



**Development
Authority
OF THE North
Country**




**Annual Report
Fiscal Year
2018-2019**





Executive Director Report
June 20, 2019

Development Authority of the North Country
Annual Report
2018-2019

Board Chairman Carter:

This annual report is prepared for the consideration of the Board of Directors of the Development Authority of the North Country and its municipal partners in compliance with the requirements of the Public Authorities Accountability Act. The full text of the report will be made available to the public on the Authority's public access website, www.danc.org.

The Development Authority of North Country has completed the year strong financially, successful in regional initiatives and prepared for future regional needs. This report is intended to reflect the scope of the Authority's programs and projects during the fiscal year April 1, 2018 through March 31, 2019. The report accurately reflects the Authority's financial information. In addition, a full copy of the Authority's annual audit findings can be found on the Authority's website.

I appreciate the Board's direction and support throughout the year. I also want to acknowledge the effort and commitment of the Authority's employees. Without their work and effort, these achievements would not have been accomplished.

Respectfully submitted,



James W. Wright
Executive Director

Development Authority of the North Country Profile

The Development Authority of the North Country is a New York State public authority that serves the common interests of Jefferson, Lewis and St. Lawrence counties by providing technical services and infrastructure that enhance economic opportunities in the region and promote the health and well-being of its communities.



The Development Authority of the North Country is a self-supporting, public benefit corporation operating under the authority of the Public Authorities Law of the State of New York. It is without taxing power and operates as an enterprise fund agency. The Development Authority is not an agency of New York State nor Jefferson, Lewis, or St. Lawrence county government.

As its mission states, the Development Authority is committed to environmental stewardship, fiscal integrity and building partnerships. To achieve these objectives, the Development Authority works with its municipal partners through shared service solutions utilizing advanced technology and fostering municipal cooperation to achieve cost-effective services for the region.

The majority of the revenue the Development Authority receives is obtained from the sale of services to its customers. The Development Authority is nonprofit; all revenue received must be used for operating expenses, construction costs, designated reserves, and outstanding debts.

The Development Authority of the North Country is unique among public authorities in New York State in its scope of activities. Unlike other single-purpose state authorities, the Development Authority owns and operates a number of revenue-based infrastructure facilities and manages a wide range of business and housing development programs. The Development Authority owns and operates water and sewer infrastructure linking the City of Watertown's facilities to Fort Drum, a regional waterline serving communities in western Jefferson County, a solid waste management facility, and a 1,800-mile open access telecommunications network. In addition, the Authority provides contract operations and maintenance services to communities to support water and sewer facilities, technical assistance in geographic information systems and other telemetry services, and administers revolving loan funds for affordable housing and small business development.

The Authority also provides services on behalf of New York State for municipalities throughout the state's North Country Regional Economic Development Region, including Franklin, Essex, Clinton, and Hamilton counties, in addition to the tri-county area.

Currently, the Development Authority serves approximately 500,000 North Country residents.

Annual Report 2018

Over the last fiscal year, the Development Authority continued to grow as a community partner, utilizing its capacity and resources to provide infrastructure services to municipalities and organizations that requested assistance with housing, telecommunications, operation of water and wastewater facilities, large-scale project management, business loan fund administration and much more. We are proud that our service network of municipalities continues to grow.

In telecommunications we continue to fill gaps throughout the North Country with our fiber optic network, enabling private suppliers to provide services to many rural customers who otherwise could not be connected to the rest of the world. Additionally, we work with industries such as education and medicine to provide critical linkages through systems like NYSERNET, which increases bandwidth for the colleges in St. Lawrence County, and the Telemedicine Network, which connects health care facilities to each other and their clinics.

Working closely with the leadership of Fort Drum, we found ways to address several key issue areas for the post. The Authority began to implement some of the recommendations made in the Fort Drum Joint Land Use Study, including creation of a community land use planning tool to assist neighboring communities in making land use decisions that might impact the Fort's mission.

The Development Authority continues to serve as an advocate for communities in its service area through project management and grant administration, helping rehabilitate housing stock, and working with companies to expand or enhance facilities.

The Authority has commenced the expansion of the second generation of the landfill. After completing years of planning and permitting, the construction of the new facilities began with the initial development of site work, grubbing and clearing, and the construction of offsite wetlands.

The Authority also helped resolve an issue between the US Army Fort Drum Garrison and the City of Watertown relative to the appropriateness of energy pricing as it related to the water and sewer treatment services purchase contracts. The resulting compromise mitigated the revenue impacts to the city and protected the interests of Fort Drum by the parties mutually agreeing to a market-based utility pricing.

Authority personnel also played a significant regional role in federal and state oversight of projects through the Northern Regional Border Commission and the North Country Regional Economic Development Council.

We look forward to working with our regional partners to help them prosper and grow for many more years.

Policy and Direction

Authority Board

Gary Turck, Lewis County business owner, was elected at the 2018 annual meeting to a fourth term as Board Chairman.

Also elected as officers were Vice Chairman, Fredrick Carter, St. Lawrence County; Treasurer, Margaret Murray, Jefferson County; and Secretary, Thomas Hefferon, City of Watertown.

There were no new appointments to the Authority Board.



Gary Turck

Annual Planning Session

The Town and Village of Gouverneur's Joint Community Center was the location of the Board's Annual Strategic Planning and Development Session. This year's event included discussion of statutory authority, service territory, by-laws and the strategic plan. Presentations and discussions were led by Victoria Ramundo, Esq. Further discussion involved the board, executive roles, ethics, and public complaints. A report of the Building Committee was also submitted.

Board Policies

At its annual meeting, the Board reviewed and adopted, as required by the Authorities Budget Office, the Investment Policy, Disposition of Real Property Policy and Procurement Policy. In addition, throughout the year the Board approved the Personnel Policy, Electronic Signature and Electronic Storage Policy, Work Place Violence Prevention Policy, Subordination Policy, and Purchase Card Policy.

The Authority also adopted a new state-mandated standard policy regarding sexual harassment. The Authority adopted the policy and conducted training for all Authority personnel. The policy also applies to any contractor or organization doing business with the Authority. All policies are available on the Authority's website, www.danc.org.

Administration



The position of Director of Information Systems was added to the Administration, to enhance the Authority's Information Systems from an operations, security, and efficiency perspective. Initial efforts have produced improvements in billings, accounts receivable, and a new human resources electronic management system.

Prior to joining the Authority, Jennifer served in numerous capacities with Sandvik Materials Technology, most recently as President. She began as controller, and advanced through various managerial positions including production. Her private sector experience brings added strength to the Authority's management team. She is a graduate of Mary Wood University with a BS in accounting.

Financials

Independent Financial Audit

The Authority's annual independent audit of fiscal year ending 2019 was prepared by Bonadio and Company, LLP, Certified Public Accountants, in accordance with professional standards, generally accepted auditing standards, and the requirements of the New York State Authority Budget Office. The full audit and findings have been reviewed by the Authority's Independent Audit Committee which recommended the audit's acceptance to the Authority Board. The Board accepted the audit findings and directed they be posted to the public on the Authority's website, www.danc.org.

The audit process and related testing determined that the Authority's accounting records and documentation were well prepared for audit purposes. The audit group's management letter contained no recommendations for the Authority's management. While the auditors did not have specific recommendations for improvements, they did re-emphasize the importance of governing Board oversight and involvement as a critical element of the Authority controls environment.

- ▲ "The Auditors did not identify any internal control deficiencies or material weaknesses during the course of the audit process."
- ▲ "There were no significant transactions that have been recognized in the financial statement in a different period than when the transaction occurred."
- ▲ "There were no audit adjustments required that related to errors or omissions by the Authority accounting personnel."

Summary of Auditor's Results

1. The independent auditor's report expresses an unmodified opinion on whether the financial statements of the Development Authority of the North Country (the Authority) are prepared in accordance with Generally Accepted Accounting Principles (GAAP).
2. No material weaknesses or significant deficiencies relating to the audit of the financial statements are reported in the Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*.
3. No instances of noncompliance material to the financial statements of the Authority, which would be required to be reported with *Government Auditing Standards*, were disclosed during the audit.
4. No material weaknesses or significant deficiencies related to the audit of the major federal award programs are reported in the Independent Auditor's Report on Compliance for Each Major Federal Program and Report on Internal Control Over Compliance Required by the Uniform Guidance.
5. The auditor's report expresses an unmodified opinion on compliance for the major federal award program for the Authority.
6. There were no audit findings relative to the major federal award program for the Authority that are required to be reported in accordance with 2 VFR Section 200.516 (a).
7. The program tested as a major program was Home Investment Partnerships Program.

Opinion

“In our opinion, the financial statements referred to present fairly, in all material respects, the financial position of the Authority, as of March 31, 2019, and the changes in its financial position and its cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.” – *Bonadio and Company*

Financial Statements

The Authority’s financial statements are prepared on an accrual basis in accordance with GAAP promulgated by the Government Accounting Standards Board (GASB). The Authority is a multipurpose entity and revenues are recognized when earned not received, expenses are recognized when incurred, not when paid.

Budget vs. Actual

The audit group reported, “The operations of the Authority remain stable with variations between budgets and actual considered minimal. The Authority is not aware of any circumstances or situations that would significantly impair its ability to operate its activities as a growing concern.”

Internal Control Environment

The audit process and related testing determined that the accounting records and documentation maintained by the Authority accounting and management personnel were well prepared for audit purposes. The best evidence of the preceding statement is reflected by the following audit results:

- a. We did not identify any internal control deficiencies or material weaknesses during the course of our audit process.
- b. There were no “Audit Adjustments” required that related to errors or omission by the Authority accounting personnel.

The results described above are desirable objectives for any Organization subject to a financial statement audit process.

While the audit did not identify any specific recommendation for improvement in this area, we want to emphasize the importance of board oversight and involvement as a key component of the Authority’s internal control environment.

Investment Guidelines

The auditors conducted an examination in accordance with attestation standards established by the American Institute of Certified Public Accountants. The Auditors believe that the evidence they obtained is sufficient and appropriate to provide a reasonable basis for their opinion. The Auditors reviewed the Authority’s compliance with its investment policy as well as the State Comptrollers Investment Guidelines for Public Authorities.

Bond Issue

The Authority issued no debt during the past year.

The Authority, as of the end of the fiscal year, March 31, 2019, has the following outstanding bonds.

Bond Issue	Balance 3/31/19	Maturity
Series 2010c SWMF Revenue Bonds	\$395,000	2019
Series 2015 SWMF Revenue Bonds	\$7,800,000	2040

Credit Rating

The Authority was the recipient of a favorable credit rating from Standard and Poor's as a result of the 2015 Solid Waste Bonds issued in fiscal year 2016. The Authority received a "AA/Stable Outlook" rating from Standard and Poor's in October 2015. The rating was based upon the Authority's having a "strong financial profile" and "strong operations profile."

Financial Data

	FYE 2015	FYE 2016	FYE 2017	FYE 2018	FYE 2019
Total Assets	\$209,175,199	\$217,249,887	\$219,006,172	\$217,811,497	\$224,955,453
Total Liabilities	\$44,421,950	\$51,481,379	\$52,953,347	\$52,052,507	\$56,576,092
Total Net Assets	\$164,753,249	\$166,618,048	\$168,732,926	\$167,228,117	\$168,790,732
Total Operating Revenue	\$424,292,180	\$24,535,827	\$28,631,171	\$26,078,892	\$26,155,871
Total Operating Expense	\$23,137,234	\$23,579,237	\$26,480,068	\$28,221,651	\$26,663,488
Bonds, Outstanding	\$4,240,000	\$9,995,000	\$9,420,000	\$8,815,000	\$8,195,000
Loans, Contracts, Leases, Payables	\$4,904,792	\$3,940,447	\$3,524,257	\$3,419,679	\$3,646,371
Board Designated Assets	\$41,543,821	\$42,834,665	\$45,761,932	\$48,905,499	\$42,469,440
Undesignated Net Assets	\$10,009,524	\$7,318,706	\$7,823,032	\$5,909,555	\$4,147,159

Request for Information

This financial report is designated to provide a general overview of the Authority's finances for all those interested. Questions concerning any of the information provided in this report or a request for additional information should be addressed in writing to the Comptroller at the Dulles State Office Building, 317 Washington Street, Watertown, New York 13601

Landfill Expansion

Work began in earnest on the landfill expansion over the last year. As part of the project, it was necessary to harvest some forest land to clear the way for the installation of new cells that will accept waste in the future. Over 3,000 native species tree seedlings were planted to help replace those that were harvested, and more will be planted in future years. Additional plantings created a buffer zone in wetland and stream areas on Authority property that will be impacted by the construction.



During last year's construction season, the focus was on earthworks to build the foundation for the new landfill cells and new perimeter roads.

In addition to the onsite work, an offsite wetlands project was also completed. As part of its commitment to create a plant and wildlife habitat to replace habitats that will be impacted by the expansion project, the Authority converted a New York State Department of Environmental Conservation (DEC)-owned agricultural field in the Town of Ellisburg into wetlands. Streambanks were stabilized and a wetland was constructed adjacent to Skinner Creek. The project creates wildlife habitat, helps improve water quality and may help mitigate run-off impact in the area.



Waste Diversion

Diverting waste from the landfill through recycling and reuse continues to be a priority of the Authority. The landfill operating permit prohibits recyclables from being landfilled and diversion of recyclable materials helps prolong the life of the landfill.

The Authority expanded its recycling efforts to assist its partner counties and educate the public. A new television ad promoting recycling was created, with original animated characters and an original jingle.



The mattress recycling program, begun as a pilot in Lewis County in 2018, was expanded to St. Lawrence County. The Authority assisted both counties with communicating the



new mattress procedures at local transfer stations. Although the program is still in its infancy stages, 1,971 mattresses were collected from the two counties and sent to Tonawanda, NY for recycling. Additionally, the Authority worked with Fort Drum to have another 1,471 mattresses sent to the recycler, diverting a significant waste stream from the landfill. The Authority spent \$28,538 on this program, easing the cost of recycling for its partner counties.

Over 1 million pounds of electronic waste was collected and recycled in the tri-county region. The Authority continued covering the costs associated with the recycling of Cathode Ray Tubes (CRTs, like old televisions) so that the county collection programs could continue at no cost to residents. The Authority saved the counties \$102,437 by disposing of the CRTs for them.

Five free household hazardous waste collection events were held throughout the three counties to help residents dispose of waste that cannot go to the landfill. The Authority sponsors these events, along with its county partners and the DEC. A total of 1,140 households brought 50,104 pounds of waste such as leftover solvents, pool chemicals, resins and fluorescent light tubes to the collection events for proper disposal. The Authority paid \$58,509 to have this waste disposed of properly.



Approximately 103 tons of discarded hardcover books were diverted from the landfill through the Authority's



book debinding partnership with North Country Library Systems. The program, launched in early 2018, has grown significantly, with 206,272 books de-bound last year. The Authority's debinding operation moved to a larger space to accommodate the increased activity.

Capital Projects

Just as important as assisting our external partners, the Authority made capital improvements to its own facilities to better serve the community. Highlights include:

- Expansion of the gas collection system at the landfill. The Authority's operating permit requires it to collect and destroy methane gas generated at the landfill. The system transports the gas from the landfill to electrical generators at a plant onsite, which produces electricity that is sold to the grid. Twenty-two new gas collection wells were installed, which enables the Authority to collect the maximum gas available, thereby further decreasing odors that escape offsite.



- A Telecommunications storage facility was built at the Materials Management Facility to create protected storage for fiber cable and construction equipment. These items are used by the Telecommunications division to construct and repair fiber lines and must be available – in good condition – at a moment's notice in order to meet customer needs.



- The bar screen at Warneck Pump Station was replaced. The bar screen removes solid material from the wastewater entering the pump station to prevent it from entering and damaging the pumps.



- The Gaseous Chlorine System at Warneck Pump Station, used to treat wastewater, was removed and replaced with a different type of treatment. This has greatly reduced potential danger to worker safety and residents in the area

Business Development

- The Authority launched the new New York State Grown and Certified Agriculture Producer's Grant for the region, with a \$500,000 grant from the New York State Department of Agriculture and Markets. The Authority partnered with the seven-county Cornell Cooperative Extension offices and the seven-county Soil and Water Conservation District offices to implement the program. The program provides grant funds to assist agriculture producers in obtaining certification through the New York State Grown and Certified Program. Last year the Authority funded 10 projects totaling \$292,867.66, including one to a Lewis County farm to purchase equipment to improve the quality of its hops.
- Downtown Massena, LLC received \$205,000 in grant/loan funds from the Authority's North Country Redevelopment Fund to substantially renovate the former Slavins Building in downtown Massena into commercial space and market rate housing.



- The North American Forest Group received \$500,000 as part of a funding package to start up a commercial sawmill at the former ACCO facility in Ogdensburg.
- Gervera, Inc. received \$250,000 grant/loan to renovate a blighted building located at 114 Court Street, Watertown to transform it into high-end commercial space.



- The Authority has committed the entire \$5 million awarded by Empire State Development through the CFA process to the North Country Redevelopment Fund.
- The Authority provided fiber to 11 Champlain Bank locations. The regional project enhanced the reliability of the business's network, serviced by Westelcom, allowing greater efficiency in the company's business processes.

Community Projects

The Authority worked with a number of partner organizations to complete projects that connect communities and assist municipalities. Highlights include:

- Provided \$100,000 in assistance for technical equipment to support the distant learning opportunities between Jefferson Community College and the new Lewis County Education Center. The Authority also provided network connectivity to the site.



- Extension of our fiber network to assist the Thousand Islands Bridge Authority with upgrades and to accommodate the new I Love New York 1000 Islands Welcome Center; fiber and services were also provided to the new I Love New York Adirondack Welcome Center on I-87.
- Provided connectivity and service to the new Lewis County Center for Business in Lowville (the former Climax Manufacturing facility) and prepared the site for future new customers.
- Four municipal efficiency studies were completed and have moved into the implementation phase: Village of Harrisville, Village of Morristown and the Town of Tupper Lake Water Districts and the Town of Tupper Lake Sewer Districts.
- Construction of a new Central Office in the Village of Carthage offices to support the Authority's Open Access Telecom Network. In exchange for the space, the Authority is providing a free connection to the village's internet provider at two municipal locations, and the Authority upsized its generator to provide backup power for the entire building in the event of an emergency.
- Completion of the high speed internet connection of 39 libraries to the North Country Library System.
- Extension of our fiber network to 11 substations for the New York Power Authority and provision of 420 miles of fiber.



- Assisted the Village of Lyons Falls and its partners with continued efforts to clean up and redevelop the former mill site. To date, 23 of the 26 derelict buildings at the site have been demolished over the course of four phases of the project.



- Continued assisting the St. Lawrence County Industrial Development Agency and its partners with ongoing efforts to clean up and redevelop the former Jones & Laughlin (J & L) iron ore site in Star Lake. All 28 deteriorated buildings at the site have been demolished.



Community Housing

- Authority staff successfully completed a Community Development Block Grant (CDBG) owner-occupied rehabilitation program for the Town of Wilna. Funds were used to assist 12 income-eligible households throughout the town with housing repairs.



- Staff completed a homebuyer program for the Village of Massena utilizing CDBG funds, assisting 13 individuals with the purchase of their first home in the village.
- Using New York State Affordable Housing Corporation funds, Authority staff completed an owner-occupied rehabilitation program for a targeted area in the Village of Massena, assisting 14 income-eligible households.



- Staff also completed an owner-occupied rehabilitation program in the Village of Tupper Lake, funded with NYS HOME funds. The program assisted 12 income-eligible households in the village.
- Since the program's inception 25 years ago, the Authority has administered \$30.5 million in federal HOME program funds for the North Country HOME Consortium to provide housing assistance to income eligible households in the three-county region. Since 1994, over \$13 million has been spent in St. Lawrence County, \$11 million in Jefferson County, and \$4.2 million in Lewis County. The program has assisted over 1,800 housing units.

Partnering with Fort Drum

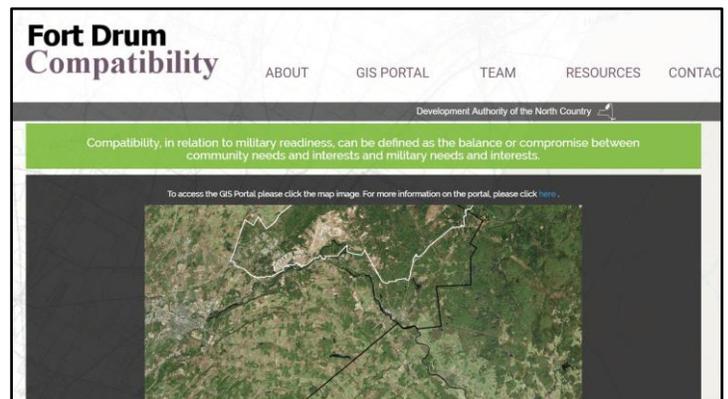
- Authority staff – including veterans – participated in the Armed Forces Day luncheon sponsored by the Watertown Chamber of Commerce, and in AUSA's Armed Forces Day breakfast held on Fort Drum.
- Authority staff implemented the recommendation made by the Fort Drum Joint Land Use Study to create a Fort Drum Compatibility Committee. The committee is comprised of planning officials from the three counties and the City of Watertown, as well as representatives from the Tug Hill Tomorrow Land Trust, Tug Hill Commission, and Fort Drum Garrison, and local elected officials from towns adjacent to Fort Drum. The committee serves as a resource to Authority staff as they continue to implement recommendations from the Joint Land Use Study. Last year, the committee was invited by the Fort Drum Commanding General to tour the post and learn about encroachment issues relating to the installation. Often these issues, including endangered species and habitat, impact the community as well.



Authority staff and Authority employees who are veterans of the Armed Services participated in the 2018 Armed Forces Day Luncheon in Watertown.



The Fort Drum Compatibility Committee was invited to tour Fort Drum to see first-hand the impact of encroachment issues on the installation.



One of the recommendations of the Joint Land Use Study was the creation of a Fort Drum Compatibility website to provide a repository of public information relating to Fort Drum encroachment issues. It can be found at www.fortdrumcompatibility.org

Great American Defense Community



**NORTH
COUNTRY
STRONG**



The North Country has been selected as a Great American Defense Community. The recognition is for the community's support of Fort Drum. For the first time the tri-county region was recognized for this national distinction by the Association of Defense Communities, based upon a nomination submitted by Advocate Drum/Fort Drum Regional Liaison Organization (FDRLO).

The Development Authority plays an essential role in the community's support of Fort Drum. The Authority provides water and wastewater treatment, solid waste disposal, and telecommunications on a daily basis for the 30,000 military and civilians at Fort Drum. Additionally, the Authority provides community planning and off-base housing in support of the installation.

Fort Drum contracts amounted to an annual revenue to the Authority of \$4.125 million during the last fiscal year. In turn, the Fort Drum Garrison relies upon the Authority for essential services and communications with the region and its communities. The Authority is a strong sponsor and participant in the FDRLO and its Advocate Drum initiatives.

The national recognition is testimony to the successful long-standing relationship between the North Country and Fort Drum.



Fort Drum Day in Albany

Franklin County – Neighbor and Partner

Franklin County has an historical relationship with the Authority dating back to the original regional development concepts of then-Governor Mario Cuomo. While the enabling legislation of 1985 identified the three-county Fort Drum impact area, the state's economic development region included Franklin County, and the Authority's enabling legislation authorized municipal contracts, establishing the potential for partnership.

The first initiative in 1987 was a joint regional effort to submit a proposal for a regional super collider/conductor in Franklin County, which was supported by the Authority. Subsequent cooperative efforts included the North Country Alliance, solid waste planning, and the proposed Northern Tier Expressway. In 2010 the Authority began planning the extension of telecommunications into Franklin County at the request of the county legislature and then-Congressman Bill Owens. The Authority was extending its network east with state and federal funding and Franklin County was the first county connected, along with the ACTION Telemedicine Network, which connected Franklin County health care facilities.

The election of Governor Andrew Cuomo in 2010 led to the state commitment to the concept of Regional Economic Development Councils and a prominent role for the Authority in regional projects. This new role also afforded the counties a greater awareness of the capabilities and capacity of the Authority to support municipalities. Regional initiatives supported by the state included establishment of the North Country Economic Development Fund, North Country Value-Added Agriculture Fund, and the North Country Community Transformational Tourism Fund. Over the years these regional efforts have grown and supported projects in Franklin County. Additionally, the Authority contracted with Franklin County IDA to perform loan underwriting services for the agency.

The Authority was a recipient of a federal broadband grant to extend its network through the Adirondacks to the eastern state border. This, combined with the assumption of the ACTION Telemedicine project, extended our telecommunications network into Franklin County, including Malone, Tupper Lake, and Saranac Lake. The Authority was also awarded state BOCES contracts to develop educational connections to school districts. This led to further state grant awards for broadband public safety networks, library networks, and the combining of the two telemedicine networks.

By 2015, the Authority was well-recognized within Franklin County and was providing engineering, GIS, and technical services to Tupper Lake and other Franklin County municipalities. In a similar development, Regional Development began providing housing, grant administration, and other technical support to Franklin County. In 2016 the federal government recognized the Authority as the local development district for the Northern Border Regional Commission for the tri-county area and Franklin County.

The Authority services grew to the point that contracts in Franklin County exceeded those in Lewis County and were continuing to grow in technical services, GIS, and housing. Finally, in 2017 the Authority signed its first five-year contract for the management of the Village of Malone wastewater treatment plant.

The relationship with Franklin County has grown and developed over time to the benefit of the region, the county, its municipalities and the Authority, and the relationship will continue to evolve because the Authority incorporated Franklin County into its ten-year strategic plan in 2018.

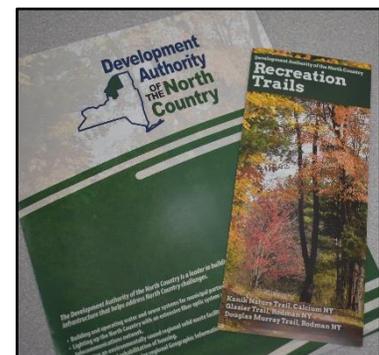
Building a Better Authority

The Authority constantly strives to improve as an organization to better serve its employees and partners.

- The Authority received a grade of A+ for its Minority and Women-owned Business Enterprise (MWBE) efforts over the last year. State agencies are graded annually by New York State Empire State Development on their efforts to do business with certified MWBE firms. This is the third year of the grading system and the Authority has received an “A” each year. During the last fiscal year, the Authority purchased 35.02% of its eligible spend from MWBE firms, 5% more than the goal of 30%.
- A sexual harassment prevention policy was developed, approved and implemented by the Authority. All employees received sexual harassment prevention training.
- An employee intranet was launched to serve as an information and news resource for Authority employees.
- A new Human Resources management system was implemented to assist with employee onboarding and applicant tracking, and to better manage employee data.
- The Authority worked with Fort Drum and the City of Watertown to modify its contract with Fort Drum to provide water and sewer services to the installation to clarify language and update terms.



- New four-color general information brochures were developed and published to better inform the public about Authority activities, as well as recreational trail opportunities.



- The Authority’s Information Technology security systems were upgraded to help protect against cyberattacks.

- The Authority was recognized for increasing its participation in, and pledges to the United Way campaign.

Municipal Contracts

St. Lawrence, Oswego, Franklin, Hamilton & Essex Counties

Customer	O&M Water	O&M Sewer	Technical	SCADA	GIS	Management	Regional Development
St. Lawrence County			1		1		
St Lawrence County IDA			2				1
Town of Brasher					1		
Village of Canton			1		1		1
Town of Clifton	1	1	1		1		
Town of Colton					1		
Town of Dekalb	1	1	1		1		
Town of Edwards	1	1			1		
Town of Fine			3		1		
Town of Gouverneur	1	1	1		1		1
Village of Gouverneur			1	1	1		
Village of Hammond					1		
Town of Hermon					1		
Village of Heuvelton	1	1	4	1	1		
Town of Lisbon					1		
Town of Louisville					1		
Town of Massena					1		
Village of Massena					1		3
Town of Morristown			1				
NCA							1
NCEDF							1
Town of Norfolk					1		
City of Ogdensburg			1	1	1	2	2
Ogdensburg Growth Fund			1				
Town of Parishville					1		
Town of Potsdam				1			
Village of Potsdam			3	1	1		
Village of Rensselaer Falls					1		
Town of Stockholm					1		
Village of Waddington					1		
Oswego County							
Village of Lacona					1		
Town of Sandy Creek					1		
Village of Sandy Creek					1		
Town of Richland					1		
Franklin County					1		
ANCA			1				
Town of Belmont					1		
Franklin County IDA							1
Town of Harrietstown					1		
Town of Malone					1		
Village of Malone			2		1	1	
Village of Saranac Lake					1		
Village of Tupper Lake			5				
Town of Tupper Lake			4		1		2
Hamilton County							
Town of Long Lake					1		
Essex County					1		
County Totals	5	5	33	5	37	3	13
PAGE TOTAL							101
GRAND TOTAL							197

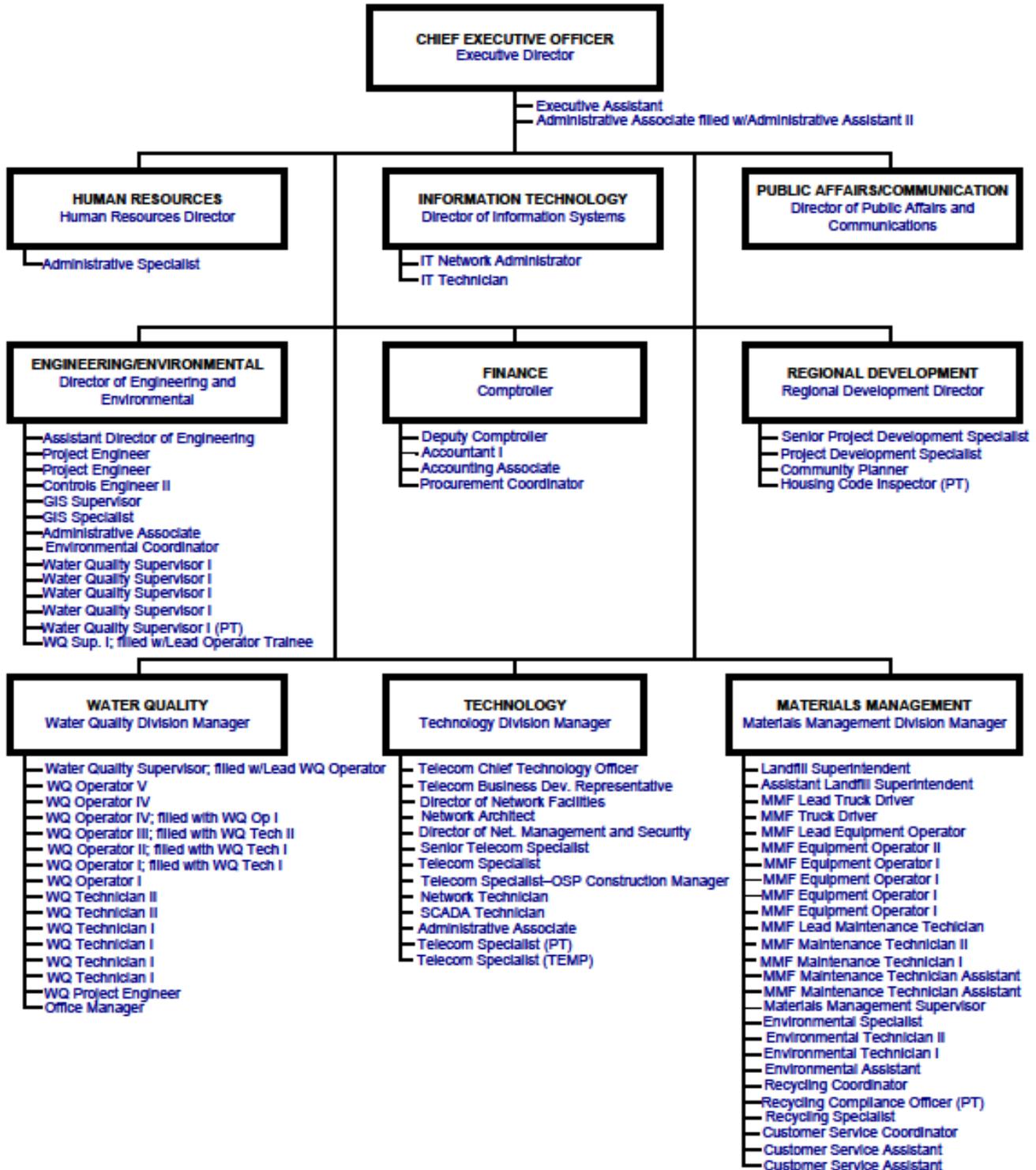
Functional Organizational Chart



Updated as of 1/25/19 KLB

Staffing Organizational Chart

Development Authority of the North Country Staffing Organization Chart – March 2019



Updated 3/25/19 KLB

Performance Measures FYE 2019

The Development Authority of the North Country adopted the following measurements as indicators of the Authority's performance. Listed for each objective are the activities which addressed the objective during the fiscal year. Actions reflected in red are non-performance issues.

This, combined with the ever increasing list of providing value added services to the communities, reflects the performance of the Authority and its divisions this completed fiscal year.

Meet or exceed federal, state and local regulatory requirements.

- The Authority completed the NYS Department of Environmental Conservation's (DEC) Environmental Audit; there were no instances of regulatory non-compliance noted for the reporting period.
- The Authority-owned Army Waterline, Army Sewer Line, and Regional Waterline had no violations.
- The Authority received its third Minority and Women-owned Business Enterprise (MWBE) report card, based on an evaluation by NYS Empire State Development. Of 26 criteria, the Authority scored a 25, resulting in grade of "A+." The Authority received a grade of "A" on its first two report cards.
- The Authority completed the implementation of the new, mandatory NYS Sexual Harassment Prevention Policy and completed the required employee training of all Authority employees.
- The Technology Division filed all Federal Communications Commission and NYS forms required to operate a telecommunications network in a timely manner.
- The Engineering Division reviewed 51 special waste disposal requests for over 68,000 tons to ensure these materials being delivered to the Materials Management Facility (MMF) are acceptable as non-hazardous waste in accordance with the Authority's Part 360 permit.
- The Telecommunications group sent Universal Service Fund certificate requirements to all customers.
- The Telecommunications group filed a Jurisdictional Inquiry and a Public Utility Amendment Application for the Adirondack Club/Loj Road project.
- USDA completed a successful audit of the North Country Alliance's project files, finding no issues.
- The Authority was compliant with HOME program guidance from U.S. HUD.
- Payment to the NYS Public Works Enforcement fund was made in a timely manner.
- The Authority's annual MWBE Goal Plan was submitted in a timely manner and approved.
- The Authority established an MWBE goal of 30%, consistent with state requirements. Authority MWBE utilization from April 1, 2018 through December 2018 was 33.64%.
- Authority staff attended contractor match-making events in St. Lawrence and Jefferson counties in order to increase awareness of Authority needs among certified MWBEs.
- The Authority proactively identifies MWBE firms and notifies MWBE vendors of procurement opportunities.
- Authority staff participated in the Governor's Annual NYS MWBE Forum for two days in the capitol.
- The Authority's annual Service Disabled Veteran Owned Businesses (SDVOB) Goal Plan was submitted in a timely manner and approved.
- The Authority established an SDVOB goal of 4%. The state established a statewide target of 6% for SDVOB.
- Authority SDVOB utilization from April 1, 2018 through December, 2018 was 4.72%.

- The Authority completed a wellfield expansion and leachate pipe upsizing project at the regional MMF to decrease fugitive gas emissions, eliminate leakage into the liner system and aid in leachate transport.
- The Authority completed tree harvesting for the regional landfill's expansion footprint within the required, regulated timeframe due to Indiana Bat habitat.
- The Authority commenced wetlands mitigation construction as part of the landfill expansion project to meet US Environmental Protection Agency (EPA) requirements for wetlands disturbance.
- A new litter fence was installed at the MMF to contain blowing litter.
- Periodic DEC landfill site inspections resulted in no violations.
- MMF staff proactively resolved all landfill operation and storm water-related environmental issues without permit violations.
- Human Resources completed Affordable Care Act required monthly and annual reporting that proves the Authority is providing affordable health insurance coverage to its employees.
- Human Resources completed Public Employee Safety and Health (PESH) annual reporting of work-related injuries and illnesses.
- Human Resources submitted the annual confidential Evaluation of Board Performance Summary to the NYS Authority Budget Office.
- Human Resources ensured that board members and affected employees completed the NYS Joint Commission on Public Ethics required comprehensive ethics training and filed annual financial disclosure statements.
- Human Resources completed the required annual Workplace Violence Prevention training, employee survey, site evaluations, checklists, and reporting.
- Human Resources completed the required bi-annual reporting to the NYS Office for the Prevention of Domestic Violence.
- The Defense Contract Audit Agency completed an incurred cost audit of the Authority's Army Sewer and Water Lines for FYE 2017. The DCAA audit resulted in questioned Authority costs of \$29,287 related to the Authority's methodology for charging indirect costs and Water Quality personnel compensated absences to Fort Drum. These items were identified in the "Other Matters" section of the Incurred Cost Audit Report for Fiscal Years 2014, 2015 & 2016 with a recommendation from DCAA that we review and modify our current methodology for charging indirect costs and Water Quality personnel compensated absences to Fort Drum. Based on this recommendation and to ensure future compliance with Federal Acquisitions Regulation (FAR), the Authority reviewed the historical methodologies used and implemented new methodologies effective April 1, 2018. Upon review of the DCAA Audit Report, Fort Drum has indicated that it will accept the Authority's costs as originally claimed.
- Water Pollution Control Facilities serving the Villages of Carthage/West Carthage, Clayton and Malone, and the City of Ogdensburg, which are managed by the Authority's Engineering Division, experienced a combined total of 63 violations. Violations were caused by a variety of issues including failing equipment and collection and treatment system capacity issues. The Authority is working with each of the municipalities to implement corrective actions to address these issues.
- Municipal wastewater treatment plants managed by the Authority's Water Quality Division had 10 SPDES violations; proper documentation was filed with the DEC.
- One Petroleum Bulk Storage violation related to a non-functioning spill bucket at the regional landfill was corrected.

Meet or exceed federal, state and local safety requirements.

- The Authority completed 345 of 347 Safety Compliance items – 99.4% complete for calendar year 2018.
- The Authority maintained a Board-Certified Safety Professional on staff and completed internal safety compliance audits for confined space and respiratory protection.

- The Gaseous Chlorine System has been removed from Warneck Pump Station. This has greatly reduced potential danger to worker safety and to area residents.
- The Water Quality Division was visited by PESH in the field while inspecting the Army Sewer Line. The equipment and work processes were observed and no violations were issued.
- All Authority employees completed Vehicle Safety Training.
- The Telecommunications Division met all regulatory and safety requirements for the New York Power Authority (NYPA) and Alcoa projects, which required additional on-site training for Authority staff.
- The Engineering Division coordinated and provided the following training for employees: Hot Work Program, Fire Extinguisher, Confined Space Entrant and Attendant, Confined Space Rescue, Confined Space Supervisor, Electrical Safety, Compressed Gas Safety, Fall Protection, Hearing Conservation & Noise Vibration, Aerial Lift, Contractor Safety, Lock-Out Tag-Out, Hazard Communication, Crane & Hoist, Powered Industrial Truck Safety, and Personal Protective Equipment.
- The Engineering Division managed the Authority's Safety Program and facilitated monthly Safety Committee Meetings with representatives from all divisions.
- The Engineering Division completed quarterly internal compliance audits to ensure that regulatory and safety requirements were being met.
- The MMF successfully conducted a surprise onsite confined space entry rescue drill.
- The Water Quality division adhered to OSHA requirements and completed annual safety inspections for all facilities and safety equipment.
- The Technology Division established the Keeseville Central Office as a PESH-reportable location.
- The Technology Division submitted traffic safety plans to the NYS Department of Transportation (DOT) for all jobs requiring roadside protection.
- **The Authority had a reportable incident rate of 6.6 in calendar year 2018; an increase from 5.9 in 2017.**

Manage the Authority's assets in a prudent and fiscally responsible manner.

- The Authority publicly accepts bids for all used equipment and assets, utilizing a public electronic auction site.
- The Authority implemented an Asset Management Policy.
- The Authority implemented several IT security measures to protect the Authority's digital information.
- The Technology Division entered into a dark fiber Indefeasible Right to Use (IRU) agreement with Northland Networks as part of the NYPA project, resulting in \$875,000 in construction savings.
- The Authority created a new company within the Regional Development Division in order to better manage the Community Development Loan funds. State funds are now separated from local funds in order to better track.
- The Materials Management Division secured grants for Household Hazardous Waste and Electronics recycling.
- IT created a workflow that provides a tracking mechanism of Telecommunications assets as they are deployed or decommissioned from Central Offices to ensure assets are updated properly.
- The Materials Management Division is required to fund Closure and Post-Closure Reserves to fund landfill closure and post-closure requirements. The required Financial Assurance Compliance Report was submitted to the DEC for FYE 2018. The FYE 2019 Compliance Report will be submitted to the DEC upon audit completion.
- The Engineering Division completed a capital project to upgrade the publically accessible Geographic Information System (GIS) Internet Mapping System (IMA) to the latest platform and updated the GIS software to a newer version that will improve workflows and streamline GIS management tasks, including current records/mapping of the Authority's infrastructure.

- The Technology Division negotiated a fiber overlash agreement with Frontier Communications, resulting in a savings of over \$300,000 for the backbone overlash project.
- Telecommunications entered into a fiber and services exchange agreement with another provider, resulting in \$57,000 savings to both organizations.
- The Technology Division entered into a new service agreement for HVAC maintenance to assure its equipment is well-maintained.
- The Authority issued a bid to power line utility companies in an attempt to lower the increasing make-ready costs.
- The Authority entered into a pole attachment agreement with Primelink in Plattsburgh to allow Authority fiber to be attached to poles at a lower cost.
- The IT group investigated and reported on alternative backup systems for the IT infrastructure in order to better protect the Authority's digital information.

Operate transparently and with accountability to partners and the general public.

- The Authority continued to refine and expand its new website to offer more information, including the addition of Performance Measures and loan portfolio "snapshot" sheets.
- Regional Development enhanced the Fort Drum Compatibility website to provide data and reports in order to improve compatible land use planning between Fort Drum and communities. GIS staff supported the Fort Drum Compatibility projects with database and web-based portal development, map creation and data analysis, including the creation of 3D imaginary airport surface models for Fort Drum.
- The Finance Division completed annual PARIS reporting for staff, board of directors, and benefits information for the State Authorities Budget Office.
- To further inform the public about its activities and services, the Authority participated in the Tug Hill Local Government Conference, the St. Lawrence County Local Government Conference, a Syracuse University K-12 Recycling Resources Roundtable, the NYPA/St. Lawrence County Economic Development Advisory Board and Fort Drum Day in Albany.
- The Authority provided its annual update newsletter to Rodman residents, and the Materials Management Director attended monthly Rodman town board meetings to keep residents updated on landfill activities.
- The Water Quality Division conducted scheduled meetings with the Route 3 Sewer municipalities, Regional Waterline municipalities, and the U.S. Army for fiscal and operations review and discussion, and review of proposed budget and capital improvements.
- Authority Engineering staff attended over 85 municipal board meetings to provide updates on contract services the Authority is providing for the municipalities; Water Quality staff attended municipal board meetings on a regular basis and as requested.
- The Authority retained the Bonadio Group to complete a Financial Statement Audit, Agreed Upon Procedures for the Regional Waterline, Report on Investments and a Single Audit. All audits were completed without findings and were approved by the Authority's Board of Directors.
- Regional Development created a Fort Drum Compatibility Committee comprised of municipal officials, Fort Drum representatives, and planning organizations to discuss encroachment pertaining to Fort Drum and surrounding communities. This resulted in a first-time tour of the installation for this group.
- Regional Development staff gave a presentation on the Joint Land Use Study (JLUS) and the Fort Drum Compatibility website to Fort Drum Garrison staff at its strategic planning session.
- Utilizing Office of Economic Adjustment funds, Regional Development staff is updating the Drum Country Business website in order to better market the three-county region for development.
- Utilizing Office of Economic Adjustment funds, Regional Development staff is creating model ordinances relating to land use planning and zoning as identified by the JLUS, in order to share with communities for their use.

- The Authority hosted its annual open house at the MMF, with informational and partner displays and tours of the landfill. The event was modified this year to offer some tours during the facility's open hours so visitors could view the working landfill in operation.
- Communications issued seven Authority press releases to inform the public about its activities and events, and provided information for five releases issued by partner organizations. Media stories numbered 140.
- Authority staff participated in a public meeting held by the DEC to update stakeholders and residents on the status of the J&L brownfield site cleanup/demolition in St. Lawrence County.
- Water Quality staff met with all City of Watertown water users along with NYS Department of Health and the EPA to address Disinfection Byproduct concerns.
- MMF staff provide facility tours to school- and college-age students and teachers throughout the year.
- The Materials Management Division conducts periodic meetings with haulers and its county solid waste division partners to obtain feedback and discuss operational changes at the landfill, as well as waste diversion activities.

Encourage environmental stewardship and advance as a more sustainable organization.

- The Authority completed 1,011 of 1,012 environmental regulatory tasks – 99.9% of the requirement.
- The Authority performed four internal waste audits in 2018 and set the baseline for future audits.
- The Authority implemented a mattress collection/recycling program in St. Lawrence County and continued subsidizing mattress collection in Lewis County.
- The Authority completed its electronic recycling, diverting 0.46 tons (920 pounds) of e-waste.
- The Authority completed its required Executive Order #4 Report to New York State, reflecting its sustainability efforts.
- The Authority increased collections of discarded books, which are de-bound and the pages then recycled. The pages of over 51,000 books were recycled through this process in FYE 2019.
- MMF staff attended several workshops, discussion sessions and presentations on the direction and state of recycling.
- The Authority established a reuse program for office supplies and furniture; in its first year the program successfully diverted 100 pounds of material from the landfill.
- The Finance Division electronically distributes employee paystubs and utilizes a direct deposit program for expense reimbursement, continuing the Authority's conversion to electronic paperless transactions. Since 2013, the Authority has seen a reduction in check stock usage of approximately 34%.
- The Gaseous Chlorine System was removed from Warneck Pump Station, eliminating the risk of a release of chlorine gas into the atmosphere.
- The Technology Division performed fire suppression room integrity testing for all Central Offices that have Authority-owned fire suppression.
- The Technology Division completed semi-annual inspections for fire suppression, HVAC and batteries to ensure proper operating conditions.
- The Authority implemented a Human Resources software system which has increased automation and reduced the overall need for paper.
- The Authority completed a digital cleanup of Authority-wide electronic files.
- The Authority implemented electronic signature software which decreases contract signature time and reduces the need for paper copies.
- Printed billing statements at the MMF were eliminated; statements are now emailed to all customers.
- The Authority assisted Fort Drum in developing a successful mattress recycling program.
- Authority staff participated in the Fort Drum Sustainability Fair.
- The Authority created and launched a new television recycling ad, with new proprietary characters and music.

- Authority staff created a textile recycling flyer with county-wide drop off locations to align with a DEC textile collection drive.
- Authority staff developed a display on composting and recycling for an educational building at the NYS Zoo at Thompson Park and participated in their annual Earth Day event.
- Human Resources used an HR management system software program (Employee Navigator) to process annual employee open enrollment for health, dental and vision insurances, and onboarding new hires, resulting in a reduction in paper usage.
- Human Resources completed the required online training on the NYS Employees' Retirement System's new Employer Online system to enroll new employees and submit reports electronically, resulting in the reduction of paper usage.

Provide regional initiatives and partnerships that provide value added services to communities.

- The Authority, as a Local Development District designated by the Northern Border Regional Commission for St. Lawrence, Jefferson, Lewis, and Franklin counties, provided project management/grant administration for five projects.
- Authority staff provided engineering assistance for several housing redevelopment projects in the Village of Tupper Lake, Town of Wilna, Village of Massena, and Village of Gouverneur.
- The Engineering Division provided technical support services for water/sewer capital improvement projects in the Village of Clayton, Villages of Carthage/West Carthage, Village of Heuvelton, Village of Potsdam, Village of Tupper Lake, Town of Tupper Lake, City of Ogdensburg, and Towns of Clifton and Fine. These multi-year projects total approximately \$100 million in investment in North Country infrastructure that will help support existing and future economic development.
- The Authority signed an agreement to provide services to the Lewis County IDA for its new Center for Business, located in the former Climax Manufacturing building.
- The Authority actively participated in and led North Country Regional Economic Development Council activities along with partners, to leverage resources in order to obtain additional state funding for region-wide community projects.
- Telecommunications delivered service to the new Lewis County education center for Jefferson Community College, Lewis County, and Cornell Cooperative Extension.
- The Engineering Division/GIS was awarded a contract to implement regional archives GIS mapping for the Village of Malone, towns of Malone and Bellmont, and Franklin County.
- The Engineering Division completed work required for the Village of Harrisville to dissolve.
- The Town of Tupper Lake contracted with the Engineering Division to facilitate the consolidation of 51 water and sewer districts into 15 districts.
- The Engineering Division assisted the Village and Town of Gouverneur with an application for funding through the Department of State to fund a regional hydroelectric study which is complete.
- The Engineering Division, on behalf of the Route 3 Sewer Board of Commissioners, assisted the Town of Champion with a successful funding application from the New York State Municipal Facilities Program. The grant is paying for the upgrade of Remote Terminal Units in the 10 oldest Route 3 Sewer Corridor pump stations.
- The Engineering Division assisted the Village of Heuvelton with a successful grant application through the Department of State's Municipal Restructuring Fund to complete a regional study that will evaluate the feasibility of decommissioning the Village of Heuvelton's wastewater treatment plant and constructing a sewer pipeline along NYS Route 812 to connect to the City of Ogdensburg's wastewater system.
- The Engineering Division assisted the Village of Heuvelton and Losurdo Foods in obtaining \$374,000 in grant funding to construct a wastewater equalization tank that will help Losurdo retain and create jobs.

- The Engineering Division assisted the Towns of Clifton and Fine with utilizing over \$143,000 of grant funding to complete a renovation project to promote increased tourism at the Clifton-Fine Golf Course and to develop marketing materials and improved signage.
- The Engineering Division completed Asset Management Plans for the following communities: Town of Diana, Town of Tupper Lake Water and Sewer Districts, and the Village of Alexandria Bay.
- The Engineering Division completed a Water/Sewer Rate Study for the Village of Potsdam and made recommendations to improve billing, which were implemented by the village.
- The Engineering Division provided project management services to the St. Lawrence County Industrial Development Agency to support two regional priority projects: 1) the railroad rehabilitation project from Newton Falls to Carthage, Phase 2 Project Completion and Phase 3 Project Planning; and 2) asbestos abatement and demolition of 12 of the remaining 17 buildings on the J&L brownfield site in Star Lake.
- The Engineering Division provided project management services to the Village of Lyons Falls to oversee the fourth and final phase of hazardous material abatement and demolition of the Lyons Falls Paper Mill brownfield site.
- Telecommunications completed a new security/monitoring network throughout the North Country for NYPA.
- Telecommunications completed a new security/monitoring network throughout the North Country for Avangrid/NYSEG.
- Telecommunications completed a 100G wave swap with NYSERNET and delivered 10G waves to Clarkson University, St. Lawrence University, SUNY Potsdam, and SUNY Canton on the 100G wave.
- Telecommunications assisted the Thousand Islands Bridge Authority with fiber upgrades and completed the fiber build to the new 1000 Islands/I Love New York Welcome Center at Collins Landing.
- The Technology Division constructed a new Central Office in Carthage in the village offices, including installation of a generator for the entire building and connectivity between municipal locations.
- Telecommunications provided an IRU for the St. Lawrence County Office of Emergency Management to its new towers in Ogdensburg and Massena.
- Telecommunications upgraded services and provided several new circuits for two regional providers, SLIC and Westelcom.
- IT and Technology partnered to complete an IT project for the City of Ogdensburg. A first for the Authority, the project included design and installation of both the fiber and IT structure for the city.
- Regional Development staff are administering a NYS Grown and Certified Producer's Grant for the North Country region.
- Regional Development staff are administering Restore NY and NYS Parks, Recreation and Historic Preservation grants for the Town of Wilna.
- Regional Development staff are writing grant applications for NYS affordable housing programs on behalf of the Town of Gouverneur and villages of Massena and Tupper Lake.
- Regional Development are staff working with the City of Watertown, Neighbors of Watertown, Habitat for Humanity, and the Watertown Housing Authority to rehabilitate blighted and foreclosed properties in the City of Watertown.
- The Authority accepted \$1 million from the Job Development Authority to implement an agribusiness loan program in Jefferson, Lewis and St. Lawrence counties.
- MMF staff performed spring street sweeping of streets for the Town of Rodman.
- The Authority investigated and evaluated sites for a regional recycling collection center to assist its partner counties with their recycling efforts.
- The Authority provided hunting opportunities for wheelchair-users at designated locations on the landfill property.

Develop internal analytic data to improve assessment and decision-making.

- The Engineering Division has developed statistical data for IMA applications and GIS access contacts, and tracks the data monthly to help determine the future direction of the GIS program.
- IT has purchased software to monitor and improve downtime rates for internet connection, email and unplanned maintenance.
- Telecommunications has invested in a network management and monitoring platform.
- Finance modified electronic financial data sets so that open and paid Purchase Orders can be viewed in detail, all purchases may be reviewed by account code, and financial data can be viewed in real-time, allowing for better budget management.
- The technology division monitors the bandwidth utilization of every circuit in the network to proactively assist customers with potential network issues before they escalate.
- The Authority is converting Municipal Solid Waste tonnage data to a local per-capita figure, with the goal of reaching the statewide per-capita MSW figure.