



MEMORANDUM

FC 14

TO: Board of Directors **FROM:** Board Audit Committee

SUBJECT: Board Audit Committee (BAC) **DATE:** March 25, 2025
February 19, 2025 Regular Meeting Summary

This memorandum summarizes agenda items from the meeting of the Board Audit Committee (BAC) held on Wednesday, February 19, 2025.

Election of 2025 BAC Chairperson and Vice Chairperson.

It was moved by Director Estremera and seconded by Director Ballard and unanimously carried that Vice Chairperson Beall would become the Chairperson and Director Ballard would become the Vice Chairperson.

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

The Committee received the information, took no formal action, and confirmed the overall feedback on the new redesign is well received by grantees commenting the grant applications are easier with the requirements and the transition to the agreement process being more manageable and streamlined. The Committee noted the yearly grantee satisfaction survey will be completed after the grant cycle to collect feedback on the redesigned standard grants. The Committee noted that after the standard grant cycle closes this year, information will be available on the types of activities and organizations that are seeking funding. The Committee noted the update under the standard grants for education and research will increase grantee eligibility and staff's ongoing networking efforts with other public grant maker agencies. Chairperson Beall noted support for not removing any Diversity, Equity, and Inclusion (DEI) grants and confirmed that the DEI action plan is currently still being implemented. The Committee noted appreciation for staff's work on improving the grant processes.

Receive and Discuss the Single Audit Report for Fiscal Year (FY) Ending on June 30, 2024.

The Committee received the information, took no formal action, and noted the current report had no notable findings and confirmed that the previous finding's corrective action plan was accepted by Vasquez and Company LLP and their feedback on the safeguard implementations will be presented at a future Board meeting.

Receive the Fiscal Year (FY) 2024-2025 Second Quarter Financial Status Update.

The Committee received the information, took no formal action, and confirmed that the Anderson WIFIA loan is referring to the Anderson Dam Seismic Retrofit Project along with the Coyote Percolation Dam and does not include the Anderson Dam tunnel or any other Federal Energy Regulatory Commission Order Compliance Project (FOCP). Chairperson Beall noted interest in tracking the federal reimbursements regarding how much money Valley Water is expecting versus the actual reimbursements received for existing projects.

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

The Committee received the information, took no formal action, and confirmed the Water Conservation Strategies audit will include evaluating Valley Water's relationships/contracts with other water retailers/districts and Chairperson Beall noted including conservation green codes for building standards as a potential strategy. The Committee noted the audits as being on track and confirmed this agenda item is a standing item for status updates on the audit topics and allows the time for questions or feedback on topics of interest.

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

The Committee received the information, took no formal action, and Chairperson Beall noted the potential of an auditor screening audit reports of agencies partnering with Valley Water regarding audit compliance. The Committee confirmed results of any audit report will not be discussed or released until the audit report is finalized.

The next regular BAC meeting was scheduled for 1:00 p.m. on March 19, 2025.

Board member comments and suggestions can be forwarded to Nicole Merritt, Assistant Deputy Clerk II Assistant Deputy Clerk II at (408) 630-3262 or by email: nmerritt@valleywater.org