



BOARD AUDIT COMMITTEE MEETING

# MINUTES

**REGULAR MEETING  
WEDNESDAY, AUGUST 18, 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, with District 7 Director Gary Kremen participating by teleconference, constituting a quorum of the Committee.

District 1 Director John Varela, and District 4 Director Linda LeZotte attended via teleconference.

Staff in attendance were M. Overland. Staff members participating by teleconference were R. Chan, A. Fonseca, A. Gschwind, H. McMahon, A. Mendiola, C. Orellana, D. Taylor, D. Wickman, and K. Wong.

Also, in attendance by teleconference were Mr. John Mahoney, and Mr. Mike Brown, Tanner Pacific; and Ms. Denise Callahan, and Ms. Kate Kousser, TAP International, Inc. (TAP).

**2. 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 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 June 16, 2021, Regular Committee meeting.

Move to Approve: R. Santos  
Second: G. Kremen  
Yeas: G. Kremen, R. Santos, B. Keegan  
Nays: None  
Abstains: None  
Recuses: None  
Absent: None  
Summary: 3 Yeas; 0 Nays; 0 Abstains; 0 Absent.

### **4. ACTION ITEMS:**

#### **4.1 Receive an Update Regarding the Quality and Environmental Management System (QEMS) Benchmarking Analysis.**

Recommendation: Receive an update regarding the Quality and Environment Management System (QEMS) Benchmarking Analysis.

Mr. John Mahoney, and Mr. Mike Brown, Tanner Pacific, 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:

- Valley Water is a leader in the community by incorporating Environmental Justice into its policies and practices;
- QEMS is an effective tool for Valley Water in its efforts to maintaining best industry practices; and
- Staff to return periodically to update the Committee.

#### **4.2 Discuss Process to Follow-up on Completed Audits.**

Recommendation: Discuss process to follow-up on completed audits.

Mr. Darin Taylor, Chief Financial Officer, reviewed the information on this item, per the attached Committee Agenda Memo.

The Committee noted the information without formal action.

4.3 Review the Board Audit Committee's 2020 Self-Evaluation and Discuss Progress Toward Improvement Areas.

Recommendation: A. Review the results of the 2020 Self-Evaluation; and  
B. Discuss progress toward improvement areas.

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

The Committee noted the information without formal action.

4.4 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 this item, per the attached Committee Agenda Memo.

The Committee noted the information without formal action.

4.5 Discuss and Approve any Updates to the Annual Audit Work Plan.

Recommendation: Discuss and approve any updates to recommend to the full Board, if necessary.

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

The Committee noted the information without formal action.

**5. INFORMATION ITEMS:**

5.1 Receive an Update on the Status of the Pacheco Reservoir Expansion Fact-Finding Investigation.

Recommendation: Receive an update on the status of the Pacheco Reservoir Expansion fact-finding investigation.

Mr. Carlos Orellana, District Counsel, reviewed the information on this item, per the attached Board Agenda Memo.

The Committee noted the information without formal action.

5.2 Status Update on Recommendations from the Contract Change Order Audit Conducted by TAP International, Inc.

- Recommendation:
- A. Receive and discuss a status update on recommendations from the Contract Change Order Audit conducted by TAP International, Inc.; and
  - B. Continue adoption of Contract Change Order Audit recommendations with implementation goal of Q4 2021.

Mr. Ken Wong, Deputy of General Services, reviewed the information on this item, per the attached Board Agenda Memo, and per the information contained in Attachment 1.

Motion: Approve Recommendation B.

Move to Approve: R. Santos  
Second: G. Kremen  
Yeas: G. Kremen, R. Santos, B. Keegan  
Nays: None  
Abstains: None  
Recuses: None  
Absent: None  
Summary: 3 Yeas; 0 Nays; 0 Abstains; 0 Absent.

5.3 Updates to the Quality and Environmental Management System (QEMS) internal Audit Program.

Recommendation: Receive updates to the QEMS Internal Audit Program.

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

The Committee noted the information without formal action, and staff made the following comment:

- The Internal Audit program was placed on hold due to the COVID-19 pandemic and a delay of the Benchmarking Analysis that is used to inform the Internal Audit Work Plan. With the latest Benchmarking Analysis complete, the program will be restated pending the implementation of Phase 1 improvements.

5.4 Receive an Update on the 2021 Risk Assessment.

Recommendation: Receive an update on the 2021 Risk Assessment.

Ms. Denise Callahan, TAP International, Inc., 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:**

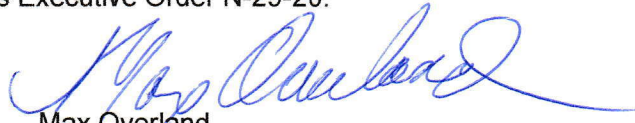
**6.1 Clerk Review and Clarification of Committee Requests.**

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

**7. ADJOURN:**

**7.1 Adjourn to Regular Meeting at 2:00 p.m., on August 18, 2021, to be called to order in compliance with the State Emergency Services Act, the Governor's Emergency Declaration related to COVID-19, and the Governor's Executive Order N-29-20.**

Chairperson Keegan adjourned the meeting at 3:00 p.m., to the 2:00 p.m. Regular Meeting on August 18, 2021, to be called to order in compliance with the State Emergency Services Act, the Governor's Emergency Declaration related to COVID-19, and the Governor's Executive Order N-29-20.



Max Overland  
Assistant Deputy Clerk II