



BOARD AUDIT COMMITTEE MEETING

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# MINUTES

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**REGULAR MEETING  
WEDNESDAY, DECEMBER 15, 2021  
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), conducted by Zoom teleconference, was called to order in the District Headquarters Conference Room A-124, 5700 Almaden Expressway, San Jose, California, at 2:00 p.m.

**1.1 Roll Call.**

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

District 7 Director Gary Kremen was absent.

District 1 Director John Varela attended via teleconference.

Staff in attendance was M. Overland. Staff members participating by teleconference were M. Cook, E. De Anda, A. Fraumeni, R. Gibson, A. Gordon B. Hopper, M. King, C. Kwok-Smith, M. Lugo, A. Mendiola, D. Taylor, S. Tippetts, S. Tran, D. Wickman, K. Yasukawa, and T. Yoke.

Also, in attendance by teleconference was Ms. Denise Callahan, Mr. Greg Matayoshi, and Ms. Mary Kelly, TAP International, Inc. (TAP); Mr. David Alvey, Maze and Associates; and Mr. Jimmy Saladan, Mr. George Skiles, and Ms. Nicole Dyer, Sjoborg Evashenk Consulting, Inc.

**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.

**2.1 Handouts – SBCCC Partnership #33144 Check In (Valley Water/SBCCC).**

The Committee requested that staff agendaize this item on the January 19, 2022 Committee Meeting.

**3. APPROVAL OF MINUTES:**

**3.1 Approval of Minutes.**

Recommendation: Approve the minutes.

The Committee considered the attached minutes of the October 20, 2021, Regular Committee meeting.

The Committee considered the attached minutes of the October 20, 2021, Committee meeting. It was moved by Director Santos, seconded by Chairperson Keegan, excluding Director Kremen who was absent, and unanimously carried that the minutes be approved.

**4. ACTION ITEMS:**

**4.1 Valley Water Draft Annual Comprehensive Financial Report for the Fiscal Year Ending on June 30, 2021.**

Recommendation: Discuss the Valley Water Annual Comprehensive Financial Report (ACFR) for the Fiscal Year (FY) Ending on June 30, 2021, that staff will be recommending for Board acceptance.

Mr. Darin Taylor, Chief Financial Officer, and Mr. David Alvey, Maze and Associates, reviewed the information on this item, per the attached Committee Agenda Memo, and per the information contained in Attachment 1.

The Committee received the information without formal action, and noted the following:

- The final report will be presented to the full Board in January 2022; and Mr. Taylor will reach out to Director Kremen to discuss this item before the next Board meeting on January 11, 2022.

4.2 First Quarter Fiscal Year 2021-22 Financial Status Update.

Recommendation: Receive the first quarter Fiscal year 2021-22 financial status update as of September 30, 2021.

Mr. Enrique De Anda, Budget Manager, reviewed the information on this item, per the attached Committee Agenda Memo, and per the information contained in Attachment 1.

The Committee noted the information without formal action.

4.3 The 2021 Risk Assessment Report and 2022-2024 Annual Audit Work Plan.

Recommendation: A. Receive and discuss the 2021 Risk Assessment Report and 2022-2024 Annual Audit Work Plan; and  
B. Authorize staff to present the 2022-2024 Annual Audit Work Plan to the Board.

Ms. Denise Callahan, TAP International, Inc. (TAP), reviewed the information on this item, per the attached Committee Agenda Memo, and per the information contained in Attachment 4.

The Committee received the information, and noted the following:

- TAP addressed the proposed top 10 audits;
- The Committee raised a concern regarding how Valley Water manages inventory management and how this is inherently high-risk; and
- TAP and Ms. Tina Yoke, Chief Operating Officer, addressed the Committee's concern and how Valley Water is monitoring inventory.

It was moved by Director Santos and seconded by Chairperson Keegan, excluding Director Kremen who was absent, and unanimously carried that the Committee authorized staff to present the 2022-2024 Annual Audit Work Plan to the full Board at the next Board meeting.

4.4 Receive a Verbal Status Update Regarding the INFOR Project Implementation.

Recommendation: Receive a verbal status update regarding the INFOR Project implementation.

Mr. Mike Cook, Deputy Administrative Officer, reviewed the information on this item, per the attached Committee Agenda Memo.

The Committee received the information without formal action.

4.5 Review and Discuss the 2021 Board Audit Committee Work Plan.

Recommendation: Review and Discuss topics of interest raised at prior Board Audit Committee (BAC) Meetings and make any necessary adjustments to the BAC Work Plan.

Mr. Taylor reviewed the information on the item, per the attached Committee Agenda Memo, and per the information contained in Attachment 1.

The Committee received the information without formal action, and noted the following:

- The Committee confirmed that the following items will be on the January 19, 2022 BAC Agenda:
  - 2022 Proposed BAC Work Plan;
  - BAC Self-Evaluation;
  - Board Auditor's Final Contract Close-Out Report;
  - The Audit Recommendation Implementation Status Report;
  - The South Bay Clean Creeks Coalition Partnership Grant Discussion;
  - Human Resources Audit Report;
  - BAC Audit Charter Discussion; and
  - Receive an Update on the Pacheco Reservoir Expansion Fact-Finding Investigation.

4.6 Discuss the 2019-2021 Annual Audit Work Plan and Authorize Staff to Transition to the 2022-2024 Annual Audit Work Plan When Approved by the Board.

Recommendation: A. Discuss the 2019-2021 Annual Audit Work Plan; and  
B. Authorize staff to transition to the 2022-2024 Annual Audit Work Plan when approved by the Board.

Mr. Taylor reviewed the information on this item, per the attached Committee Agenda Memo.

It was moved by Director Santos and seconded by Chairperson Keegan, excluding Director Kremen who was absent, and unanimously carried that the Committee authorized staff to transition to the 2022-2024 Annual Audit Work Plan when approved by the full Board.

4.7 Receive Information Regarding the New Chief Audit Executive, Sjoberg Evashenk Consulting, Inc. and Acknowledge TAP International's Accomplishments During Their Time as Chief Audit Executive.

Recommendation: Receive information regarding the new Chief Audit Executive, Sjoberg Evashenk Consulting, Inc. and acknowledge TAP International's accomplishments during their time as Chief Audit Executive.

Chairperson Keegan, and Mr. Taylor acknowledged the contributions of TAP during the tenure as Chief Audit Executive, and introduced the new Sjoberg Evashenk Consulting, Inc. as the new Chief Audit Executive.

The Committee noted the information without formal action.

Chairperson Keegan moved the agenda to Item 5 Clerk Review and Clarification of Committee Requests.

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

**5.1 Clerk Review and Clarification of Committee Requests.**

Mr. Max Overland, Assistant Deputy Clerk of the Board, read the new Committee Member Requests into the record.

Chairperson Keegan returned agenda to Item 4.8.

**4.8 Receive the 2021 Annual Audit Training from the Board's Chief Audit Executive.**

Recommendation: Receive the 2021 Annual Audit Training from the Board's Chief Audit Executive.

Ms. Mary Kelly, TAP International, presented the information on this item, per the attached Committee Agenda Memo, and per the information contained in attachment 1.

The Committee received the information without formal action, and noted the following:

- The Committee requested that staff provide Director Kremen with the video portion of this training.

**6. ADJOURN:**

**6.1 Adjourn to Regular Meeting at 2:00 p.m., on January 19, 2022.**

Chairperson Keegan adjourned the meeting at 4:00 p.m., to the 2:00 p.m. Regular Meeting on January 19, 2022.

  
Max Overland  
Assistant Deputy Clerk II