



Santa Clara Valley Water District Board Audit Committee Meeting

Teleconference Zoom Meeting

***AMENDED/APPENDED** **2:00 PM REGULAR MEETING** **AGENDA**

Wednesday, September 16, 2020
2:00 PM

***ITEMS AMENDED AND/OR APPENDED SINCE THE ORIGINAL PUBLICATION OF THIS AGENDA
ARE IDENTIFIED BY AN ASTERISK (*) HEREIN**

District Mission: Provide Silicon Valley safe, clean water for a healthy life, environment and economy.

BOARD AUDIT COMMITTEE

Barbara Keegan, Chair, District 2
Gary Kremen, Vice Chair, District 7
Linda J. LeZotte, District 4

All public records relating to an item on this agenda, which are not exempt from disclosure pursuant to the California Public Records Act, that are distributed to a majority of the legislative body will be available for public inspection at the Office of the Clerk of the Board at the Santa Clara Valley Water District Headquarters Building, 5700 Almaden Expressway, San Jose, CA 95118, at the same time that the public records are distributed or made available to the legislative body. Santa Clara Valley Water District will make reasonable efforts to accommodate persons with disabilities wishing to attend Board of Directors' meeting. Please advise the Clerk of the Board Office of any special needs by calling (408) 265-2600.

DARIN TAYLOR
Committee Liaison

MAX OVERLAND
Assistant Deputy Clerk II
Office/Clerk of the Board
(408) 630-2749
moverland@valleywater.org
www.valleywater.org

Note: The finalized Board Agenda, exception items and supplemental items will be posted prior to the meeting in accordance with the Brown Act.

**Santa Clara Valley Water District
Board Audit Committee**

***AMENDED/APPENDED
2:00 PM REGULAR MEETING AGENDA**

***ITEMS AMENDED AND/OR APPENDED SINCE THE ORIGINAL PUBLICATION OF THIS AGENDA
ARE IDENTIFIED BY AN ASTERISK (*) HEREIN**

Wednesday, September 16, 2020

2:00 PM

Teleconference Zoom Meeting

IMPORTANT NOTICES

This meeting is being held in accordance with the Brown Act as currently in effect under the State Emergency Services Act, the Governor's Emergency Declaration related to COVID-19, and the Governor's Executive Order N-29-20 issued on March 17, 2020 that allows attendance by members of the Committee, staff, and the public to participate and conduct the meeting by teleconference, videoconference, or both.

Members of the public wishing to address the Committee during a video conferenced meeting on an item not listed on the agenda, or any item listed on the agenda, should use the "Raise Hand" or "Chat" tools located in Zoom meeting link listed on the agenda. Speakers will be acknowledged by the Committee Chair in the order requests are received and granted speaking access to address the Committee.

Santa Clara Valley Water District (Valley Water) in complying with the Americans with Disabilities Act (ADA), requests individuals who require special accommodations to access and/or participate in Valley Water Committee meetings to please contact the Clerk of the Board's office at (408) 630-2711, at least 3 business days before the scheduled meeting to ensure that Valley Water may assist you.

This agenda has been prepared as required by the applicable laws of the State of California, including but not limited to, Government Code Sections 54950 et. seq. and has not been prepared with a view to informing an investment decision in any of Valley Water's bonds, notes or other obligations. Any projections, plans or other forward-looking statements included in the information in this agenda are subject to a variety of uncertainties that could cause any actual plans or results to differ materially from any such statement. The information herein is not intended to be used by investors or potential investors in considering the purchase or sale of Valley Water's bonds, notes or other obligations and investors and potential investors should rely only on information filed by Valley Water on the Municipal Securities Rulemaking Board's Electronic Municipal Market Access System for municipal securities disclosures and Valley Water's Investor Relations website, maintained on the World Wide Web at <https://www.valleywater.org/how-we-operate/financebudget/investor-relations>, respectively.

Join Zoom Meeting:

<https://valleywater.zoom.us/j/92008909366>

Meeting ID: 920 0890 9366

Join by Phone:

1 (669) 900-9128, 92008909366#

1. Roll Call.

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

Notice to the Public: Members of the public who wish to address the Committee on any item not listed on the agenda should access the "Raise Hand" or "Chat" tools located in Zoom meeting link listed on the agenda. Speakers will be acknowledged by the Committee Chair in order requests are received and granted speaking access to address the Committee. Speakers comments should be limited to three minutes or as set by the Chair. The law does not permit Committee action on, or extended discussion of, any item not on the agenda except under special circumstances. If Committee action is requested, the matter may be placed on a future agenda. All comments that require a response will be referred to staff for a reply in writing. The Committee may take action on any item of business appearing on the posted agenda.

3. APPROVAL OF MINUTES:

3.1. Approval of Minutes. [20-0791](#)

Recommendation: Approve the minutes.

Manager: Michele King, 408-630-2711

Attachments: [Attachment 1: 081920 BAC Minutes](#)

Est. Staff Time: 5 Minutes

4. ACTION ITEMS:

*4.1. Status Update on the Safe, Clean Water Program Grant Management Audit. [20-0866](#)

Recommendation: Receive a Status Update on the Safe, Clean Water Program Grant Management Audit.

Manager: Darin Taylor, 408-630-3068

Attachments: [Attachment 1: Grant Management Audit](#)

Est. Staff Time: 5 Minutes

*4.2. Management Response for the Real Estate Services Audit Conducted by TAP International, Inc. (Previously listed as Item 4.1) [20-0618](#)

Recommendation: Discuss the Management Response to the Real Estate Services Audit Report.

Manager: Darin Taylor, 408-630-3068

Attachments: [Attachment 1: RESU Management Response](#)
[Attachment 2: TAP Summary of Agency Responses](#)

Est. Staff Time: 10 Minutes

- *4.3. Receive a Response to the Board Audit Committee's Inquiries Regarding the Real Estate Services Audit Report Findings. (Continued from August 19, 2020) (Previously listed as Item 5.3) [20-0790](#)
- Recommendation: Receive a response to the Board Audit Committee's inquiries regarding the Real Estate Services Audit Report Findings.
- Manager: Darin Taylor, 408-630-3068
- Attachments: [Attachment 1: BAC Request for RESU Information](#)
- Est. Staff Time: 10 Minutes
- *4.4. Review and Approve the Updated 2020 Board Audit Committee Work Plan. (Previously listed as Item 4.2) [20-0765](#)
- Recommendation: A. Review and Discuss topics of interest raised at prior Board Audit Committee (BAC) Meetings and make any necessary adjustments to the BAC Work Plan;
B. Approve the updated 2020 BAC Work Plan; and
C. *Discuss next performance audit to be conducted.
- Manager: Darin Taylor, 408-630-3068
- Attachments: [Attachment 1: 2020 BAC Work Plan](#)
- Est. Staff Time: 5 Minutes
- *4.5. Recommended Updates to Board Independent Auditor (TAP International, Inc.) Annual Audit Work Plan. (Previously listed as Item 4.3) [20-0766](#)
- Recommendation: Discuss the Annual Audit Work Plan and approve any updates to recommend to the Board, if necessary.
- Manager: Darin Taylor, 408-630-3068
- Attachments: [Attachment 1: Annual Audit Work Plan](#)
- Est. Staff Time: 5 Minutes
- *4.6. Discuss the October 2021 Risk Assessment given that the Board Independent Auditing Services Agreement with TAP International expires on June 30, 2021. (Previously listed as Item 4.4) [20-0768](#)
- Recommendation: Discuss the October 2021 Risk Assessment given that the Board Independent Auditing Services Agreement with TAP International expires on June 30, 2021.
- Manager: Darin Taylor, 408-630-3068
- Est. Staff Time: 10 Minutes

- *4.7. Discuss Proposed Updates to the Board Audit Committee Audit Charter. [20-0865](#)

Recommendation: Discuss proposed updates to the Board Audit Committee Audit Charter and decide whether or not to recommend for full Board adoption at a future Board meeting.

Manager: Darin Taylor, 408-630-3068

Attachments: [Attachment 1: 9/1/20 BAC Charter Version B](#)

Est. Staff Time: 10 Minutes

5. INFORMATION ITEMS:

- *5.1. Receive an Update on the Status of the Board Agenda Preparation Ad-hoc Desk Review. (Continued from August 19, 2020) [20-0828](#)

Recommendation: Receive an update on the status of the on-going Board Agenda Preparation Ad-hoc Desk Review.

Manager: Darin Taylor, 408-630-3068

Attachments: [Attachment 1: Board Agenda Preparation Ad-hoc Desk Review](#)
[*Attachment 2: PowerPoint](#)
[*Handout 5.2-A, M. King Comments](#)
[*Supplemental Agenda Memorandum](#)
[*Supplemental Attachment 1: Desk Review](#)
[*Supplemental Attachment 2: PowerPoint](#)

Est. Staff Time: 10 Minutes

- 5.2. Valley Water Comprehensive Annual Financial Report Transparency and Policy Issues. (Continued from August 19, 2020) [20-0789](#)

Recommendation: Discuss content and format of the Valley Water Comprehensive Annual Financial Report (CAFR) and determine whether or not to recommend policy changes to the full Board.

Manager: Darin Taylor, 408-630-3068

Attachments: [Attachment 1: PAFR 2017-18 City of Los Altos](#)
[Attachment 2: PAFR 2018-19 Las Virgenes Water District](#)

Est. Staff Time: 10 Minutes

- *5.3. (MOVED TO ITEM 4.3)

6. 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.

7. ADJOURN:

- 7.1. Adjourn to Regular Meeting at 2:00 p.m., on October 21, 2020, 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.