

MINUTES of the AUDIT COMMITTEE MEETING of the ERIE COUNTY WATER AUTHORITY held in the office, 295 Main Street, Room 350, Buffalo, New York, on the 19th day of March 2026.

PRESENT: Jerome D. Schad, Chair
 Peggy A. LaGree, Commissioner (via teleconference)
 Michele M. Iannello, Commissioner
 Jennifer L. Hibit, Secretary to the Authority
 Joyce A. Tomaka, Chief Financial Officer
 Mark S. Carney, General Counsel
 Charles E. Eaton, Chief Operating Officer
 Leonard F. Kowalski, Executive Engineer
 Sabrina A. Figler, Director of Water Quality
 Lavonya C. Lester, Director of Administration
 Katherine A. Gillette, Senior Associate Attorney
 David W. Aubertine, Director of Cybersecurity and Information Technology
 Matthew W. Barrett, Security Officer

ATTENDEES: Earl Wells III, e3 Communications
 Luke Malecki, Drescher and Malecki
 Jessica Kelly, Drescher and Malecki

PLEDGE TO THE FLAG

I. CALL TO ORDER/ROLL CALL

The meeting was called to order at 9:30 a.m. A quorum was present with three Commissioners.

II. READING OF MINUTES

III. APPROVAL OF MINUTES

IV. REPORTS

V. UNFINISHED BUSINESS

VI. NEW BUSINESS

A. Audit Drescher and Malecki – 2025 Audited Financial Statements

DISCUSSION

Luke Malecki of Drescher & Malecki reported on the draft 2025 Audited Financial Statements. An unmodified opinion has been issued relative to the basic financial statements which was given the highest opinion. The financial statements include a report on internal control in accordance with government and auditing standards. The report did not show any material weaknesses or deficiencies throughout the year. The schedule of overhead percentage and schedule of cash

investment are schedules audited separately from the financial statements which were also given an unmodified opinion.

Mr. Malecki notified the Board about a new set of compliance requirements that the Authority must adhere to when obtaining federal assistance from programs like the Water Infrastructure Finance and Innovation Act. The Board was made aware that the Authority has fulfilled all the new compliance requirements. Mr. Malecki also addressed a new governmental accounting standard concerning risk disclosures and observed that upon evaluation, the Authority's existing financial statements were already in compliance with the new standards.

Mr. Malecki reviewed each component of the draft 2025 Audited Financial Statements and addressed any changes from the previous year with the Board. Commissioner LaGree asked for clarification on the Authority's timing with Construction in Progress ("CIP"). Mr. Malecki noted that although there was not a material impact on the financial statements, his team did notice a communication issue between the Engineering Department and the Finance Department with respect to CIPs. This was brought to the attention of management, which subsequently strengthened their collaboration processes. Chair Schad requested suggestions for a succession plan mentioned in Mr. Malecki's report. Mr. Malecki indicated that the initial action involves addressing the vacancies within the Finance Department. He also recommended that when appointing a Comptroller, it is essential to ensure that the individual is prepared to transition into the Chief Financial Officer role when the opportunity arises. Commissioner Iannello inquired if Mr. Malecki had knowledge of the percentage difference between government to private salaries. Mr. Malecki stated he has seen a rise in the range across the board.

VIII. ADJOURNMENT

Motion by Ms. LaGree seconded by Ms. Iannello carried that the meeting adjourned at 9:58 a.m.

DISCUSSION

None

VOTE

Ayes: Three; Commrs. Schad, LaGree and Iannello

Noes: None

Jennifer Hibit
Secretary to the Authority

ALH