



BOARD AUDIT COMMITTEE MEETING

MINUTES

Wednesday, October 23, 2019
10:00 AM

(Paragraph numbers coincide with agenda item numbers)

1. CALL TO ORDER:

A regular meeting of the Santa Clara Valley Water District (Valley Water) Board Audit Committee (Committee) was called to order in the District Headquarters Conference Room A-124, 5700 Almaden Expressway, San Jose, California, at 10:00 a.m.

1.1 Roll Call.

Committee members in attendance were District 5 Director N. Hsueh, District 7 Director G. Kremen, and District 2 Director B. Keegan, Chairperson presiding, constituting a quorum of the Committee.

Staff members in attendance were N. Camacho, Chief Executive Officer (CEO), M. King, Clerk, Board of Directors, A. Blackmon, T. Bramer, G. Del Rosario, T. Esch, B. Hopper, F. Hernandez, N. Nguyen, A. Noriega, L. Orta, M. Overland, L. Rossiter, D. Taylor, and T. Yoke.

Also in attendance were D. Callahan, and G. Matayoshi, TAP International, Inc. (TAP)

2. TIME OPEN FOR PUBLIC COMMENT:

2.1 Time Open for Public Comment on any Item not on the Agenda.

Chairperson Keegan declared time open for public comment on any Item not on the agenda. There was no one present who wished to speak.

3. APPROVAL OF MINUTES

3.1 Approval of Minutes.

Recommendation: Approve the minutes.

The Committee considered the attached minutes of the August 28, 2019, meeting. It was moved by Director Hsueh, seconded by Chairperson Keegan, and unanimously carried that the minutes be approved as presented.

4. ACTION ITEMS

4.1 Board Independent Auditor Report Update – TAP International, Inc. (TAP).

Recommendation: A. Discuss the Annual Audit Work Plan and update, if necessary;
 B. Discuss the status of on-going audits; and
 C. Discuss the Change Order Audit Progress.

Ms. Denise Callahan, TAP, reviewed the information on this item, per the attached Committee Agenda Memo, and corresponding presentation materials contained in Attachment 1.

During the presentation, the Committee made the following requests:

- A. Audit Review:
 - TAP to follow up in 6 to 8 months regarding the implementation of the Encroachment Remediation Program which was approved by the full Board on October 22, 2019, Agenda Item 2.9.
- B. Desk Review:
 - TAP to perform a Desk Review of key controls and financial management regarding the extension of grants approved by the full Board on October 22, 2019, Agenda Items 7.3, 7.4, and 7.5;
 - TAP to perform a Risk Management review of Valley Water hiring practices; and
 - TAP to perform a desk review of the Board Agenda preparation process.

4.2 Review and Update 2019 Board Audit Committee Work Plan.

Recommendation: A. Review the 2019 Board Audit Committee Work Plan; and
 B. Discuss topics of interest raised at prior Board Audit Committee meetings and make any necessary adjustments to the Board Audit Committee Work Plan.

Mr. Darin Taylor, Chief Financial Officer, reviewed the information on this item, per the attached Committee Agenda Memo, and corresponding presentation materials contained in Attachment 1.

During the presentation, the Committee made the following requests of staff:

- Add QEMS Process Improvement Overview to the BAC Work Plan; and
- District Counsel to provide the Committee with memorandum on closed session special topics.

4.3 Review Proposed Board Performance Framework.

Recommendation: Review and provide input on the Proposed Board Performance Framework.

Ms. Michele King, Clerk, Board of Directors, reviewed the information on this item, per the attached Committee Agenda Memo, and corresponding presentation materials contained in Attachment 1.

The Committee noted the information without formal action.

5. INFORMATION ITEMS

5.1 Status Update on the Implementation of Recommendations from the 2015 Consultant Contracts Management Process Audit Conducted by Navigant Consulting, Inc. (Navigant) and the Consultant Contracts Improvement Process.

Recommendation: Receive and discuss a verbal status update on the implementation of the recommendations made by Navigant in the 2015 Consultant Contracts Management Process Audit and on the Consultant Contracts Improvement Process.

Ms. Tina Yoke, Chief Operating Officer, reviewed the information on this item, per the attached Committee Agenda Memo.

The Committee noted the information without formal action.

6. CLERK REVIEW AND CLARIFICATION OF COMMITTEE REQUESTS.

6.1 Clerk Review and Clarification of Committee Requests.

Mr. Max Overland, Assistant Deputy Clerk II, confirmed that there were no new Committee Recommendations or Requests.

7. ADJOURN

- 7.1 Chairperson Keegan adjourned the meeting at 12:35 p.m. to the next meeting, which will be scheduled and posted in accordance with the Brown Act.



Max Overland
Assistant Deputy Clerk II