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**The Authorities Budget Office Issues Report on the Erie County Water Authority,
Censures the Board Members and Calls for County Legislature to
Replace the Commissioners of the Board**

The Authorities Budget Office (ABO) released its report today regarding the transparency and accountability of the Erie County Water Authority (Authority), a public authority established to finance, construct, operate and maintain a water supply and distribution system benefitting residents of Erie County. The ABO's report is highly critical of the Authority's board of commissioners, one of a very limited number of paid public authority boards. Based on the board's actions and operations during 2016 and 2017, the ABO is formally censuring the individuals that served as board members during this period. Further, the ABO has recommended that censured board members be replaced by the Erie County Legislature.

The ABO found that board members routinely approved resolutions and transactions without having adequate information on which to base their decisions and would fail to ask for additional information. For example, the board approved two executive employment contracts without reviewing the terms or contents of either contract. One contract was for the Authority's deputy director that provided an overall 36 percent salary increase without any justification for the increase. The other contract provided the Authority's executive director with a "golden parachute" that would pay the individual's full salary for the term of the contract, hindering the likelihood that future boards would terminate the contract.

The ABO found that much of the Authority's business was not conducted in meetings open to the public, but instead were held under a veil of secrecy. For example, the 2018 budget was adopted by the board at its November 13, 2017 public meeting without any detailed information or discussion regarding the proposed budget amounts. Instead, board members stated that budget discussions were conducted during private meetings, in violation of the provisions of Open Meetings Law. The Authority also has avoided notifying its customers of expected water rate changes: the Authority determined in October 2017 that residential water rates would increase to \$3.23 per 1,000 gallons for 2018 and to \$3.30 per 1,000 gallons for 2019, but has not disclosed the expected increase to its customers.

The ABO also found that the Authority failed to appropriately respond to all Freedom of Information (FOIL) requests received, identifying instances where the Authority did not provide the information that was requested, provided incomplete information, or provided inaccurate information in response to some FOIL requests.

This atmosphere of secrecy and lack of disclosure also impacted the ABO's review. The Water Authority refused to provide all records and documents requested by ABO staff. This resulted in the ABO having to report a scope limitation as part of its review, which prevented the ABO from fully determining the extent to which the Authority complied or failed to comply with required statutory procedures.

"Based on the historic issues with transparency and accountability at the Erie County Water Authority, we believe that the Authority would be best served by new leadership, that is more cognizant of its fiduciary responsibility to the Authority and the public," stated ABO Director Jeffrey Pearlman. "A new board will help to implement and enforce its policies in an environment of transparency."

A copy of the full report is available at www.abo.ny.gov.