



ERIE COUNTY WATER AUTHORITY
INTEROFFICE MEMORANDUM

To: Jerome D. Schad, Chair
Peggy A. LaGree, Vice Chair
Michele M. Iannello, Treasurer

Cc: Jennifer L. Hibit Secretary to the Authority
Joyce A. Tomaka, Chief Financial Officer
Charles E. Eaton, Chief Operating Officer
Leonard F. Kowalski, Executive Engineer

From: Mark S. Carney, General Counsel

Date: September 4, 2026

Subject: Lackawanna Direct Service

The Authority has operated and maintained the water system in the City of Lackawanna since 1953. Recently, the Authority's Legal Department and the City Attorney for Lackawanna have determined that it would be in the best interests of both the Authority and the City to execute a Direct Service Agreement that sets forth the obligation of both parties relative to the delivery of water to customers residing in the City. Accordingly, such a Direct Service Agreement was drafted, and subsequently executed by the Mayor of Lackawanna.

The Legal Department now recommends that the Authority execute the Direct Service Agreement.

MSC:kag

**ERIE COUNTY WATER AUTHORITY
AUTHORIZATION FORM
For Approval/Execution of Board Meeting Documents**

Document Name: _____ **Project No.:** _____

Description: _____

Item Description:

Choose one: _____

Other: _____

Action Requested:

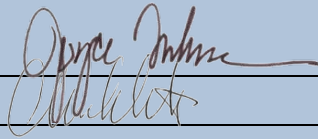
Choose one _____

Other: _____

Approvals Required:

APPROVED AS TO CONTENT:

Chief Financial Officer



Date: 09/08/2026

Chief Operating Officer

Date: 09/05/2026

Claims Rep. – Risk Manager

Date: _____

Comptroller

Date: _____

Director of Administration

Date: _____

Director of Distribution

Date: _____

Director of Human Resources

Date: _____

Director of IT

Date: _____

Sr. Director of Operations & Infra

Date: _____

Director of Planning & Water Supply

Date: _____

Director of Production

Date: _____

Director of Water Quality

Date: _____

Executive Engineer



Date: 9/4/2026

General Counsel (Legal)

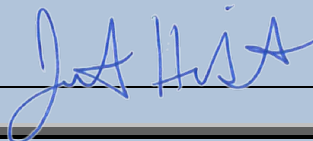
Date: 9/4/2026

Other: _____

Date: _____

APPROVED FOR BOARD RESOLUTION:

Secretary to the Authority



Date: 9/8/2026

Remarks: _____

Resolution Date: _____ Item No: _____

Arianna Kwiatkowski
City Attorney



CITY OF LACKAWANNA
DEPARTMENT OF LAW

August 18, 2026

Erie County Water Authority
Mark Carney, Esq.
295 Main Street; Room 350
Buffalo, New York 14203

Re: Erie County Water Authority Direct Service Agreement & Bill of Sale

Dear Mark:

As requested, I am enclosing three executed originals of the Direct Service Agreement and Bill of Sale.

Kindly return a duly executed copy to my attention following approval by the Board of Commissioners on September 17, 2026.

Thank you.

Sincerely,

A handwritten signature in blue ink, appearing to read "Arianna Kwiatkowski", is written over a horizontal line.

Arianna Kwiatkowski

**CITY OF LACKAWANNA
DIRECT SERVICE AGREEMENT**

AGREEMENT made this ____ of _____, 20__, by and between

ERIE COUNTY WATER AUTHORITY
3030 Union Road
Cheektowaga, New York 14227

a public benefit corporation hereinafter referred to as the "Authority," and

CITY OF LACKAWANNA
714 Ridge Road
Lackawanna, NY 14218

a municipal corporation hereinafter referred to as the "City."

WHEREAS, pursuant to Public Authorities Law § 1054 and other applicable law, the Authority is authorized to acquire the property and facilities of the City's water supply and distribution systems, and

WHEREAS, pursuant to General City Law § 20 (7-a) and other applicable law, the City has the authority to sell and convey all or a part of its water supply and distribution system to a water authority, and

WHEREAS, prior to the establishment of the Authority, the City of Lackawanna conveyed its water supply and distribution system ("City Water System") to the Western New York Water Company; and

WHEREAS, the Authority was created in 1949 by an Act of the New York State Legislature, codified in Sections 1050 through 1073 of Title 3 of Article 5 of the Public Authorities Law of the State of New York; and

WHEREAS, the Authority became the successor in interest to the Western New York Water Company; and

WHEREAS, the Authority began producing and delivering water to customers in Erie County in 1953; and

WHEREAS, since 1953, the Authority has operated and maintained the City Water System; and

WHEREAS, the parties desire to enter into an agreement setting forth the obligations of the City and Authority regarding the Authority's continued operation and maintenance of the City Water System;

NOW, THEREFORE, in consideration of the mutual promises set forth in this Agreement, the parties agree as follows:

1. OBLIGATIONS OF THE AUTHORITY: In order to provide adequate and proper water supply to the City Water System, currently operated by the Authority, the Authority shall:

- (a) Design, construct, maintain, repair, operate, and improve all of the interconnections and other facilities necessary to deliver water to the City Water System.

2. OBLIGATIONS OF THE CITY: In order to facilitate the reconveyance to the Authority, the City shall perform certain obligations in the following manner:

- (a) Supply copies of all records pertaining to the City Water System, including, but not limited to, customer service records, as-built drawings, deeds, easements, licenses; and
- (b) Obtain or grant easements for all facilities being or having been transferred, that are not currently in the right-of-way.

3. CITY CONVEYANCE: After the obligations described in Paragraphs 1 and 2 above are completed to the satisfaction of the Authority, the City shall transfer and reconvey to the Authority the assets, equipment, inventory, water mains, hydrants, appurtenances, inventory and infrastructure of the City Water System not already transferred to the Authority in exchange for continued direct service by the Authority.

The conveyance shall include the following:

**EXHIBIT "A"- A BILL OF SALE TO THE AUTHORITY FOR
WATER MAINS, HYDRANTS, APPURTENANCES.**

Conveyance of the assets of the City Water System shall be free and clear of liens and encumbrances. Prior to or simultaneously with the execution of this agreement, the City shall adopt a resolution and complete all necessary legal procedures to authorize conveyance of the entire water system to the Authority. The conveyance of the City Water System shall take place at a time to be mutually agreed upon by the parties.

4. DEFAULT: In the event the City defaults under any circumstances and fails to reconvey the City Water System, the City shall reimburse the Authority for all expenses incurred and appropriations approved by the Authority necessitated by this agreement to properly serve the water system within the City of Lackawanna.

5. TITLE: Title to property of the City Water System, referend in Exhibit A and identified in paragraph 3 of this Agreement shall be vested solely in the Authority. The City represents that at the time of the transfer of the City Water System, it can be transferred free and

clear of all liens, encumbrances and claims, and that the existence of outstanding City indebtedness heretofore issued for water system improvements is not a legal impediment to the transfer of part of the City Water System to the Authority.

6. CITY COUNCIL RESOLUTION: The City shall complete all necessary legal procedures to authorize the conveyance of the entire City Water System to the Authority and provide the Authority with a certified copy of a City Council resolution authorizing this Agreement, as well as pay when due annual hydrant rates as established by the Authority Tariff.

7. AUTHORITY TARIFF: This agreement is subject to all provisions, rules and regulations of the Authority's Tariff as adopted or amended in the future.

8. DELINQUENT ACCOUNTS: The City shall place delinquent amounts due to the Erie County Water Authority on the City of Lackawanna property tax roll. The City will collect the amount due to the Authority and remit collected sums to the Authority, City shall remit monies collected from payment of city tax bills before November first each year, any monies collected after November first shall be remitted quarterly. Any delinquent amounts as of March 31st of each year shall be added to the next years tax roll. The City shall not act as a guarantor of any amounts due and owing on water bills other than its obligations under this agreement.

9. INSURANCE MAINTENANCE & SECURITY: Both the Authority and the City agree to obtain and continue to keep in full force and effect their respective General Liability Insurance, Public Liability Insurance and Workers' Compensation Insurance relative to all phases of performance of the various provisions of the terms to be performed pursuant to this Agreement. Each party shall name the other party as an additional insured on a non-contradictory basis and shall provide each other with current certificates of insurance.

10. ABITRATION: Should any dispute arise between the parties respecting the terms of this agreement, the disputed matter shall be settled by arbitration in accordance with the laws of the State of New York, by three (3) arbitrators, one of whom shall be selected by each of the parties, and the third by the two arbitrators so selected. If the selection of the arbitrators shall not be within fifteen (15) days of the time that either party shall notify the other of the name of the arbitrator selected by the notifying party, then the arbitrator or arbitrators not selected shall be appointed in the manner provided by the laws of the State of New York.

11. INDEMNIFICATION:

- (a) The City covenants and agrees to indemnify keep indemnified, defend, and save harmless the Authority against claims for any loss, injury, death and/or damage for any claim for compensation for which the City may or shall be liable for reason of its performance in compliance with the terms of this Agreement, as determined by a Court of competent jurisdiction or by stipulation of liability. The City shall indemnify, defend and hold harmless the Authority against all claims, loss, and damage arising from the inaccuracy of any representations made pursuant to this Agreement.

- (b) The Authority covenants and agrees to indemnify and keep indemnified, defend and save harmless the City against claims for any loss, injury, death and/or damage for any claim for compensation for which the Authority may or shall be liable for reason of its performance in compliance with the terms of this Agreement, as determined by a Court of competent jurisdiction or by stipulation of liability.

12. AUTHORITY FOR EXECUTION ON BEHALF OF THE CITY OF LACKAWANNA: The City has executed this agreement pursuant to a resolution adopted by the City Council at a meeting thereof held on the 17th day of August, 2026. Mayor Annette Iafallo, whose signature appears hereafter, is duly authorized and empowered to execute this instrument and enter into such an agreement on behalf of the City. This instrument shall be executed in duplicate. At least one copy shall be permanently filed, after execution thereof, in the office of the City Clerk.

13. AUTHORITY FOR EXECUTION ON BEHALF OF THE ERIE COUNTY WATER AUTHORITY: The Chairman has executed this agreement pursuant to a resolution adopted by the Board of Commissioners at a meeting thereof held on the _____ day of _____, 2026, Jerome D. Schad whose signature appears hereafter, is duly authorized and empowered to execute this instrument and enter into such an agreement on behalf of the Authority. This instrument shall be executed in duplicate. At least one copy shall be permanently filed, after execution thereof, in the office of the Authority.

14. NOTICES: Notices hereunder shall be addressed as follows, or to such other address as may hereafter be designated by either party hereto:

**TO: LACKAWANNA CITY CLERK
CITY OF LACKAWANNA
714 Ridge Road, Room 215
Lackawanna, New York 14218**

and

**TO: LEGAL DEPARTMENT
ERIE COUNTY WATER AUTHORITY
295 Main Street, Room 350
Buffalo, New York 14203-2494**

15. WAIVER: No waiver of any breach of any condition of the agreement shall be binding unless in writing and signed by the party waving such breach. No such waiver shall in any way affect any other term or condition of this agreement or constitute a cause or excuse for a repetition of such or any other breach unless the waiver shall include the same.

16. MODIFICATION: This Agreement constitutes the entire understanding of the parties. No modifications of any provision thereof shall be valid unless in writing and signed by the parties.

17. **APPLICABLE LAW:** This Agreement is governed by the laws of the State of New York.

18. **SEVERABILITY:** If any provision of this Agreement shall be held invalid or unenforceable, in whole or in part, such provision shall be modified to the minimum extent necessary to make it valid and enforceable, and the validity and enforceability of all other provisions of this agreement shall not be affected thereafter.

19. **SURVIVAL:** All applicable positions of this Agreement shall remain in full force and effect after the conveyance of the City Water System from the City to the Authority.

20. **COUNTERPARTS:** This Agreement may be executed in counterparts, each of which is deemed an original, but all of which together are deemed to be one and the same agreement. Each party will execute two duplicate original Agreements with one duplicate original to be exchanged with the other party.

IN WITNESS WHEREOF, the City of Lackawanna has caused its corporate seal to be affixed hereto and to be signed by Annette Iafallo, its Mayor, duly authorized to do so, and to be attested to by the City Clerk, and the Authority has caused its corporate seal to be affixed hereto and to be signed by Jerome D. Schad, its Chair, the day and year first written above.

CITY OF LACKAWANNA

By: Annette Iafallo
Annette Iafallo
Mayor

Dated: August 18, 2026

ERIE COUNTY WATER AUTHORITY

By: _____
Jerome D. Schad
Chair

Dated: _____

STATE OF NEW YORK)
COUNTY OF ERIE) ss:

On the 19 day of August, in the year 2020 before me personally came Annette Iafallo, to me known, who being by me duly sworn, did depose and say that she resides in the City of Lackawanna, New York, that she is the Mayor of the City of Lackawanna described in the above instrument, and that she signed her name thereto by authorization of the City Council of the City of Lackawanna pursuant to a duly enacted resolution.

Arianna E. Kwiatkowski
Notary Public, State of New York
Reg. No. 02KW0043425
Qualified in ERIE County
Commission Expires 10/30/29



Notary Public

STATE OF NEW YORK)
COUNTY OF ERIE) ss:

On the _____ day of _____, in the year of 20__, before me personally came Jerome D. Schad, to me known, who being by me duly sworn did depose and say that he resides in the Town of Amherst, New York, that he is the Chair of the Board of Commissioners for the Erie County Water Authority described in the above instrument, and that he signed his name thereto by the authorization of the Board of Commissioners for the Erie County Water Authority.

Notary Public

EXHIBITS MUST BE ATTACHED

Exhibit "A"

BILL OF SALE

KNOWN ALL MEN BY THESE PRESENTS,

That, City of Lackawanna with offices located at 714 Ridge Road, Lackawanna, New York 14218, *party of the first part*, for and in consideration of the sum of \$1.00 and no more dollars (\$1.00), lawful money of the United States, and other good and valuable consideration paid by Erie County Water Authority, with offices at 295 Main Street, Room 350, Buffalo, New York 14203, *party of the second part*, the receipt whereof is hereby acknowledged, have bargained and sold, and by these presents does grant and convey unto the said party of the second part, its successors and assigns the following:

Personal property as attached Schedule A

TO HAVE AND TO HOLD the same unto the said *party of the second part*, its successors and assigns forever and does covenant to and with the said *party of the second part* that the City of Lackawanna is the owner and has the right to sell and transfer said property, free and clear of any and all liens, mortgages, debts and other encumbrances or claims and will defend the same against any person or persons whomsoever claiming the same.

IN WITNESS WHEREOF, Annette Iafallo, Mayor, has hereunto set her hand and seal this 18 day of August, 2026.

IN PRESENCE OF


Annette Iafallo, Mayor

STATE OF NEW YORK

)

ss:

COUNTY OF ERIE

)

On the 18 day of August in the year 2026 before me, the undersigned, a Notary Public in and for the State, personally appeared **ANNETTE IAFALLO, Mayor of the City of Lackawanna**, personally known to me or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to the within attached instrument and acknowledged to me that she executed the same in her capacity, and that by her signature on the instrument, the individual, or the persons on behalf of which the individual acted, executed the instrument.

Arianna E. Kwiatkowski
Notary Public, State of New York
Reg. No. 02KW0043425
Qualified in ERIE County
Commission Expires 10/30/29


NOTARY PUBLIC

SCHEDULE A

All personal property and items comprising the City Water System owned by the City of Lackawanna, including, but not limited to, all pipelines, tanks, pump stations, equipment, fixtures and appurtenances thereto as more specifically described in the Direct Service Agreement between the City of Lackawanna and the Erie County Water Authority of equal date herewith and on the attachments which are part of this Schedule A.

SCHEDULE A

Mains:		Valves:		Hydrants:	
Unknown Material	Length (Ft.)	Air Release		Mueller Centurion	87
6"	408.2	3/4"	2	Mueller Improved	11
8"	112.9	1"	9	Mueller Standard	13
12"	46.3	2"	1	Waterous	22
16"	3.0			Kennedy Standard 1080	1
24"	3.0			Kennedy Standard K11	65
		Butterfly		Kennedy Standard K10	19
CIP	Length (Ft.)	6"	2	Kennedy Standard K81	217
2"	499.1	8"	2	Clow	32
3"	122.0	12"	80	Iowa	1
4"	6,170.3	16"	25	M&H	1
6"	132,806.3	24"	19	AVK 2780 - Nostalgic	4
8"	19,007.2				473
10"	762.2	Blowoff			
12"	30,996.4	3/4"	4		
16"	25,418.8	2"	32		
24"	636.7	4"	2		
		6"	3		
Copper	Length (Ft.)				
3/4"	73.2	Butterfly Service			
1"	1.6	12"	1		
2"	143.9	16"	1		
DIP	Length (Ft.)	Gate			
4"	7.2	4"	22		
6"	1,572.2	6"	354		
8"	50,420.3	8"	466		
10"	1,582.5	10"	22		
12"	15,603.7	12"	47		
16"	2,896.8	16"	10		
24"	6,007.8				
		Gate Service			
Galvanized	Length (Ft.)	3"	1		
8"	72.9	4"	37		
		6"	36		
PVC	Length (Ft.)	8"	19		
4"	41.5	10"	5		
6"	1,087.3	12"	3		
8"	34,402.2				
10"	4,676.7	Bypass			
12"	3,755.6	2"	2		
16"	989.4	3"	1		
		4"	9		
		8"	2		
		Sacrificed			
		4"	5		
		6"	7		
		10"	1		
		12"	2		
		Unable to Locate			
		3/4"	2		
		4"	5		
		6"	6		
		8"	3		