



The **Annual Meeting**

**2020
Annual Report
Supplemental
Documents**

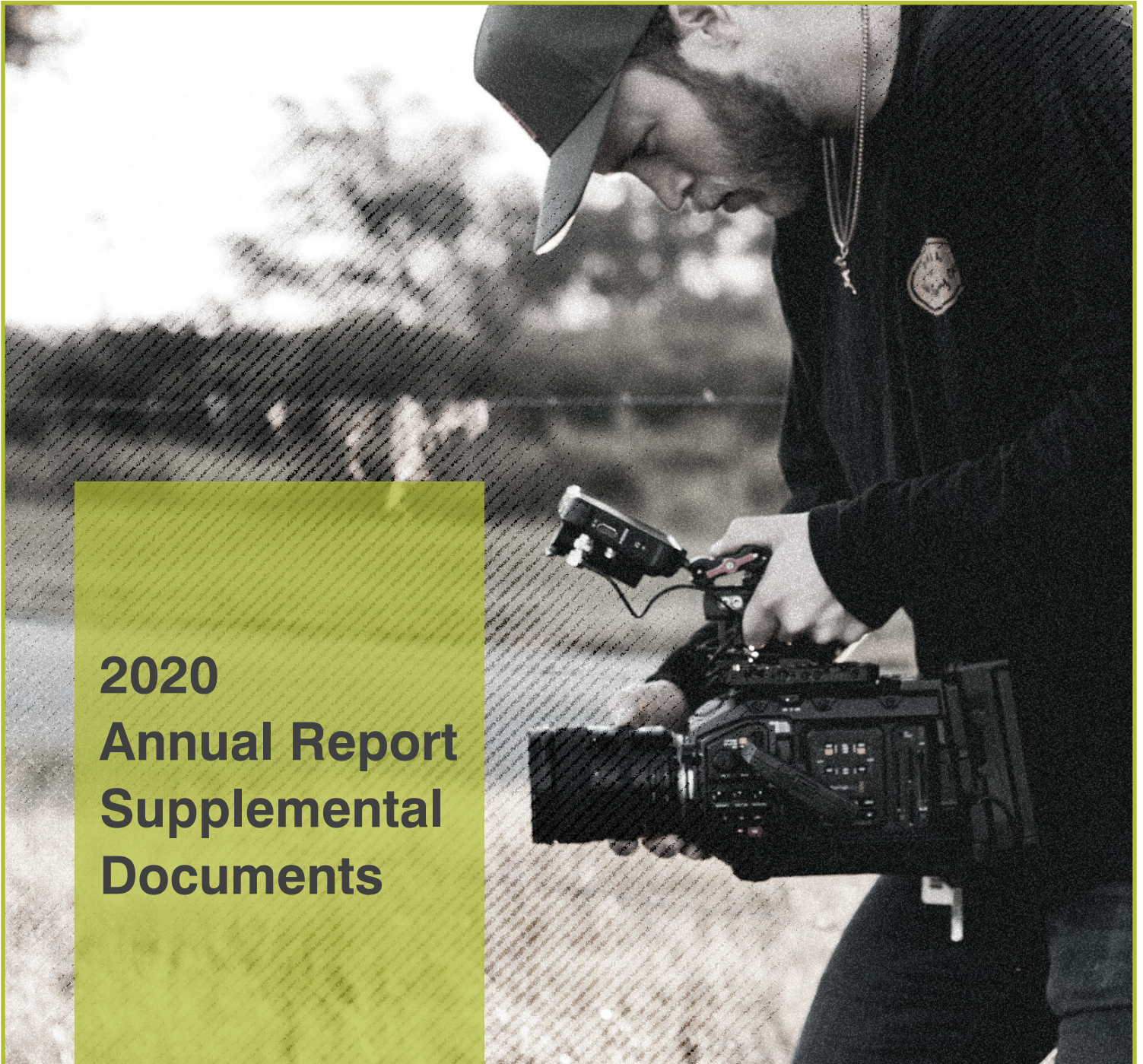


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Our Mission

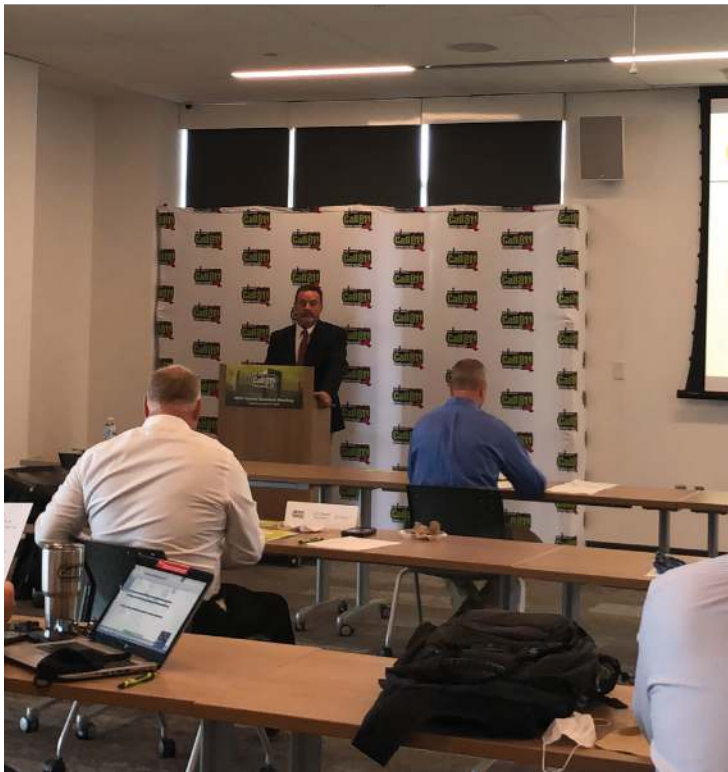
Prevent damages to underground facilities and protect the public through education and quality communications with excavators, underground facility operators and designers in an efficient, courteous and cost-effective manner while complying with governing regulations.

2020 Annual Meeting Minutes

Minutes from the Annual Meeting of the Members August 25, 2020.

The 50th Annual Meeting of the Members of Dig Safely New York, Inc. was called to order by President, Matt Scorzelli, at 10:00 am in a hybrid fashion with some virtual attendance and some in person attendance at the Dig Safely New York Center for Damage Prevention on August 25, 2020.

President Scorzelli asked Secretary, Dan FitzPatrick, to read the Notice of the Annual Meeting.



Secretary FitzPatrick read the notice of annual meeting and advised that at least 30% of the voting membership were represented, constituting a quorum under the Corporations Bylaws.

President Scorzelli introduced the Dig Safely New York Officers and Directors. President Scorzelli recognized the Directors that left the Board in the last year.

He thanked David D'Angelo and Richard Figaro for their service to underground utility protection and honored them with the Golden Spade Award. President Scorzelli then recognized and thanked past presidents of the Board of Directors including Laurie Brown who retired in 2020 and was present.

President Scorzelli acknowledged the participating and sustaining members and noted a full list is available with the Annual Report video on the Dig Safely New York website.

President Scorzelli indicated that supplement meeting documents were provided to each pre-registered attendee. He then called for approval of the 2019 Annual Business Meeting minutes. Leon Hacker made a motion to approve the minutes. Brian Loy made a second to the motion. A unanimous vote passed the motion. President Scorzelli called for a motion to accept the Treasurer's Report as presented in the supplemental meeting documents. A motion to accept the Treasurer's report was made by Leon Hacker. A second to the motion was made by Brian Loy. A unanimous vote passed the motion. President Scorzelli then asked if there was any old business from the 2019 Annual Business Meeting and there was none. President Scorzelli then asked if there was any new business for this year's meeting and again there was none.

President Scorzelli called for a motion to approve the changes to the corporation Bylaws as presented in the supplemental meeting documents. Leon Hacker made the motion to approve the Bylaw changes. A second to the motion was made by Brian Loy. A unanimous vote passed the motion.

2020 Annual Meeting Minutes

President Scorzelli then called upon Don Ayers, Chairman of the Nominating Committee to read the nominating report.

Candidate	Status	Term
Chris Fellows, Onondaga County Water Authority	Exempt	1-year term would expire April 2021
David Lammon, National Grid	Non-Exempt	1-year term would expire April 2021
Ron Dietz, National Fuel Gas	Non-Exempt	3-year term would expire April 2023
Dan FitzPatrick, Orange & Rockland Utilities, Inc.	Non-Exempt	3-year term would expire April 2023
Brandon Mariner, Central Hudson Gas & Electric Corp.	Non-Exempt	3-year term would expire April 2023
Allen Peterson, NYSEG/RG&E	Non-Exempt	3-year term would expire April 2023



2020 Annual Meeting Minutes

Upon completion of the 2020 elections, the exact number of Board of Directors will be 17, with each class or group classification set as follows:

"6" Board of Directors elected in 2021
"6" Board of Directors elected in 2022
"5" Board of Directors elected in 2023
Eleven (11) representatives from the Non-Exempt Members group
Three (3) representatives from the Exempt Participating Members group
Three (3) representatives from the Sustaining Members group

Industries Represented:

Cable TV (1)	Gas & Electric (4)
Contractors (2)	Pipeline (3)
Design/Engineers (2)	Telecommunications (1)
Design/Engineers (2)	Water (2)
Gas (2)	

Leon Hacker made a motion to elect the Directors for the designated terms of office. Brian Loy made a second to the motion. A unanimous vote passed the motion.

President Matt Scorzelli called for a resolution of support. Leon Hacker stated "Be it resolved that all acts of the Officers and Directors of this Corporation from the date of their election until the date of this meeting be, and they hereby are, in all respects ratified, confirmed and approved." President Scorzelli then appointed Don Ayers to serve as the interim Officer of Dig Safely New York, Inc. with duties to convene at a corporate meeting at 11:00 a.m. the same day for the election of officers and the transaction of normal business. Don Ayers then thanked everyone for coming. Leon Hacker made a motion to adjourn. Brian Loy made a second to the motion. A unanimous vote passed the motion.

The President's Award was presented by former President Brown to Leon Hacker for his 16 years of dedication and service to Dig Safely New York.

The Partner in Damage Prevention Award was presented to Laurie Brown for her dedication to Dig Safely New York's mission to protect underground utilities and the communities served. Her work over the last 20 years has helped further damage prevention initiatives for Dig Safely New York and National Grid.

Treasurer's Report

Dig Safely New York, Inc., like all of the world, was impacted by the coronavirus pandemic in 2020. For the first time in six years the organization saw a reduction in location request volume, taking 1.22% fewer location requests than in 2019. The reduction in location request volume, among a few other factors, caused a 3.86% reduction in member billing. Total revenue was down 11.14% in 2020. Dig Safely New York was able to manage expenses in 2020 and still see a net positive operating income of \$181,160. The organization's investments also saw gains in 2020, contributing to the overall financial success of the organization amid a global pandemic.

In addition, Dig Safely New York launched the new state-of-the-art one-call platform, Exactix. As a result, location requests submitted via the web platform have increased by 8.72% due to the ease of use and ability to manage location requests within the platform.

As part of our fiduciary responsibilities, the Board of Directors, the Budget and Finance Committee and the Executive Director perform periodic reviews of the organization's budget, investments and investment policy. We are now utilizing Morgan Stanley as our investment advisor. Their global experience coupled with their local hands-on approach to managing the firms' assets is expected to provide an attractive return on our investments while maintaining a reasonable level of investment risk. Dig Safely New York invests in a broadly diversified portfolio of U.S. and international equities, fixed income, and cash.

The Budget and Finance Committee and the Executive Director have monthly communications with our Morgan Stanley account representatives to gain portfolio performance and future investment guidance and recommendations.

Dig Safely New York's financial performance for the year 2020 continues the trend of producing a net annual income by controlling expenses that continue to underrun the budget and maintaining conservative revenue projections used in budgeting.

Attachments to this report include the following:

- Independent Auditors Report Letter (Complete Auditors Report available upon request)
- Statement of Assets
- Liabilities and Net Assets
- Statement Activities

Respectfully submitted,



Michael J. Bushart—Treasurer

Independent Auditor's Report Letter

We have audited the accompanying financial statements of Dig Safely New York, Inc. (Organization), which comprise the statements of financial position as of December 31, 2020 and 2019, and the related statements of activities, functional expenses and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the organization's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing

an opinion on the effectiveness of the organization's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Dig Safely New York, Inc. as of December 31, 2020 and 2019, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Hill, Barth & King LLC
Certified Public Accountants

Statement of Financial Position

Years ended December 31, 2020 and 2019

	2020	2019
Assets		
Current Assets		
Cash and cash equivalents	\$2,804,511	\$2,095,112
Accounts receivable, net	\$938,506	\$769,371
Prepaid expenses	\$87,640	\$305,229
Total Current Assets	\$3,830,657	\$3,169,712
Property & Equipment		
Land	\$516,216	\$516,216
Buildings	\$7,577,164	\$7,554,997
Furniture & fixtures	\$761,129	\$758,507
Computers & equipment	\$434,775	\$431,691
Automobiles and trucks	\$35,637	\$66,657
Software	\$852,472	\$678,992
	\$10,177,393	\$10,007,060
Less accumulated depreciation	\$1,358,013	\$961,800
Net Property & Equipment	\$8,819,380	\$9,045,260
Other Assets		
Investments—Note D	\$2,739,133	\$2,532,422
Deposits	\$1,647	\$1,647
Total Other Assets	\$2,740,780	\$2,534,069
Total Assets	\$15,390,817	\$14,749,041
Liabilities & Net Assets		
Current Liabilities		
Accounts payable	\$86,198	\$146,706
Accrued expenses	\$38,991	\$101,538
Deferred revenue	\$35,299	\$72,173
Other liabilities - NOTE G	\$733,091	\$476,932
Current portion of long-term debt - NOTE G	\$175,745	\$168,323
Total Current Liabilities	\$1,069,324	\$965,672
Long-Term Debt Less Current Portion & Unamortized Debt Issuance Costs - NOTE G	\$4,601,310	\$4,777,055
Net Assets—Without donor restrictions		
Undesignated	\$9,720,183	\$9,006,314
Total Liabilities & Net Assets	\$15,390,817	\$14,749,041

Statement of Activities

Years ended December 31, 2020 and 2019

	2020	2019
Revenue		
Member billings and dues	\$5,158,785	\$5,365,965
Sponsorship & excavator seminar revenue	\$129,910	\$212,652
Grant revenue	\$57,000	\$100,000
Educational services	\$57,536	\$402,123
Total Revenue	\$5,403,231	\$6,080,740
Expenses		
Program services	\$3,486,058	\$3,335,241
Management & general	\$1,736,013	\$1,815,467
Total Expenses	\$5,222,071	\$5,150,708
Net Operating Income	\$181,160	\$930,032
Non-Operating Income (Expenses)		
Gain on disposal of fixed assets	\$27,000	\$47,117
Net investment gains	\$179,703	\$234,643
Change in fair value of interest rate swap - NOTE G	(\$256,159)	(\$476,932)
Interest	\$31,165	\$51,511
Paycheck protection program income - NOTE H	\$551,000	-
	532,709	(\$143,661)
Changes In Net Assets	\$713,869	\$786,371
Net Assets		
Beginning of year	\$9,006,314	\$8,219,943
End of year	\$9,720,183	\$9,006,314

Notes: For a copy of the notes mentioned in the Statement of Activities please contact Amber Hadley, amhadley@DigSafelyNewYork.com

Statement of Functional Expenses

Years ended December 31, 2020 and 2019

	2020			2019		
	Program Services	Management/General	Total	Program Services	Management/General	Total
Salaries & wages	\$1,464,914	\$929,865	\$2,394,779	\$1,321,373	\$943,140	\$2,264,513
Payroll taxes	\$111,033	\$70,479	\$181,512	\$94,439	\$67,406	\$161,845
Employee benefits	\$353,745	\$224,542	\$578,287	\$318,304	\$227,192	\$545,496
Advertising	\$21,950	\$0	\$21,950	\$30,345	\$0	\$30,345
Communication	\$193,529	\$30,904	\$224,433	\$219,665	\$31,336	\$251,001
Contracted services	\$11,208	\$0	\$11,208	\$10,431	\$79,413	\$89,844
Contracts & licenses	\$253,293	\$28,144	\$281,437	\$150,510	\$16,723	\$167,233
Depreciation	\$298,925	\$128,308	\$427,233	\$224,514	\$74,838	\$299,352
Insurance	\$40,390	\$12,776	\$53,166	\$44,298	\$14,070	\$58,368
Interest	\$141,507	\$47,169	\$188,676	\$110,386	\$36,795	\$147,181
Miscellaneous	\$14,342	\$9,560	\$23,902	\$16,855	\$11,239	\$28,094
Office	\$9,292	\$27,874	\$37,166	\$23,063	\$69,187	\$92,250
Pension	\$52,731	\$33,472	\$86,203	\$45,039	\$32,146	\$77,185
Professional Development	\$821	\$0	\$821	\$ 215	\$0	\$ 215
Professional fees	\$30,100	\$149,828	\$179,928	\$30,300	\$124,856	\$155,156
Promotional & public education	\$291,193	\$0	\$291,193	\$463,734	\$0	\$463,734
Provision for doubtful accounts	\$2,448	\$0	\$2,448	\$4,306	\$0	\$4,306
Rent	\$21,576	\$0	\$21,576	\$22,796	\$0	\$22,796
Repairs & maintenance	\$72,104	\$8,011	\$80,115	\$48,874	\$5,430	\$54,304
(Equipment)						
Repairs & maintenance	\$44,237	\$14,746	\$58,983	\$38,967	\$12,989	\$51,956
(Facilities)						
Seminars and meetings	\$0	\$5,909	\$5,909	\$0	\$41,393	\$41,393
Travel	\$39,545	\$8,701	\$48,246	\$100,883	\$22,000	\$122,883
Utilities	\$17,175	\$5,725	\$22,900	\$15,944	\$5,314	\$21,258
Total	\$3,486,058	\$1,736,013	\$5,222,071	\$3,335,241	\$1,815,467	\$5,150,708

Statement of Cash Flows

Years ended December 31, 2020 and 2019

	2020	2019
Cash Flows From Operating Activities		
Changes in net assets	\$713,869	\$786,371
Adjustments to reconcile changes in net assets to net cash provided by operating activities:		
Depreciation	\$427,233	\$299,352
Net realized/unrealized gains on investments	(\$179,703)	(\$234,643)
Provision for doubtful accounts	\$2,448	\$4,306
Paycheck protection program income	(\$551,000)	\$0
(Increase) decrease in accounts receivable	(\$171,583)	\$334,946
(Increase) decrease in prepaid expenses	\$217,589	(\$ 147,080)
Increase (decrease) in accounts payable	(\$60,508)	\$67,287
Decrease in insurance premium payable	\$0	(\$ 55,877)
Increase (decrease) in accrued expenses	(\$62,547)	\$25,817
Decrease in deferred revenue	(\$36,874)	(\$2,012)
Increase in other liabilities	\$256,159	\$476,932
Net Cash Provided by Operating Activities	\$555,083	\$1,555,399
Cash Flows From Investing Activities		
Purchase of property & equipment	(\$201,353)	(\$ 2,185,960)
Proceeds from sale of investments	\$1,147,058	\$784,859
Purchase of investments	(\$1,174,066)	(\$822,005)
Net cash used in investing activities	(\$228,361)	(\$2,223,106)
Cash Flows From Financing Activities		
Issuance of long-term debt	\$0	\$1,127,667
Proceeds from payroll protection program	\$551,000	\$0
Principal payments on long-term debt	(\$168,323)	\$0
Net Cash Provided by Financing Activities	\$382,677	\$1,127,667
Net Increase in Cash & Cash Equivalents	\$709,399	\$459,960
Cash & Cash Equivalents		
Beginning of year	\$2,095,112	\$1,635,152
End of year	\$2,804,511	\$2,095,112
Interest Paid	\$194,041	\$147,181
Non-Cash Transactions		
Interest, dividends & realized gains reinvested	\$116,290	\$67,859
Investment fees paid	\$20,034	\$19,045

Balance End of Year (EOY)

Last 15 years

Year	Income	Expense
2006	\$2,959,549	\$2,647,117
2007	\$3,152,973	\$2,905,853
2008	\$3,546,124	\$3,055,346
2009	\$2,914,804	\$2,933,166
2010	\$3,450,087	\$3,191,547
2011	\$3,455,853	\$3,498,894
2012	\$3,981,874	\$3,770,681
2013	\$4,088,661	\$3,936,399
2014	\$4,376,780	\$4,258,435
2015	\$4,695,861	\$4,385,709
2016	\$4,871,430	\$4,170,468
2017	\$5,510,068	\$4,369,014
2018	\$5,383,243	\$4,368,876
2019	\$6,080,740	\$5,150,708
2020	\$5,403,231	\$5,222,071

Year	Balance
2006	\$1,303,612
2007	\$1,684,979
2008	\$2,434,595
2009	\$2,571,500
2010	\$2,900,404
2011	\$2,967,419
2012	\$2,203,724
2013	\$2,604,159
2014	\$3,065,902
2015	\$2,945,629
2016	\$3,725,291
2017	\$4,427,939
2018	\$3,895,785
2019	\$4,627,534
2020	\$5,543,644

Total Income/Total Expenses

Last 15 years

2021 Projected Budget

Budget Item	Balance
Projected Income	\$5,013,225
Projected Expense	\$5,541,776

Amendments to By Laws

Additions are “Bold” and green within the section paragraph. A brief statement of the changes follows.

1) Board of Director Meetings

Article VII, Section 2(b):

One or more Board Members may participate in a meeting of such Board by means of a conference telephone or any other similar type of equipment or by electronic video screen communication. If someone participates telephonically, all persons in the meeting should be able to hear each other, as well as the person participating via telephone or videoconference. Board Members may not use this as an overall substitute for their physical presence at meetings. A Member cannot participate in more than two (2) meetings by phone in a calendar year **unless approved by resolution from the Board of Directors**. Overall, Board Members are urged to attend all meetings and limit use of telephonic or videoconference participation.

Brief statement of changes made: This amendment would allow Board Members the flexibility to participate in more than two Board of Director meetings by phone upon approval from the rest of the Board. Board Members are still encouraged to attend all meetings in person and limit the use of telephonic or videoconference participation.

Annual One-Call Notification System Report



Enforcement Activity for 2020

The table to the right shows the number of New York State Code Rule 753 (16 NYCRR Part 753) probable violations issued by the Department of Public Service, Pipeline Safety Section which occurred during the 2020 calendar year.

The table below provides a breakdown of violations resolved in 2020, including the amount collected, and the methods by which enforcement cases were resolved.

Violation	Citations
Failure to Notify	203
Improper Notification	4
Failure to Renotify	2
Early Commencement of Excavation	2
Failure to Maintain Mark-Outs	8
Failure to Verify Location	30
Failure to Maintain Clearance	38
Inaccurate Mark-Out	33
Other	18
Total:	338

Resolution	Cases	Amount Collected
Commission Orders	28	\$92,500
Referred to Attorney General	130	\$27,645
Uncontested Penalties	114	\$819,000
Consent Orders	70	\$96,000
Resolved Without Penalty ¹	36	-
Warning Letters	66	-
Totals:	444	\$1,035,145

Some of the enforcement cases resolved in 2020 were based on violations issued in prior years. Likewise, some enforcement cases initiated in 2020 have not yet been resolved. Therefore, the two tables above are not based on synchronized sets of data. It is also worth noting that this data represents primarily only the Pipeline Safety and Reliability Section's enforcement efforts and not that of other utility industry sectors (e.g., electric, telecommunications, etcetera).

¹This number includes enforcement actions dropped due to cause, the inability to properly serve the correct entity, or resolved through training alone.

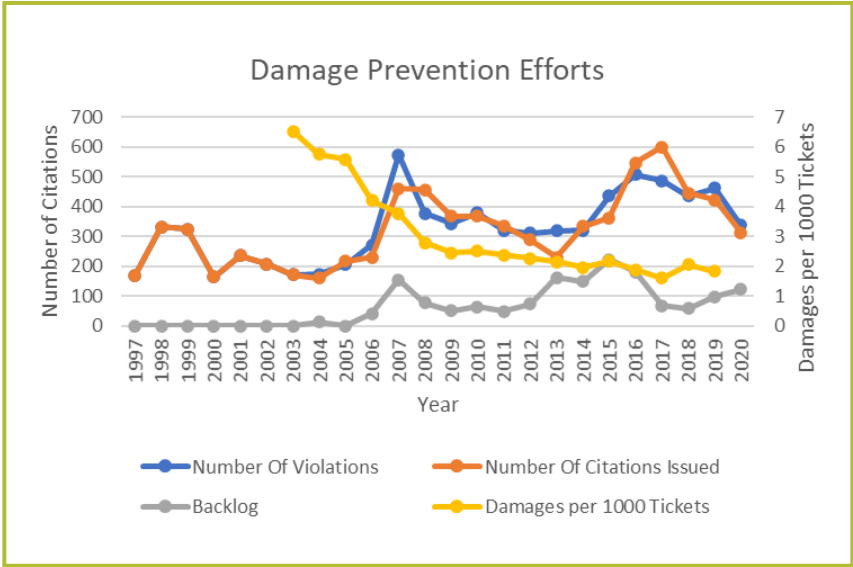
Damages per 1,000 Location Requests

Last Ten Years

The Pipeline Safety and Reliability Section continued its program of working with the major natural gas local distribution companies (LDCs) whereby enforcement is initiated based on information LDCs provide on damages caused by lack of a one-call notice. This accounts for the high percentage of violations having been issued for failure to notify, as indicated above.

We believe that this enforcement activity, in conjunction with the numerous other activities undertaken by the one-call systems and LDCs, continue to have a positive effect in reducing damages to underground natural gas facilities. Since 2003, the Pipeline Safety Section has been tracking a state-wide metric for damages per 1,000 one-call tickets of the LDCs under Public Service Commission jurisdiction. The results for the past 10 years are shown in the chart to the right.

Year	Damage per 1,000
2010	2.51
2011	2.38
2012	2.26
2013	2.15
2014	1.96
2015	2.18
2016	1.89
2017	1.60
2018	2.05
2019 ²	1.84



The chart on the left depicts enforcement actions taken by the New York State Public Service Commission since it took over enforcement of the Protection of Underground Facilities law. The chart displays the number of violations occurring in a given year, the number of citations issued in a given year, the backlog of citations requiring review, as well as the trend line of damages to natural gas pipeline facilities per 1,000 notifications since 2003. The spike in 2007 was due to the initiation of voluntary reporting by LDCs of no-call damages to natural gas pipelines.

² The data for calendar year 2020 is not yet available.



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