Northern NY Power Proceeds Allocation Board

KATHY HOCHUL
Governor

PATRICK J. KELLY
Chairman

MINUTES OF THE

NORTHERN NEW YORK POWER PROCEEDS ALLOCATION BOARD MEETING

April 1, 2026

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Minutes of the Northern New York Power Proceeds Allocation Board (NNYPPAB) meeting held on April 1, 2026, via videoconference at approximately 4:00 p.m.

Members present were:

Patrick Kelly – Chair
Stacey Brekke
Robert McNeil
Robert Smith

Also in attendance were:

Lori Alesio	Executive Vice President and General Counsel
Karen Delince	Vice President and Corporate Secretary
Patricia Wilson	Senior Program Manager, Economic Development
Alana Appenzeller	Director, Economic Development and Key Account Management
Sheila Quatrocci	Manager, Corporate Secretary
Michele Stockwell	Associate, Corporate Secretary
Fiona Khan	Senior Assistant Corporate Secretary
Kayla Scholz	Travel Administrator

Chair Patrick Kelly presided over the meeting. Vice President and Corporate Secretary Karen Delince kept the minutes.

<u>Introduction</u>

Chairman Patrick Kelly welcomed members of the Board and the staff of the New York Power Authority ("NYPA"). He stated that this meeting of the Board had been duly noticed as required by the Open Meetings law. The meeting was called to order at approximately 4:00 p.m.

1. Adoption of April 1, 2026, Proposed Meeting Agenda

On motion made by member McNeil and seconded by member Smith, the agenda for the meeting was adopted with no amendments. *(4-0)*

<u>Conflicts of Interest</u>

Chairman Kelly stated that the members had been polled prior to the meeting regarding possible conflicts of interest with the entities previously provided for their review. The members declared no conflicts of interest.

Chairman Kelly recused his votes and discussion on the two applicants on agenda item four, noting both are potentially going to be in front of the Industrial Development Agency (IDA) for assistance and there is an existing relationship with both.

2. Adoption of the February 4, 2026, Meeting Minutes

On motion made by member Brekke and seconded by member McNeil, the Minutes of the meeting held on February 4, 2026, were unanimously approved. (4-0)

3. Fund Update Report – End of March 2026

Patricia Wilson, Senior Program Manager Economic Development, presented the update to the Board

- **Deposits**
  - Fund Deposits - $12,312,682
  - Interest Earned - $897,667
  - Total Funds Deposited - $13,210,349

- **Disbursements**
  - Total Disbursements to Grantees: $1,749,417
  - Current Fund Balance: $11,460,932

Wilson noted that in accordance with the Northern New York Power Proceeds Allocation Act, a minimum of 15% of fund benefits is dedicated to energy-related projects. Subtracting prior awards of $1,057,422, currently, there is $789,480 available for energy-related projects only.

- **Funds Awarded to Date**
  - Amount to date: $6,759,417 to projects listed on the update report
  - Balance to be awarded by Board: $6,450,932

Wilson said the recommendations include two standard projects for a total amount of $2 million.

Chairman Kelly stated that this item does not require any action by the Board.

4. Award of Fund Benefits from the Northern New York Economic Development Fund – Round 17

Patricia Wilson, Senior Program Manager Economic Development, presented the Award of Fund Benefits, noting that this is the 17th round of allocations being brought before the Board for consideration.

1. Project Allocation Recommendation – North Country Dairy, LLC

The staff recommends an award of $1 Million from the Northern New York Economic Development Fund to North Country Dairy, LLC, a wholly owned subsidiary of Update Niagara Cooperative, Inc.

➢ **Background**

- North Country Dairy plans to purchase and install equipment that will provide necessary improvements to the existing lagoon and wastewater treatment system, thereby enabling the plant to:
  - Remain operational
  - Retaining 128 local jobs
  - Provide additional capacity with the potential for future job creation

➢ **Use of Funds**

- Proceeds funding will be used to reimburse eligible equipment and installation costs associated with the project at their North Lawrence facility.

➢ **Reasons for Recommendation of Award**

- North Country Dairy is a major economic anchor in St. Lawrence County and the broader North Country dairy sector:
  - Employing 128 workers, including more than 50 jobs added in the past five years; and supporting over $9 million in annual local payroll.
  - Producers of value-added products which are sold nationwide, bringing outside revenue into the region.
  - Consistent track record of investing in new product lines and expanding production capacity.
  - Significantly impacts area dairy farms by utilizing approximately 200-million pounds of milk annually.
- This project aligns with the North Country Regional Economic Development Council's strategy to:
  - "Support the North Country's major industries to serve domestic and global markets".
  - Core initiatives outlined by McKinsey and Company in the St. Lawrence County Economic Development Study to sustain and grow manufacturing and agriculture-related businesses.
- The improvement project to the existing lagoon and wastewater treatment system will remedy current capacity issues, keeping the plant open to:

- Secure current jobs
- Preserve the opportunity for future investment
- Create job growth, which is essential to the region

Wilson advised that based on the information provided, staff is recommending that the Board recommend to the NYPA Board of Trustees to award $1 Million to North Country Dairy.

2. Project Allocation Recommendation – Twin Rivers Paper Company, LLC

The staff recommends an award of $1 million from the Northern New York Economic Development Fund to Twin Rivers Paper Company, LLC.

- **Background**

  - Twin Rivers Paper plans to undertake a project to:
    - Purchase the assets of Potsdam Specialty Papers Inc.
    - Invest in critical spare parts and capital projects to improve the reliability and productivity of the paper machine; improvements essential to restoring the mill to its historic operating performance and preserving approximately 70 jobs.

- **Use of Funds**

  - Proceeds funding will be used to reimburse a portion of eligible project costs for:
    - Machinery and equipment
    - Critical Spares
    - Associated expenses at Potsdam Mill

- **Reasons for Recommendation of Award**

  - Retaining a major economic anchor in St. Lawrence County.
  - Preserving 70 jobs, more than $5 million in annual local payroll, and approximately $700,000 in annual local tax revenues.
  - The production of value-added products, which are sold globally, brings outside revenue into the region.
  - Planned investment in capital projects and deferred maintenance that will enhance the operating capacity and long-term viability of the mill.
  - The project aligns with the North Country Regional Economic Development Council’s strategies and priorities, including:
    - Support for international trade with Canada – the location of their largest customer.
    - Investment in tradeable sectors: to “support, grow, and diversify the North Country’s major industries to serve domestic and global markets".
  - The project will ensure:

- Continuing operations of the mill
- Provide needed investment in machinery and equipment
- Preserve approximately 70 jobs
- Position the facility for growth

Wilson advised that based on the information provided, staff is recommending that the Allocation Board recommend to the NYPA Board of Trustees to award $1 million to Twin Rivers Paper Company.

(Exhibit A-1) *to award $1 million to North Country Dairy, LLC*

On motion made by member McNeil and seconded by member Smith, Exhibit A-1 was unanimously adopted, with the exception of Chair Kelly who abstained. (3-0-1).

(Exhibit A-2) *to award $1 million to Twin Rivers Paper Company, LLC*

On motion made by member Smith and seconded by member Brekke, Exhibit A-2 was unanimously adopted, with the exception of Chair Kelly who abstained. (3-0-1).

RESOLUTION

NOW, THEREFORE, BE IT RESOLVED, that the Northern New York Power Proceeds Allocation Board ("Board") hereby recommends that the Power Authority of the State of New York ("NYPA") approve the award of Fund Benefits to the applicants identified in the attached memorandum and the attachments thereto, for the reasons set forth therein, provided, however, that (i) if an application proposes a project that must receive approvals and/or comply with other legal requirements, including the State Environmental Quality Review Act, before it may proceed, the Board's recommendation for such application shall not be forwarded to NYPA until Staff, on behalf of the Board, receives appropriate notification that the project has received all required approvals or is in full compliance with all applicable legal requirements necessary for the project(s) to proceed, and (ii) any such recommendations shall be subject to further review and consideration by the Board in the event that such approvals and/or legal requirements are not satisfied; and be it further

RESOLVED, that Staff is hereby authorized, on behalf of the Board, to transmit the Board's decision and recommendations to NYPA, subject to the qualifications stated above regarding legal approvals and/or requirements, and to do any and all things, and take any and all actions, to effectuate the Board's decision and the foregoing resolution.

Other Business

5. Next Meeting

The next meeting of the Northern New York Power Proceeds Allocation Board is scheduled for Wednesday, June 3, 2026.[1]

[1] The June 3, 2026 meeting was cancelled. The next meeting of the Northern New York Power Proceeds Allocation Board is scheduled for Wednesday, August 12, 2026

Adjournment

On a motion made by member Smith and seconded by member Brekke, the meeting was adjourned at approximately 4:11 p.m. *(4-0)*

Karen Delince

Karen Delince
Vice President and Corporate Secretary