



**MINUTES**  
**BOARD OF DIRECTORS MEETING**  
**Thursday, September 28, 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, September 28, 2023 at 10:30 AM.

**Members Present**

Voting

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

Non-Voting

Nancy Henry  
Stephen Hunt  
Brian McGrath\*

\*Attended via videoconferencing.

**Members Absent**

**Staff Present:**

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

**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.
  - A quorum of voting and non-voting members was established.
3. Privilege of the Floor -
4. Upon a motion by M. Hall, and seconded by D. Mastascusa, the minutes from the August 24, 2023 Board Meeting were approved.
5. Chairperson's Report
  - a. Strategic Planning - Staff will propose the strategic objectives for fiscal year 2025.
  - b. With J. Hollenbeck having recently stepped down from the Board, M. Murray appointed Nancy Henry to the Audit Committee of the Authority, ensuring there would be four Board Members on the committee.
6. Executive Director's Report
  - a. Open House –

C. Farone reported the Open House was a huge success. The focus this year was on Authority business operations with emphasis on the Southern Expansion. Just over 100 people visited, and most of them participated in a site tour.
  - b. Telecom – USAC Audit –

C. Farone stated that the Authority provides services to the NCTP, North Country Telemedicine Project, which is a consortium of 44 hospitals in Jefferson, Lewis and St. Lawrence Counties. These hospitals receive a subsidy from USAC to pay for this service. Because of this funding, USAC conducts audits of the Authority. They have just completed the 2020 audit with no findings, and everything complies with FCC rules and regulations.
  - c. Request for Proposals – Audit Services –

C. Farone reported that in accordance with the Audit Committee's recommendation, following their meeting at the end of July, a request for proposals was issued. Proposals will be returned by October 10<sup>th</sup>, and a meeting of the Audit Committee will take place before the October 26<sup>th</sup> meeting so a report can be made regarding a new audit firm.
  - d. City of Watertown – Disinfection Byproducts –

C. Farone stated that C. Tuttle, B. Nutting and C. Farone attended a meeting yesterday with Watertown City officials and their engineer from GHD. As a result of a yearlong pilot process, the consultant believes that the city needs to proceed with all three projects; granulated activated carbon, ozonation, and the sedimentation tank, to increase their methodology for treatment. The city's next step will be to work with the Department of Health to ensure this is acceptable and see what the next step should be. Once this has been fully

accepted, they are estimating the final design would be completed in the fourth quarter of 2024, construction should begin in 2025, with the full project cost being close to \$50 million. The results are what had been anticipated, and the project is continuing to move forward.

## 7. Finance Report – Chief Financial Officer

J. Staples reviewed the July year to date financials. The Statement of Net Position reflects a change in assets and liabilities, including deferred overflows and net position of an overall increase of \$2.9 million over fiscal year end March 2023 mainly due to the Army Water Line Pipeline Replacement Project. Assets increased under capital assets because we are booking the invoices received from our contractor to the capital asset account under construction in progress. Under liabilities, long-term liabilities increased due to us drawing funds from the EFC loan as we pay the contractor, and then booking it under long-term liabilities.

Under the Change in Net Position for all units, total operating revenue is running slightly under target versus the year to date budget. MMF projected tons was 79,925, versus the actual of 79,346, for a difference of 579 tons under projection. Operating Expense shows depreciation and amortization is under budget by \$704,000 due to the way we spread the budget over 12 months equally and because of the large projects ongoing at MMF, Telecom, and Water Quality that have not yet been capitalized. Waste diversion is over budget \$59,000 due to advertising for household hazardous waste collection events as well as the disposal of items collected at these events. Repairs and maintenance is over budget by \$8,000 associated with a water main break resulting in an emergency repair cost of \$14,000. Computer expenses are over budget, mainly due to the timing of invoices and the budget being spread equally over 12 months.

Under Non-Operating Revenue and Expense, total Interest Income, is under budget by \$42,000 but the true interest income is \$706,000. The market adjustment is a negative \$109, mainly associated with MMF investments. As these investments mature, investments are being purchased at a higher rate, which will continue to reduce the negative market adjustments. Interest Expense is under budget because interest payments associated with the Army Water Line will not be made until December while the first interest payment on the Army Sewer Line was made in September for drawn funds only. The debt issuance cost of \$50,500 is associated with the Army Water Line replacement project and these costs cannot be capitalized, as per GASB requirements.

In summary, the change in net position is a loss of \$1 million versus a year-to-date budget loss of \$1.9 million.

Upon a motion by K. Bibbins, and seconded by E. Virkler, financials ending July 31, 2023, were unanimously approved.

## 8. Finance –

- a. Resolution No. 2023-09-67, amending the FYE 2024 Administrative Capital Budget for Fleet Vehicles (Project 10034) by \$45,500; from \$419,042 to \$464,542. Furthermore, the additional costs of \$45,500 shall

be paid from insurance proceeds of \$36,670 and Administrative Funding of \$8,830.

Upon a motion T. Hefferon and seconded by A. Mackinnon, Resolution No. 2023-09-67, Capital Budget Amendment FYE 2024, Administrative Division, Vehicle Replacement, was unanimously approved.

9. Materials Management –

- a. Resolution No. 2023-09-68, amending the Materials Management Division Capital Budget for the FYE 2024 Southern Expansion Landfill Gas Phase 1 and Phase 2 Tie In (Project 20212) to increase the budget from \$600,000 to \$990,000. Furthermore, this increase shall be funded from the Landfill Gas Reserve.

A. MacKinnon asked if you look at the total package of what it will cost to handle the gas, and then at the income from the electricity generated, this is not profitable. C. Tuttle responded that there are multiple reasons why we have the landfill gas collection system, and that making money is nice but the main driver is the safety and environmental perspective. Collecting the methane minimizes the potential for a fire, reduces greenhouse gas emissions and reduces odors for our host community. New York State recently presented information about the Climate Leadership Community Protection Act and the legislation that is driving toward reducing these emissions.

A. MacKinnon asked if it was safe to say that something has to be done with the methane, and while creating electricity is not profitable, it is still a positive. C. Farone stated that the gas collection would be done regardless and at least it is generating some income because if we were to flare it, it would generate nothing.

Upon a motion by D. Mastascusa and seconded by A. MacKinnon, Resolution No. 2023-09-68, Capital Project Budget Amendment, Materials Management Division, Southern Expansion Landfill Gas Phase 1 – 2 Tie In, was unanimously approved.

- a. Resolution No. 2023-09-69, amending the FYE 2024 Materials Management Facility Budget, GL 5770 expense from \$5,000 to \$73,000.

C. Tuttle stated that when the landfill was opened in 1992, mechanics brought their own tools. We have since decided to standardized our system to Authority owned and supplied tools. An assessment of the tools needed for each job class has been done and we believe this change will help alleviate inconsistencies. This purchase will be paid from the Tip Fee Stabilization Fund.

M. Hall asked if we give a tool allowance to our mechanics. C. Tuttle responded that this account has \$5,000 and was previously handled like an allowance, but the tools purchased were then Authority owned tools and

it was split between three maintenance technicians and was not enough. Going forward we would still have a tool budget, but would be in line with this system and used to replace tools as needed.

M. Murray asked about this pricing being through state contract as compared to off contract. C. Tuttle replied that it was over \$100,000, or 40% more if we were not purchasing off state contract. C. Farone added that our lead mechanic currently owns all his own tools and will be taking them all with him in a few years when he retires. We are not the same organization we were 30 years ago, we cannot operate that way, and we need to have Authority owned tools.

K. Bibbins asked if going forward, would all tools on the property be owned by the Authority. C. Tuttle responded for several reasons, to include accountability and safety, these will all be Authority owned tools. She further stated that after several months of internal discussions we are able to identify what we need. Staff would be assigned tools and will be accountable for these tools when they leave their employment with us.

K. Bibbins asked about the vehicle lifts included within the contract, and how many we currently own. C. Tuttle explained that we do not currently buy any lifts.

Upon a motion by M. Hall and seconded by E. Virkler, Resolution No. 2023-09-69, FYE 2024 Operating Budget Amendment, Materials Management Division, was unanimously approved.

#### 10. Telecommunications –

- a. Resolution No. 2023-09-70, approving the revised Telecommunications Interconnection Policy, as attached to and incorporated in this resolution.

Upon a motion by D. Mastascusa and seconded by A. MacKinnon, Resolution No. 2023-09-70, Adopting Updated Interconnection Policy, Telecommunications Division, was unanimously approved.

- b. Resolution No. 2023-09-71, authorizing the Authority Executive Director to obtain a letter of credit from a Qualifying Institution to be selected by the Executive Director, in the principal amount not to exceed \$3,636,938. This resolution further authorizes the Executive Director to negotiate and approve all terms, conditions, and other details of the Letter of Credit, and to execute and deliver all documents and take all other necessary actions to obtain the Letter of Credit, provided however that the Authority's obligations relating to the Letter of Credit shall be special limited obligations, payable solely from the Development Authority's telecommunications network revenues, assets and proceeds. The Executive Director is authorized to establish bank accounts to support such Letter of Credit as required.

A. MacKinnon asked C. Farone to repeat what was said about Community Bank. C. Farone restated that the Weiss Rating is what the federal

government uses to evaluate the strength of a bank as opposed to the typical Standard's & Poor's or Fitch. He continued by stating that the Standard's & Poor's rating for Community Bank is very positive, but the Weiss Rating is not. This resolution will authorize the Executive Director to obtain a letter of credit for a qualified banking firm and to establish bank accounts as required to obtain the LOC.

A. MacKinnon asked where the other lender is located. C. Farone responded that it is PNC Bank, and while he is unsure of where their headquarters are located, they do have a presence in New York State.

A. MacKinnon asked if this is stating the Authority would need to change all accounts from Community Bank to another potential bank. C. Farone replied that if we were to go with another local lending institution they may want us to deposit with that institution, but it is his hope that PNC Bank will be used and this would not be required.

B. McGrath recused himself from this discussion.

M. Hall confirmed that the Authority may have to open an account with PNC. C. Farone stated that at this point in time there are no accounts being required of us with them. M. Hall asked if the worst case scenario would mean opening and additional account, but not moving all accounts. C. Farone confirmed this is correct.

J. Staples stated that PNC Bank headquarters are in Pittsburg.

Upon a motion by K. Bibbins and seconded by E. Virkler, Resolution No. 2023-09-71, Authorizing Letter of Credit to Secure Obligations Relating to National Telecommunication and Information Administration Grant, was unanimously approved.

## 11. Water Quality –

- a. Resolution No. 2023-09-72, amending the FYE 2024 Water Quality Budget as follows; increasing Shop Tools (GL 5706) and Customer Billings under Company 41 each by \$16,413, increasing Shop Tools (GL 5706) and Customer Billings under Company 42 each by \$11,418, and increasing Shop Tools (GL 5706) under Company 44 each by \$29,383.

Upon a motion by M. Hall and seconded by D. Mastascusa, Resolution No. 2023-09-72, FYE 2024 Operating Budget, Water Quality Division, was unanimously approved.

## 12. Regional Development –

- a. Loan Report –

M. Capone reported that all loans are being paid as agreed. The zoo has brought their loan current after our last meeting and will be meeting in October with stakeholders, local leaders, and community members to get feedback for the future direction of the zoo. She has spoken with their executive director and he is working on obtaining financial support from the city and the county. This became a bigger problem when the city pulled \$1 million in committed funding which would have been part of their strategic plan implementation.

Johnson Newspaper is still past due; however they did make one payment that brings them current through April. M. Capone stated that she and Patrick Kelly are going to be meeting with them to discuss next steps.

M. Doheny was experiencing connectivity issues at this point in the meeting.

- b. Resolution No. 2023-09-73, extending the term of the DGGL Properties LLC loan for an additional 6 months, or upon conversion to permanent financing, whichever occurs first subject to the Term Sheet attached to the resolution.

Upon a motion by D. Mastascusa and seconded by M. Hall, Resolution No. 2023-09-73, Approving Affordable Rental Housing Program, DGGL Properties LLC, Loan Extension, was unanimously approved.

- c. Resolution No. 2023-09-74, extending the term of the Jefferson County Historical Society loan for an additional 3 months subject to the Term Sheet attached to the resolution.

Upon a motion by A. MacKinnon and seconded by D. Mastascusa Resolution No. 2023-09-74, Economic Development Fund, Jefferson County Historical Society, Loan Extension, was unanimously approved.

- d. Resolution No. 2023-09-75, approving a loan of up to \$200,000 from the Community Development Loan Fund to Tug Hill Artisan Roasters, LLC subject to the Terms and Conditions Sheet attached to the resolution, and further authorizes the executive Director or Chief Financial Officer to execute all documents necessary to make the loan. Furthermore, this is considered a Type II Action under the State Environmental (SEQRA) and is considered an exempt activity requiring no further action.

Upon a motion by D. Mastascusa and seconded by E. Virkler, Resolution No. 2023-09-75, Community Development Loan Fund, Tug Hill Artisan Roasters LLC, Loan, was unanimously approved.

- e. Resolution No. 2023-09-76, rescinding Resolution No. 2020-05-64, and further authorizing the Executive Director to transfer funds between the Community Development Loan Fund and the Farmland Drainage/Value-Added Agriculture Loan Program, as needed, with such transactions to be reported on at the next Authority Board Meeting.

Upon a motion by E. Virkler and seconded by D. Mastascusa, Resolution No. 2023-09-76, Community Development Loan Fund, Farmland Drainage Loan

Fund/Value-Added Agriculture Loan Fund, Rescind Resolution, was unanimously approved.

13. Next Board Meeting Date – October 26, 2023

14. Adjourn -

a. Upon a motion by H. Hall, and seconded by K. Bibbins, the meeting was adjourned at 11:21 PM.

15. FYE 2025 Strategic Planning –

C. Farone began the presentation and stated what is being discussed today will be incorporated into our fiscal year 2025 budget. From the Authority's perspective, there are two significant strategic assets that shape the way we operate, scale and experience of execution. He continued by stating this plan is similar to that from last year with many multi-year projects and objectives such as:

1. Investment in Human Resources, with continued emphasis on succession planning, training, performance reviews and employee engagement.
2. Enterprise Resource Planning (ERP) upgrade will take place over fiscal years 2024 – 2025 from plan to implementation.
3. Enhance Information Technology Resiliency – ensuring consistency and uninterrupted operations

A. MacKinnon asked if this was about emails where you just click on it and open the part, or is just clicking on it enough. S. Bohmer responded that it depends on the thread but it can be as simple as clicking on it. There are always things running in the background that can potentially harm or allow access to your computer. A. MacKinnon further stated that you can get a very official looking email and you have to debate whether to open it. S. Bohmer stated this is especially dangerous for us being a public authority because our information is out there making it easy for the attacker to read the news or look at our website and see what we are doing. They can then draft an email that may appear as something expected, but it is from the wrong person. C. Farone commented that testing has become a priority and our IT department is making this more difficult because their simulation attempts are becoming more difficult to differentiate.

4. Streamline Admin Practices, by centralizing procurement activities, creating a position for an Administration Coordinator, and continued focus on procedure development to better train staff.
5. Maximize Materials Management Facility, by maximizing our air space, pursuing additional revenue resources, and develop in-house subject matter experts regarding environment compliance.

M. Hall asked what it means to sell the carbon credits. C. Farone explained that it is offsetting another industry that is generating pollution. M. Hall asked if we are then paid in cash. C. Farone confirmed that yes, it is cash, and in years past, we have been able to recognize between \$1 million and \$1.5 million from these credits but are currently looking at \$200,000 to \$300,000. The key is that we are doing a good thing for the environment that we are not required to do. These credits are

then able to be quantified, measured, and sold on the open market through Environmental Advisors, a firm we retained for this process.

6. Increase Waste Diversion – Materials Management, by assisting local operations, such as Geiter Done, to become operational, by developing relationships with local previously untapped opportunities, and by developing educational programs.

A. MacKinnon stated that when he drove by the other day Geiter Done does not appear to be operational, but the facility is being maintained. C. Farone confirmed that they have hired a manager; however, the permitting process is taking longer because they applied for an expanded permit that would cover everything they would like to do. A. MacKinnon asked if there was any idea when this might be open because he has had concerns from people who have many tires and are asking when they will be able to recycle them. C. Tuttle responded that the ball is currently in DEC's court, and they are supportive of this project. Pre-planning conversations have taken place with the region and they want this project up and going. There are a few zoning ordinances to be changed within the town which had to go through their planning board. We believe they are in the final submission stages with the necessary documentation for DEC to complete the application, meaning the review process can begin. If everything is submitted and approved, we hope to see them operational within the next couple of months. M. Capone added that the North Country Economic Development Fund did approve a loan of up to \$225,000 towards an equipment purchase, subject to the permit being approved to operate the facility.

A. MacKinnon further commented that another big issue in the area is used mattresses. C. Farone confirmed that their shredder would be able to take care of mattresses.

7. Materials Management – Critical Capital Project, reviewing estimated construction costs from 2025 through 2061. This page clearly shows why the Authority has been prudent and conservative to ensure we have enough money in the bank to actually pay for these investments in cash.
8. Increase Telecom Capabilities in Service Area, continue assisting the tri-county area, find ways to best utilize the upwards of \$30 million we have to deliver this service, and implement strategy to best manage fiber and central office leases over the next five years.
9. Telecom – Critical Capital Projects, commence work using the NTIA and NBRC grants, which will keep many Authority divisions busy.
10. Position Water Quality to Meet Municipal Demands, ensuring consistent, uninterrupted operations by increasing the number of licensed staff, implementing the staffing plan, and assisting customers with regulatory compliance.

M. Hall asked if we ever hire young people and train them ourselves for these positions. C. Farone responded that yes, we do hire technical staff with minimal to no experience or licenses, who can work their way up. C. Tuttle confirmed that most new hires do not have licenses. C. Farone explained that our training plan is key and they can then see the upward mobility within the Authority. C. Tuttle further

stated that we have not had luck hiring young people because they don't know enough about what they don't want to do.

Continuing with Objective 10, Water Quality – Critical Capital Projects, many of these projects should be completed by the end of this fiscal year. When Phase I of the Army Water Line is completed we will begin work on Phase II. We will continue to apply for additional grant funding. The relining of the Army Sewer line is anticipated to be completed within FYE 2024, and we will continue to work with the City of Watertown regarding the disinfection by-products issue.

11. Provide Engineering Support Services, implementing three-year regional GIS project to include 25 local government partners, deliver additional data layers and hosting to generate additional income, and utilizing additional efficiencies with other Authority divisions while reducing reliance on external consultants.

M. Hall commented if staff are learning tasks internally, it is an educational process but they are going to understand more fully when they go to implement these practices in the future.

12. Environmental Stewardship and Sustainability, continue working with CC Environmental & Planning on a Natural Resource Management Plan, good stewards do the least amount of harm within their operations, continue working with a focus on “people, planet, profit”.
13. Regional Development Strategic Initiatives, developing strategy to redevelop vacant COR site, continued collaboration with Telecom and Engineering staff to write grants, help expand broadband services, and assist with grant administration.
14. Enhance Working Relationship with Fort Drum, assist in implementing strategic initiatives, by using Drum Country NY regional marketing initiative, continue to provide critical infrastructure, work together collectively toward a common goal, working with partners and rebuild relationships as staffing on Fort Drum changes.
15. Assist Municipal Partners – Improve Housing Stock, helping with funding applications, working with Jefferson County to implement HOME ARP and assisting with the homeless housing funding.
16. Utilize Loan Funds to Spur Investment in the North Country, continuing to work with agencies and organizations to promote low interest loans to businesses while continuing to bridge state grants.
17. Utilize Grant Funds to Implement Economic Development Programs, continuing to explore partnerships with the North Country Regional Economic Development Council and Empire State Development to address workplace development issues by focusing on soldiers that are getting out of the Army including their spouses. We will utilize Drum Country NY to promote potential initiatives to make a better connection between them and the job opportunities that exist in the North Country.

C. Farone further commented that New York State has a new regional competition for \$10 million dollars to identify a challenge within the region and then offer a unique solution to that challenge. S. Hunt further stated that the challenges have

already been identified by the state and are then provided to the region, and one of them is workforce. Many employers identified a need for workforce and the Regional Economic Development Council has identified that as their challenge, with the solution possibly being the transitioning soldiers at Fort Drum. They are now developing a plan to explain how the \$10 million could be used to create that pipeline so that transitioning soldiers stay in New York State. The Development Authority can assist in trying to identify projects to justify the need for \$10 million. M. Capone added that this not only fits the Authority's mission but also leverages our relationship with Fort Drum and the surrounding counties.

18. Increase Public Presence with Elected Officials, explain what we do, that we are here to help, and hopefully they can help us when we are in need as well.

M. Hall commented it is awesome to have a plan moving forward for what we want to focus on. For the Board members, especially those new to the Board, it could also be very helpful to see our successes from the past and see what we have accomplished or review last year's objectives.

K. Bibbins asked what cycle this report is done on. C. Farone responded the Strategic Plan is presented annually. C. Farone also stated that there is a 10 year strategic plan covering from 2018 – 2028 that outlines the objectives of the Authority. M. Hall stated it would be interesting to go back and look at last year. C. Tuttle stated that there is also an annual performance review process, but it more lines up with the end of our fiscal year rather than the presentation of the Strategic Plan.

The meeting concluded at 12:36 PM.

Respectfully submitted,

Dennis Mastascusa  
Board Secretary