

Susan Lopatkin, Director and Chairperson  
Dan Levy, Director and Member  
Steven Weinberg, Director and Member

January 14, 2019

### **ANNUAL AUDIT COMMITTEE REPORT**

Hon. Michael C. Kalnick, Chairperson and Members of the Board of Directors:

The Audit Committee was created by the unanimous vote of the Board of Directors at a regular meeting of the Board held on October 16, 2006 by adoption of the Audit Committee Charter and Rules. The Board of Directors also appointed an Audit Committee.

The current Committee members are Directors Dan Levy, Susan Lopatkin, and Steven Weinberg, each appointed to the Audit Committee at a regular meeting of the Board of Directors.

Several meetings, discussions and communications were held by and among the members of the Committee following the creation of the Committee and as recently as this date.

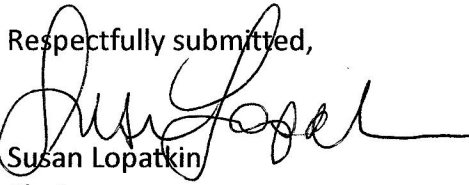
The Committee will review the independent external audit for 2018 when completed and will report to the Board of Directors with respect to the audit and management discussion and analysis.

The Audit Committee, following the position of the Board of Directors regarding environmental improvements for the production of water and the Board's direction of a "non-detect" policy, will continue to review the financial condition of the Authority and the financial needs of the Authority to carry out the capital improvement plan.

The Audit Committee reviewed the proposed 2019 budget and recommended adoption of the budget to the Board of Directors.

Finally, the Audit Committee will carefully review the overall scope of the external audit for 2018 and will continue to monitor the plans and progress of the audit. The Committee is satisfied that the audits of the Authority have been made in accordance with generally accepted accounting principles.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Susan Lopatkin", written over the printed name and title.

Susan Lopatkin  
Chairperson