



BOARD AUDIT COMMITTEE MEETING
DRAFT MINUTES

REGULAR MEETING
WEDNESDAY, JANUARY 21, 2026
1:00 PM

(Paragraph numbers coincide with agenda item numbers)

1. CALL TO ORDER:

A regular 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 1:00 p.m.

1.1 Roll Call.

Committee members in attendance were: District 6 Director Tony Estremera, District 2 Director and Vice Chairperson Shiloh Ballard, and District 4 Director Jim Beall, Chairperson presiding, constituting a quorum of the Committee.

Staff members in attendance were: Edgar Alcaez, Emmanuel Aryee, Aaron Baker, Lisa Bankosh, James Bohan, Theresa Chinte, Jessica Collins, Enrique De Anda, Rachael Gibson, Mark Greene, Linh Hoang, Wendy Ho, Cecil Lawson, Linda Mason, Patrice McElroy, Anthony Mendiola, Nicole Merritt, Carlos Orellana, Luz Penilla, Kirsten Struve, Manpreet Sra, Darin Taylor, Metra Ulloa, Zuberi White, Kristen Yasukawa, and Tina Yoke.

Public in attendance were: Tammy Lohr-Schweitzer and Rae Dade (Baker Tilly), and George Skiles (Sjoberg Evashenk Consulting).

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.

2.1. Election of 2026 Board Audit Committee (BAC) Chairperson and Vice Chairperson.

Recommendation: Nominate and elect the 2026 BAC Chairperson and Vice Chairperson.

The Committee considered this Item without a staff presentation and Linda

Mason reminded the Committee to call for public comment.

Public Comments:
None.

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

3. APPROVAL OF MINUTES:

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

Recommendation: Approve the minutes.

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

Public Comments:
None.

It was moved by Director Estremera and seconded by Vice Chairperson Ballard and was unanimously carried that the minutes be approved.

4. REGULAR AGENDA:

4.1. Receive and Discuss 2025 Water Conservation Program Performance Audit Report with Management Response; Refer the Final 2025 Water Conservation Program Performance Audit Report to the Board.

Recommendation: A. Receive and discuss the 2025 Water Conservation Program Performance Audit Report with Management Response, and
B. Refer the final 2025 Water Conservation Program Performance Audit Report to the Board.

Tammy Lohr-Schweitzer and Rae Dade reviewed the information on this item, per the attached Committee Agenda Memo, and corresponding presentation materials contained in Attachment 2 were reviewed as follows: Tammy Lohr-Schweitzer reviewed Slides 1-2, and 6-12, and Rae Dade reviewed Slides 3-5.

Tammy Lohr-Schweitzer, Rae Dade, and Kirsten Struve were available to answer questions.

Public Comments:
None.

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

- The Committee confirmed that the recommendations presented were limited to the 2030 water conservation goals, noted that additional staffing would assist with achieving future 2050 conservation goals, and expressed support for long-term planning.

- The Committee noted the development of an engagement strategy to support water conservation efforts for hard-to-reach populations.
- The Committee noted the Consultant's recommendations for additional resources were timely for the upcoming Board budget process.
- The Committee confirmed the identified best practices were based on guidelines from state and federal agencies and other water wholesalers, and expressed support for understanding which agencies are considered best practice leaders.
- Vice Chairperson Ballard expressed support for following up on further information regarding the breakdown of the various sectors in the community related to achieving the Board's water conservation's goals for 2030, 2040, 2050 and how those compare to other agencies.
- The Committee noted Valley Water is currently following the majority of best practices and expressed support for this item to be brought to a future Board Budget Work Study session.

It was moved by Director Estremera and seconded by Vice Chairperson Ballard and the following Recommendation was unanimously approved:

- B. Refer the final 2025 Water Conservation Program Performance Audit Report to the Board.

Director Estremera left the meeting and did not return.

4.2. Receive and Discuss Audit Follow-up Conducted by Chief Audit Executive (CAE); and Provide Feedback As Needed.

- Recommendation:
- A. Receive and discuss audit follow-up conducted by CAE; and;
 - B. Provide feedback as needed.

George Skiles reviewed the information on this item, per the attached Committee Agenda Memo and reviewed the information contained in Attachments 1 and 2.

George Skiles was available to answer questions.

Public Comments:
None.

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

- The Committee expressed support for the audit remaining open until all recommendations have been implemented to the Board's satisfaction.

4.3. Request Chief Audit Executive (CAE) Activity Report from Sjoberg Evashenk Consulting, Inc. to Evaluate CAE Performance, and Direct CAE to Return to Present Report at a Later Date.

- Recommendation:
- A. Request Chief Audit Executive (CAE) activity report from Sjoberg Evashenk Consulting, Inc. to evaluate CAE performance; and
 - B. Direct CAE to return to present report at a later date.

George Skiles reviewed the information on this item, per the attached Committee Agenda Memo.

George Skiles was available to answer questions.

Public Comments:
None.

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

- The Committee expressed support for staff's recommendations to request the CAE activity report and to direct the CAE to present the report at a future BAC meeting.

4.4. Discuss Board Audit Committee's (BAC) Annual Self-Evaluation Process of Calendar Year 2025 Activities; Provide Guidance Regarding Preferred Method to Conduct Process; and Direct Chief Audit Executive (CAE) to Conduct Self-Evaluation Process and Return to Provide Summary of Discussions.

- Recommendation:
- A. Discuss BAC's annual self-evaluation process of calendar year 2025 activities; and
 - B. Provide guidance regarding preferred method to conduct process; and
 - C. Direct CAE to conduct self-evaluation process and return to provide summary of discussions.

George Skiles reviewed the information on this item, per the attached Committee Agenda Memo.

George Skiles and Darin Taylor were available to answer questions.

Public Comments:
None.

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

- The Committee expressed support for continuing with the current Committee member interview process and periodically conducting an in-depth evaluation of the Committee's audit function and role in relation to the Board.
- The Committee expressed support for staff's recommendations to direct the CAE to conduct the self-evaluation process and return to provide a summary of discussions at a future BAC meeting.

4.5. Discuss the Options to Extend Terms, Allow to Expire, or Terminate the On-Call Services Agreement with Board Auditor, Plante Moran, Which is Set to Expire Effective July 5, 2026.

- Recommendation:
- A. Discuss options to extend terms, allow to expire, or terminate the On-Call Services Agreement with Board Auditor, Plante Moran, which is currently scheduled to

- expire effective July 5, 2026; and
- B. Approve recommendation to:
- i. Exercise option to extend the On-Call Services Agreement with Board Auditor, Plante Moran for one year; or
 - ii. Allow the expiration of the On-Call Services Agreement with Board Auditor, Plante Moran; or
 - iii. Exercise option to terminate the On-Call Services Agreement with Board Auditor, Plante Moran prior to the expiration date of July 5, 2026.

Darin Taylor reviewed the information on this item, per the attached Committee Agenda Memo, and reviewed the information contained in Attachments 1-3.

Darin Taylor was available to answer questions.

Public Comments:
None.

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

- The Committee noted Plante Moran is assigned to the Asset Management Audit and expressed support for extending the agreement to allow completion of the audit.

It was moved by Vice Chairperson Ballard and seconded by Chairperson Beall and the following Recommendation was approved by majority vote:

- B. Approve recommendation to:
- i. Exercise option to extend the On-Call Services Agreement with Board Auditor, Plante Moran for one year.

- 4.6. Discuss the Status of the On-call Management Services Agreement for the Chief Audit Executive (CAE) and Recommend the Board of Directors Initiate a Request for Proposal (RFP).

- Recommendation:
- A. Discuss the status of the On-call Management Services Agreement for the CAE, and
 - B. Recommend the Board of Directors initiate an RFP.

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

Darin Taylor was available to answer questions.

Public Comments:
None.

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

- The Committee expressed support for further discussion regarding best practices in auditing public agencies to potentially inform the scope of services prior to issuing an RFP.
- The Committee confirmed the past selection process of the CAE, expressed support for Board member involvement in the process, and continued this item to the February 18, 2026, BAC meeting for further discussion.

4.7. Discuss 2026 Annual Audit Plan (Risk Assessment, Asset Management, Pacheco Reservoir Project, and Investigations Process), and Provide Feedback as Needed.

- Recommendation:
- A. Discuss 2026 Annual Audit Plan,
 - B. Provide feedback as needed.

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

Darin Taylor and George Skiles were available to answer questions.

Public Comments:
None.

The Committee received and discussed the information, took no formal action, confirmed the sequencing of the 2026 audits, and noted the update on the 2026 Annual Audit Plan.

4.8. Review and Discuss 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 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 without further discussion, noted the update on the 2026 BAC Work Plan.

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 approved Chairperson Beall remain Chairperson and Vice Chairperson Ballard remain Vice Chairperson under Item 2.1; approved to refer the final 2025 Water Conservation Program

Performance Audit Report to the Board and noted support for future discussion at a Board Budget Work Study session under Item 4.1; noted audit follow-up conducted by CAE under Item 4.2; noted support for CAE activity report and to direct the CAE to present the report at a future BAC meeting under Item 4.3; noted support to direct the CAE to conduct self-evaluation process and return to provide a summary of discussions at a future BAC meeting under Item 4.4; approved to exercise option to extend the On-Call Services Agreement with Board Auditor, Plante Moran for one year under Item 4.5; expressed support for further discussion regarding best practices in auditing public agencies and continued this item to the February 18, 2026, BAC meeting for further discussion under Item 4.6; noted update to 2026 Annual Audit Plan under Item 4.7; and noted update for 2026 BAC Work Plan under Item 4.8.

6. ADJOURN:

- 6.1. Adjourn. The Next Regular Meeting is Scheduled at 1:00 p.m. on February 18, 2026.

Chairperson Beall adjourned the meeting at 2:18 p.m. The next regular meeting was scheduled to occur at 1:00 p.m. on February 18, 2026.

Nicole Merritt,
Deputy Clerk (Committee Meetings)

Date approved:

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