



BOARD AUDIT COMMITTEE MEETING

DRAFT MINUTES

**SPECIAL MEETING
FRIDAY, DECEMBER 19, 2025
10:00 AM**

(Paragraph numbers coincide with agenda item numbers)

1. CALL TO ORDER:

A special meeting of the Santa Clara Valley Water District (Valley Water) Board Audit Committee (Committee) was called to order in the Valley Water Headquarters Building Boardroom at 5700 Almaden Expressway, San Jose, California, and by Zoom teleconference, at 10:00 a.m.

1.1 Roll Call.

Committee members in attendance were: District 2 Director and Vice Chairperson Shiloh Ballard, and District 4 Director Jim Beall, Chairperson presiding, constituting a quorum of the Committee.

District 6 Director Tony Estremera was not present.

Staff members in attendance were: Wade Blackard, James Bohan, Kevin Brown, Theresa Chinte, Enrique De Anda, Amy Fonseca, Rachael Gibson, Walter Gonzalez, Wendy Ho, Diahann Hudson (Soleno), Candice Kwok-Smith, Cecil Lawson, Michael Lee, Dave Leon, Robert Marmito, Oliva Manaloto, Linda Mason, Patrice McElroy, Anthony Mendiola, Nicole Merritt, Tony Ndah, Carlos Orellana, Luz Penilla, Mario Rivas, Don Rocha, Clarissa Sangalang, Manpreet Sra, Charlene Sun, and Darin Taylor.

Public in attendance were: District 7 Valley Water Director Rebecca Eisenberg, Alex Bass-Guerrero, Emma Creighton, and Lydia Guterman (Vital Impact), and Roger Martinez and Jay Toledo (Vasquez & Company LLP).

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

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

3. APPROVAL OF MINUTES:

3.1. Approval of November 19, 2025, Board Audit Committee Meeting Minutes.

Recommendation: Approve the minutes.

The Committee considered the attached minutes of the November 19, 2025 Committee meeting.

Public Comments:

None.

It was moved Vice Chairperson Ballard and seconded by Chairperson Beall and was carried by majority vote that the minutes be approved.

4. REGULAR AGENDA:

- 4.1. Receive Progress Report on Implementing the Grants Management Performance Audit Recommendations.

Recommendation: Receive Progress report on implementing the Grants Management Performance Audit recommendations.

Amy Fonseca reviewed the information on this item, per the attached Committee Agenda Memo, and reviewed the information contained in Attachment 1, and Alex Bass-Guerrero reviewed the information contained in Attachment 2.

Amy Fonseca, Alex Bass-Guerrero, and Rachael Gibson were available to answer questions.

Public Comments:

None.

The Committee received the information, took no formal action, and noted the following:

- The Committee discussed program improvements and opportunities to address challenges in the Standard Grant application process, including time required to complete the application, for potential follow-up by the Grants team.
- The Committee noted overall positive feedback, including the structure of the application's work plan and budget templates, and acknowledged staff's continued efforts to work with grantees to improve the applicant experience.
- The Committee expressed appreciation for staff's problem-solving mindset and helpful approach in treating non-profit organizations as partners.
- The Committee acknowledged that the overall grant application and grant agreement execution process has improved.
- The Committee expressed interest in continuing to follow up with grant applicants who had a positive experience to focus on what continues to go well.

- 4.2. Discuss the Valley Water Draft Annual Comprehensive Financial Report (ACFR) for the Fiscal Year (FY) Ending on June 30, 2025; and Recommend Acceptance by the Full Board.

Recommendation: Discuss the Valley Water draft ACFR for the FY ending on June 30, 2025, and recommend acceptance by the full Board.

Darin Taylor reviewed the information on this item, per the attached Committee Agenda Memo and Attachment 1, and Roger Martinez reviewed the information contained in Attachment 2.

Darin Taylor, Roger Martinez, Jay Toledo, Linda Mason, and Carlos Orellana were available to answer questions.

Public Comments:

None.

The Committee received and discussed the information, and noted the following:

- The Committee confirmed the report would be finalized by December 23, 2025, and targeted for presentation to the Board at the January 13, or January 27, 2026, meeting.
- The Committee confirmed satisfaction with the draft report, noted that the remaining open items are minor with no expected significant impact, and expressed support for allowing the Board sufficient time to review the final report and related correspondence.
- Vice Chairperson Ballard expressed interest in identifying when this audit was last brought back and what follow-up work was required, and noted the Board of Directors' budget impact is not expected to be significant within the overall agency's budget.
- The Committee expressed appreciation for the work performed by Oliva Manaloto and Legal staff.

It was moved by Vice Chairperson Ballard and seconded by Chairperson Beall and carried by majority vote to approve to recommend the Valley Water ACFR for the FY ending on June 30, 2025, for acceptance by the full Board.

4.3. Discuss 2025 Annual Audit Plan, (Capital Project Delivery; Contracting Practices; Conservation Strategies; Water Usage/Demand Forecasting), and Provide Feedback as Needed.

Recommendation: A. Discuss 2025 Annual Audit Plan,
B. Provide feedback as needed.

Darin Taylor reviewed the information on this item, per the attached Committee Agenda Memo.

Darin Taylor and Rachael Gibson were available to answer questions.

Public Comments:

None.

The Committee received the information, took no formal action, confirmed the audits are progressing and underway, and noted the update on the 2025 Annual Audit Plan.

Vice Chairperson Ballard expressed support for public outreach regarding the Demand, Affordability, and Elasticity Report.

4.4. Review and Discuss the Draft 2026 Board Audit Committee (BAC) Work Plan.

Recommendation: Review and discuss topics of interest raised at prior BAC meetings and approve any necessary adjustments to the draft 2026 BAC Work Plan.

Darin Taylor reviewed the information on this item, per the attached Committee Agenda Memo, and per the information contained in Attachment 1.

Darin Taylor was available to answer questions.

Public Comments:
None.

The Committee received the information, took no formal action, and expressed support for a risk assessment workshop for the Board members, and noted the update on the draft 2026 BAC Work Plan.

4.5. Review and Discuss the 2025 Board Audit Committee (BAC) Work Plan.

Recommendation: Review and discuss topics of interest raised at prior BAC meetings and approve any necessary adjustments to the 2025 BAC Work Plan.

Darin Taylor reviewed the information on this item, per the attached Committee Agenda Memo, and per the information contained in Attachment 1.

Darin Taylor and Carlos Orellana were available to answer questions.

Public Comments:
None.

The Committee received the information, took no formal action, and noted the update on the 2025 BAC Work Plan and Linda Mason serving as the new BAC Legal support.

5. 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.

Nicole Merritt confirmed the Committee received, noted, and provided feedback on the progress report on implementing the Grants Management Performance Audit

recommendations under Item 4.1; discussed the Valley Water ACFR for FY ending on June 30, 2025 and approved recommending acceptance by the full Board under Item 4.2; noted update for 2025 Annual Audit Plan and support for public outreach regarding the Demand, Affordability, and Elasticity Report under Item 4.3; reviewed and noted the draft 2026 BAC Work Plan and support for a risk assessment workshop for the Board members under Item 4.4; and update for 2025 BAC Work Plan under Item 4.5.

6. ADJOURN:

6.1. Adjourn. The Next Regular Meeting is Scheduled at 1:00 p.m. on January 21, 2026.

Chairperson Beall adjourned the meeting at 11:22 a.m. The next regular meeting was scheduled to occur at 1:00 p.m. on January 21, 2026.

Nicole Merritt,
Deputy Clerk (Committee Meetings)

Date approved:

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