertake the rehabilitation of 16,650 linear feet of Army Sewer Line with cured-in-place pipe between the Warneck Pump Station and the Calcium Nature Trail entrance, and to issue, execute, sell and deliver its bonds, notes, or other evidences of obligations having a maturity not to exceed thirty years in an original aggregate amount not to exceed \$11,000,000. It is further resolved that the Chairperson, Vice Chairperson, and Executive Director are each authorized in the name of and on behalf of the Authority to negotiate, execute, deliver and/or approve any documents necessary to issue the obligations. The authorized representatives are further authorized to sell all or a portion of the obligation to the New York State Environmental Facilities Corporation in the form of one or more loan agreements. Each of the Authorized Representatives are authorized and directed to ensure all acts be completed to make all required payments pursuant to the Financing Documents, and to execute all documents, certificates and instruments in order to carry out the Financing Documents and completed transactions to complete the purposes of this Resolutions and

maintain compliance with all terms, covenants and provisions of the Financing Documents. The person executing the Financing Documents is authorized to agree to changes, insertions, omissions and modification as they may approve. This resolution shall constitute a declaration of the Authority's "official intent: to reimburse expenditures for the project. This resolution shall take effect immediately. This project is considered a Type II Action under the State Environmental Quality Review and requires no further action under SEQRA.

Upon a motion by E. Virkler and seconded by D. Mastascusa, Resolution No. 2023-05-40, approving Reconstruction Financing, Fort Drum Sewer Line, Issuance and Sale of Authority Bonds, Note(s) or other Obligations, was unanimously approved.

14. Executive Session for the purpose of discussion regarding the medical, financial, credit, or employment history of a particular person or corporation, or matters leading to the appointment, employment, promotion, demotion, discipline, suspension, dismissal or removal of a particular person or corporation.

Upon a motion by D. Mastascusa, and seconded by A. MacKinnon, the Board moved into Executive Session at 11:37 AM.

Upon a motion by T. Hefferon, and seconded by D. Mastascusa, the Board moved out of Executive Session at 11:56 AM.

No action was taken during Executive Session.

15. Regional Development –

- a. Loan Report –

M. Capone reported that Eastern Resort Management and Johnson Newspaper are both 85 days past due. At this time, she is not concerned as she has been in contact with and should be receiving payments from both.

She also reported that S&J Properties in Watertown (Steve Bradley) has finished construction of their two properties, 170 Court Street and 152/154 Court Street. Both properties have beautiful upper floor apartments and received Restore NY Funding.

M. Capone also reported that through the Drum Country Initiative and in working with the partners, they have put together a flier for Micron. She offered to send a copy to anyone who would like to see one. She explained that Micron is currently a big discussion point within Central NY regarding the impacts it will have there and within the entire region. The flier is touting resources within Jefferson, Lewis and St. Lawrence Counties, and why vendors and workers should move to the region.

- b. Resolution No. 2023-05-41, accepts the Annual Report, waives the Annual Meeting of the Housing Development Fund Company by written consent, and effective May 25, 2023 the remaining directors of the HDFC shall continue in office until the next Annual Meeting.

M. Capone stated that the existing directors, T. Hefferon, D. Mastascusa, C. Farone, and M. Capone, would remain effective and continue in office until the next annual meeting.

Upon a motion by A. MacKinnon, and seconded by E. Virkler, Resolution No. 2023-05-41, approving Annual Report, Creek Wood Housing Development Fund Company, Inc., Waiving the Annual Meeting, Appointing Directors, was unanimously approved.

- c. Resolution No. 2023-05-42, accepts the Annual Report, waives the Annual Meeting of the Housing Development Fund Company by written consent, and effective May 25, 2023 the remaining directors of the HDFC shall continue in office until the next Annual Meeting.

Upon a motion by E. Virkler, and seconded by A. MacKinnon, Resolution No. 2023-05-42, approving Annual Report, Creek Wood II Housing Development Fund Company, Inc., Waiving the Annual Meeting, Appointing Directors, was unanimously approved.

- d. Resolution No. 2023-05-43, authorizing the transfer of \$500,000 from the Community Rental Housing Program to Affordable Rental Housing Program, and the transfer of \$1,050,000 from the Housing Loan Revolving Fund to the Development Authority of the North Country Economic Development Fund, and the transfer of \$3,000,000 from the Community Rental Housing Program to the Housing Revolving Loan Fund.

Upon a motion by D. Mastascusa, and seconded by A. MacKinnon, Resolution No. 2023-05-43, Authorizing Transfer of Loan Funds, was unanimously approved.

- e. Resolution No. 2023-05-44, approves a not to exceed revolving line-of-credit loan of \$700,000 from the Economic Development Loan Fund to the Village of Heuvelton at the terms and conditions outlined on the term Sheet attached to the resolution, and authorizes the Executive Director or Chief Financial Officer to execute all necessary documentation to make the loan. This resolution 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 A. MacKinnon, and seconded by D. Mastascusa, Resolution No. 2023-05-44, approves Economic Development Fund, Village of Heuvelton, Loan, was unanimously approved.

- f. Resolution No. 2023-05-45, ratifies a loan in the amount of \$90,000 from the Regional Tourism Transformational Community Revolving Loan Fund to Fair Winds Rentals LLC at the terms and conditions outlined on the Term Sheet attached to the resolution, and authorizes the Executive Director or Chief Financial Officer to execute all necessary documentation to make the loan. This resolution 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 D. Mastascusa, and seconded by E. Virkler, Resolution No. 2023-05-45, approves Regional Tourism Transformational Community Revolving Loan Fund, Town House Lodge HoldCo LLC, Loan Ratification, was unanimously approved.

- g. Resolution No. 2023-05-46, ratifies a loan in the amount of \$200,000 from the Regional Tourism Transformational Community Revolving Loan Fund to Town House Lodge HoldCo LLC at the terms and conditions outlined on the Term Sheet attached to the resolution, and authorizes the Executive Director or Chief Financial Officer to execute all necessary documentation to make the loan. This resolution 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 D. Mastascusa, and seconded by A. MacKinnon, Resolution No. 2023-05-46, approves Regional Tourism Transformational Community Revolving Loan Fund, Town House Lodge, HoldCo LLC, Loan Ratification, was unanimously approved.

- h. Resolution No. 2023-05-47, ratifies a loan in the amount of \$200,000 from the Regional Tourism Transformational Community Revolving Loan Fund to Tupper Lake Hotel HoldCo LLC at the terms and conditions outlined on the Term Sheet attached to the resolution, and authorizes the Executive Director or Chief Financial Officer to execute all necessary documentation to make the loan. This resolution 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 D. Mastascusa, Resolution No. 2023-05-47, approves Regional Tourism Transformational Community Revolving Loan Fund, Tupper Lake Hotel HoldCo LLC, Loan Ratification, was unanimously approved.

16. Next Board Meeting Date – June 22, 2023

This meeting will be held at the Warneck Pump Station. Following the meeting, we will be celebrating with a luncheon to dedicate the conference room to Jim Wright. The hope is that everyone can attend, as it will be nice to finally extend our appreciation to Jim following his retirement.

17. Adjourn -

- a. Upon a motion by D. Mastascusa, and seconded by T. Hefferon, the meeting was adjourned at 12:09 PM.

Respectfully submitted,



Dennis Mastascusa
Board Secretary