



BOARD AUDIT COMMITTEE

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# MINUTES

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THURSDAY, FEBRUARY 2, 2017  
12:00 PM

(Paragraph numbers coincide with agenda item numbers)

**1. CALL TO ORDER/ROLL CALL:**

A meeting of the Santa Clara Valley Water District Board Audit Committee (Committee) was called to order in the District Headquarters, Conference Room A- 124, 5700 Almaden Expressway, San Jose, California, at 12:00 p.m.

Committee members in attendance were District 2 Director Keegan, and District 6 Director Estremera, Chairperson presiding, constituting a quorum of the Committee.

District 7 Director Kremen was excused from attending.

Staff members in attendance were C. Elias, H. Gonzalez-Palencia, B. Hopper, R. Jefferson, C. Kwok-Smith, R. Nguyen, S. Stanton, and M. Overland.

**2. TIME OPEN FOR PUBLIC COMMENT ON ANY ITEM NOT ON THE AGENDA:**

Chairperson Estremera declared time open for public comment on any item not on the agenda.

There was no one present who wished to speak.

**3. ELECTION OF CHAIRPERSON/VICE CHAIRPERSON:**

Recommendation: Consider the nomination and election of the 2017 Board Audit Committee Chairperson and Vice Chairperson.

It was moved by Director Keegan and seconded by Director Estremera, and unanimously carried that the current Chairperson Estremera, remain as Chairperson, and the new Vice Chairperson be Director Keegan.

Director Kremen was absent.

**4. APPROVAL OF MINUTES: NOVEMBER 1, 2016:**

Recommendation: Approve the minutes.

It was moved by Director Keegan and seconded by Chairperson Estremera, and unanimously carried that November 1, 2016, minutes be approved.

Director Kremen was absent.

Chairperson Estremera moved the agenda to Item 5.2.

**5. ACTION ITEMS:**

**5.2 Board Independent Audit Consultant Services Contract.**

- Recommendation:
- A. Receive an update on the status of negotiations with TAP International;
  - B. Direct staff to negotiate an agreement with TAP International to conduct a risk assessment, prepare an annual audit plan, and advise on potential audits; and
  - C. Direct staff to submit a Request for Proposal for an on-call auditor to conduct audits identified in the risk assessment and annual audit plan.

Ms. Candice Kwok-Smith, Program Administrator, reviewed the information on this item, per the attached Committee Agenda.

It was moved by Director Keegan and seconded by Chairperson Estremera, and unanimously carried that staff finalize negotiations for the Scope of Work in the original proposal and create a contract to present to the full Board for approval.

The Committee requested that Ms. Susan Stanton, Chief Operating Officer, review the process of this Request for Proposal and subsequent negotiations to identify processes that can be improved.

Chairperson Estremera returned the agenda to Item 5.1.

**5.1 Safe, Clean Water and Natural Flood Protection Program Audit (SCW Program Audit) - Project Update.**

Recommendation: Receive a Project update for the SCW Program Audit.

Ms. Candice Kwok-Smith, Program Administrator, reviewed the information on this item, per the attached Committee Agenda.

The Committee noted the information without formal action.

- 5.3 Performance Audit of the Lower Silver Creek Flood Protection Project Agreement with RMC Water and Environment (A3277G).

Recommendation: Receive an update on the status of the Performance Audit of the Lower Silver Creek Flood Protection Project Agreement with RMC Water and Environment (A3277G).

Ms. Kwok-Smith reviewed the information on this item, per the attached Committee Agenda Memorandum.

The Committee noted the information without formal action.

**6. CLERK REVIEW AND CLARIFICATION OF COMMITTEE REQUESTS AND RECOMMENDATIONS:**

There was no Clerk Review and Clarification of Committee Requests and Recommendations given.

**8. REVIEW AND DISCUSSION OF 2017 COMMITTEE WORK PLAN:**

There was no Review and Discussion of 2017 Committee Work Plan.

**9. DISCUSSION OF NEXT COMMITTEE MEETING DATE:**

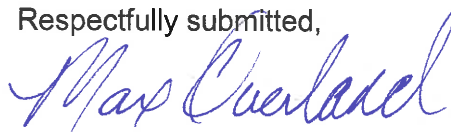
The Committee discussed that the next meeting will be during April, 2017 and requested Ms. Kwok-Smith to finalize the date with the Committee Chairperson.

**10. ADJOURN:**

Adjourn to next Audit Committee meeting as scheduled by the Chair.

Chairperson Estremera adjourned at 1:00 p.m.

Respectfully submitted,



Max Overland  
Board Administrative Assistant II