



BOARD AUDIT COMMITTEE MEETING

# MINUTES

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**REGULAR MEETING  
WEDNESDAY, MARCH 15, 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 2:05 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, Glenna Brambill, Jessica Collins, Mike Cook, Enrique De Anda, Concepcion Gayotin, Walter Gonzalez, Brian Hopper, Candice Kwok-Smith, Jennifer Martin, Alfonso Mandujano, Tony Ndah, Carlos Orellana, Charlene Sun, Manpreet Sra, Sherilyn Tran, Kristen Yasukawa, and Tina Yoke.

Guest in attendance were: Katja Irvin (Sierra Club-Loma Prieta Chapter), and George Skiles (Sjoberg Evashenk Consulting).

Public in attendance was: None.

**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 February 15, 2023 Board Audit Committee Meeting Minutes.**

Recommendation: Approve the minutes.

The Committee considered the attached minutes of the February 15, 2023 Committee meeting.

Public Comments:  
None.

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

### **4. REGULAR AGENDA:**

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

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

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

Public Comments:  
None.

The Committee noted the information without formal action.

#### **4.2. Discuss the 2022-2024 Annual Audit Work Plan.**

Recommendation: A. Discuss the 2022-2024 Annual Audit Plan; and  
B. Provide further direction as needed.

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

Public Comments:  
None.

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

- The Committee discussed the status of the Annual Audit Work Plan facing possible future adjustments due to the economic climate.

- The Committee established with the CAE that it is generally best to conduct a risk assessment every three years.
- The Committee confirmed that interviews are currently being scheduled between the CAE and all seven Board members to obtain feedback regarding potential audits and/or risk assessments to prepare for the April 2023 BAC meeting's discussion topic.

4.3. Receive the Fiscal Year 2022-2023 Second Quarter Financial Status Update.

Recommendation: Receive the Fiscal Year 2022-2023 second quarter financial status update as of December 31, 2022.

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.

Public Comments:  
None.

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

- The Committee discussed the long-term bonds for the Water Utility Enterprise taxable debt, the potential impact of the elasticity of the cost of water per the projected outstanding debt model, and the estimated amount of assets.
- The Committee confirmed the current budget is on track.

4.4 Receive and Discuss a Status Update on the Capital Improvement Program Performance Audit from Chief Audit Executive, Sjoberg Evashenk Consulting.

Recommendation: Receive and discuss a status update on the Capital Improvement Program Performance Audit from Chief Executive, Sjoberg Evashenk Consulting.

George Skiles reviewed the information on this item, per the attached Committee Agenda Memo and per the information contained in Attachments 1 and 2.

Public Comments:  
None.

George Skiles, Jessica Collins, and Tina Yoke were available to answer questions.

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

- The Committee confirmed the CIP audit is 85% complete and on track to be brought back to the BAC around May or June 2023 with a hard report copy received by the BAC prior to going to the full Board.
- The Committee discussed the construction challenges of project planning/procedural processes versus performance development, project times versus project costs, and the inclusion of the local disadvantaged communities.

**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.*

Glenna Brambill confirmed there were no new Committee Member requests or action items for Board consideration.

**6. Adjourn:**

6.1. Adjourn to Regular Meeting at 2:00 p.m. on April 19, 2023.

Chairperson Keegan adjourned the meeting at 2:59 p.m., to the Regular Meeting at 2:00 p.m. on April 19, 2023.

Nicole Merritt  
Assistant Deputy Clerk II

Date Approved: April 19, 2023