



STATE OF NEW YORK
Authorities Budget Office

P O Box 2076
Albany, NY 12220-0076
WWW.ABO.NY.GOV

Local:518-474-1932
Toll Free: 1-800-560-1770

e-mail address:
info@abo.ny.gov

April 2, 2013

Mr. Richard Ronan
Chair
Water Authority of Southeastern Nassau County
P.O. Box 1098
Bellmore, NY 11710

Dear Chairman Ronan and Directors of the Water Authority of Southeastern Nassau County:

The **Water Authority of Southeastern Nassau County** failed to file Annual and Audit Reports for the 2011 fiscal year and a Budget Report for the fiscal year ending in 2013. As a result, the Water Authority of Southeastern Nassau County was included on published lists of state and local authorities that are out of compliance with state law. These lists were released by the Authorities Budget Office (ABO) in July 2012 and January 2013.

On February 27, 2013, the ABO sent a letter compelling the board of directors and chief executive officer to justify the authority's persistent failure to meet the reporting requirements of sections 2800, 2801, and 2802 of Public Authorities Law. Water Authority of Southeastern Nassau County did not respond to this letter.

As of April 2, 2013 the Water Authority of Southeastern Nassau County remains out of compliance with the public disclosure, reporting and corporate governance provisions of Public Authorities Law. Accordingly, pursuant to its powers under Section 6(2)(f) of Public Authorities Law, the ABO is sending this official letter of censure to the board of directors of the Water Authority of Southeastern Nassau County.

As a public authority, the Water Authority of Southeastern Nassau County is expected to be timely and transparent with its financial reporting and to be accountable to the public. This letter of censure is the result of the board's collective failure to take appropriate corrective action when the authority was previously warned that it was out of compliance. Those warnings constitute reasonable evidence that the board and the authority's management were made aware of this situation. The fact you continue to ignore your legal obligations is unacceptable. This behavior demonstrates a fundamental misunderstanding of your fiduciary responsibilities and is a serious violation of your duty as a director or officer of this authority.

This letter is being made part of the public record. Disclosure of this censure letter may be required by federal securities law, should the authority finance debt in the future. Furthermore, should the board of directors and the chief executive officer fail to bring the Water Authority of Southeastern Nassau County into compliance, the ABO may take additional steps, including initiating legal action, to access the records, books, and financial documents of the authority.

Sincerely,

A handwritten signature in cursive script that reads "David Kidera".

David Kidera
Director

cc: Mr. Edward Kennedy, Treasurer
Mr. John Reinhardt, Secretary
Mr. Walter D'Amato, Member
Ms. Kate Murray, Supervisor, Town of Hempstead
Mr. John Venditto, Supervisor, Town of Oyster Bay
Assemblyman David McDonough
Senator Charles J. Fuschillo Jr.