

**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 19<sup>th</sup> 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