



BOARD AUDIT COMMITTEE MEETING

MINUTES

**MONDAY, DECEMBER 3, 2018
3:30 P.M.**

(Paragraph numbers coincide with agenda item numbers)

A regular meeting of the Santa Clara Valley Water District (District) BOARD AUDIT COMMITTEE (Committee) was called to order in the District Headquarters Conference Room A-124, 5700 Almaden Expressway, San Jose, California, at 9:00 a.m.

1. CALL TO ORDER:

- 1.1. 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 M. Heller, F. Hernandez, D. Taylor, B. Hopper, M. King, A. Noriega, and M. Overland.

- 1.2. 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.

2. APPROVAL OF MINUTES

- 2.1. Approval of Minutes.

The Committee considered the attached minutes of the August 15, 2018 meeting.

It was moved by Director Hsueh, seconded by Director Kremen, and unanimously carried that the minutes be approved as presented.

3. ACTION ITEMS

- 3.1 Board Independent Auditor Report Update – TAP International, Inc.

Ms. Denise Callahan, TAP International, Inc., reviewed the information on this item per the attached Committee Agenda Memo, and per the information contained in Attachments 1 and 2.

The Committee requested that TAP International continue to develop the Draft Risk Assessment and Draft Audit Work Plan documents, and return to the Committee with finalized drafts that can be brought to the full Board at a future Board meeting.

3.2 Proposed Board Audit Committee Charter

Mr. Brian Hopper, Senior Assistant District Counsel, and Ms. Denise Callahan, TAP International, Inc., reviewed the information on this item per the attached Committee Agenda Memo, and per the information contained in Attachment 1.

The Committee made the following requests:

- That staff and TAP meet with the Committee Chair to continue to develop a draft Charter which can be brought back to the Committee for approval; and
- That the Charter, once approved by the Committee, be brought to the full Board for discussion and approval.

3.3 Conflict of Interest Status Update.

Ms. Anna Noriega, Program Administrator, and Mr. Hopper, reviewed the information on this item per the attached Committee Agenda Memo, and per the information contained in Attachment 1.

The Committee requested that staff provide more clarifying language pertaining to employee relationships with external organizations, and further clarification of family relationships in the COI.

3.4 Review of the 2017 Board Performance Measures and Report

Ms. Michele King, Clerk/Board of Directors, reviewed the information on this item per the attached Committee Agenda Memo, and per the information contained in Attachment 1.

The Committee requested that staff and TAP meet with the Chair of the Committee to develop the report to better reflect the Board's performance in critical areas, and to bring this item back to the Committee at a future meeting for further discussion.

3.5 Review 2018 Committee Work Plan

Mr. Max Overland, Assistant Deputy Clerk II, reviewed the information on this item per the attached Committee Agenda Memo, and per the information contained in Attachment 1.

The Committee noted the information, without formal action.

4. ADJOURN

4.1 Clerk Review and Clarification of Committee Requests.

Mr. Overland read the new Committee requests into the record, as follows:

Regarding Item 3.1:

The Committee requested that TAP International continue to develop the Draft Risk Assessment and Draft Audit Work Plan documents, and return to the Committee with finalized drafts that can be brought to the full Board at a future Board meeting.

Regarding Item 3.2:

- The Committee requested that staff and TAP meet with the Committee Chair to continue to develop a draft Charter which can be brought back to the Committee for approval; and
- The Committee requested that the Charter, once approved by the Committee, be brought to the full Board for discussion and approval.

Regarding Item 3.3:

The Committee requested that staff provide more clarifying language pertaining to employee relationships with external organizations, and further clarification of family relationships in the COI.

Regarding Item 3.4:

The Committee requested that staff and TAP meet with the Chair of the Committee to develop the report to better reflect the Board's performance in critical areas, and to bring this item back to the Committee at a future meeting for further discussion.

4.2 Adjourn to Regular Meeting as set by the Committee Chair.

Chairperson Keegan adjourned the meeting at TIME to the next meeting, which will be scheduled and posted in accordance with the Brown Act.



Max Overland
Assistant Deputy Clerk II