



BOARD AUDIT COMMITTEE MEETING

MINUTES

Wednesday, August 15, 2018
11:30 AM

(Paragraph numbers coincide with agenda item numbers)

1. CALL TO ORDER

A meeting of the Santa Clara Valley Water District (District) Board Audit Committee (Committee) was called to order in District Headquarters Building Conference Room A-124, 5700 Almaden Expressway, San Jose, California, at 11:30 a.m.

1.1. Roll Call.

Committee members in attendance were District 7 Director Gary Kremen, and District 2 Director Barbara Keegan, Vice Chairperson presiding, constituting a quorum of the Committee.

Director Hsueh arrived as noted below.

Staff members in attendance were N. Camacho, Chief Executive Officer, S. Yamamoto, District Counsel, M. King, Clerk/Board of Directors, A. Cheung, J. Collins, M. Heller, F. Hernandez, A. Noriega, L. Orta, D. Taylor, S. Tippetts, T. Yoke.

Vice Chairperson Keegan moved the Agenda to Item 2.1.

2.1. Approval of Minutes.

Recommendation: Approve the minutes

The Committee considered the attached minutes of the February 6, 2018, meeting. It was moved by Director Kremen, seconded by Vice Chairperson Keegan, and unanimously carried that the minutes be approved as presented.

Vice Chairperson Keegan returned the Agenda to Item 1.2.

1.2. Time Open for Public Comment on any Item not on the Agenda.

Vice Chairperson Keegan declared time open for public comment on any subject not on the agenda. There was no one present who wished to speak.

Director Hsueh arrived.

1.3. Election of Chair and Vice Chair.

It was moved by Director Kremen and seconded by Director Hsueh, and unanimously carried that Vice Chairperson Keegan be the new Chairperson, and Director Hsueh be the new Vice Chairperson.

Newly elected Chairperson Keegan moved the Agenda to Item 3.2

3. ACTION ITEMS

3.2. Board Independent Auditor Report Update – TAP International, Inc.

- Recommendation:
- A. Receive an update on the Risk Assessment Implementation Project and recommended audits from the Board's Independent Auditor, TAP International, Inc.; and
 - B. Receive copies of TAP International, Inc. task orders and invoice tracking sheet.

Ms. Denise Callahan, TAP International, Inc., reviewed the information on this item, per the attached Committee Agenda Memorandum, and per the information contained in Attachment 1.

The Committee received and discussed a presentation contained in Attachment 1, on proposed Risk Assessment Implementation Project and recommended audits from the Board's Independent Auditor and requested the following of staff:

- TAP International Inc. to interview each of the Board Members; and
- Develop an Audit Plan and return to the Committee for approval to bring the Audit Plan to the full Board for consideration.

3.3. PMA Consultants Update on the Performance Audit of Lower Silver Creek Flood Protection Project, Agreement No. A3277G.

- Recommendation: Receive an update from PMA Consultants on the status of the Performance Audit of Lower Silver Creek Flood Protection Project, Agreement No. A3277G.

Mr. Mike Brown, PMA, reviewed the information on this item, per the attached Committee Agenda Memorandum.

The Committee noted the information without formal action.

Chairperson Keegan returned the Agenda to Item 3.1.

3.1. Status Update on the Implementation of Recommendations from the 2015 Consultant Contracts Management Process Audit Conducted by Navigant Consulting, Inc. (Navigant) and the Subsequent Fiscal Year 2017-2018 (FY18) Consultant Contracts Improvement Process.

Recommendation: Receive a status update on the implementation of the recommendations made by Navigant in the 2015 Consultant Contracts Management Process Audit and on the FY18 Consultant Contracts Improvements Process.

Ms. Jessica Collins, Program Administrator, reviewed the information on this item, per the attached Committee Agenda Memorandum, and per the information contained in Attachment 3.

The Committee received and discussed the Implementation of Recommendations from the 2015 Consultant Contracts Management Process Audit and made the following recommendation:

- The Committee requested that staff continue to track the performance of implementing the recommendations from the 2015 Consultant Contracts Management Process Audit and to provide the Board a 6 month status update via CEO Bulletin, and to return to the Board with a full 12 month report during Q1 of Fiscal Year 2020.

3.4. Conflict of Interest Status Update.

- Recommendation:
- A. Receive and discuss draft Ethics Policy; and
 - B. Receive information regarding planned Conflict of Interest avoidance measures.

The Committee continued the item to a future meeting date.

3.5. Review of the 2017 Board Performance Measures and Report.

- Recommendation:
- A. Review the 2017 Board Performance Measures and Report and identify areas where revisions and/or additions can be made to better reflect outcomes of the Board's work; and
 - B. Identify possible stretch goals of the Board that can be incorporated into future Board Performance Reports.

The Committee continued the item to a future meeting date.

3.6. Review 2018 Committee Work Plan.

- Recommendation: Review and make necessary adjustments to the 2018 Work Plan, and confirm regular meeting schedule for 2018.

The Committee continued the item to a future meeting date.

4. INFORMATION ITEMS:

None.


5. ADJOURN:

- 5.1 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.

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

- 5.2 Adjourn to the Regular Meeting as set by the Committee.

Chairperson Keegan adjourned the meeting at 1:30 p.m., to the next meeting, to be scheduled and posted in accordance with the Brown Act.


Max Overland
Assistant Deputy Clerk II

Approved:



Date: September 26, 2018