



Development Authority OF THE **North Country**



ANNUAL REPORT: 2023 - 2024





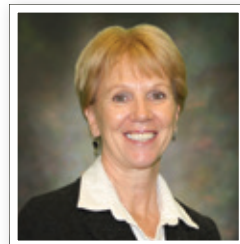
MESSAGE FROM THE BOARD CHAIR & EXECUTIVE DIRECTOR

As we prepare to celebrate the 40th anniversary of the Development Authority next year, we asked ourselves, what can the Development Authority do today to ensure that our communities and Fort Drum have the infrastructure and technical support required to be competitive for the next 40 years?

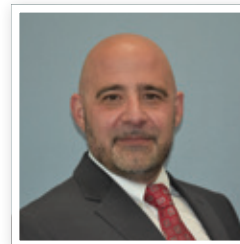
We laid the foundation for significant future broadband growth when the Authority was awarded a \$14.5 million federal grant to implement a \$24.5 million project to expand middle-mile broadband capacity throughout northern New York and a \$2.8 million regional grant to provide last-mile connectivity to several difficult-to-reach areas of our three counties. We are looking forward to working with the North Country Regional Economic Development Council on implementation of a workforce development program for soldiers and their spouses who are transitioning out of the military, to help fill employment gaps in the region.

While we look toward these projects with excitement and enthusiasm, we also took a hard look at our facilities and operations to determine what is needed to maintain their operability for future generations to come. This resulted in significant investments to upgrade the Army Water Line and Army Sewer Line, both vital pieces of infrastructure supporting Fort Drum and surrounding communities. We continued to strategically open a new section of the landfill to ensure environmentally-sound waste disposal for residents of the tri-county area and we reinvigorated our focus on waste diversion with several new initiatives.

On behalf of the Board of Directors and employees of the Development Authority, we look forward to continuing to work with our partners, communities and Fort Drum to ensure that northern New York remains the best place to live, work and play.



Margaret Murray
Chairperson



Carl E. Farone, Jr.
Executive Director



DEVELOPMENT AUTHORITY OVERVIEW

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. The Development Authority is not an agency of New York State nor Jefferson, Lewis, or St. Lawrence county government.

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, using 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 materials management facility in Rodman and a 2,000-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 housing and small business development.

The Authority also provides services on behalf of New York State and contractually 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.

BOARD OF DIRECTORS

The Board of Directors sets the policy and strategic direction for the Development Authority and provides oversight through established policies for implementation by the executive director. All members serve in a voluntary capacity and are not paid for their service.

Margaret Murray was reappointed by Jefferson County to serve another term, through December 31, 2027. Dennis Mastascusa was appointed by Lewis County to serve an additional term, through January 31, 2028. Ken Bibbins was appointed by Jefferson County to serve a full term, which will expire December 31, 2027.

James Hollenbeck, who was appointed by then-Governor Andrew M. Cuomo on July 22, 2015, retired from Authority Board service in September, 2023.

OFFICERS

Margaret L. Murray, Chair
 Mary Reidy Doheny, Vice Chair
 Alex MacKinnon, Treasurer
 Dennis Mastascusa, Secretary

Appointed by Jefferson County
 Appointed by City of Watertown
 Appointed by St. Lawrence County
 Appointed by Lewis County

Kenneth M. Bibbins
 Mark Hall
 Thomas H. Hefferon
 Nancy C. Henry
 Stephen M. Hunt II
 Brian McGrath
 Eric Virkler

Appointed by Jefferson County
 Appointed by St. Lawrence County
 Appointed by City of Watertown
 Appointed by Governor
 Appointed by Governor
 Appointed by Governor
 Appointed by Lewis County

**Two Board vacancies currently exist for gubernatorial appointees.*



The Board regretfully accepted the retirement of James C. Hollenbeck from the Board of Directors in September, 2023. He was appointed by then-Governor Mario Cuomo in 2015.



A new conference room at the Authority's Warneck Pump Station was dedicated to former Authority Executive Director James W. Wright in recognition of his many years of service to the Authority and the significant accomplishments that took place under his direction.



In fiscal year 2023-2024, the Development Authority focused on ensuring the long-term viability of its facilities and the services it provides, while exploring ways to incorporate sustainable growth into its future.

LONG TERM VIABILITY

As the Authority nears its 40-year anniversary, it must ensure that critical infrastructure built several decades ago continues to provide the unparalleled service upon which North Country residents depend.

The 11-mile water line that serves Fort Drum and the communities of Champion, LeRay and Pamela was built in 1990 and some sections need to be replaced. The first replacement phase, a 13,000-foot section along Patterson Road just north of Watertown, was completed in 2023. Iron pipe was replaced with 24-inch high density polyethylene pipe. A temporary bypass was constructed to ensure that residents and Fort Drum continued to receive water during the replacement.

Once the section of the Army Water Line along Patterson Road was replaced, yards and driveways were restored, landscaped and returned to their original state for the property owners.

Financing for the \$13 million project was assisted by a \$5 million New York State Water Infrastructure Improvement Act grant and a \$750,000 Congressionally-Directed Spending grant obtained through the offices of U.S. Senator Charles Schumer and Congresswoman Claudia Tenney. These grants reduced the required debt service, which decreased the cost to Fort Drum and the outside users of the Army Water Line.

Another of the earliest projects the Authority undertook was the construction of the Army Sewer Line in 1987. The Authority supplies Fort Drum with up to 4.3 million gallons per day of sewer service capacity and the line additionally provides sewer service to the towns of Champion, LeRay, Pamela, Rutland and the Village of Black River. An inspection of the sewer line showed deterioration of part of its interior, requiring the relining and rehabilitation of a 17,160-foot section.

This \$10 million project began in 2023 and will continue through 2024. Initial work included the creation of a temporary bypass along the Kanik Nature Trail in Calcium. The Authority is seeking grants and other financial assistance for this project to keep the cost as low as possible for Fort Drum and other users of the system. This project will maintain the long-term integrity and operation of the existing sewer line.





The regional landfill in Rodman opened in 1992 and serves residents of Jefferson, St. Lawrence and Lewis counties. In order to ensure continued capacity, an expansion of the landfill was completed in 2022. In 2023, cell 13 was opened and began accepting waste. Efforts continued throughout the year to carefully build the required base layer of waste in the new cell. Limited operations are continuing in the original section of the landfill.

The Authority constantly seeks ways to extend the life of the landfill, ensuring safe, sustainable, cost-efficient waste disposal for residents of the tri-county area for many years to come. One of the key ways to achieve that is by diverting as much waste as possible that can be recycled. Last year the Authority increased its efforts to collect data to help direct its recycling education efforts.

The Authority conducts two types of waste “audits:” regular, random visual inspections of loads that haulers deposit at the landfill, and comprehensive, hands-on evaluations of the composition of the waste stream.

Last year Authority staff significantly increased the number of weekly inspections of waste loads in order to identify recyclable material that should have been diverted from the landfill, as well as any waste that is prohibited from the landfill. The Authority’s operating permit prohibits recyclable waste and certain types of hazardous waste from entering the landfill. If a significant percentage of the load of waste is found to be recyclables, corrective actions are taken to educate the hauler to ensure that recyclable materials do not end up in the landfill.

In the waste composition study, partial loads from randomly-selected trucks were deposited inside a building and staff wearing protective clothing sorted through the waste by hand to determine the amount and weight of recyclable material that was included. The data collected from these studies helps the Authority determine where to focus its resources on recycling education for the public.

The Authority, along with its county partners and the New York State Department of Environmental Conservation, sponsored five free household hazardous waste collection events in 2023, providing the opportunity for residents to properly dispose of hazardous materials that are not allowed in the landfill. At these events, 197,684 pounds of hazardous material collected from 1,397 households was diverted from the landfill and properly disposed of.



In addition, a holiday recycling education campaign was held, helping residents understand how to recycle holiday wrapping and shipping materials instead of throwing them away, and a recycling education program was held with a Watertown elementary school, in which students created a calendar focused on reduce, reuse, recycle. All of these efforts help divert material from the landfill, prolong the life of the landfill, and protect the environment.

Asset management planning is an important tool in prolonging the useful life of facilities, tools, equipment and vehicles, and managing when replacements will be needed in order to avoid budget surprises. The Authority assisted several communities in preparing asset management plans and created and updated its own for the Telecommunications and Materials Management divisions as well as for the Army Sewer Line, Army Water Line and Regional Water Line.

Long-term viability is also important for the land on which we operate. The Development Authority takes its commitment to environmental stewardship very seriously. A Natural Resources Management Plan guides stewardship of the 1,543 acres the Authority owns in the Town of Rodman. That land includes the 154-acre landfill itself, as well as a substantial buffer zone. Each year the Authority takes several actions to protect and enhance the property to ensure its long-term environmental viability.

Last year, the Authority removed invasive vegetation and established pollinator gardens at its Murray Center on the landfill property. In addition to particular native plantings, the gardens feature an informational poster for visitors that explains the importance of using certain plants to attract birds, bees and other pollinators in order to encourage a robust and thriving ecosystem and discourage the growth of invasive vegetation.

Native shrubs and other vegetation were planted on steep side slopes in some areas of the landfill for slope stabilization and to eliminate the need for mowing in those areas. Mowing across the landfill property also continues to decrease, reducing the use of fuel and allowing for the growth of native vegetation.

A fish passageway was established on a tributary to Fish Creek on the landfill property to allow fish to pass from the downstream side of a culvert to the upstream side. Previously, this was impossible because the culvert was too high and water poured from one end. The culvert was lowered and now there is a continuous flow of water through the culvert, allowing for the passage of aquatic species.





SUSTAINABLE GROWTH

While improving and protecting our facilities and resources, it's also important for the Authority to plan for growth, not only among the services it offers, but also growth of the North Country communities we serve.

The expansion and enhancement of broadband services throughout the North Country continued to be a top challenge for the region in 2023. Authority staff assisted Jefferson, St. Lawrence and Lewis counties in developing broadband strategies and seeking funding to improve access for unserved and underserved residents and businesses. Northern Border Regional Commission (NBRC) planning grants totaling \$352,000 were received to help Jefferson, Lewis, St. Lawrence and Franklin counties with the development and implementation of several broadband proposal requests and grant applications.

In partnership with National Grid, the Authority was awarded a \$14.5 million National Telecommunications and Information Administration grant to expand middle-mile broadband capacity throughout 12 counties of northern New York. The project includes the construction of 350 miles of new fiber, which will enable broadband service to approximately 2,500 unserved residences. The Development Authority itself does not provide internet, voice or cable services, but the backbone that it builds connects communities and allows Internet Service Providers to offer those services.

The Authority worked with its county partners to identify projects that were included in a successful \$2.8 million NBRC Catalyst Grant, which will provide last-mile connectivity to over 200 unserved customers in Jefferson, Lewis and St. Lawrence counties. The project includes 54 miles of fiber construction and the installation of wireless service in Lewis County. This project will help provide broadband service to many difficult-to-reach areas of the three counties.

The Authority also upgraded more than 30 cell towers from 1 Gigabit per second (Gbps) to 10 Gbps due to the increased demand for bandwidth with the number of people downloading videos, live-streaming and using other functions on their cell phones that require more speed. This upgrade means more bandwidth is available for cell phone use.

The existence of reliable, high-speed broadband and cell service is critical to the economic growth of the region. In addition to building out the regional broadband network, the Authority enhances business development through several loan funds it administers. The purpose of these loan funds is to help make business projects a reality, thus creating jobs, attracting residents and enhancing the regional economy.

- Sally Port View, an event venue in Three Mile Bay, recently opened on Lake Ontario with 13,000 square feet of indoor event space for weddings, conferences and other gatherings. The business was assisted with a \$250,000 loan from the North Country Transformational Tourism Fund and a \$300,000 loan from the North Country Economic Development Fund.
- The Trailhead Lodge in Tupper Lake (formerly Shaheen's) received a \$200,000 loan from the Tourism Fund. The new owners performed interior and exterior renovations, created two new lodging units, re-branded the property and opened it for year-round use.
- Fairwind Cottages and Motel in Clayton made roof, shoreline and water access improvements using a \$90,000 loan from the Tourism Fund.
- Tug Hill Artisan Roasters in Lowville received bridge financing from the Community Development Loan Fund for building restoration and interior renovations.





The Authority spearheads the “Let’s Meet – Drum Country, NY” regional marketing initiative to attract and retain workers and businesses, help familiarize military families with regional assets, promote job and entrepreneurship opportunities and focus on veteran retention and business start-ups. In 2023, the initiative was used to promote agri-business and representatives from Empire State Development were invited to tour agri-businesses in the region and learn more about that sector of the local economy.

Authority staff participated in conceptualizing and planning the North Country Regional Economic Development Council’s successful \$10 million New York State Challenge Grant proposal to create an initiative (Next Move NY) to grow New York’s workforce and create the most robust transitioning soldier and spouse retention pipeline in the country. The initiative is focused on connecting transitioning Fort Drum soldiers and their spouses to meaningful employment opportunities in the North Country.

Housing is a key part of the infrastructure needed to grow our communities by attracting people and businesses to the region. The Development Authority has committed to helping its municipal partners improve their housing stock. Authority staff is working with the North Country Regional Economic Development Council to capitalize a seven-county revolving loan fund for the development of housing in the 80-200% median income range.

More than 20 owner-occupied homes were rehabilitated in the Town of Gouverneur, St. Lawrence County, Massena and Tupper Lake through grant programs administered by the Authority. The Authority assisted St. Lawrence County and the Town of Gouverneur in obtaining grants totaling over \$1 million that will result in the rehabilitation of approximately 22 additional homes over the next two years.

Authority staff also worked with the Jefferson County HOME Consortium (also known as the North Country HOME Consortium) to fund American Rescue Plan (ARP) projects in three counties totaling almost \$3 million. These funds will be used to provide affordable housing and associated homeless housing supportive services.



HELPING NORTH COUNTRY COMMUNITIES

At a municipality's request, the Development Authority's licensed staff, supported by sophisticated equipment, help provide solutions to complex problems.

- The Authority assisted seven communities in obtaining \$2 million in New York State Water Infrastructure Improvement Act (WIIA) grants and Engineering Planning grants for their water and wastewater projects.
- The Authority operated or managed, under contract, water and wastewater treatment plants for 23 municipalities and government entities.
- The Authority executed a comprehensive management agreement with the villages of Carthage and West Carthage for their Joint Water Pollution Control Facility - the first of its kind for the Authority.
- Authority staff assisted the Village of Theresa with a WIIA grant application, resulting in an award of \$1.7 million for water and sewer capital improvement projects.
- The Authority assisted Paul Smiths College in obtaining a \$1 million NBRC grant through the Forest Economy Program for water and wastewater infrastructure improvements.
- The Engineering and Water Quality divisions assisted the Village of Malone in securing \$190,358 to complete a state-mandated inventory to determine if there is lead in the communities' lateral water lines.
- The Authority executed agreements with Jefferson and Lewis counties and the St. Lawrence County IDA to assist with the redevelopment of five vacant sites, including a former paper mill, two former cheese plants and two former schools. The investment in these redevelopment activities exceeds \$11 million.
- The Engineering Division provided technical support services for water/sewer capital improvement projects in the villages of Alexandria Bay, Chateaugay, Clayton, Clifton, Heuvelton, Theresa, and Tupper Lake, the City of Ogdensburg, and the towns of DeKalb, Diana, Louisville and Morristown. These multi-year projects total approximately \$145 million in investment in North Country infrastructure that will help support existing and future economic development.





OUTREACH

In 2023, for the first time since the pandemic began, the Authority hosted an open house at its Rodman Materials Management Facility. Many members of the public and community leaders attended to take a bus tour of the landfill and view exhibits and demonstrations about what the Authority does, from treating wastewater to building broadband networks and diverting recyclable material from the waste stream. The next open house will be in 2025.

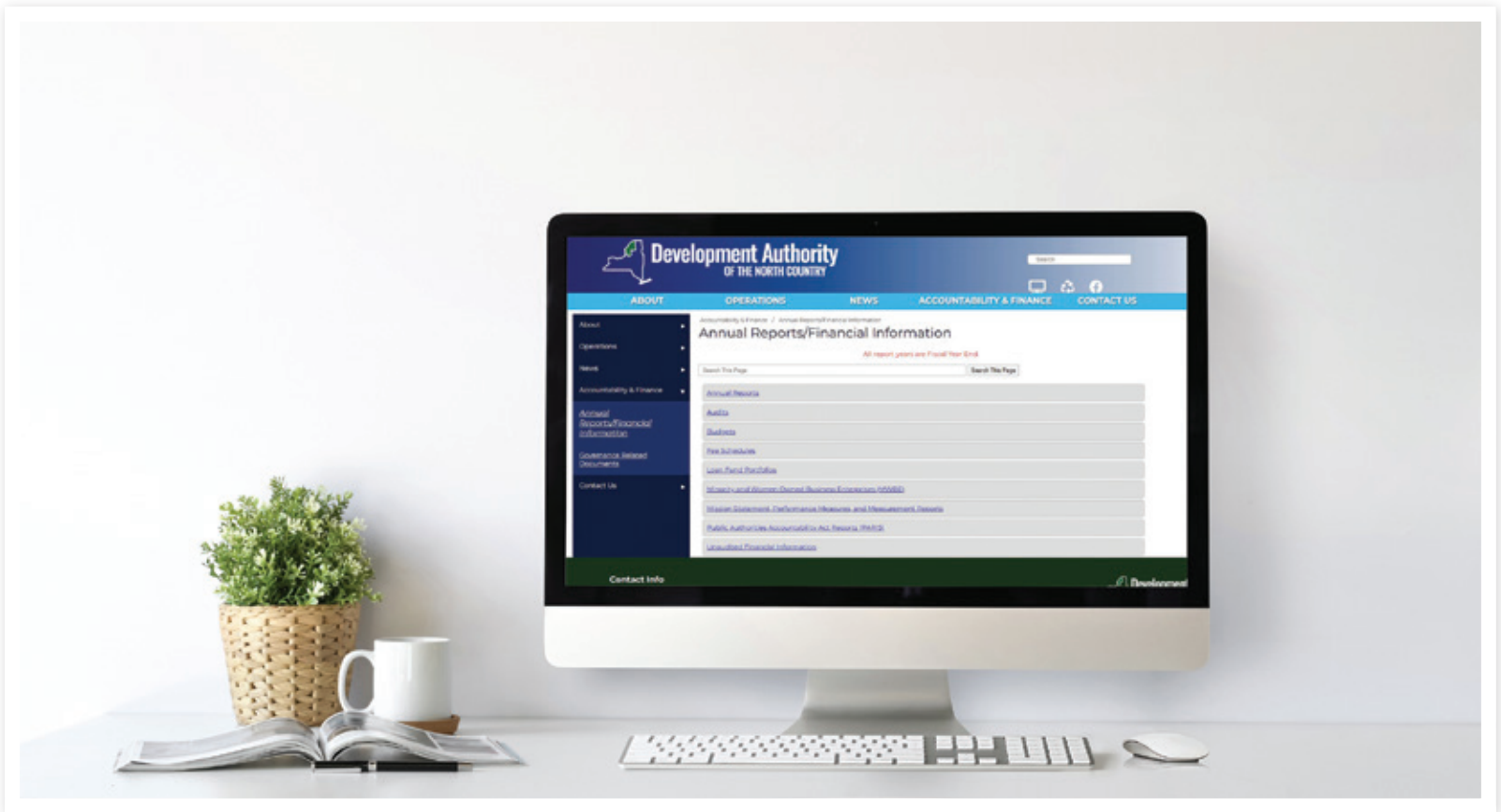
The Authority works closely with municipalities surrounding Fort Drum to help community leaders understand what decisions they make could impact Fort Drum and why, and potential alternatives to decrease the impact on military operations. The Fort Drum Compatibility Committee met, increasing interaction between Fort Drum and communities regarding compatible land use planning.

In 2023, the Authority created a quarterly external newsletter, general information brochure and several educational pieces to better inform stakeholders about Authority activities and the services it provides.

The Materials Management Division developed a new format and method for offering educational tours of the landfill facility for school groups. Tours have not been accommodated since before the pandemic.

Authority staff presented on the Authority's programs, services and infrastructure to numerous organizations and conferences, and often participated in municipal board meetings.





All of our financial information, including audits, budgets and reports to the Public Authority Reporting Information System (PARIS), are available online.

For complete information on the operations of the Development Authority of the North Country, please visit our website at www.danc.org.

An abstract graphic design on the right side of the page. It features several overlapping geometric shapes: a large green trapezoid in the upper right, a dark blue trapezoid in the lower right, and several thin, dark blue lines that intersect and extend across the white background. The lines and shapes create a sense of movement and depth.

DEVELOPMENT AUTHORITY OF THE NORTH COUNTRY

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