



Formerly Dig Safely New York, Inc.

2021 Annual Report Supplemental Documents



UDIG·NY

SAFE DIGGING STARTS HERE

Formerly Dig Safely New York, Inc.

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.

UDIGNY.ORG

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2021 Annual Meeting Minutes

Minutes from the Annual Meeting of the Members April 20, 2021.



The 51st 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 April 20, 2021.

President Scorzelli indicated that Governor Andrew M. Cuomo signed the Proclamation declaring April 2021 as National Safe Digging Month in New York State and he thanked the Public Service Commission for assistance in obtaining the signature. 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 Joseph Limbeck of Charter Communications and Laurie Brown retired from National Grid 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.

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 2020 Annual Business Meeting minutes. Leon Hacker made a motion to approve the minutes, Tom Sutton 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.

2021 Annual Meeting Minutes

A second to the motion was made by Tom Sutton. A unanimous vote passed the motion. President Scorzelli then asked if there was any old business from the 2020 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 Tom Sutton. A unanimous vote passed the motion.

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

Candidate	Status	Term
Dwight Buchanon	Non-Exempt	2-year term would expire April 2023
Christopher Fellows	Exempt	3-year term would expire April 2024
David Lammon	Non-Exempt	3-year term would expire April 2024
Leon Hacker	Non-Exempt	3-year term would expire April 2024
Michael Kolceski	Sustaining	3-year term would expire April 2024
Joseph Laraiso	Exempt	3-year term would expire April 2024
Brian Loy	Non-Exempt	3-year term would expire April 2024



2021 Annual Meeting Minutes

Upon completion of the 2021 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)

Gas (2)

Water (2)

President Scorzelli called for a motion to elect the Directors for the designated terms. Leon Hacker made a motion to elect the Directors for the designated terms of office. Tom Sutton 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 and indicated that immediately following the adjournment of the meeting virtual award presentations and the Annual Report video would play, including an exciting announcement regarding the future of Dig Safely New York. Leon Hacker made a motion to adjourn. Tom Sutton made a second to the motion. A unanimous vote passed the motion.

The President's Award was presented by President Scorzelli to Don Ayers for his 30 years of dedication and service to Dig Safely New York. The Partner in Damage Prevention Award was presented to the Exactix Team at 4iQ for their development of the new one-call platform.

Treasurer's Report

UDig NY, formerly known as Dig Safely New York, Inc., once again saw record high location request volume in 2021, with 610,522 location requests taken, a 6.94% increase over 2020. The organization successfully ended 2021 with a net positive income for our ninth consecutive year and maintains a strong financial footing.

The UDig NY Board of Directors approved the purchase and implementation of a new phone system, Five9. The investment into the phone system has allowed UDig NY to better service customers by using skill-based routing and workforce management systems not previously available.

As part of our fiduciary responsibilities, the Board of Directors and the Executive Director perform periodic reviews of the organization's investments and investment policy. The Board of Directors, with direction and guidance from our investment firm - Morgan Stanley, has adopted an investment policy that establishes acceptable levels of risk deemed appropriate for tax exempt organizations. The investment policy is expressed in terms of portfolio allocation percentages for equities, fixed income securities (bonds), cash equivalents and real estate. Morgan Stanley provides periodic performance reports and investment guidance to the Board of Directors.

UDig NY's financial performance for the year 2021 continues the trend of producing an operating net annual income by controlling expenses and maintaining conservative projections of future revenues used in budgeting projections.

Attachments to this report include the following:

1. Independent Auditors Report Letter
(Complete Auditors Report available upon request)
2. Statement of Assets
3. Liabilities and Net Assets
4. Statement of Activities

Respectfully submitted,



Michael J. Bushart—Treasurer

Independent Auditor's Report Letter

Opinion

We have audited the accompanying financial statements of UDig NY, Inc. FKA Dig Safely New York, Inc. (the Organization), which comprise the statements of financial position as of December 31, 2021 and 2020, and the related statements of activities, functional expenses and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of UDig NY, Inc. FKA Dig Safely New York, Inc.

as of December 31, 2021 and 2020, and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of UDig NY, Inc. FKA Dig Safely New York, Inc. and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management 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, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organization's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Independent Auditor's Report Letter

Auditor's Responsibility for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements, are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

1. Exercise professional judgment and maintain professional skepticism throughout the audit.
2. Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
3. Obtain an understanding of internal control relevant to the audit 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, no such opinion is expressed.
4. Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
5. Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organization's ability to continue as a going concern for a reasonable period of time.
6. We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Hill, Barth & King LLC
Certified Public Accountants

Statement of Financial Position

Years ended December 31, 2021 and 2020

	2021	2020
Assets		
Current Assets		
Cash and cash equivalents	\$2,744,259	\$2,804,511
Accounts receivable, net	\$761,422	\$938,506
Prepaid expenses	\$123,186	\$87,640
Total Current Assets	\$3,628,867	\$3,830,657
Property & Equipment		
Land	\$516,216	\$516,216
Buildings	\$7,677,464	\$7,577,164
Furniture & fixtures	\$684,536	\$761,129
Computers & equipment	\$88,642	\$434,775
Automobiles and trucks	\$35,637	\$35,637
Software	\$617,419	\$852,472
	\$9,619,914	\$10,177,393
Less accumulated depreciation	\$1,255,647	\$1,358,013
Net Property & Equipment	\$8,364,267	\$8,819,380
Other Assets		
Investments—Note D	\$3,959,761	\$2,739,133
Deposits	\$0	\$1,647
Total Other Assets	\$3,959,761	\$2,740,780
Total Assets	\$15,952,895	\$15,390,817
Liabilities & Net Assets		
Current Liabilities		
Accounts payable	\$268,588	\$86,198
Accrued expenses	\$44,464	\$38,991
Deferred revenue	\$11,150	\$35,299
Other liabilities - NOTE G	\$469,257	\$733,091
Current portion of long-term debt - NOTE G	\$182,914	\$175,745
Total Current Liabilities	\$976,373	\$1,069,324
Long-Term Debt Less Current Portion & Unamortized Debt Issuance Costs - NOTE G	\$4,418,396	\$4,601,310
Net Assets—Without donor restrictions		
Undesignated	\$10,372,126	\$9,720,183
Board-designated - NOTE C	\$186,000	\$0
Total Liabilities & Net Assets	\$15,952,895	\$15,390,817

Statement of Activities

Years ended December 31, 2021 and 2020

	2021	2020
Revenue		
Member billings and dues	\$5,396,815	\$5,158,785
Sponsorship & excavator seminar revenue	\$225,593	\$129,910
Grant revenue	\$0	\$57,000
Educational services	\$75,353	\$57,536
Total Revenue	\$5,697,761	\$5,403,231
Expenses		
Program services	\$3,656,241	\$3,486,058
Management & general	\$1,655,492	\$1,736,013
Total Expenses	\$5,311,733	\$5,222,071
Net Operating Income	\$386,028	\$181,160
Non-Operating Income (Expenses)		
(LOSS) gain on disposal of fixed assets	(\$34,492)	\$27,000
Net investment gains	\$180,519	\$179,703
Change in fair value of interest rate swap - NOTE G	\$263,835	(\$256,159)
Interest	\$42,053	\$31,165
Paycheck protection program income - NOTE H	\$0	\$551,000
	\$451,915	\$532,709
Changes In Net Assets	\$837,943	\$713,869
Net Assets		
Beginning of year	\$9,720,183	\$9,006,314
End of year	\$10,558,126	\$9,720,183

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

Statement of Functional Expenses

Years ended December 31, 2021 and 2020

	2021			2020		
	Program Services	Management/General	Total	Program Services	Management/General	Total
Salaries & wages	\$1,550,584	\$974,430	\$2,525,014	\$1,464,914	\$929,865	\$2,394,779
Payroll taxes	\$120,212	\$75,545	\$195,757	\$111,033	\$70,479	\$181,512
Employee benefits	\$241,018	\$151,463	\$392,481	\$353,745	\$224,542	\$578,287
Advertising	\$12,767	\$0	\$12,767	\$21,950	\$0	\$21,950
Communication	\$199,122	\$31,357	\$230,479	\$193,529	\$30,904	\$224,433
Contracted services	\$98,846	\$0	\$98,846	\$11,208	\$0	\$11,208
Contracts & licenses	\$124,200	\$13,800	\$138,000	\$253,293	\$28,144	\$281,437
Depreciation	\$396,809	\$132,269	\$529,078	\$298,925	\$128,308	\$427,233
Insurance	\$43,711	\$14,093	\$57,804	\$40,390	\$12,776	\$53,166
Interest	\$139,718	\$46,572	\$186,290	\$141,507	\$47,169	\$188,676
Miscellaneous	\$15,493	\$10,329	\$25,822	\$14,342	\$9,560	\$23,902
Office	\$8,463	\$25,389	\$33,852	\$9,292	\$27,874	\$37,166
Pension	\$56,719	\$35,643	\$92,362	\$52,731	\$33,472	\$86,203
Professional Development	\$11,447	\$0	\$11,447	\$821	\$0	\$821
Professional fees	\$30,000	\$76,706	\$106,706	\$30,100	\$149,828	\$179,928
Promotional & public education	\$431,365	\$0	\$431,365	\$291,193	\$0	\$291,193
Provision for doubtful accounts	\$5,975	\$0	\$5,975	\$2,448	\$0	\$2,448
Rent	\$8,474	\$0	\$8,474	\$21,576	\$0	\$21,576
Repairs & maintenance (Equipment)	\$63,543	\$7,061	\$70,604	\$72,104	\$8,011	\$80,115
Repairs & maintenance (Facilities)	\$38,923	\$12,975	\$51,898	\$44,237	\$14,746	\$58,983
Seminars and meetings	\$0	\$25,562	\$25,562	\$0	\$5,909	\$5,909
Travel	\$36,711	\$14,918	\$51,629	\$39,545	\$8,701	\$48,246
Utilities	\$22,141	\$7,380	\$29,521	\$17,175	\$5,725	\$22,900
Total	\$3,656,241	\$1,655,492	\$5,311,733	\$3,486,058	\$1,736,013	\$5,222,071

Statement of Cash Flows

Years ended December 31, 2021 and 2020

	2021	2020
Cash Flows From Operating Activities		
Changes in net assets	\$837,943	\$713,869
Adjustments to reconcile changes in net assets to net cash provided by operating activities:		
Depreciation	\$529,078	\$427,233
Net realized/unrealized gains on investments	(\$180,519)	(\$179,703)
Provision for doubtful accounts	\$5,975	\$2,448
Paycheck protection program income	\$0	(\$551,000)
(Increase) decrease in accounts receivable	\$171,109	(\$171,583)
(Increase) decrease in prepaid expenses and deposits	(\$33,899)	\$217,589
Increase (decrease) in accounts payable	\$182,390	(\$60,508)
Increase (decrease) in accrued expenses	\$5,473	(\$62,547)
Decrease in deferred revenue	(\$24,149)	(\$36,874)
Increase in other liabilities	(\$263,834)	\$256,159
Net Cash Provided by Operating Activities	\$1,229,567	\$555,083
Cash Flows From Investing Activities		
Purchase of property & equipment	(\$73,965)	(\$201,353)
Proceeds from sale of investments	\$3,135,035	\$1,147,058
Purchase of investments	(\$4,175,144)	(\$1,174,066)
Net cash used in investing activities	(\$1,114,074)	(\$228,361)
Cash Flows From Financing Activities		
Proceeds from payroll protection program	\$0	\$551,000
Principal payments on long-term debt	(\$175,745)	(\$168,323)
Net Cash Provided by (used in) Financing Activities	(\$175,745)	\$382,677
Net Increase (Decrease) in Cash & Cash Equivalents	(\$60,252)	\$709,399
Cash & Cash Equivalents		
Beginning of year	\$2,804,511	\$2,095,112
End of year	\$2,744,259	\$2,804,511
Supplementary Cash Flows Information		
Interest Paid	\$186,675	\$194,041
Non-Cash Transactions		
Interest, dividends & realized gains reinvested	\$80,480	\$116,290
Investment fees paid	\$26,673	\$20,034

Balance End of Year (EOY) Last 15 years

Year	Balance
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

Year	Balance
2015	\$2,945,629
2016	\$3,725,291
2017	\$4,427,939
2018	\$3,895,785
2019	\$4,627,534
2020	\$5,543,644
2021	\$6,704,020

Total Income/Total Expenses Last 15 years

Year	Income	Expense
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

Year	Income	Expense
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
2021	\$5,697,761	\$5,311,733

2022 Projected Budget

Budget Item	Balance
Projected Income	\$5,460,736
Projected Expense	\$5,835,535

Amendments to By-laws



Attached please find a copy of the UDig NY, Inc. Bylaws. Changes being voted on at the 2022 Annual Business Meeting are bold and in green text.

For ease of reference, please find the explanation of each change below.

1. Throughout the document, the name of the corporation has been updated to UDig NY, Inc.
2. Sections 2 and 3 of Article II are removed to allow the organization more flexibility in future endeavors. Former Sections 4 and 5 of Article II are renumber accordingly.
3. Changes made to Article V allow the corporation the flexibility to hold meetings of the members in-person, 100% virtually, or a hybrid of in-person and virtual attendance.
4. Article VII, Section 5 is updated to reflect changes to the New York State Not for Profit Corporation Law 712.



BY-LAWS OF UDIG NY, INC.

ARTICLE I - NAME

Section 1.

The name of this corporation is “**UDIG NY, INC.**,” a corporation organized and existing under the Not-For-Profit Corporation Law of the State of New York (the “Corporation”).

ARTICLE II - OBJECTIVES

Section 1. Purposes.

The Corporation is organized exclusively for charitable and educational purposes including, for such purposes, the lessening of the burdens of government by reducing to a minimum the loss and inconvenience to the general public as well as the risks of harm and injury to the general public as a result of the damage to or disruption of member’s underground facilities such as pipelines, power lines, telephone lines, water lines, sewer lines, and similar and related underground facilities by individuals who excavate, drill, blast, or otherwise disturb the surface of the ground and including, for such purposes, the making of distributions to organizations that qualify as exempt under Section 501(c) (3) of the Internal Revenue Code, or the corresponding section of any future federal tax code. When consistent with the Corporation’s objective of lessening the burdens of government, the Corporation may provide optional services to reduce the risk of loss or damages from excavation or other underground sites.

Section 2. Powers.

In furtherance of the above charitable and educational purposes, the Corporation shall have the following powers:

- (a) To receive and administer funds for educational and charitable purposes including the lessening of the burdens of government and to that end to take and hold by membership dues, bequest, devise, gift, grant, purchase, lease, or otherwise, either absolutely or jointly with any other person, persons or corporation, any property, real, personal, tangible or intangible, or any undivided interests therein, without limitation as to amount or value; to sell, convey, or otherwise dispose of any such property and to invest, reinvest, or deal with the principal or the income thereof in such manner as, in the judgment of the Directors, will best promote the purposes of the Corporation without limitation, except such limitations, if any, as may be contained in the instrument under which such property is received, the Restated Certificate of Incorporation, the By-laws of the Corporation or any laws applicable thereto.
- (b) To do any other act or thing incidental to or in connection with the foregoing purposes or in advancement thereof, but not for the pecuniary profit or financial gain of its members, Directors, or officers.
- (c) In addition to the foregoing corporate powers, the Corporation shall have all of the general and special powers set forth in Section 202 of the Not-For-Profit Corporation Law.

Section 3. Restrictions.

- (a) No part of the net earnings of the Corporation shall inure to the benefit of, or be distributable to, its members, trustees, officers, or other private persons, except that the Corporation shall be authorized and empowered to pay reasonable compensation for services rendered and to make payments and distributions in furtherance of

the purposes set forth in this Article here-of. No substantial part of the activities of the Corporation shall be the carrying on of propaganda, or otherwise attempting to influence legislation, and the Corporation shall not participate in, or intervene in (including the publishing or distribution of statements) any political campaign on behalf of or in opposition to any candidate for public office. Notwithstanding any other provision of these articles, the Corporation shall not carry on any other activities not permitted to be carried on (a) by a corporation exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code, or the corresponding section of any future federal tax code, or (b) by a corporation, contributions to which are deductible under Section 170(c)(2) of the Internal Revenue Code or the corresponding section of any future federal tax code.

(b) Upon the dissolution of the Corporation, assets shall be distributed one or more exempt purposes within the meaning of Section 501(c)(3) of the Internal Revenue Code, of the corresponding section of any future federal tax code, or shall be distributed to the federal government, or to a state or local government, for a public purpose. Any such assets not so disposed of shall be disposed of in accordance with a plan of dissolution and distribution approved by the New York State Attorney General's Office, as set forth by the Not-for-Profit Corporation Law of the State of New York.

ARTICLE III – MEMBERSHIP QUALIFICATIONS, CLASSIFICATIONS AND PRIVILEGES

Section 1. Qualifications.

(a) All members shall have a recognizable interest in the furtherance of the objectives of the Corporation as set forth in the Corporation's Restated Certificate of Incorporation and in Article II of these by-laws.

(b) Every member not specifically exempted shall pay the charges and fees established for their class of membership in accordance with Article IV, Section 3 of these by-laws.

Section 2. Classification and Privileges.

The membership of the Corporation shall consist of:

(a) "Non-Exempt Participating Members" – Corporations, firms or individuals which own and operate a public or private underground facility which furnishes a service or materials, including but not limited to electric power, steam, gasses, liquid petroleum products, water, sewer, telephone or telegraphic communications, cable control system and cable television, to whom request for location of such facilities will be referred and who, in turn, will supply such location and other reasonably requested information in the interest of protecting such facilities and the customers or general public served thereby and who are required by law to share in the costs of operating a one-call notification system. Government or other entities receiving optional services to reduce the risk of loss or damages from excavation or other disturbance of earth or other underground sites are also considered Non-Exempt Participating Members.

(b) "Exempt Participating Members" - Corporations, firms or individuals which own and operate a public or private underground facility which furnishes a service or materials, including but not limited to electric power, steam, gasses, liquid petroleum products, water, sewer, telephone or telegraphic communications, cable control system and cable television, to whom request for location of such facilities will be referred and who, in turn, will supply such location and other reasonably requested information in the interest of protecting such facilities and the customers or general public served thereby and who are specifically exempted by General Business Law § 761(3), as of January 1, 2009, which is limited to municipalities (only Counties, Cities, Towns and Villages), authorities and any operator of underground facilities that provides water service to less than four thousand customers, from sharing in the basic costs of operating a one-call notification system.

(c) "Sustaining Members" – Corporations, firms, associations or individuals which neither own nor operate a public or private underground facility but which, by virtue of their business or professional activities, share the concern and objective of the Corporation in establishing and operating a plan of activities designed to protect such underground facilities and installations, specifically including the activities described in Article II, Sections 1, 2 and 3 of these by-laws.

(d) Unless the context otherwise requires, all references to "members" in these by-laws shall be to all classes of membership.

Section 3. Rights of Members.

(a) Property Rights - No member of the Corporation shall have any right or interest in or to the property or assets of the Corporation; all property and assets of the Corporation shall be subject to the direction, control or expenditure by the voting members and/or the Board of Directors of the Corporation in the manner and to the extent provided by the Laws of the State of New York; should the Corporation be liquidated or dissolved or otherwise discontinue activity, the property and assets of the Corporation shall be distributed in accordance with provisions set forth in the Corporation's Restated Certificate of Incorporation.

(b) Voting - Only Non-Exempt Participating Members of the Corporation shall be entitled to vote at any annual or special meeting of the members of the Corporation, each Non-Exempt Participating Member of the Corporation being entitled to one (1) vote, in person or by proxy, at any such meeting.

ARTICLE IV - ADMISSIONS, CHARGES AND FEES OF MEMBERSHIP

Section 1. Application for Membership.

Application for membership shall be made to the Secretary on a form provided by the Corporation, shall include an adequate statement of the applicant's qualifications for membership and shall describe precisely the nature of the professional or business activity in which the applicant is engaged. In addition, an applicant to become either an Exempt Participating Member or Non-Exempt Participating Member shall furnish specific information concerning the ownership or corporate structure of the applicant and other reasonably requested information. Recognizing the financial obligation which the Corporation assumes in complying with current provisions of Article II of these By-laws, the filing of an application for membership shall constitute an offer by the applicant to share with other members of the Corporation in satisfying the corporate financial obligation by payment of fees and related charges in conformity with the established schedule of fees and charges. On acceptance by the Corporation, the application for membership shall become a mutually binding obligation between the Corporation and the member, obligating each as follows:

(a) Any member may terminate its membership by providing written notice to the Board of Directors 120 days in advance of such severance; however, such termination shall not relieve the members of its responsibility, financial or otherwise, for the period of which it was a member or as a result of events occurring during such a period.

(b) Each member accepts that all services provided by the Corporation are necessary for the protection of the public safety and preservation of the assets of each member. Because these benefits inure directly to the benefit of each respective member, any member who shall fail to meet financial obligations when due shall be subject to payment of all expenses, court costs, attorneys fees, charges, and interest related to such the collection of such financial obligations by the Corporation and the same shall be considered administrative expenses in any bankruptcy proceedings and each member further agrees to provide the Corporation with a general security interest, upon request.

Section 2. Charges and Fees.

Each member shall pay such charges or fees in effect for its class of membership for Basic Services as shall be determined and/or otherwise fixed by the Board of Directors or pursuant to the General Operating Procedures and Responsibilities of the Corporation. Additionally, every member shall pay such charges or fees in effect for Extra Services, if any, as shall be determined and/or fixed by the Board of Directors or pursuant to the General Operating Procedures and Responsibilities of the Corporation.

Section 3. Suspension and/or Termination of Membership.

(a) Any Exempt Participating Member or Non-Exempt Participating Member that is contemplating cessation of those activities that require it to be a member of the Corporation under the law (e.g., a proposed sale of substantially all of its assets) shall provide written notice of such contemplated cessation to the Board of Directors one hundred twenty (120) days in advance of the proposed date of such cessation and such member's membership shall terminate automatically upon the date of such cessation; however, such termination shall not relieve any such member of its responsibility, financial or otherwise, as a member for the period during which it was a member or for events occurring during such period.

(b) Any Exempt Participating Member or Non-Exempt Participating Member may be terminated from membership for cause upon a majority vote of the Board of Directors and/or upon an order of a court of competent jurisdiction. In the event that the Corporation obtains such an order, it shall be entitled to an award of any charges and fees due from and unpaid by such terminated member, interest accrued thereon, reasonable attorneys' fees, costs and disbursements, and such other relief as the court may deem proper. For the purposes of this Article IV, Section 3(b), the term "for cause" shall mean a failure by a member to satisfy its financial obligation, or any of its other obligations, to the Corporation. Each member accepts that all services provided by the Corporation are necessary for the protection of the public safety and preservation of the assets of each member. Because these benefits inure directly to the benefit of each respective member, any member who shall fail to meet financial obligations when due shall be subject to payment of all expenses, court costs, attorneys fees, charges, and interest related to such the collection of such financial obligations by the Corporation and the same shall be considered administrative expenses in any bankruptcy proceedings and each member further agrees to provide the Corporation with a general security interest, upon request.

(c) Any Sustaining Member shall be terminated automatically from membership upon a failure of such member to pay to the Corporation when due such charges and fees as are in effect for its class of membership pursuant to Article IV, Section 2 of these by-laws.

ARTICLE V - MEETINGS OF MEMBERS

Section 1. Meetings of Members.

(a) The annual meeting of the members of the Corporation for the election of Directors and the transaction of other business as may come before the meeting shall be held during the month of April in each year hereafter, or at such other date and time as determined by the Board of Directors, at such place as may be designated by the Board of Directors and specified in the notice of such meeting. **The Board of Directors, in its sole discretion, may determine that the annual meeting of the members be held partially or solely by means of electronic communication (a virtual setting that allows the members to communicate, i.e., to hear and be heard, as well as vote). If such meeting is held partially by electronic communication, the Corporation will simultaneously conduct the meeting electronically in addition to in-person.** The hybrid in-person/electronic annual meeting of the members shall allow members to participate either in-person or electronically. **For meetings held partially or solely by means of electronic communication,** participating in such meeting electronically shall constitute presence in-person at such meeting.

(b) Special meeting of the members may be called by the Board of Directors and shall be held at such time and place as may be designated by the Board of Directors and specified in the notice of such meeting. The Board of Directors, in its sole discretion, may determine that such meeting of the members be held partially or solely by means of electronic communication, as set forth in Article V, Section (1)(a). In addition, a special meeting of the members may be convened by the members entitled to cast ten percent (10%) of the total number of votes entitled to be cast at a meeting who may, in writing, demand the call of a special meeting specifying the date and month therefor, which shall not be less than two nor more than three months from the date of such written demand. The Secretary, upon receiving such written demand, shall promptly give notice of such meeting, or, if he or she fails to do so within five (5) business days thereafter, any member signing such demand may give such notice. Any such special meeting shall be held at the office of the Corporation.

Section 2. Notice of Meeting.

(a) Whenever members are required or permitted to take any action at a meeting, a written notice of the meeting shall be given to the voting members which shall state the place, date and hour of the meeting, **as well as the means of electronic communication, if any, by which members may participate.** Notice of a special meeting shall also state the purpose or purposes for which the meeting is called and shall indicate who called the meeting. A copy of the notice of any meeting shall be given, personally, by electronic transmission to a designated e-mail address, or by US Mail, to each non-exempt member entitled to vote at such meeting. A copy of the notice of any meeting shall be forwarded via e-mail or US Mail to each exempt member.

(b) The Board of Directors shall fix, in advance, a date as the record date for the purpose of determining the members entitled to notice of any meeting of members of any adjournment thereof. Such record date shall not be more than fifty (50) nor less than ten (10) days before the date of the meeting.

(c) If the notice is given personally, by e-mail, or by first class mail, it shall be given not less than ten (10) nor more than fifty (50) days before the date of the meeting; if mailed by any other class of mail, it shall be given not less than thirty (30) nor more than sixty (60) days before such date. If mailed, such notice of any annual or special meeting is given when deposited in the United States mail, with postage thereon prepaid, directed to the members at their respective addresses appearing on the record of the members of the Corporation, but notice of any and all meetings may be waived by members, in writing, orally or by attendance at the meeting.

Section 3. Quorum.

At any annual or special meeting of the members, thirty percent (30%) of the voting members of the Corporation shall constitute a quorum at a meeting of the members for the transaction of any and all business which may properly be conducted at such meeting. The members present may adjourn the meeting despite the absence of a quorum.

Section 4. Action Without a Meeting.

Whenever members are required or permitted to take any action by vote, such action may be taken without a meeting on written consent, setting forth the action so taken, signed by all of the members entitled to vote thereon and filed with the minutes of the proceedings of the members. Written consent thus given by all members entitled to vote thereon shall have the same effect as the unanimous vote of the members.

Section 5. Procedures at a Meeting.

The conduct of the meetings of the members of the Corporation shall be governed by Robert's Rules of Order Revised ©2011 when applicable and not in conflict with these by-laws.

ARTICLE VI – DIRECTORS

Section 1. Number, Qualification and Election of Directors.

(a) The Board of Directors of the Corporation shall comprise not less than fifteen (15) nor more than twenty-five (25), each of whom shall be an individual of at least eighteen years of age, of which at least two (2) but not more than seven (7) shall be representatives of Sustaining Members or Exempt Participating Members, and of which the remainder shall be representatives of Non-Exempt Participating Members. To be a representative, the individual need not be an employee of the Sustaining Members, Exempt Participating Members, or Non-Exempt Participating Members it is representing. The exact number of Directors, and the exact number of Directors representing each class of membership of the Corporation, shall be fixed and determined from time to time by formal action of the Non-Exempt Participating Members at each annual meeting, or in lieu thereof, at a special meeting.

(b) The Board of Directors shall be elected by the Non-Exempt Participating Members in the manner following:

(i) The Board of Directors shall be divided into three classes or groups as nearly equal in number as practicable and, at the first annual meeting of the members, the number of Directors allocated of the respective classes or groups shall be elected for an initial term of one year, two years, and three years, respectively; if the number of Directors of the Corporation shall be increased or decreased by required action of the membership, such additional Directorships or decrease in Directorships shall be allocated to said classes or groups as nearly equal in number as possible.

(ii) The terms of office of the Directors initially classified shall be as follows: that of the first class shall expire at the next annual meeting of members, the second class at the second succeeding annual meeting, and the third class at the third succeeding annual meeting. Subject to Article VI, Section 2, each Director shall hold office for the term for which he or she is elected or appointed, and until his or her successor has been elected or appointed and qualified. After such initial classification, Directors to replace those whose terms expire at each annual meeting (and whose seats have not been eliminated pursuant to Article VI, Section 1(b)(i) hereof) shall be elected or appointed at such meeting to hold office for a full term in accordance with such classification.

(c) Election shall be effected by a majority vote of the Non-Exempt Participating Members present at the annual meeting.

(d) Nominations from the floor are not permitted. Written nominations for vacant Board of Directors positions shall be provided to the Chair of the Nominating Committee before January 31st preceding the next upcoming Annual meeting. All nominations will be collected and reviewed by the Nominating Committee. Thereafter, the Committee will provide all names of nominees to the President of the Board of Directors no later than the last Board of Directors meeting preceding the next Annual meeting. The Board of Directors shall determine if an individual is qualified to be a representative of the Sustaining Members, Exempt Participating Members, and Non-Exempt Participating Members. The Board of Directors shall vote on which of the nominees, if any, are to be presented for a vote at the Annual meeting. If the board of Directors decides, in its sole discretion, to alter the number of Board vacancies, it may do so by simple majority vote.

Section 2. Vacancies and Removal.

Any member of the Board of Directors may resign by delivering its written resignation to the Secretary of the Corporation or may be removed at any time by action of the voting members. In case of a vacancy in the Board of Directors through death, disability, resignation, removal or other cause, the remaining Directors may appoint, through a majority vote, a successor who shall take office immediately and hold same until the next annual meeting of the members, at which time a successor to fill the unexpired term shall be elected by the voting members. A member of the Board of Directors may be removed by a vote of 2/3 or more of the Board of Directors for reason of cause, which shall include, but not be limited to, absence from more than 33 1/3% of the Board of Directors meetings in a calendar year, any act or omission

that is prejudicial to the Corporation, any conflict of interest or any act or omission that is not in the best interest of the Corporation.

Section 3. Duties.

The Board of Directors shall have the control and general management of the affairs and business of the Corporation. Such Directors shall in all cases act as a Board, regularly convened, by a majority, and they may adopt such rules and regulations for the conduct, timing, and management of their meetings and the management of the Corporation as they may deem appropriate and not inconsistent with these by-laws or the laws of the State of New York.

ARTICLE VII - MEETINGS OF THE BOARD OF DIRECTORS

Section 1. Annual, Regular and Special Meetings.

As soon as practicable after each annual meeting of the members, the Board of Directors shall meet for the purposes of the election of officers and the transaction of other business. The Board of Directors may hold regular meetings, at such times and places, and in accordance with such notice as from time to time may be determined by the Board of Directors. Notice of regular meetings need not be given. A special meeting of the Board of Directors may be called by the President or any other corporate officer, and shall be held at such time and place as are fixed in the call of the meeting. Notice of each special meeting shall be: (a) mailed to each Director, addressed to the address last given by each Director to the Secretary or, if none has been given, to the Director's residence or usual place of business, at least three days before the day on which the meeting is to be held; (b) or shall be sent to the Director by electronic mail, facsimile, wireless or similar means so addressed; (c) or shall be delivered personally or by telephone at least forty-eight (48) hours before the time the meeting is to be held. Each notice shall state the time and place of the meeting but need not state the purposes thereof. Any Director may waive any notice required to be given to it by law or under these By-laws, and by attendance at any meeting, it shall be deemed to have waived notice thereof.

Section 2. Quorum.

(a) One-half (1/2) of the Board of Directors of the Corporation (or one-half plus one if the number of members of the Board of Directors is an odd number) shall constitute a quorum for the transaction of business or any specified item of business of the Corporation; provided, however, that at least a majority of those Directors present shall be representatives of Non-Exempt Participating Members. If less than a quorum of the Board of Directors (as defined in the preceding sentence) is present at any meeting, the meeting shall be adjourned to such time and place, as those present shall determine.

(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.

Section 3. Voting.

Each Director shall be entitled to one (1) vote, in person or by proxy, at each annual, regular or special meeting of the Board of Directors.

Section 4. Procedures at a Meeting.

The conduct of the meetings of the members of the Corporation shall be governed by Robert's Rules of Order Revised ©2011 when applicable and not in conflict with these by-laws.

Section 5. Executive and Other Standing Committees.

The Board of Directors may, by resolution passed by a majority of the entire Board, designate from among its members an executive committee and other standing committees, each consisting of three (3) or more Directors of the Corporation, and each of which shall have all the authority of the Board, except that no such committee shall have authority as to the following matters:

- (a) The submission to the members of any action requiring members' approval under the law;
- (b) The filling of vacancies in the Board of Directors or in any committee;
- (c) The fixing of compensation of the members of the Board of Directors for serving on the Board of Directors or on any committee;
- (d) The amendment or repeal of these by-laws or the adoption of new by-laws; or
- (e) The amendment or repeal of any resolution of the Board of Directors which by its terms shall not be so amendable or repealable.
- (f) The election or removal of officers and directors.**
- (g) The approval of a merger or plan of dissolution.**
- (h) The adoption of a resolution recommending to the members action on the sale, lease, exchange or other disposition of all or substantially all the assets of a corporation or, if there are no members entitled to vote, the authorization of such transaction.**
- (i) The approval of amendments to the certificate of incorporation.**

Subject to any requirements of law, each committee shall take action in accordance with such rules as are provided by resolution of the Board of Directors or as the committee members shall unanimously agree upon

Section 6. Action without a Meeting.

Any action required or permitted to be taken by the Board of Directors or any committee thereof may be taken without a meeting if all members of the Board of Directors or the committee consent in writing to the adoption of a resolution authorizing the action and the writing or writings are filed with the minutes of proceedings of the Board of Directors or committee.

ARTICLE VIII – OFFICERS

Section 1. Officers Designated.

- (a) The officers of the Corporation shall be a President, one or more Vice Presidents (one or more of whom may be designated Executive Vice President), a Secretary, a Treasurer, and such other officers as the Board of Directors may in its discretion elect. Any two or more offices may be held by the same person or entity, except the offices of President and Secretary.
- (b) All such officers shall have such authority and perform such duties in the management of the Corporation as may be prescribed by action of the Board of Directors from time to time.

Section 2. Election of Officers.

The officers shall be elected at the annual meeting of the Board of Directors and, when so elected, shall take office immediately. Each officer shall be an individual of at least eighteen years of age, and need not be an employee of the Sustaining Members, Exempt Participating Members, or Non-Exempt Participating Members. Subject to the right of the Board of Directors to remove an officer with or without cause, each officer shall hold office for the term for which he or

she is elected or appointed, and until his or her successor has been elected or appointed and qualified. Subject to Article VIII, Section 9, each officer's term shall expire at the next annual meeting of the Members.

Section 3. President.

The President shall be the chief executive officer of the Corporation and, shall have the general supervision of the business, property and affairs of the Corporation subject only to the supervision of the Board of Directors. The President shall preside at all meetings of members and of the Board of Directors. In the absence or disability of any other officer of the Corporation, the President may perform the duties of that officer. The President shall perform such other duties as the Board of Directors may prescribe. The President may delegate all or any of its day-to-day duties to the Executive Director. No employee of the Corporation shall serve as President of the Board of Directors, or hold any other title with similar responsibilities.

Section 4. Vice President.

The Board of Directors shall determine the powers and duties of the respective Vice Presidents and may, in its discretion, fix such order of seniority among the respective Vice President, as it may deem advisable. The Executive Vice President shall be the chief financial and administrative officer of the Corporation.

Section 5. Secretary.

The Secretary shall issue notices of all meetings of the members and of the Board of Directors whenever notice is required. The Secretary shall be responsible for keeping the minutes of all meetings of the members and of the Board of Directors in a book to be kept for that purpose. The Secretary shall sign such instruments as require the Secretary's signature and shall possess such other powers and perform such other duties as usually pertain to such office or as the Board of Directors may prescribe. The Secretary may delegate all or any of its day-to-day duties to the Executive Director.

Section 6. Treasurer.

The Treasurer shall have the care and custody of all the moneys and securities of the Corporation. The Treasurer shall keep or cause to be kept complete and accurate books of account of all moneys received and paid on account of the Corporation. The Treasurer shall sign such instruments as require the Treasurer's signature, and shall possess such other powers and perform such other duties as usually pertain to such office or as the Board of Directors may prescribe.

Section 7. Executive Director.

The Executive Director shall be responsible for the day-to-day operations and activities of the Corporation and the Call Center. The Executive Director's duties shall include the following:

- (a) Managing all operational activities and administrative policies of the Corporation;
- (b) Acting as principal public relations officer of the Corporation;
- (c) Assisting in the development and execution of the Corporation's strategic initiatives and objectives and the Corporation's consolidated annual budget;
- (d) Approving procurement awards from allocated funds not to exceed \$15,000 and non-allocated funds of operating expenses and capital expenditures in amounts not to exceed \$10,000;

(e) Presenting for approval to the Executive Committee expenditures up to \$50,000;

(f) Monitoring the cash flow, accounts receivable and accounts payable activities; and

(g) Providing the Board of Directors with monthly and annual financial reports. In addition, the Executive Director shall have such other duties as the President and/or Secretary may delegate and such other duties as the Board of Directors may prescribe.

Section 8. Other Appointments.

The Board of Directors, in its discretion, may create and/or abolish, from time to time, such other offices and/or positions as the Board of Directors deems necessary. Appointments to fill each of such offices and/or positions, when created, shall be made by the Board of Directors. The appointee, in each case, need not be a member of the Corporation.

Section 9. Vacancies.

Any officer may resign by delivering its written resignation to the Board of Directors or may be removed at any time by the Board of Directors with or without cause. In case of a vacancy through death, disability, resignation, removal or other cause, the Board of Directors may appoint, through a majority vote, a successor who shall take office immediately and hold same until the end of the next annual meeting of the Members, at which time a successor to fill the office shall be elected by the Board of Directors.

ARTICLE IX – AMENDMENTS

These by-laws may be amended, repealed or superseded, either in whole or in part, by either:

(a) A majority of the Non-Exempt Participating Members at the time entitled to vote in the election of Directors, or

(b) A majority of the Board of Directors. Any by-laws adopted by the Board of Directors may be amended or repealed by the members and any by-law adopted by the members may be amended or repealed by the Board of Directors. If any by-law regulating an impending election of Directors is adopted, amended or repealed by the Board of Directors, there shall be set forth in the notice of the next meeting of members for the election of Directors the by-law so adopted, amended or repealed, together with a concise statement of the changes made.

Annual One-Call Notification System Report



Enforcement Activity for 2021

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 2021 calendar year.

Of the 319 probable violations issued in 2021, 106 were the result of Staff investigation¹ and the other 213 were from enforcement requests submitted by operators or the general public.

The table below provides a breakdown of violations resolved in 2021, including the amount collected, and the methods by which enforcement cases were resolved.

Violation	Citations
Failure to Notify	214
Improper Notification	5
Failure to Renotify	7
Early Commencement of Excavation	7
Failure to Maintain Mark-Outs	3
Failure to Verify Location	21
Failure to Maintain Clearance	16
Inaccurate Mark-Out	32
Other	14
Total:	319

Resolution	Cases	Amount Collected
Commission Orders	24	\$82,500
Referred to Attorney General	35	\$86,657
Uncontested Penalties	108	\$652,000
Consent Orders	108	\$108,300
Resolved Without Penalty ²	34	-
Warning Letters	3	-
Totals:	312	\$1,001,457

Some of the enforcement cases resolved in 2021 were based on violations issued in prior years. Likewise, some enforcement cases initiated in 2021 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).

¹ Staff investigations were initiated by either the Gas Emergency Notification System or were through voluntary incident notification reporting by some gas operators.

² This number includes enforcement actions dropped due to cause, the inability to properly serve the correct entity, or resolved through training alone.

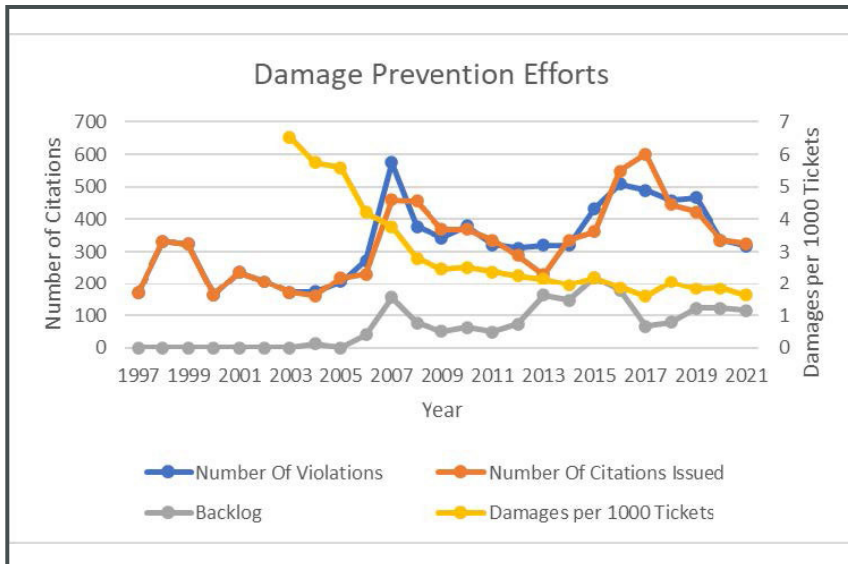
Damages per 1,000 Location Requests

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
2012	2.26
2013	2.15
2014	1.96
2015	2.18
2016	1.89
2017	1.60
2018	2.05
2019	1.84
2020	1.85
2021	1.62



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.