

AUDIT COMMITTEE MEETING

DATE: August 21, 2025

LOCATION: 4060 Sunrise Highway, Oakdale

ATTENDANCE: Charles Lefkowitz, Chairman
Elizabeth Mercado, Member
John Rose, Member
Jeffrey W. Szabo, CEO
Jessica Mattera, Executive Assistant
Chris Cecchetto, Chief Financial Officer
Stephanie Hannan, Manager of Accounting
Joseph Pokorny, Deputy CEO for Operations
Frank Tassone, Deputy CEO for Customer Service
John Milazzo, General Council
Brian SeEVERS, Director of Human Resources

EXCUSED ABSENCE: NONE

The meeting was called to order by Mr. Szabo at 2:39 p.m. upon Members of the Committee being present.

On motion made by Ms. Mercado, duly seconded by Mr. Rose, and unanimously carried, it was

RESOLVED, To approve the Audit Committee Meeting Minutes from June 25, 2025, meeting

On motion made by Mr. Rose, duly seconded by Ms. Mercado, and unanimously carried, it was

RESOLVED, To approve the fiscal year audit of SCWA's completion. Water service revenues exceeded expectations, outperforming initial projections by approximately Eleven Million Dollars (\$11,000,000.). Capital expenditures ended the fiscal year below final approved budgets, while operating and maintenance expenses exceeded final budgets, mostly due to the recognition of legal expenses related to a settlement that was finalized at the conclusion of the fiscal year.

Mr. Szabo introduced Jason Spiegel, Lead Audit Engagement Partner and Ryan Gibbons, Lead Audit Engagement Senior Manager, members from KPMG to give their

presentation, SCWA Discussion with those charged with governance, KPMG issued a clean audit opinion with no fraud, illegal acts, or significant issues identified. All key areas tested- cash and investments, OPEB, revenues expenses, debt, and capital assets- had no exceptions, and One Hundred and Seventy-one Million Dollars (\$171) PFAS settlement was properly recognized. Independence was confirmed, investment compliance requirements were met, and financial statements were deemed fair and accurate under GAAP. The only open items pending were the NYSLRS pension report and final OPEB review. Overall, the audit results indicate strong compliance and sound financial reporting.

Mr. Szabo asked if any members of the Committee or staff members in attendance any questions had, none were received.

On motion made by Ms. Mercado, duly seconded by Mr. Rose, and unanimously carried, the meeting of the Audit Committee was adjourned at 3:01 p.m.

Timothy Bishop, Secretary