



BOARD AUDIT COMMITTEE MEETING

MINUTES

**Wednesday, August 28, 2019
12:00 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 District Headquarters Conference Room A-124, 5700 Almaden Expressway, San Jose, California, at 12:10 p.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), S. Yamamoto, District Counsel, A. Blackmon, G. Del Rosario, T. Esch, C. Hakes, B. Hopper, F. Hernandez, N. Nguyen, K. Oven, D. Taylor, and M. Overland.

Also in attendance were D. Callahan, TAP International, Inc (TAP); Mr. Ahmad Gharaibeh, Vavrinek, Trine, Day and Co.; and Mr. David Alvey, Maze and Associates.

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 subject 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 of the June 26, 2019 meeting.

The Committee considered the attached minutes of the June 26, 2019, meeting. It was moved by Director Hsueh, seconded by Director Kremen, 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 Memorandum.

The Committee requested the following actions:

- TAP to meet with individual Committee Directors by mid-September;
- TAP to send the Change Order Performance Audit report to the CEO by the end of September for formal agency response; and
- TAP to present the finalized Change Order Performance Audit report and responses at the October 23, 2019 Committee meeting.

4.2 Review and Update 2019 Board Audit Committee Work Plan.

Recommendation: Review and make necessary adjustments to the 2019 Board Audit Committee Work Plan.

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

The Committee requested the following actions:

- Staff to add open discussion for topics of interest raised at previous Committee meetings; and
- Audit report findings to be presented at separate Committee meetings: Real Estate (February 2020 Committee meeting) and District Counsel (December 2019 Committee meeting).

5. INFORMATION ITEMS

5.1 Audit Report of the Water Utility Enterprise Funds for the Fiscal Year Ended June 30, 2018.

Recommendation: Receive and discuss the Audit Report of the Water Utility Enterprise Funds for the Fiscal Year Ended June 30, 2018.

Mr. Ahmad Gharaibeh, Vavrinek, Trine, Day and Co., reviewed the information on this item, per the attached Committee Agenda Memorandum, and per the information contained in Attachment 1.

The Committee took no formal action.

5.2 Introduction of Maze and Associates, Valley Water's new Financial Auditor.

Recommendation: Receive and discuss information regarding the Statement of Auditing Standards (SAS) 114 and an overview of the financial audit process, presented by Maze and Associates, Valley Water's ne Financial Auditor.

Mr. David Alvey, Maze and Associates (Maze), reviewed the information on this item, per the attached Committee Agenda Memorandum, and per the information contained in Attachment 1.

The Committee requested the following action:

- Maze to schedule a meeting with the Committee members.

6. CLERK REVIEW AND CLARIFICATION OF COMMITTEE REQUESTS.

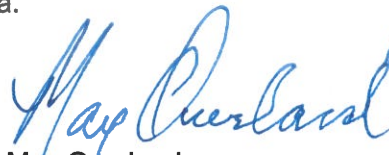
6.1 Clerk Review and Clarification of Committee Requests.

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

7. ADJOURN

7.1 Adjourn to Regular Meeting at 10:00 a.m., on October 23, 2019, in the Santa Clara Valley Water District (HQ Boardroom/Board Conference Room A-124), 5700 Almaden Expressway, San Jose, California.

Chairperson Keegan adjourned the meeting at 2:30 p.m., to the 10:00 a.m. Regular Board Audit Committee meeting on October 23, 2019, in the Valley Water Headquarters Building Board Conference Room A-124, 5700 Almaden Expressway, San Jose, California.



Max Overland
Assistant Deputy Clerk II