



Valley Water

Clean Water • Healthy Environment • Flood Protection

Board Audit Committee Charter

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Proposed Revisions

July 14, 2026

Charter History

- The Board Audit Committee Charter was first adopted in August 2019.
- Art. X, Sec. 1: “The Committee shall periodically review the Audit Charter and shall make any recommendations regarding changes to the Board for final approval.”
- The most recent amendments were approved by the Board on April 22, 2025.

Proposed Revision 1 –Article III, §7.4

- BAC requested clarification on intent behind “tri-annually” at March 18, 2026 meeting
- Suggested clarification:

“Risk Assessment – The Committee shall endeavor to complete a Valley Water- wide risk assessment, at a minimum, **every three (3) years** ~~tri-annually~~ and to annually update Valley Water-wide audit risk assessment to include objectively recommended audits ranked based upon the potential level of risk to Valley Water. The results of this Valley Water-wide audit risk assessment should be relied upon to develop the proposed Annual Audit Plan.”

Proposed Revision 1 – New: Article III, §9

- Article III §9 does not currently provide direction pertaining to Committee member participation in a selection panel of the Independent Auditor
- New language clarifies:
 - How many Committee members can be on the selection panel
 - Communication limitations with potential vendors for that Committee member on the selection panel
 - Provides that one Committee member can only serve on the selection panel up to two (2) consecutive rounds

Proposed Revision 2 – Article VII, §4

- Article VII, §4 provides that Valley Water management shall provide a report to the Committee of the Scope and Nature of all planned Management initiated Audits
- Article VII, §4 also provides that a report shall be provided upon a request from the Board Chair
- Proposed Revision clarifies WHEN the report must be provided to the Committee:
 - Following the Board Chair's request

Board Code of Ethics and Conduct

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Proposed Revisions July 14, 2026

Proposed Revision 1 – A (11)

- The Code of Conduct prevents Board members from any communication with potential bidders or proposers without consideration that some situations will warrant a Board member or Committee member to sit on a selection panel for a role that reports directly to them.
- New language clarifies:
 - How many Board/Committee members can be on the selection panel
 - Communication limitations with potential vendors for that Board/Committee member on the selection panel
 - Provides that one Board/Committee member can only serve on the selection panel up to two (2) consecutive rounds

Effective Date

- Changes would take effect August 1, 2026

QUESTIONS

