



BOARD AUDIT COMMITTEE MEETING

# MINUTES

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**REGULAR MEETING SESSION  
WEDNESDAY, SEPTEMBER 20, 2023  
2:00 PM**

(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 Valley Water Headquarters Building Boardroom at 5700 Almaden Expressway, San Jose, California, and by Zoom teleconference, at 2:00 p.m.

**1.1 Roll Call.**

Committee members in attendance were District 3 Director Richard P. Santos, District 4 Director Jim Beall, Vice Chairperson, and District 2 Director Barbara F. Keegan, Chairperson presiding, constituting a quorum of the Committee.

Staff members in attendance were: Emmanuel Aryee, Salam Baqleh, Sarah Berning, Rick Callender, Jessica Collins, Enrique De Anda, Alicia Fraumeni, Walter Gonzalez, Andy Gschwind, Brian Hopper, Michele King, Candice Kwok-Smith, Cecil Lawson, Dave Leon, Janice Lum, Becky Manchester, Velia Mariscal, Patrice McElroy, Anthony Mendiola, Nicole Merritt, Tony Ndah, My Nguyen Carlos Orellana, Max Overland, Luz Penilla, Steve Peters, Alison Phagan, Mario Rivas, Michelle San Miguel, Diahann Soleno, Manpreet Sra, Charlene Sun, Darin Taylor, Cheryl Togami, Zuberi White, Kristen Yasukawa, and Tina Yoke.

Public in attendance were: Valley Water Director Eisenberg, and George Skiles (Sjoberg Evashenk Consulting).

**2. 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 who wished to speak.

**3. APPROVAL OF MINUTES:**

3.1. Approval of August 16, 2023 Board Audit Committee Meeting Minutes.

Recommendation: Approve the minutes.

The Committee considered the attached minutes of the August 16, 2023 Committee meeting.

Public Comments:  
None.

It was moved by Director Santos and seconded by Vice Chairperson Beall, and unanimously carried that the minutes be approved.

**4. REGULAR AGENDA:**

4.1. Receive an Update on the Status of the 2023 Risk Assessment.

Recommendation: Receive an update on the status of the on-going 2023 Risk Assessment.

George Skiles reviewed the information on this item, per the attached Committee Agenda Memo.

George Skiles, Darin Taylor, and Cecil Lawson were available to answer questions.

Public Comments:  
None.

The Committee received the information, took no formal action, and noted the following:

- The Committee noted this Item is progressing as planned and a risk assessment draft report will be provided at the BAC October 2023 meeting; and Director Beall noted related upcoming legislation to take effect in January 2024.

4.2. Receive the Fiscal Year 2022-2023 Fourth Quarter Financial Status Update of June 30, 2023.

Recommendation: Receive the fiscal year 2022-2023 fourth quarter financial status update of June 30, 2023.

Charlene Sun and Enrique De Anda reviewed the information on this item, per the attached Committee Agenda Memo, and the corresponding presentation materials contained in Attachment 1 were reviewed by staff as follows: Charlene Sun reviewed Slides 1 through 5 and Enrique De Anda reviewed Slides 6 through 9.

Charlene Sun, Enrique De Anda, Darin Taylor, and George Skiles were available to answer questions.

Public Comments:  
None.

The Committee received the information, took no formal action, and noted the following:

- The Committee requested Legal to confirm the following:
  - a) if formal partnership language is included in state grant applications
  - b) if obtaining a private partnership will trigger paying back state grants funding
  - c) if noting a 35% public partnership participation assisted with obtaining WIFIA loans

Legal will respond to the Committee's above request via a confidential memo.

#### 4.3. Receive and Discuss Audit Requirements Pertaining to Joint Powers Authority (JPA) Agreements.

Recommendation: Receive and discuss audit requirements pertaining to JPA Agreements.

Brian Hopper reviewed the information on this item, per the attached Committee Agenda Memo.

Brian Hopper, George Skiles, and Darin Taylor were available to answer questions.

Public Comments:  
None.

The Committee received the information, took no formal action, and noted the following:

- The Committee confirmed interest in obtaining financial audit copies from associated JPAs; and Chairperson Keegan will ask for Board members to be polled regarding JPA issues.
- The Committee requested for this Item to return to a future BAC meeting for further discussion and options for the possibility of requesting Board approval to amend the BAC Charter to include language for reviewing associated JPA financial audits.

#### 4.4. Review and Discuss the 2023 Board Audit Committee(BAC) Work Plan.

Recommendation: Receive and discuss topics of interest raised at prior BAC meetings and make any necessary adjustments to the 2023 BAC Work Plan.

The Committee considered this Item without a staff presentation.

Darin Taylor was available to answer questions.

Public Comments:  
None.

The Committee received the information, took no formal action, and noted no changes to the BAC Work Plan.

4.5. Receive Annual Audit Training from Board Independent Auditor.

Recommendation: Receive Annual Audit Training from Board Independent Auditor.

George Skiles reviewed the information on this item, per the attached Committee Agenda Memo, and per the information contained in Attachment 1.

George Skiles and Darin Taylor were available to answer questions.

Director Santos left the meeting and did not return.

Public Comments:  
None.

The Committee received the information and took no formal action.

**5. CLERK REVIEW AND CLARIFICATION OF COMMITTEE REQUESTS:**

*This is an opportunity for the Clerk to review and obtain clarification on any formally moved, seconded, and approved requests and recommendations made by the Committee during the meeting.*

Nicole Merritt confirmed that no Items were approved for Board consideration; but direction was given to staff to follow up on legal grant questions under Item 4.2, and further discussion is needed for options regarding financial audits for JPAs under Item 4.3.

**6. Adjourn:**

6.1. Adjourn to Regular Meeting at 2:00 p.m. on October 18, 2023.

Chairperson Keegan adjourned the meeting at 4:21 p.m., to the regular meeting at 2:00 p.m. on October 18, 2023.

Date Approved: October 18, 2023

Nicole Merritt  
Assistant Deputy Clerk II