



MEETING NOTICE

**Thursday, September 28, 2023
Warneck Pump Station
23557 NYS Rt. 37
Watertown, New York**

**James W. Wright Conference Room
& Zoom Videoconference**

Board of Directors – 10:30 AM

Pursuant to Open Meetings Law, members of the public have the right to attend the Meeting telephonically via Zoom by dialing into the following access line, or view the proceedings using the following link:

Dial In Number: 1-646-876-9923 Meeting ID: 886 7357 9274 Passcode: 786356

<https://us02web.zoom.us/j/88673579274?pwd=U3VGTW1qdy9kS1ZpK0dnKytDZEVZ09>

Board Member McGrath will be participating via Zoom at:
Four Season Hotel Miami, 1435 Brickell Avenue, Miami, FL 33131

**The Public May View and Listen to the Meeting
Live Stream at www.danc.org.**



AGENDA
BOARD OF DIRECTORS MEETING
Thursday, September 28, 2023 – 10:30 AM
Warneck Pump Station
23557 NYS Rt. 37
Watertown, New York

1. Call to Order
2. Call the Roll
3. Privilege of the Floor
4. Approve the Minutes of August 24, 2023 Board Meeting
5. Chairperson's Report
6. Executive Director's Report
7. Finance Report – Chief Financial Officer
Approving Financials for the month ending July, 2023
8. Finance -
 - a. Resolution No. 2023-09-67, Capital Budget Amendment FYE 2024, Administrative Division, Vehicle Replacement
9. Materials Management -
 - a. Resolution No. 2023-09-68, Capital Project Budget Amendment, Materials Management Division, Southern Expansion Landfill Gas Phase 1 – 2 Tie In
 - b. Resolution No. 2023-09-69, FYE 2024 Operating Budget Amendment, Materials Management Division
10. Telecommunications –
 - a. Resolution No. 2023-09-70, Adopting Updated Interconnection Policy, Telecommunications Division
 - b. Resolution No. 2023-09-71, Authorizing Letter of Credit to Secure Obligations Relating to National Telecommunication and Information Administration Grant, Telecommunications Division

11. Water Quality –

- a. Resolution No. 2023-09-72, FYE 2024 Operating Budget, Water Quality Division

12. Regional Development –

- a. Loan Report -
- b. Resolution No. 2023-09-73, Affordable Rental Housing Program, DGGL Properties LLC, Loan Extension
- c. Resolution No. 2023-09-74, Economic Development Fund, Jefferson County Historical Society, Loan Extension
- d. Resolution No. 2023-09-75, Community Development Loan Fund, Tug Hill Artisan Roasters LLC, Loan
- e. Resolution No. 2023-09-76, Community Development Loan Fund, Farmland Drainage Loan Fund/Value-Added Agriculture Loan Fund, Rescind Resolution

13. Next Meeting – October 26, 2023

14. FYE 2025 Strategic Planning

15. Adjourn



MINUTES
BOARD OF DIRECTORS MEETING
Thursday, August 24, 2023 – 10:30 AM
Materials Management Facility Conference Room
23400 NYS Rt 177, Rodman, New York

The Development Authority of the North Country Board of Directors met in regular session in person and via Zoom Videoconference at the Materials Management Facility, 23400 NYS Rt 177, Rodman, New York on Thursday, August 24, 2023 at 10:30 AM.

Members Present

Voting

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

Non-Voting

James Hollenbeck
Stephen Hunt
Brian McGrath*

*Attended via videoconferencing.

Members Absent

Alex MacKinnon
Nancy Henry

Staff Present:

Carl Farone, Executive Director
Jennifer Staples, Chief Financial Officer
Carrie Tuttle, Chief Operating Officer
Stephen Bohmer, Director of Information Technology
Dawn Caccavo, Comptroller
Michelle Capone, Director of Regional Development
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
Erin Ackley, Administrative Associate

Guests:

Jennifer Granzow, Counsel, Wladis Law Firm
Thomas Haynes
Norman Paradise, General Public
Ryan Santamoor, General Public

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 -

N. Paradise introduced himself from the Town of Worth where he sits on the Town Board, but is attending this meeting as a private citizen. He stated that his concern and reason for attending today was to discuss Broadband in the Town of Worth. He stated that in Jefferson County there are 22 towns, with one town unserved at a low percentage of service. The 22 towns are served on an average of 82% - 99%. Worth is 32% served with 62% unserved. The Town of Pickney is 26% served and 73% unserved. N. Paradise read from the Authority Board Meeting minutes of May 25th where C. Farone had stated that DANC had been awarded money for the NTIA grant to assist in building 344 miles of fiber. N. Paradise stated that according to the resolution, DANC would continue to work to close the digital divide between Jefferson, Lewis and St. Lawrence Counties. The minutes further stated that capital project 30-683, NYPA Fiber, was to be amended to increase the budget from \$1.9 million to \$2,293,000 to fund the Telecom Capital Reserves and will then be reimbursed by the New York State Power Authority (NYPA). N. Paradise further stated that the Authority would be receiving close to \$50 million in grant money coming in for Broadband. He stated that he had spoken with Mr. Wolf, as referred by his county legislature, and Mr. Wolf referred him to Frontier because they were taking care of the broadband in the Town of Worth. Frontier had received an award, but it had been previously awarded to someone else. They somehow could not complete the work and it was given back to Frontier to complete, but they reported that the work was completed after serving only 22 families. N. Paradise stated he was not advocating for the Town, but concluded by stating that by completing this work in the Town of Worth, Jefferson County could be 100% covered and the remaining money could then be allocated to the rest of the North Country.

C. Farone responded by stating that the Authority does care about the Town of Worth and all of the municipalities in Jefferson, Lewis and St. Lawrence Counties. The Authority has mapped all of the different municipalities, and Worth has been funded by a previous federal grant. We had hoped that there was an intention from Frontier to receive the grant money and build out the Town of Worth. To date, we have not heard anything otherwise, so when we look at the map and see that federal funding has already been applied to Worth, we take it off our list because it has already been funded and we cannot go back to the federal government and ask for additional funding for the same municipality. N. Paradise stated that he had received an email from Frontier stating that they were done and not doing anything else. He will forward this email to D. Wolf.

D. Wolf concurred with C. Farone's statement in that the entire Town of Worth currently shows as already awarded because Frontier put in for the grant for this town. Frontier has completed their New York State work and while they did build some of it, the map is now showing the entire town is covered. Because it has already been awarded, we cannot ask for additional federal funding. D. Wolf continued in stating that we did speak with Spectrum to see if they would do it because they are working very close, but they do not have a franchise agreement in the Town of Worth and gave the impression they don't plan to expand there. D. Wolf

stated when we have the email we can forward it to the USDA to ask this area to be taken off the map and make it an eligible area again.

N. Paradise stated that the email is dated July 19th from Jennifer Collin at Frontier, and he will forward this to D. Wolf.

4. Upon a motion by M. Hall, and seconded by K. Bibbins, the minutes from the June 22, 2023 and July 7, 2023 Board Meetings, were approved.

5. Chairperson's Report

- a. Following today's Board Meeting, lunch will be provided alongside Authority staff. There will also be guided bus tours of the facility. Hopefully everyone can stay and see what has happened since we were here last year.
- b. The Authority Open House is today from 4 to 6 PM and will be open to the public. This is our first Open House since the onset of COVID.
- c. Our next scheduled Board Meeting is Thursday, September 28 at 10:30 AM. This is also the Strategic Planning Session. Meeting location details will be communicated as we get closer to the date.

6. Executive Director's Report

C. Farone thanked everyone for traveling to the landfill today. The staff is proud of the site, and hope you will have a chance to look around and see how well they have been maintaining the site and operating the facility.

a. NBRC TELECOM Grant –

C. Farone reported that a \$2,455,000 grant has been awarded for the expansion of telecom in Jefferson, Lewis and St. Lawrence Counties. The specific communities will be the Towns of Rutland, Oswegatchie, Colton, Brasher, Martinsburg and Diana. Our staff worked with these counties in assembling the application, and this collaboration may be what helped with the award. This grant will help provide high-speed broadband to approximately 488 currently unserved homes, and will dovetail with the NTIA grant that we already received. This would not have been possible without the hard work of our telecom staff, D. Wolf, and our grant writer, M. Capone, as well as the efforts from the county partners.

b. Army Water Line – Pipeline Replacement –

C. Farone stated that this project is 60% complete, on budget, and on schedule. To date \$6 million of the budgeted \$13 million has been spent.

c. Army Sewer Line – Pipeline Rehabilitation –

C. Farone reported that we awarded two contracts; one to the National Water Main Cleaning Company, in the amount of just under \$7 million, and another for clearing the easement to Army Tree and Excavation, for just over \$100,000. This project should be completed within the Board approved amount of \$10 million. We should be closing on short-term financing with Community Bank on September 1. We are currently going through the process of approval with the state comptroller.

- d. City of Watertown – Disinfection Byproducts –
C. Farone reported that the project total is \$50 million. This includes the sedimentation tank, ozonation, and granular activated carbon. C. Farone has spoken with city manager Kenneth Mix who assured him that the Watertown City Council has authorized a \$50 million bond resolution. The City of Watertown applied for many grants. They did not receive the \$20 million DCIP grant, and are also not receiving the \$5 million IMG grant. They are waiting on the \$5 million WEA grant and have a loan request through EFC. The worst case would be they issue a long-term bond for the total project cost through EFC and move forward. It is still their intent to move the project forward, and we have agreed that Authority staff would meet with city staff every 4 – 6 weeks to ensure everything is progressing and we are on the same page.

D. Mastascusa asked if the Development Authority had a role in the grant application process. C. Farone replied that we offered, but we did not.

- e. Staffing Update -

C. Farone reported that the Water Quality division is currently fully staffed. Operations have commenced at Carthage and are progressing well. Rob Stevenson is the supervisor there, and is doing a great job in the transition process. We are cross training employees within the Carthage facility so there are a number of people who know the operations.

C. Farone also commented on a technical services agreement in the amount of \$384,000 that was approved by the Board at the March 2022 Board meeting for a GIS project in the Town of Tupper Lake that will include 25 municipalities within St. Lawrence County and Franklin County. A part-time GIS Intern has been brought on to help as this will be a tremendous amount of work and will need to be completed in a timely manner. A 2nd GIS intern has been found, who appears to have the potential to come to work for the Authority, and is being considered for hire to assist with this project.

C. Tuttle offered an update in stating that some time was lost as the Department of State was delayed in executing the contracts. The Authority was then short staffed resulting in a delay in the commencement of fieldwork. An additional intern would allow for time to be made up on this project. Three years is the expected time frame for the project, but the communities would prefer it to be done sooner so they could begin utilizing the collected data. Once the information has been mapped out, the Authority will then host the data for the community.

J. Hollenbeck commented that this would be very beneficial for the community. C. Tuttle concurred that this would be very beneficial. C. Farone added that a second intern would be fully funded through the project.

M. Hall asked about the cooperation with the communities. C. Tuttle replied that it has been great and we are starting with some of the communities that have more infrastructure, but some of this work is also seasonal which will make this project more difficult to continue with snow on the ground. There is a short window for the fieldwork, and then the mapping work begins in office.

7. Finance Report – Chief Financial Officer

J. Staples reviewed the June year to date financials, beginning with the Statement of Net Position. A change in assets and liabilities, including deferred overflows and net position of an overall increase of \$1.5 million from the fiscal year end on March 31, 2023 through June. Items to be noted under assets; accounts receivable show little change through the end of June but payment for all invoices through the end of June was received in the amount of \$657,724 from Westelcom; capital assets increased by \$3 million due to an increase in the Army Sewer Line construction-in-progress account associated with the waterline replacement project. Under liabilities, long-term liability increased by over \$3.3 million with \$3.5 million associated with the Army Waterline replacement project. The first interest payment is due on this in December of this year based on the money's drawn.

Under the Change in Net Position, total operating revenue is running on target year to date. MMF the projected tons as of the end of June, was 59,944, versus the actual of 59,016, for a difference of 928 tons under projection. Under Operating Expenses, operating and maintenance is over budget year to date by \$43,000 mainly due to Telecom offnet circuit leases paid early in the year. Repairs and maintenance is over budget by \$15,000 associated with the water main break on the Regional Waterline.

Non-Operating Revenue and Expense, under total Interest Income, is under budget by \$114,000 but the true interest income is \$512,000 versus the year to date budget of \$479,000, or \$33,000 over budget. The market adjustment is a negative \$148,000, mainly associated with MMF investments. As these investments mature, we will purchase more investments at a higher rate.

B. McGrath asked J. Staples if she re-amortized the depreciation schedule, which was off by about half a million, and if she could explain the difference. J. Staples explained that the budgeted depreciation assumes the capitalization for the Army Waterline and Army Sewer Line projects would start in April 2023. Because it has not been capitalized yet, actual depreciation is lower than budget.

J. Staples continued with the sale of fixed assets that is over budget by \$23,000 due to fleet sales. Four trucks and one SUV have been auctioned off. Interest expenses are under budget because we have yet to make interest payments associated with the Army Water or Sewer Line financing. The debt issuance cost is \$50,500 is associated with the Army Water Line replacement project. These costs cannot be capitalized, as per GASB requirements, but will be part of the financing reimbursement.

In summary, the change in net position is a loss of \$778,000 versus a year-to-date budget loss of \$1.5 million.

Upon a motion by E. Virkler, and seconded by D. Mastascusa, Financials ending June 30, 2023, were unanimously approved.

8. Governance –

- a. Resolution No. 2023-08-60, recognizing the dedication and service of James C. Hollenbeck as a member of the Development Authority of the North Country, and further expresses sincere gratitude and appreciation for Jim’s time, commitment, and service to the people of the North Country.

C. Farone read the full resolution aloud, and added that J, Hollenbeck had expressed he was thinking about retiring a year ago, but it is greatly appreciated that he agreed to stay for an additional year. Carl further stated that they have spoken quite a bit on the phone and in person and Jim always provided very sound, concise advice and that is greatly appreciated.

J. Hollenbeck stated that this is a great organization with great people and he is very proud to have been a part of it as it is a boon to the North Country. He further stated that Governor Cuomo appointed him for one month and he stayed for 8 years. This has been very enjoyable and he will miss everyone here.

Upon a motion T. Hefferon and seconded by D. Mastascusa, Resolution No. 2023-08-60, Recognizing the Service of James C. Hollenbeck to the Development Authority of the North Country, was unanimously approved.

9. Technical Services Summary Report –

a. Non-Lewis County Contracts –

- I. Town of Champion, O&M, Water Quality Operation & Maintenance for Sewer District #2 (renewed 5 year contract for services), Total Agreement Amount of \$48,993.00, 9/01/23 – 12/31/28, Jefferson County
- II. Village of Clayton, TSA, Technical Assistance for Raw Water Intake Replacement Project, Total Agreement Amount of \$15,000.00, 8/28/23 – 10/31/24, Jefferson County
- III. City of Ogdensburg, TSA, Technical Services Agreement for Inflow & Infiltration Study, Total Agreement Amount \$6,000.00, 8/24/23 – 5/24/24, St. Lawrence County
- IV. Town of Edwards, TSA, Technical Assistance with Town of Edward’s Water System Improvement Project – Amendment 1, Total Agreement Amount \$10,500.00, 8/24/23 – 7/1/24, St. Lawrence County
- V. Village of Waddington, TSA, Technical Assistance with Restore New York VII Clark House Restoration Project, Total Agreement Amount \$30,000.00, 9/1/23 – 9/1/25, St. Lawrence County
- VI. Paul Smith’s College of Arts & Sciences, TSA, Northern Border Regional Commission Grant Administration Local Development District Services

(NBRC22GNY07), Total Agreement Amount \$13,509.00, 8/24/23 – 12/31/24, Franklin County (NBRC LDD)

C. Tuttle explained that the Authority is the local development district for Franklin County so they would be contracting with us for grant administration for our local development district services. The amount is dictated by the Northern Regional Commission.

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

- VII. St. Lawrence County Industrial Development Agency, TSA, Downtown Revitalization Initiative to Redevelop the former Massena School of Business into a Courtyard and Walkway, Total Agreement Amount \$30,000.00, 9/1/23 – 2/1/25, St. Lawrence County

C. Tuttle stated they are planning to preserve the façade and demolish the rest of the building to result in the development of a courtyard.

- VIII. Town of Massena, TSA, Technical Assistance with the Town of Massena Water System Expansion Study, Total Agreement Amount \$10,000.00, 9/1/23 – 7/1/24, St. Lawrence County

C. Tuttle stated that the IDA has several potential properties that are key for redevelopment near the former Reynolds Metals Plant and the GM Plant in Massena. A key redevelopment issue is the access to public water. Our services will include evaluating what it would take to extend the existing town water district to serve these key properties.

Upon a motion by D. Mastascusa, and seconded by E. Virkler, Board Contract Summary Table items numbered VII through VIII for the month of August was approved. M. Hall abstained.

10. Engineering –

- a. Resolution No. 2023-08-61, approving the Technical Services Agreement by and between the Authority and Paul Smith's College of Arts and Sciences. Furthermore, the Executive Director is authorized and directed to execute said Agreement.

C. Tuttle read aloud portions of the resolution. She stated that we are sometimes asked to provide additional services along with the LDD. Paul Smith's is unique because of its remote location, but they don't have access to public water or waste water. They have their own onsite water system and wastewater treatment that is utilized to serve the college. The college's enrollment numbers are down and they also have big challenges with upgrades to their infrastructure. They have received this NBRC grant but they are also looking at another award from the Regional Forest Economy program. This is a program the NBRC has promoted to help revitalize areas devastated by the loss of forest economy. Paul Smith's is one of the only colleges with a program where they are training students

to go into the forest sector. If this college were to fail, it would have devastating impacts on the North Country economy. They have come to the Authority to request assistance in assembling a funding strategy for their water and wastewater projects.

Upon a motion by M. Hall and seconded by D. Mastascusa, Resolution No. 2023-08-61, Approving Technical Services Agreement, Paul Smith's College of Arts a& Sciences, Water & Wastewater Infrastructure Improvements, was unanimously approved.

- a. Resolution No. 2023-08-62, approving the Technical Services Agreement by and between the Authority and the Village of Malone. Furthermore, the Executive Director is authorized and directed to execute said Agreement.

C. Tuttle stated that the Authority provides water quality management services to the Village of Malone for operation of their water and wastewater treatment facilities

Upon a motion by D. Mastascusa and seconded by E. Virkler, Resolution No. 2023-08-62, Approving Technical Services Agreement, Village of Malone, Lead Service Line Inventory, was unanimously approved.

C. Tuttle further commented that we reached out to 13 municipalities in our service area who did not receive grant funding to remind them the due date was approaching and offered to help. We asked that they let us know before the end of August if they were going to need our services and this may result in additional work. It is also likely there will be further requirements that will require any of the lead surface laterals to be replaced with non-lead. Some municipalities are in the process of already replacing these laterals.

M. Murray stated that the end of August is next week and asked if we had heard from any municipalities yet. T. Haynes reported that he has met with the Town of Diana and he has received an email from the Town of Edwards where we are now on their September agenda. The Towns of LeRay and Champion are going to use another firm, but appreciated us reaching out to them.

11. Materials Management –

- a. Resolution No. 2023-08-63, authorizing the Authority Executive Director to implement said rules, applications, permits and fees incorporated this Resolution, effective August 24, 2023.

C. Tuttle reviewed the revisions as they pertain to radiation monitoring, as this is a relatively new issue. Equipment has been purchased to screen every truck that enters the landfill for radiation. The DOT has specific requirements in terms of limits that dictate what we can do to send these trucks back if radiation is detected. There are OSHA requirements defining what is safe for workers to be exposed to. We are currently screening these trucks as they enter the landfill so they have come from transfer stations or private haulers.

Once they arrive here with radioactive material there is the potential for that truck to end up stuck here because it cannot go offsite if it exceeds special permit requirements per DOT. We are not allowed to dispose of this material in our landfill if it exceeds a certain level. This complication is requiring us to make a change to our radiation monitoring plan. We have received a few loads that detected radiation and we are figuring out how to better deal with them to ensure safety and comply with the new requirements. We are also clarifying our protocol to make it more clear for our permittees that are bringing in the waste material so they understand how these loads are going to be handled going forward. We will be rejecting them and they will be responsible for the costs of dealing with the load. This week we met with our county partners and the people who manage their transfer stations, and they are all interested in considering purchasing screening equipment for their transfer stations. These loads could result in their transfer stations being shut down, or our landfill being shut down. DEC is aware there are issues with this program and they are reevaluating how this plan is going to be implemented.

J. Hollenbeck confirmed that the current sensor cost \$70,000. C. Tuttle responded yes, we have two devices. One they drive through and the second is hand-held that can be used for additional levels of screening. We are currently getting quotes on screening equipment for the counties because they are potentially looking to purchase this equipment.

M. Hall asked what might be the origins of the radiation. C. Tuttle responded that it could be medical waste or actually the drivers themselves. If the driver is receiving radiation for cancer treatment, that is a high enough level to set off our sensor. It could also be other things that should not be in the waste stream such as the glow in the dark buttons we received last week that had been manufactured in the 1960's and used by the Army Corps of Engineers. These are not made any more, should not be out in the public, and are radioactive. We cannot handle or dispose of this material. However, when it comes in we have to deal with it in accordance with the DOT and DEC regulations and return it to the generator to minimize the Authority's risk.

K. Bibbins asked if our scanners pinpoint a location within a load, but not the actual source. C. Tuttle responded that unless we dump the load, which creates a huge liability for us, we could not identify what in the load is causing the alarm. The material traveled here and we would like to return that load back to the generator and put that responsibility on them to segregate the load and hire experts that can sort through the waste.

K. Bibbins stated that the critical step is going to be in knowing how sensitive the scanning equipment is because there are numerous areas in our realm where we have radioactive soils occurring naturally. The real issue is with the new regulations we are looking at a higher potential for these instances that have been going on for decades. C. Tuttle agreed and C. Farone continued by stating that we should not be dumping this waste on our site. If radioactive waste comes in and is detected, we scan it multiple times to make sure, then contact DEC or DOT and send it back to the point of origin if possible. If not, we still do not dump that load at the landfill but rather will position the trailer in a predetermined location and hire experts to come review the trailer. If the load were to be dumped in the landfill, it would

become our waste and making us 100% responsible. This could result in shutting down the landfill.

K. Bibbins stated that the real trick is going to be making sure our sensing technology is in line with the legislation and not any more sensitive than it needs to be. C. Tuttle further stated that if the counties screened at the transfer stations this could minimize us having these trucks here to begin with. C. Tuttle also explained that Fort Drum has a building that is designed to stage unsafe material away from people and keep it from leaking into the ground. We do not have a place to safely stage these trucks when radiation is detected, and this may result in evaluating things from a capital perspective to see how we could better handle these situations.

M. Hall asked how often we receive a “hot” load. C. Tuttle responded that this happens rather frequently, but it is important to note that there are some exempt materials; including soils with natural radon, or the bricks from the furnace at Corning Incorporated that are known to have levels of radiation. There is a process to exempt these materials so they can be accepted. Each time the alarm is activated the material needs to be evaluated to determine if it should be exempt or if it should not be part of the waste. We then need to determine how to handle it properly to protect worker safety and minimize the liability of the Authority from an environmental compliance perspective.

J. Hollenbeck commented that years ago antique watches and clock numbers were painted in radium. C. Tuttle stated that if someone simply cleans out a home these items can appear in the waste stream.

M. Hall asked where the containment material ultimately ends up. C. Tuttle explained that radioactive waste is only permitted to be disposed of at very select sites. The closest hazardous waste landfill is in Buffalo, and it is very expensive to send items there as they need to be placed in a shielded container and transported a certain way. M. Hall further stated that if we send it back to the county where it came from, they are less able to deal with these items than we are. C. Tuttle responded that this is why they are also considering using the scanning equipment. If the Authority were to accept it, and it becomes comingled with the other waste, and we now have a real problem. C. Tuttle stated we are now trying to figure out the unintended consequences of these regulations.

C, Farone stated that we are considering some type of cost sharing if the counties were to invest in this type of infrastructure. This would be beneficial to us, as it would stop it from coming to the landfill to begin with. M. Murray stated this covers the municipality haulers, but asked about the private haulers. C. Tuttle replied that the larger private haulers haul direct and this is why we are revising the language within this policy so they clearly understand they are the responsible parties.

E. Virkler asked how it makes sense to send the loads back to the municipalities and place the burden on them. M. Hall stated this was also his question because the Authority has professional staff who would be better at dealing with these materials. C. Tuttle stated that we could certainly consult with them, but from a liability perspective and the way the regulations are

written, this is about all hazardous waste, which we are not allowed to accept without putting our 360 Permit at risk. If this were to occur, we would be at risk of having to close down the landfill. If one transfer station had to be closed for a period of time that can be managed, if the landfill closes down it cannot. We are in a position to be able to help without assuming liability or responsibility, and we are trying to help by providing guidance and help set up procedures.

C. Farone stated that an RFP would need to be done to retain a professional organization to deal with this kind of waste. This entity could then be called upon to assist us, as well as the counties. M. Hall concurred that this makes sense.

K. Bibbins asked if it would be prudent, as part of our mission, to handle the things that these communities are not able to on their own. We could put forth a onetime cost sharing offer and explain why this would make sense, in a best effort to have this all happen. Otherwise, we will be forcing the decision on to the haulers. C. Tuttle stated that this might force some of these haulers to use the county transfer station as opposed to hauling direct.

J. Hollenbeck asked if it was going to come to the point where the garbage workers will need to carry a Geiger counter. C. Tuttle replied that she hopes not as that would not be very practical.

J. Granzow asked if there was a public education component that could be coordinated with the public and healthcare facilities to provide training, in hopes of there being a central location where people in these positions could dispose of radioactive material properly. C. Tuttle stated this is something that has been discussed with the county partners; however, this starts at the hospitals or medical providers as they are the ones providing the treatment and should be informing their patients on how to dispose of their waste. People are not aware, and if they were, they would not want to be creating this situation. K. Bibbins added that this seems like it would be a natural fit for what the legislation intended.

C. Tuttle concluded by stating that this is not unique to our landfill, all other landfills in New York State are dealing with this same issue.

Upon a motion by K. Bibbins and seconded by M. Hall, Resolution No. 2023-08-63, Authorizing Operating Permit Rules and Requirements, Materials Management Facility, Revision, was unanimously approved.

12. Telecommunications –

- a. Resolution No. 2023-08-64, authorizing the Development Authority to obtain a letter of credit from Community Bank in the principal amount not to exceed \$3,636,938 (the Letter of Credit). Furthermore, the Executive Director is authorized to negotiate and approve on behalf of the Development Authority all terms, conditions and other details of the Letter of Credit and to execute and deliver on behalf of the Development Authority all documents, and take all other actions, necessary to obtain the Letter of Credit, provided, however,

the Development Authority's obligations relating to the Letter of Credit shall be special limited obligations of the Authority, payable solely from the Development Authority's telecommunications network revenues, assets and proceeds thereof.

C. Farone stated that upon review of the documentation for the letter of credit, if we are to actually draw down on it, we would be in default to the NTIA, and it would become a loan to the Authority. He felt it prudent to bring this information to the full Board as it could result in an obligation of the Authority. He continued by stating it will not become an obligation because we will proceed with the project. Quotes were received from four different banking institutions, and Community Bank offered the best rate.

E. Virkler asked if this was .75% of the \$27,000 or .75% of the \$3.6 million. C. Farone responded that other institutions quoted 1%, while Community was at .75% of the \$3.6 million each year because the letter of credit must be held for the term of the grant. It will reduce as the project progresses toward completion.

E. Virkler asked if there was any way to build this into the project cost. C. Farone stated that it will be funded out of the NTIA grant.

Upon a motion by M. Hall and seconded by E. Virkler, Resolution No. 2023-08-64, Telecommunications Division, Authorizing Letter of Credit to Secure Obligations Relating to National Telecommunication and Information Administration Grant, was unanimously approved.

- b. Resolution No. 2023-08-65, amending the Telecommunications Division Capital Budget for DOT Road Projects (Project 30691), to increase the budget from \$48,000 to \$100,000. Furthermore, the Development Authority of the North Country amends the Telecommunication Division Capital Budget for I87 Fiber Construction (Project 30681) to decrease the budget from \$450,000 to \$398,000.

D. Wolf explained that there is a pole line that needs to be moved into a wetland area. DEC required the timber matting to be new material to prevent cross contamination. We would not typically pay for this but because we are going to be using this matting to move our fiber, we are paying a portion of the cost. C. Farone stated that of the four entities attached to the pole line, we are only paying 16.5%, which we deemed fair and equitable.

Upon a motion by K. Bibbins and seconded by M. Hall, Resolution No. 2023-08-65, Telecommunications Division, Capital Project Budget Amendments, DOT Road Projects / I87 Fiber Construction, was unanimously approved.

13. Regional Development –

a. Loan Report –

M. Capone reported that all loans are being paid as agreed, with the exception of the Thompson Park Conservancy, which is two months in arrears. She stated she has spoken with them and they are going to send a

payment within the next week to bring them current. Additionally the Johnson Newspaper Corporation, under the North Country Economic Development Fund, is still four months in arrears; however, they did make two payments in June. M. Capone will continue to stay in contact with them and work with them to bring their loans current.

- b. Resolution No. 2023-08-66, extending the term of the Conifer Bateman Associates 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 T. Hefferon and seconded by E. Virkler, Resolution No. 2023-08-66, Approving Affordable Rental Housing Program, Conifer Bateman Associates, Loan Extension, was unanimously approved.

14. Fleet Vehicle Presentation –

C. Farone stated that part of last year's Strategic Planning was to review the Authority's fleet and determine if the use of electric vehicles would be suitable for the Authority. The Engineering team completed a full analysis of the fleet and presented this at today's meeting.

T. Haynes, Assistant Director of Engineering, reviewed the power point presentation for the Board. The focus of the evaluation was to review the possibility of transitioning the current fleet to electric vehicles. He explained that New York State has passed the Clean Cars II Act, which states all Authority fleet and off-road vehicles will need to be zero emission vehicles by 2035, such as SUV's and the F-150's; and that all Authority heavy duty vehicles will need to be zero emission by 2045, this would include the vehicles like the articulated haulers.

The presentation continued with a review of the evaluation, considering factors such as fleet utilization, EV (electric vehicle) and Hybrid alternatives, charging station locations, purchase, operation, and maintenance cost, rebates and incentives, and environmental stewardship.

A review was presented of the current 40 light-duty vehicles, of which 33 are light duty trucks and two of those being diesel fueled, and seven SUV's. Six of the 40 vehicles are scheduled to be replaced in FYE 2024. Vehicle use and maximum daily miles were compared to hybrid alternatives and electric vehicles. Vehicle availability was addressed as a current issue due to popularity and demand. Identified issues are towing capacity, which would result in not being able to haul necessary equipment for emergency calls, and the cold weather which reduces the range by 20%.

S. Hunt asked if both the F-150 and SUV being compared are plug-in. T, Hayes replied yes, this comparison is of the electric vehicle. Hybrid models were not compared because they do not currently meet the Clean Cars Act. T. Haynes stated that the Ford Escape does not currently have a full EV. The Chevy Equinox is coming out with an EV, which would be very comparable to the Ford Escape.

Charging stations are also a concern, as there is currently none at any of the Authority sites. Cold weather is also a charging station concern because at only 20

– 30 degrees it would take additional time to charge because it has to keep the batteries warm and charge them at the same time. Also, a large number of the vehicles are kept at the staff's home, where charging is not available and installing charging stations at personal property is not feasible. Charge time for emergency responses is another concern because there may not be enough time to charge between calls. Ultimately, the only vehicles currently deemed feasible as EV options within the Authority are the pool vehicles because they are kept on site and not used for emergencies.

T. Haynes stated that in completing this analysis they did a life-cycle cost comparison to review purchase, operation and maintenance costs, as well as the price of a charging station.

Environmental stewardship was reviewed and based upon the current fleet, 350 acres of forest would be needed to offset the carbon impact of our vehicles.

The final recommendation at this time is that light-duty trucks utilized for emergency response are not feasible for EV replacement. However, an EV SUV does show savings potential over its useful life. The review team is recommending that the current SUV at MMF be reassigned to the engineering division, and then MMF purchase an EV. This vehicle would be driven a shorter range and it would be stored in a cold storage facility that is accessible to power for a charging station. This vehicle would also allow us to institute a policy and see what kinds of challenges are associated with this before making a change to the Authority as a whole. It was further recommended that two chargers be installed, one at Materials Management Facility and the other at the Warneck Pump Station. If this meets our operating needs we can slowly expand showing a good faith effort.

J. Hollenbeck asked what we are going to do about the methane once the state goes green. C. Farone responded that the methane processing is already green. J. Hollenbeck asked what would happen if the generators were ruled out. C. Farone and J. Staples explained that there are other technologies, such as RINS, offering a process of converting the methane into green energy to power a vehicle.

M. Hall stated that he likes the idea of starting slow, but he expressed concern regarding a presentation he had recently heard about regarding electric buses that stated if one caught on fire, no one would get out alive. He continued in stating this is frightening and there is a safety element that has been demonstrated with the recent local battery fire. C. Farone replied that the safety aspect had not been a part of the review process and would need to be added. K Bibbins stated that the batteries burn roughly three times hotter than a normal vehicle fire and a policy should be created about storage in proximity to critical hardware, and definitely if the storage facility is irreplaceable or critical to the ongoing operation of the facility.

M. Hall also commented that in addition to cold weather usage, using the heater within the vehicle cuts back on the battery life even more.

C. Farone stated that before anything is purchased, the safety issues would be reviewed.

15. Next Board Meeting Date – September 28, 2023

This is the Strategic Planning Session. Meeting location and details will be communicated, as we get closer to the date.

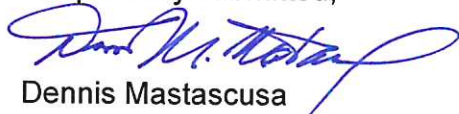
Following today's Board Meeting, lunch will be provided alongside Authority staff. There will also be guided bus tours of the facility.

Appreciation was expressed to all staff for their hard work.

16. Adjourn -

- a. Upon a motion by K. Bibbins, and seconded by E. Virkler, the meeting was adjourned at 12:10 PM.

Respectfully submitted,



Dennis Mastascusa
Board Secretary

DEVELOPMENT AUTHORITY OF THE NORTH COUNTRY
For the Four Months Ending Monday, July 31, 2023

	<u>YTD ACTUAL</u>	<u>3/31/2023 Total</u>
STATEMENT OF NET POSITION		
ASSETS		
Cash and Cash Equivalents	\$6,958,848.33	\$7,010,511.59
Accounts Receivable	4,450,967.33	4,382,832.12
Unbilled Revenue	338,753.11	605,761.13
Interest Receivable	225,201.49	188,912.79
Loans Receivable, net	31,162,791.75	31,012,696.12
Inventory	16,280.29	16,280.29
Prepaid Expense	294,440.38	538,195.29
Investments	16,938,475.92	15,615,005.87
Funds Held In Trust	846,293.44	837,843.15
OPEB Reserve Fund	5,780,140.45	5,766,267.74
Restricted Assets	83,494,066.75	84,587,130.01
Leased Property	27,431.25	30,756.25
Operating Lease ROU Assets, Net	66,564.62	66,564.62
Capital Assets, net	79,977,168.06	77,044,799.06
Total Assets	230,577,423.17	227,703,556.03
DEFERRED OUTFLOWS OF RESOURCES		
Pension	3,833,170.00	3,833,170.00
OPEB	234,811.00	234,811.00
Total Deferred Outflows of Resources	4,067,981.00	4,067,981.00
TOTAL ASSETS PLUS DEFERRED OUTFLOWS	234,645,404.17	231,771,537.03
LIABILITIES		
Accounts Payable	1,325,407.31	1,617,628.12
Grants & Passthroughs Payable	737,826.88	775,496.99
Community Benefits Payable	82,548.42	186,265.41
Interest Payable	205,708.82	115,633.30
Accrued Expenses	805,373.04	608,636.83
OPEB Liability	4,622,287.64	4,462,715.00
Net Pension Liability	(1,725,909.00)	(1,725,909.00)
Unearned Income	8,659,033.65	8,829,844.30
Lease Obligation	27,431.25	30,756.25
Current Portion of Operating Lease Liability	66,266.94	66,266.94
Funds Held for Others	10,800,487.71	10,800,487.71
Due to US ARMY	749,985.00	749,985.00
Landfill Closure & Post Closure	17,105,054.87	16,701,482.53
Long-term Liabilities	24,414,754.21	20,774,477.53
Total Liabilities	67,876,256.74	63,993,766.91
DEFERRED INFLOWS OF RESOURCES		
Pension	5,953,092.00	5,953,092.00
OPEB	2,081,166.00	2,081,166.00
Total Deferred Inflows of Resources	8,034,258.00	8,034,258.00
TOTAL LIABILITIES PLUS DEFERRED INFLOWS	75,910,514.74	72,028,024.91
NET POSITION		
Invested In Capital Assets, Net	56,976,414.06	57,684,321.74
Restricted for:		
Community Rental Housing Program	13,179,966.41	13,162,260.08
Community Development Loan Fund	9,755,784.17	9,702,562.68
Affordable Housing Program	22,331,649.81	22,360,402.54
Army Water & Sewer	1,800,000.00	1,800,000.00
Regional Waterline	404,884.96	404,884.96
Reserve For Liner	12,503,672.74	11,832,162.81
Reserve for Replacement	4,904,572.68	5,183,354.81
Reserve For Wetland Mitigation	323,205.73	321,895.21
OATN Reserve	7,024,321.13	6,950,830.37
Landfill Closure & Post Closure Prefunding	8,288,848.78	8,349,464.01
Total Restricted	80,516,906.41	80,067,817.47
Board Designated for:		
Infrastructure Development	223,107.42	223,107.42
Capital Reserve	778,527.52	867,620.93
Tip Fee Stabilization	4,860,175.83	4,836,637.74
Landfill Gas Reserve	1,380,566.07	1,404,728.55
Economic Development Fund	5,270,342.41	5,314,978.75
Affordable Housing Program	3,000,000.00	3,000,000.00
Supplemental Insurance / Admin. Reserve	4,000,000.00	4,000,000.00
Total Board Designated	19,512,719.25	19,647,073.39
Undesignated	1,728,849.71	2,344,299.52
Total Net Position	158,734,889.43	159,743,512.12
Total Liabilities, Deferred Outflows & Net Position	234,645,404.17	231,771,537.03

DEVELOPMENT AUTHORITY OF THE NORTH COUNTRY
For the Four Months Ending Monday, July 31, 2023

	<u>YTD ACTUAL</u>	<u>3/31/2023 Total</u>
<u>CHANGE IN NET POSITION</u>		
OPERATING REVENUE:		
Customer Billings	8,686,767.73	25,331,367.41
Waste Diversion Revenue	0.00	188,880.93
Grant Revenue	302,372.43	1,676,857.09
Loan Interest Income	153,899.89	445,800.97
Other Income	250,296.02	798,915.41
Total Operating Revenue	9,393,336.07	28,441,821.81
OPERATING EXPENSES		
Depreciation & Amortization	3,371,399.47	10,452,423.06
Salaries	2,266,090.66	6,789,324.40
Fringe Benefits	1,030,095.30	2,057,501.53
Operation & Maintenance	1,191,122.25	3,114,059.64
Recycling Transfer Station	0.00	157,506.23
Waste Diversion	202,357.15	595,701.94
Wastewater Treatment	654,205.10	1,668,210.07
Closure & Post Closure Costs	421,722.34	1,276,972.24
Community Benefits	501,241.52	1,169,859.08
Water Purchases	329,442.22	872,949.42
Office & Administration	137,481.55	249,388.86
Insurance	197,133.32	544,933.51
Utilities	40,740.60	215,967.28
Bad Debt Expense	(33,320.71)	76,385.67
Materials & Supplies	108,273.07	320,415.78
Professional Fees	96,747.23	187,949.73
Repairs & Maintenance	67,592.78	204,848.26
Automobile	122,564.62	333,271.03
Computer Expenses	137,686.78	291,441.22
Grants	0.00	507,984.90
NYS Administrative Assessment	0.00	122,000.00
Total Operating Expenses	10,842,575.25	31,209,093.85
Total Operating Income	(1,449,239.18)	(2,767,272.04)
NON-OPERATING REVENUE (EXPENSE)		
Interest Income	596,419.32	299,001.20
Gain on Sale of Fixed Assets	79,535.02	66,122.66
Interest Expense	(184,837.85)	(618,927.95)
Debt Issuance Costs	(50,500.00)	(20,000.00)
Total Non-Operating Expense, Net	440,616.49	(273,804.09)
CHANGE IN NET ASSETS	(1,008,622.69)	(3,041,076.13)

DEVELOPMENT AUTHORITY OF THE NORTH COUNTRY
For the Four Months Ending Monday, July 31, 2023

	ADMIN	MATERIALS MGMT	TELECOM	ARMY SEWER	ARMY WATER	REGIONAL WATER	WQ CONTRACTS	ENGINEERING	REGIONAL DEVELOPMENT	TOTAL
STATEMENT OF NET POSITION										
ASSETS										
Cash and Cash Equivalents	\$6,958,848.33									\$6,958,848.33
Accounts Receivable	(1,728.43)	1,220,115.56	1,981,345.39	461,313.26	428,856.19	74,715.81	95,188.72	12,399.50	178,761.33	4,450,967.33
Unbilled Revenue				50,668.33	26,624.22	33,047.45	150,452.19	37,284.39	40,676.53	338,753.11
Interest Receivable	10,394.64	61,795.14	57,254.01						95,757.70	225,201.49
Loans Receivable, net									31,162,791.75	31,162,791.75
Inventory		16,280.29								16,280.29
Prepaid Expense	287,934.15		6,506.23							294,440.38
Investments	3,061,844.83	6,631,450.83	2,004,370.19						5,240,810.07	16,938,475.92
Funds Held In Trust		846,293.44								846,293.44
OPEB Reserve Fund	5,780,140.45									5,780,140.45
Restricted Assets		41,459,739.44	9,705,993.66	1,769,712.07	965,297.48	506,153.75			29,087,170.35	83,494,066.75
Leased Property									27,431.25	27,431.25
Operating Lease ROU Assets, Net	66,564.62									66,564.62
Capital Assets, net	654,872.58	42,799,206.31	22,868,081.10	3,388,354.69	7,514,804.44	2,746,982.16		4,866.78		79,977,168.06
Total Assets	16,818,871.17	93,034,881.01	36,623,550.58	5,670,048.35	8,935,582.33	3,360,899.17	245,640.91	54,550.67	65,833,398.98	230,577,423.17
DEFERRED OUTFLOWS OF RESOURCES										
Pension	3,833,170.00									3,833,170.00
OPEB	234,811.00									234,811.00
Total Deferred Outflows of Resources	4,067,981.00									4,067,981.00
TOTAL ASSETS PLUS DEFERRED...	20,886,852.17	93,034,881.01	36,623,550.58	5,670,048.35	8,935,582.33	3,360,899.17	245,640.91	54,550.67	65,833,398.98	234,645,404.17
LIABILITIES										
Accounts Payable	293,873.43	192,190.50	50,125.04	285,259.58	462,486.97	36,114.43		3,507.36	1,850.00	1,325,407.31
Grants & Passthroughs Payable			871,418.10						(133,591.22)	737,826.88
Community Benefits Payable		82,548.42								82,548.42
Interest Payable	120.80	205,588.02								205,708.82
Accrued Expenses	526,809.20	76,019.84	112,791.34	27,910.57	27,910.57			33,931.52		805,373.04
OPEB Liability	4,622,287.64									4,622,287.64
Net Pension Liability	(1,725,909.00)									(1,725,909.00)
Unearned Income			8,013,033.65						646,000.00	8,659,033.65
Lease Obligation									27,431.25	27,431.25
Current Portion of Operating Lease Lia...	66,266.94									66,266.94
Funds Held for Others				749,985.00					10,800,487.71	10,800,487.71
Due to US ARMY										749,985.00
Landfill Closure & Post Closure		17,105,054.87								17,105,054.87
Long-term Liabilities	814,000.00	17,593,603.44			3,947,897.84	1,459,252.93			600,000.00	24,414,754.21
Internal: Due To/Due From	2,557,886.93	(875,441.14)	286,107.92	(1,595,811.77)	(256,884.05)	(82,831.84)	(383,235.48)	12,014.81		338,194.62
Total Liabilities	7,155,335.94	34,379,563.95	9,333,476.05	(532,656.62)	4,181,411.33	1,412,535.52	(383,235.48)	49,453.69	12,280,372.36	67,876,256.74
DEFERRED INFLOWS OF RESOURCES										
Pension	5,953,092.00									5,953,092.00
OPEB	2,081,166.00									2,081,166.00
Total Deferred Inflows of Resources	8,034,258.00									8,034,258.00
TOTAL LIABILITIES PLUS DEFERR...	15,189,593.94	34,379,563.95	9,333,476.05	(532,656.62)	4,181,411.33	1,412,535.52	(383,235.48)	49,453.69	12,280,372.36	75,910,514.74
NET POSITION										
Invested in Capital Assets, Net	654,872.58	25,205,603.08	22,868,081.10	3,388,354.69	3,566,906.60	1,287,729.23		4,866.78		56,976,414.06
Restricted for:										
Community Rental Housing Program									13,179,966.41	13,179,966.41
Community Development Loan Fund									9,755,784.17	9,755,784.17
Affordable Housing Program									22,331,649.81	22,331,649.81
Army Water & Sewer				900,000.00	900,000.00					1,800,000.00
Regional Waterline						404,884.96				404,884.96
Reserve For Liner		12,503,672.74								12,503,672.74
Reserve for Replacement		4,904,572.68								4,904,572.68
Reserve For Wetland Mitigation		323,205.73								323,205.73
OATN Reserve			7,024,321.13							7,024,321.13
Landfill Closure & Post Closure Prefund...		8,288,848.78								8,288,848.78
Total Restricted		26,020,299.93	7,024,321.13	900,000.00	900,000.00	404,884.96			45,267,400.39	80,516,906.41
Board Designated for:										
Infrastructure Development				223,107.42						223,107.42
Capital Reserve		504,963.01		273,564.51						778,527.52
Tip Fee Stabilization		4,860,175.83								4,860,175.83
Landfill Gas Reserve		1,380,566.07								1,380,566.07
Economic Development Fund									5,270,342.41	5,270,342.41
Affordable Housing Program									3,000,000.00	3,000,000.00
Supplemental Insurance / Admin. Reser...	4,000,000.00									4,000,000.00
Total Board Designated	4,000,000.00	6,745,704.91		496,671.93					8,270,342.41	19,512,719.25
Undesignated	1,042,385.65	683,709.14	(2,602,327.70)	1,417,678.35	287,264.40	255,749.46	628,876.39	230.20	15,283.82	1,728,849.71
Total Net Position	5,697,258.23	58,655,317.06	27,290,074.53	6,202,704.97	4,754,171.00	1,948,363.65	628,876.39	5,096.98	53,553,026.62	158,734,889.43
Total Liabilities, Deferred Outflows...	20,886,852.17	93,034,881.01	36,623,550.58	5,670,048.35	8,935,582.33	3,360,899.17	245,640.91	54,550.67	65,833,398.98	234,645,404.17

DEVELOPMENT AUTHORITY OF THE NORTH COUNTRY
For the Four Months Ending Monday, July 31, 2023

	ADMIN	MATERIALS MGMT	TELECOM	ARMY SEWER	ARMY WATER	REGIONAL WATER	WQ CONTRACTS	ENGINEERING	REGIONAL DEVELOPMENT	TOTAL
CHANGE IN NET POSITION										
OPERATING REVENUE:										
Customer Billings		3,622,501.55	2,176,681.57	1,121,248.84	852,561.03	126,118.34	568,713.63	135,135.35	83,807.42	8,686,767.73
Grant Revenue			267,554.03						34,818.40	302,372.43
Loan Interest Income									153,899.89	153,899.89
Other Income	69,600.04	144,201.40	8,090.78	1,203.33			1,797.60		25,402.87	250,296.02
Total Operating Revenue	69,600.04	3,766,702.95	2,452,326.38	1,122,452.17	852,561.03	126,118.34	570,511.23	135,135.35	297,928.58	9,393,336.07
OPERATING EXPENSES										
Depreciation & Amortization	75,256.35	1,690,147.60	1,299,107.57	109,134.89	139,471.10	55,500.94		2,781.02		3,371,399.47
Salaries	431,768.32	559,323.87	469,729.34	189,643.32	132,336.34	12,908.26	318,994.43	47,831.93	103,554.85	2,266,090.66
Fringe Benefits	212,474.22	266,575.40	164,764.92	96,447.93	62,984.81	5,387.90	150,461.13	26,149.32	44,849.67	1,030,095.30
Operation & Maintenance	4,665.91	278,125.31	858,685.85	21,673.92	872.00	1,531.50	1,243.44	14,129.32	10,195.00	1,191,122.25
Waste Diversion		202,357.15								202,357.15
Wastewater Treatment		165,858.49		488,346.61						654,205.10
Closure & Post Closure Costs		421,722.34								421,722.34
Community Benefits		317,432.34							183,809.18	501,241.52
Water Purchases				748.75	292,119.72	36,573.75				329,442.22
Office & Administration	75,925.67	16,268.36	9,747.69	22,673.38	666.80	56.99	1,384.03	7,666.52	3,092.11	137,481.55
Insurance	6,433.32	80,500.00	59,666.68	17,600.00	12,900.00	2,066.68	12,433.32	5,533.32		197,133.32
Utilities		16,486.47	1,172.51	13,009.50	5,193.51	4,878.61				40,740.60
Bad Debt Expense			(30,665.98)							(33,320.71)
Materials & Supplies		108,273.07							(2,654.73)	108,273.07
Professional Fees	61,071.14	13,705.56	8,379.67	332.09	178.82				13,079.95	96,747.23
Repairs & Maintenance		3,107.74		24,180.93	7,655.75	32,648.36				67,592.78
Automobile	1,117.52	5,766.68	23,880.95	84,753.43				7,046.04		122,564.62
Computer Expenses	89,481.57	100.36	5,380.73	13,749.49				28,974.63		137,686.78
Admin Allocation	(844,556.93)	348,041.91	212,659.44	124,403.23	64,270.80	5,911.90	13,597.36	18,073.53	57,598.76	
Engineering Allocation		20,011.22	6,535.82	6,500.88	5,337.78	608.57	2,775.32	(41,907.82)	138.23	
Water Quality Allocation				(59,788.74)	19,517.09	1,286.52	38,985.13			
Total Operating Expenses	113,637.09	4,513,803.87	3,089,045.19	1,153,409.61	743,504.52	159,359.98	539,874.16	116,277.81	413,663.02	10,842,575.25
Total Operating Income	(44,037.05)	(747,100.92)	(636,718.81)	(30,957.44)	109,056.51	(33,241.64)	30,637.07	18,857.54	(115,734.44)	(1,449,239.18)
NON-OPERATING REVENUE (EX...										
Interest Income	94,015.51	181,331.62	97,798.29	8,418.01	4,591.64	7,183.92			203,080.33	596,419.32
Gain on Sale of Fixed Assets	59,285.02	20,250.00								79,535.02
Interest Expense		(181,993.52)					(2,844.33)			(184,837.85)
Debt Issuance Costs					(50,500.00)					(50,500.00)
Total Non-Operating Expense, Net	153,300.53	19,588.10	97,798.29	8,418.01	(45,908.36)	4,339.59			203,080.33	440,616.49
CHANGE IN NET ASSETS	109,263.48	(727,512.82)	(538,920.52)	(22,539.43)	63,148.15	(28,902.05)	30,637.07	18,857.54	87,345.89	(1,008,622.69)

**Summary of All Units
Change In Net Position
For the Four Months Ending Monday, July 31, 2023**

GL	Account Description	Annual Budget	YTD Budget	Actual YTD	YTD Variance Over (Under)
OPERATING REVENUE:					
	Customer Billings	\$26,307,767.00	\$8,769,263.68	\$8,686,767.73	(\$82,495.95)
	Grant Revenue	1,906,278.00	635,428.00	302,372.43	(333,055.57)
	Loan Interest Income	518,760.00	172,924.00	153,899.89	(19,024.11)
	Other Income	786,266.00	262,088.00	250,296.02	(11,791.98)
	Total Operating Revenue	29,519,071.00	9,839,703.68	9,393,336.07	(446,367.61)
OPERATING EXPENSES					
	Depreciation & Amortization	12,225,200.00	4,075,068.00	3,371,399.47	(703,668.53)
	Salaries	7,276,009.00	2,425,356.64	2,266,090.66	(159,265.98)
	Fringe Benefits	3,228,329.75	1,076,121.96	1,030,095.30	(46,026.66)
	Operation & Maintenance	3,591,808.75	1,197,284.88	1,197,447.80	162.92
	Waste Diversion	428,315.50	142,770.52	202,357.15	59,586.63
	Wastewater Treatment	2,038,486.00	679,496.00	647,879.55	(31,616.45)
	Closure & Post Closure Costs	1,460,136.00	486,712.00	421,722.34	(64,989.66)
	Water Purchases	940,049.00	313,352.00	329,442.22	16,090.22
	Community Benefits	1,212,757.18	526,789.08	501,241.52	(25,547.56)
	Office & Administration	577,652.32	192,580.88	137,481.55	(55,099.33)
	Insurance	591,400.00	197,132.00	197,133.32	1.32
	Utilities	216,000.00	72,000.00	40,740.60	(31,259.40)
	Bad Debt Expense	0.00	0.00	(33,320.71)	(33,320.71)
	Materials & Supplies	327,000.00	108,996.00	108,273.07	(722.93)
	Professional Fees	366,446.50	122,156.80	96,747.23	(25,409.57)
	Repairs & Maintenance	176,929.00	58,977.64	67,592.78	8,615.14
	Automobile	437,850.00	145,950.68	122,564.62	(23,386.06)
	Computer Expenses	381,560.00	127,186.00	137,686.78	10,500.78
	Grants	154,000.00	51,332.00	0.00	(51,332.00)
	NYS Administrative Assessment	125,050.00	41,684.00	0.00	(41,684.00)
	Contingency	80,000.00	26,665.32	0.00	(26,665.32)
	Total Operating Expenses	35,834,979.00	12,067,612.40	10,842,575.25	(1,225,037.15)
	Total Operating Income	(6,315,908.00)	(2,227,908.72)	(1,449,239.18)	778,669.54
NON-OPERATING REVENUE...					
	Interest Income	1,914,392.00	638,128.00	596,419.32	(41,708.68)
	Gain on Sale of Fixed Assets	224,000.00	74,668.00	79,535.02	4,867.02
	Interest Expense	(1,053,965.00)	(351,320.00)	(184,837.85)	166,482.15
	Debt Issuance Costs	(2,280.00)	(760.00)	(50,500.00)	(49,740.00)
	Total Non-Operating Expe...	1,082,147.00	360,716.00	440,616.49	79,900.49
	CHANGE IN NET POSITION	(5,233,761.00)	(1,867,192.72)	(1,008,622.69)	858,570.03

Administration
Change In Net Position
For the Four Months Ending Monday, July 31, 2023

GL	Account Description	Annual Budget	YTD Budget	Actual YTD	YTD Variance Over (Under)
OPERATING REVENUE:					
	Other Income	\$191,100.00	\$63,700.00	\$69,600.04	\$5,900.04
	Total Operating Revenue	191,100.00	63,700.00	69,600.04	5,900.04
OPERATING EXPENSES					
	Depreciation & Amortization	285,800.00	95,268.00	75,256.35	(20,011.65)
	Salaries	1,318,952.00	439,648.00	431,768.32	(7,879.68)
	Fringe Benefits	627,885.00	209,292.00	212,474.22	3,182.22
	Operation & Maintenance	7,870.00	2,624.00	4,665.91	2,041.91
	Office & Administration	231,738.00	77,255.36	75,925.67	(1,329.69)
	Insurance	19,300.00	6,432.00	6,433.32	1.32
	Professional Fees	94,035.00	31,347.32	61,071.14	29,723.82
	Automobile	2,130.00	712.00	1,117.52	405.52
	Computer Expenses	255,686.00	85,228.00	89,481.57	4,253.57
	Admin Allocation	(2,405,187.00)	(801,732.00)	(844,556.93)	(42,824.93)
	Contingency	25,000.00	8,333.32	0.00	(8,333.32)
	Total Operating Expenses	463,209.00	154,408.00	113,637.09	(40,770.91)
	Total Operating Income	(272,109.00)	(90,708.00)	(44,037.05)	46,670.95
NON-OPERATING REVENUE...					
	Interest Income	228,580.00	76,192.00	94,015.51	17,823.51
	Gain on Sale of Fixed Assets	104,000.00	34,668.00	59,285.02	24,617.02
	Total Non-Operating Expe...	332,580.00	110,860.00	153,300.53	42,440.53
	CHANGE IN NET POSITION	60,471.00	20,152.00	109,263.48	89,111.48

Materials Management
Change In Net Position
For the Four Months Ending Monday, July 31, 2023

GL	Account Description	Annual Budget	YTD Budget	Actual YTD	YTD Variance Over (Under)
OPERATING REVENUE:					
	Customer Billings	\$11,296,725.00	\$3,765,576.00	\$3,622,501.55	(\$143,074.45)
	Grant Revenue	97,975.00	32,660.00	0.00	(32,660.00)
	Other Income	550,884.00	183,628.00	144,201.40	(39,426.60)
	Total Operating Revenue	11,945,584.00	3,981,864.00	3,766,702.95	(215,161.05)
OPERATING EXPENSES					
	Depreciation & Amortization	5,819,000.00	1,939,668.00	1,690,147.60	(249,520.40)
	Salaries	1,736,654.00	578,884.00	559,323.87	(19,560.13)
	Fringe Benefits	816,419.00	272,140.00	266,575.40	(5,564.60)
	Operation & Maintenance	1,132,320.00	377,446.64	284,450.86	(92,995.78)
	Waste Diversion	428,315.50	142,770.52	202,357.15	59,586.63
	Wastewater Treatment	650,000.00	216,668.00	159,532.94	(57,135.06)
	Closure & Post Closure Costs	1,460,136.00	486,712.00	421,722.34	(64,989.66)
	Community Benefits	1,028,948.00	342,980.00	317,432.34	(25,547.66)
	Office & Administration	104,599.00	34,869.32	16,268.36	(18,600.96)
	Insurance	241,500.00	80,500.00	80,500.00	0.00
	Utilities	90,000.00	30,000.00	16,486.47	(13,513.53)
	Materials & Supplies	327,000.00	108,996.00	108,273.07	(722.93)
	Professional Fees	73,564.50	24,521.48	13,705.56	(10,815.92)
	Repairs & Maintenance	15,000.00	5,000.00	3,107.74	(1,892.26)
	Automobile	17,300.00	5,768.00	5,766.68	(1.32)
	Computer Expenses	16,790.00	5,596.00	100.36	(5,495.64)
	Admin Allocation	991,199.00	330,400.00	348,041.91	17,641.91
	Engineering Allocation	45,483.00	15,160.00	20,011.22	4,851.22
	NYS Administrative Assessment	54,539.00	18,180.00	0.00	(18,180.00)
	Contingency	30,000.00	10,000.00	0.00	(10,000.00)
	Total Operating Expenses	15,078,767.00	5,026,259.96	4,513,803.87	(512,456.09)
	Total Operating Income	(3,133,183.00)	(1,044,395.96)	(747,100.92)	297,295.04
NON-OPERATING REVENUE...					
	Interest Income	841,856.00	280,620.00	181,331.62	(99,288.38)
	Gain on Sale of Fixed Assets	120,000.00	40,000.00	20,250.00	(19,750.00)
	Interest Expense	(603,663.00)	(201,220.00)	(181,993.52)	19,226.48
	Total Non-Operating Expe...	358,193.00	119,400.00	19,588.10	(99,811.90)
	CHANGE IN NET POSITION	(2,774,990.00)	(924,995.96)	(727,512.82)	197,483.14

Telecommunications
Change In Net Position
For the Four Months Ending Monday, July 31, 2023

GL	Account Description	Annual Budget	YTD Budget	Actual YTD	YTD Variance Over (Under)
OPERATING REVENUE:					
	Customer Billings	\$6,249,057.00	\$2,083,020.00	\$2,176,681.57	\$93,661.57
	Grant Revenue	1,306,303.00	435,436.00	267,554.03	(167,881.97)
	Other Income	12,000.00	4,000.00	8,090.78	4,090.78
	Total Operating Revenue	7,567,360.00	2,522,456.00	2,452,326.38	(70,129.62)
OPERATING EXPENSES					
	Depreciation & Amortization	4,734,400.00	1,578,132.00	1,299,107.57	(279,024.43)
	Salaries	1,516,770.00	505,592.00	469,729.34	(35,862.66)
	Fringe Benefits	507,591.00	169,200.00	164,764.92	(4,435.08)
	Operation & Maintenance	2,158,293.50	719,435.88	858,685.85	139,249.97
	Office & Administration	61,311.50	20,442.84	9,747.69	(10,695.15)
	Insurance	179,000.00	59,668.00	59,666.68	(1.32)
	Utilities	6,000.00	2,000.00	1,172.51	(827.49)
	Bad Debt Expense	0.00	0.00	(30,665.98)	(30,665.98)
	Professional Fees	98,189.00	32,729.32	8,379.67	(24,349.65)
	Automobile	85,700.00	28,568.00	23,880.95	(4,687.05)
	Computer Expenses	32,214.00	10,740.00	5,380.73	(5,359.27)
	Admin Allocation	605,606.00	201,868.00	212,659.44	10,791.44
	Engineering Allocation	12,690.00	4,232.00	6,535.82	2,303.82
	NYS Administrative Assessment	30,901.00	10,300.00	0.00	(10,300.00)
	Contingency	25,000.00	8,332.00	0.00	(8,332.00)
	Total Operating Expenses	10,053,666.00	3,351,240.04	3,089,045.19	(262,194.85)
	Total Operating Income	(2,486,306.00)	(828,784.04)	(636,718.81)	192,065.23
NON-OPERATING REVENUE...					
	Interest Income	262,856.00	87,620.00	97,798.29	10,178.29
	Total Non-Operating Expe...	262,856.00	87,620.00	97,798.29	10,178.29
	CHANGE IN NET POSITION	(2,223,450.00)	(741,164.04)	(538,920.52)	202,243.52

Water Quality
Change In Net Position
For the Four Months Ending Monday, July 31, 2023

GL	Account Description	Annual Budget	YTD Budget	Actual YTD	YTD Variance Over (Under)
OPERATING REVENUE:					
	Customer Billings	\$7,748,651.00	\$2,582,887.68	\$2,668,641.84	\$85,754.16
	Other Income	3,610.00	1,204.00	3,000.93	1,796.93
	Total Operating Revenue	7,752,261.00	2,584,091.68	2,671,642.77	87,551.09
OPERATING EXPENSES					
	Depreciation & Amortization	1,377,600.00	459,200.00	304,106.93	(155,093.07)
	Salaries	2,007,215.00	669,084.64	653,882.35	(15,202.29)
	Fringe Benefits	992,343.75	330,783.28	315,281.77	(15,501.51)
	Operation & Maintenance	139,575.25	46,526.40	25,320.86	(21,205.54)
	Wastewater Treatment	1,388,486.00	462,828.00	488,346.61	25,518.61
	Water Purchases	940,049.00	313,352.00	329,442.22	16,090.22
	Office & Administration	129,790.00	43,258.72	24,781.20	(18,477.52)
	Insurance	135,000.00	45,000.00	45,000.00	0.00
	Utilities	120,000.00	40,000.00	23,081.62	(16,918.38)
	Professional Fees	6,392.00	2,132.00	510.91	(1,621.09)
	Repairs & Maintenance	161,929.00	53,977.64	64,485.04	10,507.40
	Automobile	311,220.00	103,738.68	84,753.43	(18,985.25)
	Computer Expenses	31,926.00	10,642.00	13,749.49	3,107.49
	Admin Allocation	592,662.00	197,556.00	208,183.29	10,627.29
	Engineering Allocation	42,413.00	14,136.00	15,222.55	1,086.55
	NYS Administrative Assessment	36,215.00	12,072.00	0.00	(12,072.00)
	Total Operating Expenses	8,412,816.00	2,804,287.36	2,596,148.27	(208,139.09)
	Total Operating Income	(660,555.00)	(220,195.68)	75,494.50	295,690.18
NON-OPERATING REVENUE...					
	Interest Income	63,700.00	21,232.00	20,193.57	(1,038.43)
	Interest Expense	(450,302.00)	(150,100.00)	(2,844.33)	147,255.67
	Debt Issuance Costs	(2,280.00)	(760.00)	(50,500.00)	(49,740.00)
	Total Non-Operating Expe...	(388,882.00)	(129,628.00)	(33,150.76)	96,477.24
	CHANGE IN NET POSITION	(1,049,437.00)	(349,823.68)	42,343.74	392,167.42

**Army Sewer
Change In Net Position
For the Four Months Ending Monday, July 31, 2023**

GL	Account Description	Annual Budget	YTD Budget	Actual YTD	YTD Variance Over (Under)
OPERATING REVENUE:					
	Customer Billings	\$3,301,270.00	\$1,100,424.00	\$1,121,248.84	\$20,824.84
	Other Income	3,610.00	1,204.00	1,203.33	(0.67)
	Total Operating Revenue	3,304,880.00	1,101,628.00	1,122,452.17	20,824.17
OPERATING EXPENSES					
	Depreciation & Amortization	581,900.00	193,968.00	109,134.89	(84,833.11)
	Salaries	478,629.00	159,544.00	189,643.32	30,099.32
	Fringe Benefits	238,025.75	79,342.92	96,447.93	17,105.01
	Operation & Maintenance	75,275.25	25,089.08	21,673.92	(3,415.16)
	Wastewater Treatment	1,388,486.00	462,828.00	488,346.61	25,518.61
	Water Purchases	4,500.00	1,500.00	748.75	(751.25)
	Office & Administration	110,740.00	36,908.04	22,673.38	(14,234.66)
	Insurance	52,800.00	17,600.00	17,600.00	0.00
	Utilities	65,000.00	21,668.00	13,009.50	(8,658.50)
	Professional Fees	4,151.00	1,384.00	332.09	(1,051.91)
	Repairs & Maintenance	76,274.00	25,423.32	24,180.93	(1,242.39)
	Automobile	311,220.00	103,738.68	84,753.43	(18,985.25)
	Computer Expenses	31,926.00	10,642.00	13,749.49	3,107.49
	Admin Allocation	354,175.00	118,060.00	124,403.23	6,343.23
	Engineering Allocation	14,729.00	4,908.00	6,500.88	1,592.88
	Water Quality Allocation	(304,659.00)	(101,556.00)	(59,788.74)	41,767.26
	NYS Administrative Assessment	15,728.00	5,244.00	0.00	(5,244.00)
	Total Operating Expenses	3,498,900.00	1,166,292.04	1,153,409.61	(12,882.43)
	Total Operating Income	(194,020.00)	(64,664.04)	(30,957.44)	33,706.60
NON-OPERATING REVENUE...					
	Interest Income	30,900.00	10,300.00	8,418.01	(1,881.99)
	Interest Expense	(173,500.00)	(57,832.00)	0.00	57,832.00
	Debt Issuance Costs	(2,280.00)	(760.00)	0.00	760.00
	Total Non-Operating Expe...	(144,880.00)	(48,292.00)	8,418.01	56,710.01
	CHANGE IN NET POSITION	(338,900.00)	(112,956.04)	(22,539.43)	90,416.61

**Army Water Line
Change In Net Position
For the Four Months Ending Monday, July 31, 2023**

GL	Account Description	Annual Budget	YTD Budget	Actual YTD	YTD Variance Over (Under)
OPERATING REVENUE:					
	Customer Billings	\$2,136,477.00	\$712,160.00	\$852,561.03	\$140,401.03
	Total Operating Revenue	2,136,477.00	712,160.00	852,561.03	140,401.03
OPERATING EXPENSES					
	Depreciation & Amortization	626,300.00	208,768.00	139,471.10	(69,296.90)
	Salaries	456,735.00	152,248.00	132,336.34	(19,911.66)
	Fringe Benefits	220,272.00	73,424.00	62,984.81	(10,439.19)
	Operation & Maintenance	10,000.00	3,336.00	872.00	(2,464.00)
	Water Purchases	817,052.00	272,352.00	292,119.72	19,767.72
	Office & Administration	13,800.00	4,600.00	666.80	(3,933.20)
	Insurance	38,700.00	12,900.00	12,900.00	0.00
	Utilities	25,000.00	8,332.00	5,193.51	(3,138.49)
	Professional Fees	1,741.00	580.00	178.82	(401.18)
	Repairs & Maintenance	39,000.00	13,000.00	7,655.75	(5,344.25)
	Admin Allocation	183,063.00	61,020.00	64,270.80	3,250.80
	Engineering Allocation	14,117.00	4,704.00	5,337.78	633.78
	Water Quality Allocation	97,424.00	32,476.00	19,517.09	(12,958.91)
	NYS Administrative Assessment	10,973.00	3,656.00	0.00	(3,656.00)
	Total Operating Expenses	2,554,177.00	851,396.00	743,504.52	(107,891.48)
	Total Operating Income	(417,700.00)	(139,236.00)	109,056.51	248,292.51
NON-OPERATING REVENUE...					
	Interest Income	16,900.00	5,632.00	4,591.64	(1,040.36)
	Interest Expense	(225,500.00)	(75,168.00)	0.00	75,168.00
	Debt Issuance Costs	0.00	0.00	(50,500.00)	(50,500.00)
	Total Non-Operating Expe...	(208,600.00)	(69,536.00)	(45,908.36)	23,627.64
	CHANGE IN NET POSITION	(626,300.00)	(208,772.00)	63,148.15	271,920.15

**Regional Water Line
Change In Net Position
For the Four Months Ending Monday, July 31, 2023**

GL	Account Description	Annual Budget	YTD Budget	Actual YTD	YTD Variance Over (Under)
OPERATING REVENUE:					
	Customer Billings	\$389,627.00	\$129,876.00	\$126,118.34	(\$3,757.66)
	Total Operating Revenue	389,627.00	129,876.00	126,118.34	(3,757.66)
OPERATING EXPENSES					
	Depreciation & Amortization	169,400.00	56,464.00	55,500.94	(963.06)
	Salaries	34,638.00	11,548.00	12,908.26	1,360.26
	Fringe Benefits	16,608.00	5,540.00	5,387.90	(152.10)
	Operation & Maintenance	6,300.00	2,100.00	1,531.50	(568.50)
	Water Purchases	118,497.00	39,500.00	36,573.75	(2,926.25)
	Office & Administration	250.00	84.00	56.99	(27.01)
	Insurance	6,200.00	2,068.00	2,066.68	(1.32)
	Utilities	30,000.00	10,000.00	4,878.61	(5,121.39)
	Professional Fees	500.00	168.00	0.00	(168.00)
	Repairs & Maintenance	46,655.00	15,554.32	32,648.36	17,094.04
	Admin Allocation	16,798.00	5,600.00	5,911.90	311.90
	Engineering Allocation	2,492.00	832.00	608.57	(223.43)
	Water Quality Allocation	6,201.00	2,068.00	1,286.52	(781.48)
	NYS Administrative Assessment	1,765.00	588.00	0.00	(588.00)
	Total Operating Expenses	456,304.00	152,114.32	159,359.98	7,245.66
	Total Operating Income	(66,677.00)	(22,238.32)	(33,241.64)	(11,003.32)
NON-OPERATING REVENUE...					
	Interest Income	15,900.00	5,300.00	7,183.92	1,883.92
	Interest Expense	(51,302.00)	(17,100.00)	(2,844.33)	14,255.67
	Total Non-Operating Expe...	(35,402.00)	(11,800.00)	4,339.59	16,139.59
	CHANGE IN NET POSITION	(102,079.00)	(34,038.32)	(28,902.05)	5,136.27

**Water Sewer Contracts
Change In Net Position
For the Four Months Ending Monday, July 31, 2023**

GL	Account Description	Annual Budget	YTD Budget	Actual YTD	YTD Variance Over (Under)
OPERATING REVENUE:					
	Customer Billings	\$1,921,277.00	\$640,427.68	\$568,713.63	(\$71,714.05)
	Other Income	0.00	0.00	1,797.60	1,797.60
	Total Operating Revenue	1,921,277.00	640,427.68	570,511.23	(69,916.45)
OPERATING EXPENSES					
	Salaries	1,037,213.00	345,744.64	318,994.43	(26,750.21)
	Fringe Benefits	517,438.00	172,476.36	150,461.13	(22,015.23)
	Operation & Maintenance	48,000.00	16,001.32	1,243.44	(14,757.88)
	Office & Administration	5,000.00	1,666.68	1,384.03	(282.65)
	Insurance	37,300.00	12,432.00	12,433.32	1.32
	Admin Allocation	38,626.00	12,876.00	13,597.36	721.36
	Engineering Allocation	11,075.00	3,692.00	2,775.32	(916.68)
	Water Quality Allocation	201,034.00	67,012.00	38,985.13	(28,026.87)
	NYS Administrative Assessment	7,749.00	2,584.00	0.00	(2,584.00)
	Total Operating Expenses	1,903,435.00	634,485.00	539,874.16	(94,610.84)
	Total Operating Income	17,842.00	5,942.68	30,637.07	24,694.39
NON-OPERATING REVENUE...					
CHANGE IN NET POSITION		17,842.00	5,942.68	30,637.07	24,694.39

Engineering
Change In Net Position
For the Four Months Ending Monday, July 31, 2023

GL	Account Description	Annual Budget	YTD Budget	Actual YTD	YTD Variance Over (Under)
OPERATING REVENUE:					
	Customer Billings	\$734,055.00	\$244,684.00	\$135,135.35	(\$109,548.65)
	Total Operating Revenue	734,055.00	244,684.00	135,135.35	(109,548.65)
OPERATING EXPENSES					
	Depreciation & Amortization	8,400.00	2,800.00	2,781.02	(18.98)
	Salaries	367,950.00	122,652.00	47,831.93	(74,820.07)
	Fringe Benefits	149,305.00	49,770.68	26,149.32	(23,621.36)
	Operation & Maintenance	134,750.00	44,918.64	14,129.32	(30,789.32)
	Office & Administration	31,889.00	10,634.68	7,666.52	(2,968.16)
	Insurance	16,600.00	5,532.00	5,533.32	1.32
	Professional Fees	1,000.00	332.00	0.00	(332.00)
	Automobile	21,500.00	7,164.00	7,046.04	(117.96)
	Computer Expenses	44,194.00	14,728.00	28,974.63	14,246.63
	Admin Allocation	51,386.00	17,128.00	18,073.53	945.53
	Engineering Allocation	(101,133.00)	(33,712.00)	(41,907.82)	(8,195.82)
	NYS Administrative Assessment	3,395.00	1,132.00	0.00	(1,132.00)
	Total Operating Expenses	729,236.00	243,080.00	116,277.81	(126,802.19)
	Total Operating Income	4,819.00	1,604.00	18,857.54	17,253.54
NON-OPERATING REVENUE...					
CHANGE IN NET POSITION		4,819.00	1,604.00	18,857.54	17,253.54

**Regional Development
Change In Net Position
For the Four Months Ending Monday, July 31, 2023**

GL	Account Description	Annual Budget	YTD Budget	Actual YTD	YTD Variance Over (Under)
OPERATING REVENUE:					
	Customer Billings	\$279,279.00	\$93,096.00	\$83,807.42	(\$9,288.58)
	Grant Revenue	502,000.00	167,332.00	34,818.40	(132,513.60)
	Loan Interest Income	518,760.00	172,924.00	153,899.89	(19,024.11)
	Other Income	28,672.00	9,556.00	25,402.87	15,846.87
	Total Operating Revenue	1,328,711.00	442,908.00	297,928.58	(144,979.42)
OPERATING EXPENSES					
	Salaries	328,468.00	109,496.00	103,554.85	(5,941.15)
	Fringe Benefits	134,786.00	44,936.00	44,849.67	(86.33)
	Operation & Maintenance	19,000.00	6,333.32	10,195.00	3,861.68
	Community Benefits	183,809.18	183,809.08	183,809.18	0.10
	Office & Administration	18,324.82	6,119.96	3,092.11	(3,027.85)
	Bad Debt Expense	0.00	0.00	(2,654.73)	(2,654.73)
	Professional Fees	93,266.00	31,094.68	13,079.95	(18,014.73)
	Computer Expenses	750.00	252.00	0.00	(252.00)
	Grants	154,000.00	51,332.00	0.00	(51,332.00)
	Admin Allocation	164,334.00	54,780.00	57,598.76	2,818.76
	Engineering Allocation	547.00	184.00	138.23	(45.77)
	Total Operating Expenses	1,097,285.00	488,337.04	413,663.02	(74,674.02)
	Total Operating Income	231,426.00	(45,429.04)	(115,734.44)	(70,305.40)
NON-OPERATING REVENUE...					
	Interest Income	517,400.00	172,464.00	203,080.33	30,616.33
	Total Non-Operating Expe...	517,400.00	172,464.00	203,080.33	30,616.33
	CHANGE IN NET POSITION	748,826.00	127,034.96	87,345.89	(39,689.07)



Board Resolution No. 2023-09-67
September 28, 2023

CAPITAL BUDGET AMENDMENT FYE 2024
ADMINISTRATIVE DIVISION
VEHICLE REPLACEMENT

Whereas, the Development Authority of the North Country manages its over the road fleet vehicles through the Administrative Division which leases such vehicles to the operating divisions of the Authority, and

Whereas, vehicle #00079 (MMF - 2022 Ford F-150) was involved in an accident which resulted in a total loss of said vehicle, and

Whereas, the original purchase price of vehicle #00079 was \$32,699 with the Authority receiving an insurance settlement in the amount of \$36,670 as a result of the vehicle being identified as a total loss, and

Whereas, the purchase price of a like replacement vehicle is \$45,337.50, and

Whereas, Executive Management recommends that vehicle #00079 (MMF - 2022 Ford F-150) be replaced with a like vehicle in an amount not to exceed \$45,500 utilizing insurance proceeds of \$36,670 and Administrative Funding of \$8,830, and

Now, therefore be it

RESOLVED, that the Development Authority of the North Country hereby amends the FYE 2024 Administrative Capital Budget for Fleet Vehicles (Project 10034) by \$45,500; from \$419,042 to 464,542, and be it further

RESOLVED, that the additional costs of \$45,500 shall be paid from insurance proceeds of \$36,670 and Administrative Funding of 8,830.



Board Resolution No. 2023-09-68
September 28, 2023

CAPITAL PROJECT BUDGET AMENDMENT
MATERIALS MANAGEMENT DIVISION
SOUTHERN EXPANSION LANDFILL GAS PHASE 1 - 2 TIE IN

Whereas, pursuant to **Resolution No. 2023-02-08** the Development Authority of the North Country established a \$600,000 capital project budget for FYE 2024 to complete improvements to the landfill gas system to combine the collection system from Cells 1-11 (Phase 1) and Cells 12-20 (Phase 2) and add additional wells to optimize gas production (Project 20212), and

Whereas, the estimated cost for this capital project was prepared in November of 2022, prior to completing a recent evaluation of the landfill gas well network and final design for the project, and

Whereas, the Development Authority retained a consulting engineer to design such project for a total cost of \$123,000, and

Whereas, as a result of completing the evaluation and final design of the landfill gas system it was determined that additional gas wells are needed to optimize the network, and

Whereas, the project was competitively bid consistent with the Authority's procurement process and only one bid was received from Marcy Excavation Services, LLC for total cost of \$827,482, and

Whereas, the procurement was fully evaluated, and it was determined that 1) the specifications were clear and not duly restrictive, 2) adequate competition was solicited and it could have been reasonably assumed that more than one bid would have been submitted, 3) the price provided by the sole bidder is reasonable, 4) the bid is otherwise in accordance with the invitation for bids, 5) a different outcome is not suspected if the project were rebid and the work required would not be completed this construction season and 6) there would be negative budgetary and operational impacts to the Authority if this project were delayed and rebid, and

Whereas, the revised project costs to complete improvements to the landfill gas system as specified above is \$990,000; which includes consulting engineering costs of \$123,000, construction costs of \$827,482 and a 5% construction contingency, and

Whereas, the Materials Management Landfill Gas Reserve has sufficient funding to fund such additional capital costs, and

Whereas, Executive Management recommends that the Development Authority award to the sole responsive and responsible bidder, Marcy Excavation Services at a total cost of \$827,482.

Now, therefore be it

RESOLVED, that the Development Authority of the North Country does hereby amend 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, and be it further

RESOLVED, that such increase shall be funded from the Landfill Gas Reserve.



Board Resolution No. 2023-09-69
September 28, 2023

FYE 2024 OPERATING BUDGET AMENDMENT
MATERIALS MANAGEMENT DIVISION

Whereas, the Development Authority of the North Country adopted an Operating Budget for FYE 2024 pursuant to **Resolution No. 2023-02-08**, and

Whereas, the FYE 2024 budget included \$5,000 for “Other Tools, Equipment, and Operation & Maintenance” (GL5770), and

Whereas, that budget line item has historically been utilized to purchase tools for Materials Management Maintenance Technicians to supplement their personally owned/supplied tools, and

Whereas, to date, the budget for Other Tools, Equipment and Operation & Maintenance has not been utilized, and

Whereas, Executive Management has completed a thorough review of the tool assignment process for all divisions and determined that it is in the best interest of the Authority to supply employees with Authority-owned tools needed to perform their job functions and to no longer require that certain job classifications utilize their own personal tools, and

Whereas, Sourcewell, a State of Minnesota local government unit and service cooperative, authorized to establish competitively awarded cooperative purchasing contracts which are made available to governmental units including other state entities, awarded contract number 013020-SNP to Snap-on for Vehicle Lifts, Garage and Fleet Maintenance Equipment, and

Whereas, the Development Authority of the North Country is a member of Sourcewell and is therefore authorized to utilize Sourcewell contracts, and

Whereas, a quote was obtained from Snap-on utilizing contract number 013020-SNP from the competitive procurement conducted by Sourcewell, resulting in a 40% discount from list price, and

Whereas, the cost to procure the tools needed to replace Materials Management employees’ personal tools, and to ensure that all employees in the same job classification are assigned the same tools, will be approximately \$71,000, and

Whereas, the additional cost of this expense will be paid for through utilization of the tip fee stabilization fund.

Now, therefore be it

RESOLVED, that the Development Authority of the North Country hereby amends the FYE 2024 Materials Management Facility Budget as follows:

<u>Expense</u>	<u>Current Budget</u>	<u>Amended Budget</u>	<u>Change</u>
GL 5770	\$ 5,000.00	\$73,000	\$ 68,000



Board Resolution No. 2023-09-70
September 28, 2023

ADOPTING UPDATED INTERCONNECTION POLICY
TELECOMMUNICATION DIVISION

Whereas, the Development Authority of the North Country adopted its initial Interconnection Policy for the Telecommunication Division pursuant to **Resolution No. 2012-03-27**, and

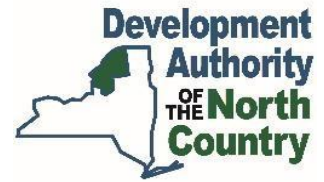
Whereas, it has been over eleven years since this policy was updated, and

Whereas, the Development Authority was recently awarded a grant by the National Telecommunications and Information Administration, and

Whereas, this grant requires the Authority have an Interconnection Policy meeting the requirements of the Federal Communications Commission's (FCC) Internet Policy Statement, FCC 05-151, encouraging broadband deployment and the preservation and promotion of the open and interconnected nature of the public internet, and the Authority wishes to state affirmatively that it operates the network on an open and non-discriminatory basis.

Now, therefore be it

RESOLVED, that the Development Authority of the North Country does hereby approve the revised Telecommunications Interconnection Policy, attached hereto and incorporated in this resolution.



Subject: Telecommunications Division Interconnection Policy

Policy Adopted: September 28, 2023

Resolution: 2023-09-70

SECTION 1.0 INTRODUCTION

The Development Authority of the North Country (Authority) operates an Open Access Telecom Network in northern New York State. One of the founding objectives of the network was to allow service providers to use the network on an open and equitable basis. This policy defines the interconnection requirements of the Authority.

SECTION 2.0 PURPOSE

- 2.1 The Telecom Division is also referred to as the Open Access Telecom Network (OATN) and from its inception the mission has been to provide equitable connectivity for all customers and to operate the network in an open and fair manner.
- 2.2 Several of the grants that the Authority has been awarded, including the recent National Telecommunications and Information Administration (NTIA) Middle Mile Grant, require a description of network openness, including information on how the Authority will provide non-discriminatory interconnection and network management.

SECTION 3.0 POLICY STATEMENT

The Authority's middle mile fiber backbone meets and complies with the NTIA non-discrimination and network interconnection policies.

Non-discrimination - The Authority will meet or exceed the requirements set forth by the federal Communication Commission's Internet Policy Statement, FCC 05-151, adopted August 5, 2005, regarding nondiscrimination, and will actively encourage broadband deployment and the preservation and promotion of the open and interconnected nature of the public internet.

Network Interconnection - The Authority's predominantly middle mile service offering will be high-capacity, point-to-point private line transport services. The Authority will not manage or limit the content of communications traffic transiting the Authority's network, except to the extent necessary to maintain reliable service.

The Authority's network management practices will not involve preferential routing of traffic on the basis of content or provider. The Authority will utilize neutral traffic routing, and will enable connections to other carriers and to the public internet.

The Authority currently provides Points of Presence/Interconnection (POP) at several central offices, as well as Tier 1 Internet POP locations.

The Authority will continue to interconnect with other carriers to exchange traffic at these locations and other network nodes. The Authority will negotiate with bona fide requesting parties to use facilities constructed to support this project to sell those parties wholesale transport services on negotiated, equitable and commercially-reasonable terms and conditions.

SECTION 4.0 RECORD OF REVISION

Revision Date	Resolution #
3/22/2012	2012-03-27
9/28/2023	2023-09-70



Board Resolution No. 2023-09-71
September 28, 2023

**AUTHORIZING LETTER OF CREDIT TO SECURE OBLIGATIONS
RELATING TO NATIONAL TELECOMMUNICATION AND INFORMATION
ADMINISTRATION GRANT
TELECOMMUNICATIONS DIVISION**

Whereas, pursuant to Resolution Number 2022-09-71, the Development Authority of the North Country (Development Authority) submitted a grant application in the amount of \$14,547,750 to the National Telecommunications and Information Administration (NTIA) to support a \$24,450,000 project to expand middle mile telecommunications infrastructure to reduce the costs of connecting areas that are unserved or underserved to the internet backbone, and

Whereas, on June 15, 2023 the Development Authority was notified that such grant application was approved, and

Whereas, pursuant to the terms of the NTIA grant award, the Development Authority must submit an irrevocable standby letter of credit in the amount of no less than 25% of the grant award amount, to secure the Development Authority's obligations relating to the grant. Such Letter of Credit must be issued from 1) a bank that is a United States bank that is insured by the Federal Deposit Insurance Corporation and has a bank safety rating issued by Weiss of B- or better, or 2) a CoBank, that meets the requirements of the grant award, or 3) the National Rural Utilities Cooperative Finance Corporation, so long as it meets the requirements of the grant award, or 4) from any non-United States bank meeting the requirements of the grant award (a bank that meets the foregoing requirements is hereinafter referred to as a "Qualifying Institution"), and

Whereas, the Development Authority requested proposals from three banking institutions to provide the required letter of credit, and

Whereas, pursuant to Resolution No. 2023-08-64, the Members of the Development Authority authorized the Development Authority to obtain a letter of credit from Community Bank, NA in the principal amount not to exceed \$3,636,938, and

Whereas, it has been determined that Community Bank, NA is not a Qualifying Institution, and

Whereas, the Members of the Development Authority now desire to authorize the Development Authority to obtain the letter of credit from a Qualifying Institution, to secure the Development Authority's obligations relating to the grant.

Now, therefore be it

RESOLVED, that the Members of the Development Authority hereby authorize the 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, and be it further

RESOLVED, that the Members of the Development Authority hereby authorize the Executive Director to negotiate and approve on behalf of the Development Authority all terms, conditions and other details of the Letter of Credit and to execute and deliver on behalf of the Development Authority all documents, and take all other actions, necessary to obtain the Letter of Credit, provided, however, the Development Authority's obligations relating to the Letter of Credit shall be special limited obligations of the Authority, payable solely from the Development Authority's telecommunications network revenues, assets and proceeds thereof, and be it further

RESOLVED, that the Members of the Development Authority hereby authorize the Executive Director to establish bank accounts to support such Letter of Credit as required.



Board Resolution No. 2023-09-72
September 28, 2023

FYE 2024 OPERATING BUDGET AMENDMENT
WATER QUALITY DIVISION

Whereas, the Development Authority of the North Country adopted an Operating Budget for FYE 2024 pursuant to **Resolution No. 2023-02-11**, and

Whereas, the FYE 2024 budget includes an appropriation for "Shop Tools" (GL5706) of \$8,304 for the Army Sewer Line (Co 41) and \$5,000 for the Army Water Line (Co 42), and

Whereas, to date, there is \$837 remaining in the Army Sewer Line budget and \$4,949 in the Army Water Line budget for Shop Tools, and

Whereas, that budget line item has historically been utilized to purchase tools for Water Quality Technicians, Operators and Senior Operators to perform their job functions, and

Whereas, Water Quality Technicians, Operators and Senior Operators are required to keep assigned tools in their Authority designated vehicle so they can respond to emergency situations when on call, and

Whereas, Executive Management has completed a thorough review of the tool assignment process for all divisions and determined that it is in the best interest of the Development Authority to supply employees with Authority owned tools needed to perform job functions and to standardize the tools provided to each employee based on their job classification, and

Whereas, Sourcewell, a State of Minnesota local government unit and service cooperative, authorized to establish competitively awarded cooperative purchasing contracts which are made available to governmental units including other state entities, awarded contract number 013020-SNP to Snap-on for Vehicle Lifts, Garage and Fleet Maintenance Equipment, and

Whereas, the Development Authority of the North Country is a member of Sourcewell and is therefore authorized to utilize Sourcewell contracts, and

Whereas, a quote was obtained from Snap-on utilizing contract number 013020-SNP from the competitive procurement conducted by Sourcewell, resulting in a 40% discount from list price, and

Whereas, the cost to ensure that all employees in the same job classification are assigned the same tools will be approximately \$63,000, and

Now, therefore be it

RESOLVED, that the Development Authority of the North Country hereby amends the FYE 2024 Water Quality Budget as follows:

Company	Account	FYE 2024 Current Budget	FYE 2024 Available Budget	FYE 2024 Amended Budget	Change
41	Shop Tools (5706)	\$ 8,304	\$ 837	\$ 24,717	\$ 16,413
41	Customer Billings	\$ 3,301,270	\$ -	\$ 3,317,683	\$ 16,413
42	Shop Tools (5706)	\$ 5,000	\$ 4,949	\$ 16,418	\$ 11,418
42	Customer Billings	\$ 2,136,477	\$ -	\$ 2,147,895	\$ 11,418
44	Shop Tools (5706)	\$ -	\$ -	\$ 29,383	\$ 29,383



Board Resolution No. 2023-09-73
September 28, 2023

AFFORDABLE RENTAL HOUSING PROGRAM
DGGL PROPERTIES LLC
LOAN EXTENSION

Whereas, **Resolution No. 2021-06-94** authorized a loan of up to \$1 million from the Affordable Rental Housing Program to DGGL Properties, LLC to acquire and complete improvements at Woodcreek Villages in Gouverneur and The Bateman in Lowville, and

Whereas, DGGL Properties, LLC is in the process of completing improvements to these properties, and

Whereas, the lease-up of units at Woodcreek Villages is taking longer than expected due to market conditions, and

Whereas, DGGL Properties has been unable to convert to permanent financing until they reach 100% occupancy, and

Whereas, the DGGL Properties loan matured September 1, 2023, and

Whereas, DGGL Properties has requested a 6-month extension of this loan, and

Whereas, all other terms and conditions of the loan will stay the same.

Now, therefore be it

RESOLVED, Development Authority of the North Country does hereby extend 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 attached Term Sheet.

TERM SHEET

BORROWER:	DGGL Properties LLC
AMOUNT: NEW	\$1,000,000 construction loan converted to permanent upon completion of construction
AMOUNT: EXISTING	approximately \$740,000 at 09/2023; currently \$837,143 [amount will be adjusted at permanent loan closing]
FUND:	Affordable Rental Housing Program
PURPOSE:	Improvements to The Bateman and Woodcreek Villages
CONSTRUCTION LOAN:	\$1 million construction loan at 1%, interest only paid monthly during construction period
EXISTING LOANS:	\$1,000 monthly principal and interest at 1% during construction period
CONVERSION TO PERMANENT:	At conversion to permanent financing, the two loans are consolidated into one loan at .5% for 30 years with annual interest only payments due on 12/31
COLLATERAL:	Co-proportional second mortgage with approximately \$5,842,786 in NYS Housing Finance Agency sub debt on 7574 S. State Street, Lowville, NY 13367 and 1100 Larch Circle, Gouverneur, NY 13642; Assignment of Rents and Leases
GUARANTORS:	None
CONDITIONS:	\$100,000 at conversion to permanent financing to pay-down existing Authority loans. 1% processing fee paid on \$1,000,000 due at construction loan closing 1% processing fee paid on refinanced amount due at permanent loan closing All required permits and approvals Proof of all funding commitments DANC will accept the state's regulatory agreement for affordability in lieu of its own recorded regulatory agreement Copy of appraisals Support letter from community



Dulles State Office Building
317 Washington Street, Suite 414
Watertown, New York 13601
Telephone (315) 661-3200
TDD (800) 662-1220 • danc.org

TO: Board of Directors

FROM: Michelle L. Capone, Director of Regional Development

DATE: September 15, 2023

SUBJECT: DGGL Properties LLC-Loan Extension

Resolution No. 2021-06-94 approved a loan of \$1,000,000 to DGGL Properties LLC to rehabilitate the Bateman in Lowville and Woodcreek Villages in Gouverneur. The loan closed on 10/21/2021 and the outstanding balance is \$574,097.68. The loan matured 9/1/2023.

DGGL Properties is completing the improvements at the two properties and lease-up of the units in Gouverneur have taken a bit longer than expected. They have not been able to convert to permanent financing yet. DGGL Properties has asked if the Authority would consider extending the term of the construction loan for an additional 6 months, or upon conversion to permanent financing, whichever occurs first.

Staff recommends that we extend the loan term for an additional 6 months, or upon conversion to permanent financing, whichever occurs first.



Board Resolution No. 2023-09-74
September 28, 2023

ECONOMIC DEVELOPMENT FUND
JEFFERSON COUNTY HISTORICAL SOCIETY
LOAN EXTENSION

Whereas, **Resolution No. 2021-06-95** authorized a loan of up to \$285,000 from the Economic Development Fund to the Jefferson County Historical Society to bridge New York State grant funding for improvements to their facility in Watertown, and

Whereas, the Authority has a participation loan with the Watertown Local Development Corporation which is also providing \$285,000 in construction financing, and

Whereas, the Authority is the lead lender, and

Whereas, the Jefferson County Historical Society is close to completing their project and finalizing their final grant draws, and

Whereas, the Jefferson County Historical Society loan matured September 1, 2023, and

Whereas, the Jefferson County Historical Society has requested a 3-month extension of this loan, and

Whereas, all other terms and conditions of the loan will stay the same.

Now, therefore be it

RESOLVED, the Development Authority of the North Country does hereby extend the term of the Jefferson County Historical Society loan for an additional 3 months subject to the attached Term Sheet.

TERM SHEET

Borrower:	Jefferson County Historical Society
Loan Fund:	Economic Development Fund
Loan Amount:	up to \$285,000.00
Term:	24 months, or upon receipt of the final grant funds, whichever occurs first
Rate:	1.5%, construction interest-only
Payment:	Monthly interest-only
Collateral:	Assignment of grant proceeds
Conditions:	Watertown Local Development financing of \$285,000



Dulles State Office Building
317 Washington Street, Suite 414
Watertown, New York 13601
Telephone (315) 661-3200
TDD (800) 662-1220 • danc.org

TO: Board of Directors

FROM: Michelle L. Capone, Director of Regional Development

DATE: September 15, 2023

SUBJECT: Jefferson County Historical Society-Loan Extension

Resolution No. 2021-06-95 approved a loan of \$285,000 to the Jefferson County Historical Society to bridge New York State grant funding to renovate their facility in Watertown. The Watertown Local Development Corporation also provided \$285,000 in construction financing, and entered into a participation agreement with the Authority with the Authority as lead lender. The loan closed on 9/21/2021 and the outstanding balance is \$43,451.62 on each of the Authority and WLDC loans, or \$86,903.24 total. The loan matured 9/1/2023.

The Historical Society has substantially completed the work at the facility and is wrapping up draws to the funding sources. They plan to provide another check soon for \$33,453.67 paying the loans down to \$53,449.57. The Historical Society has asked if the Authority would consider extending the term of the construction loan for an additional 3 months.

Staff recommends that we extend the loan term for an additional 3 months.



Board Resolution No. 2023-09-75
September 28, 2023

COMMUNITY DEVELOPMENT LOAN FUND
TUG HILL ARTISAN ROASTERS LLC
LOAN

Whereas, Tug Hill Artisan Roasters LLC is requesting up to \$200,000 from the Community Development Loan Fund to assist with bridging a RESTORE NY grant to rehabilitate their building located at 7514 S. State Street, Lowville, also known as the Old Jail, and

Whereas, the Village of Lowville received a RESTORE NY grant of \$900,000 to Tug Hill Artisan Roasters, LLC to rehabilitate the building known as the Old Jail, and

Whereas, the Village has requested that Empire State Development allow for three draws of \$300,000 each as the project meets completion milestones, and

Whereas, Tug Hill Artisan Roasters will also apply to the North Country Alliance for up to \$200,000 in bridge financing, and

Whereas, the Authority has bridged other New York State grants through its Economic Development Fund, however as a for-profit entity, it is not eligible through the Economic Development Fund, and

Whereas, the project meets the criteria of the Community Development Loan Fund and the project is beneficial to downtown Lowville.

Now, therefore be it

RESOLVED, the Development Authority of the North Country does hereby approve a loan of up to \$200,000 from the Community Development Loan Fund to Tug Hill Artisan Roasters, LLC subject to the attached Terms and Conditions Sheet, and further authorizes the Executive Director or the Chief Financial Officer to execute all documents necessary to make the loan, and further be it

RESOLVED, this is considered a Type II Action under the State Environmental Quality Review (SEQRA) and is considered an exempt activity requiring no further action.

TERM SHEET

Borrower: Tug Hill Artisan Roasters LLC

Loan Fund: Community Development Loan Fund

Loan Amount: up to \$200,000.00

Term: 24 months, or upon receipt of the final grant funds, whichever occurs first

Rate: ½ Wall Street Journal Prime plus 1 set 5 days prior to the loan closing

Payment: Monthly interest-only

Collateral: Assignment of grant proceeds

Conditions: North Country Alliance financing of up to \$200,000
Cash of \$38,005
Personal Guarantees of Scott Gilbert and Vanessa Gilbert
Acceptable MWBE utilization plan
Agreement between the Village of Lowville and Tug Hill Artisan Roasters LLC in regard to the RESTORE NY grant of \$900,000
ESD approval of 3 draws of \$300,000 during the course of the project
All required permits and approvals
Regional Development staff to inspect work prior to paying invoices

Community Development Loan Fund

BORROWER: Tug Hill Artisan Roasters LLC

BUSINESS LOCATION: 7514 S. State Street, Lowville, NY 13367

OWNERSHIP: Scott Gilbert-50%
Vanessa Gilbert-50%

AMOUNT: up to \$200,000

TERM: 24 months

RATE: ½ Wall Street Journal Prime plus 1 set 5 days prior to closing

PAYMENTS: Monthly construction interest-only

COLLATERAL: Assignment of grant proceeds

GUARANTORS: Scott Gilbert and Vanessa Gilbert

EMPLOYEES: Current: 4.5 FTE
Years 1-3: 4 FTE
Total: 8.5 FTE

SOURCES OF FUNDS

USES OF FUNDS

RESTORE NY	\$ 900,000.00	Improvements	\$938,005.00
Cash	\$ <u>38,005.00</u>		
Total Sources	\$ 938,005.00	Total Uses	<u>\$938,005.00</u>

RESTORE NY-committed \$900,000. Requested that ESD allow 3 draws of \$300,000 each. This request is awaiting approval by ESD. DANC would provide up to \$200,000 in bridge financing and a similar request of \$200,000 will go to the NCA.

PROJECT:

Tug Hill Artisan Roasters is seeking \$200,000 in bridge funding from the Community Development Loan Fund in order to help bridge a RESTORE NY grant. They will also be applying to the North Country Alliance for an additional \$200,000.

The RESTORE NY grant was awarded to the Village of Lowville for the Old Jail/Tug Hill Artisan Roasters project for the restoration of a vacant building to include commercial spaces, improvements to the parking lot and entrance, and construction of an outdoor dining patio.

Tug Hill Artisan Roasters is proposing the following work be completed.

Community Development Loan Fund

1. Driveway and Parking Lot Restoration

Anticipated cost: \$60,000

Anticipated Scope: Excavation of existing asphalt and sub-base, site preparation, materials and installation of new asphalt.

2. Wrap Around Porch and Interior Reconstruction

Anticipated Cost: \$650,500.00

Anticipated Scope: Fiberglass insulation in attic to achieve R-60 building code requirements, heating for entire building, debris removal, removal of deteriorated side entrance and construction of new side entrance, Building electrical, support beams for 2nd floor, large covered wrap-around porch authentic to time period (per SHPO), plumbing, and final interior finishes to include sheetrock, flooring, interior doors, trim and moldings, railing, paint and primer.

3. Outdoor Dining, Landscaping and Screening

Anticipated Cost \$71,255.00

Anticipated Scope: Retaining Wall, Water Feature, Fruiting Buses, Ornamental Shrubs, Mulch, Pavers and Paver Wall, Rock Step, Wooden Fence, Landscaping Fabric, Chain Link Fence.

4. Contingency

Anticipated Cost: \$156,250

The contingency was built into the RESTORE NY grant budget to address any cost overruns. There is approximately a year between when the grant is submitted, award is made, and the project begins. During that time there is concern for cost increases, as well as increases associated with identifying MWBE certified firms to complete aspects of the work to meet grant requirements.



Tug Hill Artisan Roasters is a specialty grade coffee roastery located at 7514 S State St. Lowville, NY 13367, also known as the Old Jail. Established in 2016 by Greg Widrick, Ian Gilbert and Scott Gilbert, Tug Hill Artisan Roasters underwent a buyout in 2019, where Scott Gilbert and Vanessa Gilbert became 50/50 owner/partners. As the business continued to grow, space became less and less. In 2021, Tug Hill Artisan Roasters underwent its next big transformation when it took on the project of making the Old Jail in Lowville, NY its new home. With private and public funds, Tug Hill Artisan Roasters was able to transform the decrepit Old Jail into a new home for the roastery, a bakery, two apartments and a hub for creativity in culinary arts in Lewis County.

Today, Tug Hill Artisan Roasters employs 4 full time employees as well as one part time. In addition to roasting specialty coffee, it has opened a bakery and an espresso/coffee bar all within the Old Jail space. The Old

Community Development Loan Fund

Jail has been dubbed “St. Drogo’s House” and is open from 9-5 M-F but, Tug Hill Artisan Roasters coffee can be found in roughly 80 cafes and stores throughout Central and Northern New York.

Tug Hill Artisan Roasters is to a Brewery what a coffee shop is to a bar. St. Drogo’s house is unique because people can walk in off the street and see the roasting process before their very eyes. The espresso machine and pour over setup is on a bar that protrudes out splitting the roastery into a side that is more retail focused for guests and a side that is more production focused for the roastery. Guests are allowed to walk around to both sides and are encouraged to ask questions and interact with the coffee roasters and baristas. The same is true to a lesser degree of the Bakery on the other side of the central hall. This is a unique set up and people enjoy it.

The Lewis County Planning Office staff is assisting the Gilbert’s to administer the grant. Staff also spoke at length with Scott Gilbert about the MWBE requirement for NYS grants.

MARKET:

This past summer the Gilberts did an assessment of what areas they would want to expand into. They decided that they wanted to continue working with phenomenal coffees, but also get into some higher end grocery stores (currently they are in no chain grocery stores). They also wanted to continue expanding in hospitality offering their bulk coffees to more cafes, Bed and Breakfasts, tourist resorts and the like. They are also continuing to invest in their online presence. Currently online sales make up around 12% of the overall sales. They would like to expand this number to 20% by the end of 2024. Finally, and most importantly, they will continue to develop the other aspects of the business. This includes getting the new cafe built out in the front of the building with the porch and patio for seating. To this day, many people are surprised to learn that they are even open. Unfortunately, St. Drogo’s house still doesn’t look like much from the street. The Gilberts will create more commercial space in the front of St. Drogos’ House. It’s worth mentioning that a yoga studio is waiting to move in as soon as the space is ready.

Specialty coffee and specialty baked goods are a growing sector. What Tug Hill Artisan Roasters has learned is that people who are moving to Lewis County either as a result of the newly expanded hospital, remote work and tourism, expect the services that are being offered at Tug Hill Artisan Roasters. High quality coffee and baked goods are not a luxury, but there is an expectation that a community like Lowville, will have these available. This in turn create a virtuous cycle contributing to a higher standard of living for everyone.

COMPETITION:

Most coffee roasteries that have shops operate under a business model where the roastery is physically separate from the cafe itself. This is true of some competitors like Peaks Coffee, Utica Coffee Roasters, Salt City Roasters, Kubal and Recess Coffee. With these roasteries the coffee is roasted in one location and then the coffee gets distributed to their stores/cafes. Currently, none

Community Development Loan Fund

of these coffee roasteries have a cafe presence north of Syracuse/Utica. By total volume Tug Hill Artisan Roasters is probably significantly smaller than each one of these roasteries.

As for quality of product, Tug Hill Artisan Roasters is really only competing with the likes of Peaks Coffee and Skytop Coffee from Manlius, NY. Both of these roasteries are focused on specialty grade coffee and do a good job roasting. Skytop will often roast “cup of excellence” coffees from national auctions. Tug Hill Artisan Roasters, through its coffee of the month program, has released award winning coffees including a coffee that scored 91 with Coffee Review.

Tug Hill Artisan Roasters believes that it can compete in this environment first, because they are offering a great product at a competitive price. Second, they are able to get their name out there as a reliable roastery that will offer the service that other roasteries need. Third, they will roast really high end coffees that get their name out there amongst the right trend setters. These people will tell their friends about what Tug Hill Artisan Roasters is doing. Finally, for their lower end specialty coffees (80-84 scores) they are conscious about pricing and are able to purchase large contracts with importers so that everyone has price stability and they are not at the whims of the commodity market.

MANAGEMENT:

Scott and Vanessa Gilbert are 50/50 owners of Tug Hill Artisan Roasters and the management responsible for the business’ development and future plans. Scott and Vanessa are a married couple of 11 years, but have been working together in various capacities for 15. Both Scott and Vanessa were involved in not-for-profit work in Siberia, where Scott oversaw the development of 12 small businesses and helped manage a cyclical fund. At the same time, Vanessa was working at the Tuvan State University, where through grant writing, was able to help secure a large portion of the University’s research budget.

Upon returning to the United States in 2015, Scott became interested in coffee and started Tug Hill Artisan Roasters. Vanessa started baking bread for the Watertown Farmers Market and quickly became a skilled baker. Since then Vanessa has taken baking classes at King Arthur Training School in Vermont and has become very accomplished in sourdoughs and laminated doughs. Scott is largely a self-taught roaster, but he’s always seeking feedback and attending lectures and seminars on the subject. In the fall of 2022, Scott participated in the Specialty Coffee Association’s Roaster Cup Preliminary level and placed 4th in a field of 16.

Recently Scott has been asked to do consulting for other Roastery start-ups and has helped advise a partner farm in Guatemala about how to approach and sell coffee in the United States. This largely consists of how to set up contracts, terms and helping to explain the technicalities of the coffee trade.

The Roastery and the Bakery are at different stages of development. While the Roastery has had a reliable, knowledgeable staff for over 2 years, the Bakery is in the staff development stage. Currently a lot of Vanessa’s time is spent training staff.

Community Development Loan Fund

FINANCIALS:

Historical

	<u>12/21</u>	<u>12/2022</u>	<u>8/31/23</u>	<u>Year One</u>
Total Revenue	\$231,638	\$299,778	\$263,773	\$536,116
Gross Profit	\$107,949	\$145,291	\$156,442	\$305,492
Expenses	\$84,334	\$116,027	\$122,928	\$195,208
Other Income/(Expense)	\$44	\$735	\$23,583	\$0
Net Income	\$23,659	\$29,999	\$57,097	\$110,284
Add back: Depreciation	\$3,477	\$2,629	\$0	\$0
Cash Available for Debt	\$27,136	\$32,628	\$57,097	\$110,284

- The historical financial information for 2021 and 2022 was from the applicant's IRS Form 1065. The 2023 information was internally prepared by the applicant.
- Sales grew by 29% in 2022 over 2021. 2022 was the first full year in their new space in Lowville.
- Primary expenses in 2021 and 2022 respectively were as follows: Salaries and wages of \$33,608 and \$27,559, taxes and licenses of \$4,392 and \$10,600, insurance of \$6,894 and \$7,118, and supplies of \$6,009 and \$18,754. There was an equipment purchase of \$11,454 in 2022. Advertising has run around 1.4% of total sales.
- The owners received \$23,660 in 2021 and \$29,999 in 2022. It is their goal to draw \$45,000 from the business in 2023 and 2024.
- Through 8/31/2023, the business is on track to hit around \$395,000 in revenue.
- Worse case, if the applicant were to draw the entire \$400,000 (DANC and NCA funds) they would owe \$875 to DANC and \$1250 to NCA for a total of \$2125 per month, or \$25,500 per year. There is sufficient cashflow to make these payments. However, the likelihood is that they will draw the DANC funds first as they are lower interest rate and then draw on the NCA funds as needed, and will pay back the NCA and DANC funds when the grant funds come in to manage the amount of debt they need to pay to DANC and NCA.
- The owners are also looking to manage equipment and building maintenance expenses through annual cash flow. They will look to utilize excess cash to make these investments.

Balance Sheet

	12/2021	12/2022
Current Assets	\$26,362	\$116,442
Fixed Assets	\$30,335	\$353,677
Other Assets	\$2,675	\$669
Total Assets	\$59,372	\$470,788
Current Liabilities	\$7,218	\$25,802

Community Development Loan Fund

Long-Term Liabilities	\$3,669	\$403,669
Total Liabilities	\$10,887	\$429,471
Net Assets	\$48,485	\$41,317
Total Liabilities & Net Assets	\$59,372	\$470,788

- Primary current assets were in cash, \$5,840, and inventories, \$20,522, in 2021. In 2022, they were comprised of cash, \$65,645, accounts receivable, \$10,113, and inventories, \$38,974.
- Long term liabilities increased from \$3,669 to \$403,699 in 2022. While this is listed as a long-term liability, Scott Gilbert stated that \$400,000 is his inheritance and that there is no repayment obligation on this amount. It should really be considered equity. For underwriting purposes it is considered unsecured long-term debt.
- The balance sheet looks good for this business. They are trying to operate it with minimal debt utilizing grant funding sources where they can to make improvements and obtain equipment.

Credit:

Scott and Vanessa list assets of \$562,500 and liabilities of \$82,201. Assets are primarily in real estate of \$470,000 that includes a personal residence and the business location. Liabilities are primarily in notes payable to the bank of \$75,000. Scott has a TransUnion credit score of 675. He shows no derogatory comments. His only listed debt is a revolving line of credit of \$31,848. Vanessa has a Trans Union credit score of 722. She has no derogatory comments. Her only listed debt is an installment loan of \$7,493.

The Logic Score for the business is a medium risk score of 79, with a cautionary business failure assessment. The days beyond terms are 5 or less, with no information regarding historical days beyond terms payment trends. It has no derogatory public records, collection accounts, or pending lawsuits. It has no UCC filings, and no OFAC records were found.

COLLATERAL ANALYSIS: Not Applicable

CONTINGENCIES:

- Agreement between the Village of Lowville and Tug Hill Artisan Roasters LLC in regard to the RESTORE NY grant of \$900,000
- NCA approval of up to \$200,000 for bridge financing
- Cash of \$38,005
- Any required permits or approvals, as necessary
- Acceptable MWBE utilization plan
- ESD approval of 3 draws of \$300,000 during the course of the project
- Regional Development staff will inspect the work completed prior to disbursing funds

STAFF RECOMMENDATION:

Staff recommends a loan of up to \$200,000 from the Community Development Loan Fund to bridge a RESTORE NY grant to Tug Hill Artisan Roasters LLC with the above contingencies.



Board Resolution No. 2023-09-76
September 28, 2023

**COMMUNITY DEVELOPMENT LOAN FUND
FARMLAND DRAINAGE LOAN FUND/
VALUE-ADDED AGRICULTURE LOAN FUND
RESCIND RESOLUTION**

Whereas, **Resolution No. 2020-05-64** authorized the use of \$100,000 from the Community Development Loan Fund to the combined Farmland Drainage/Value-Added Agriculture Loan Program, and

Whereas, there have been sufficient repayments to the Farmland Drainage/Value-Added Agriculture Loan Program that the \$100,000 is no longer required for capitalization, and

Whereas, the Farmland Drainage/Value-Added Agriculture Loan Program is funded in the Community Development Loan Fund and is tracked separately for internal accounting purposes, and

Now, therefore be it

RESOLVED, the Development Authority of the North Country does hereby rescind Resolution No. 2020-05-64, and further be it

RESOLVED, the Executive Director is authorized 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.