



Santa Clara Valley Water District Board Audit Committee Meeting

Headquarters Building Conference Room A-124
5700 Almaden Expressway
San Jose, CA 95118

2:00 PM REGULAR MEETING AGENDA

**Wednesday, February 19, 2020
2:00 PM**

District Mission: Provide Silicon Valley safe, clean water for a healthy life, environment and economy.

BOARD AUDIT COMMITTEE

Barbara Keegan, Chair, District 2
Nai Hsueh, Vice Chair, District 5
Gary Kremen, District 7

All public records relating to an item on this agenda, which are not exempt from disclosure pursuant to the California Public Records Act, that are distributed to a majority of the legislative body will be available for public inspection at the Office of the Clerk of the Board at the Santa Clara Valley Water District Headquarters Building, 5700 Almaden Expressway, San Jose, CA 95118, at the same time that the public records are distributed or made available to the legislative body. Santa Clara Valley Water District will make reasonable efforts to accommodate persons with disabilities wishing to attend Board of Directors' meeting. Please advise the Clerk of the Board Office of any special needs by calling (408) 265-2600.

DARIN TAYLOR
Committee Liaison

MAX OVERLAND
Assistant Deputy Clerk II
Office/Clerk of the Board
(408) 630-2749
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Note: The finalized Board Agenda, exception items and supplemental items will be posted prior to the meeting in accordance with the Brown Act.

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**Santa Clara Valley Water District
Board Audit Committee
2:00 PM REGULAR MEETING
AGENDA**

Wednesday, February 19, 2020

2:00 PM

Headquarters Building Conference Room A-124

1. CALL TO ORDER:

1.1. Roll Call.

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

Notice to the public: This item is reserved for persons desiring to address the Committee on any matter not on this agenda. Members of the public who wish to address the Committee on any item not listed on the agenda should complete a Speaker Form and present it to the Committee Clerk. The Committee Chair will call individuals in turn. Speakers comments should be limited to three minutes or as set by the Chair. The law does not permit Committee action on, or extended discussion of, any item not on the agenda except under special circumstances. If Committee action is requested, the matter may be placed on a future agenda. All comments that require a response will be referred to staff for a reply in writing. The Committee may take action on any item of business appearing on the posted agenda.

3. APPROVAL OF MINUTES:

3.1. Approval of Minutes.

20-0066

Recommendation: Approve the minutes.

Manager: Michele King, 408-630-2711

Attachments: [Attachment 1: 121619 BAC Minutes](#)

Attachment 2: 012220 BAC Minutes

Est. Staff Time: 5 Minutes

4. ACTION ITEMS:

4.1. Election of 2020 Board Audit Committee Vice Chair.

20-0228

Recommendation: Nominate and elect the 2020 Board Audit Committee Vice Chair.

Manager: Michele King, 408-630-2711

Est. Staff Time: 5 Minutes

4.2. Approve the Auditor Response to Final Draft Management Response for the Contract Change Order Audit for Presentation to the Full Board. [20-0188](#)

Recommendation:

- A. Receive and discuss the Auditor Response to the Final Draft Management Response to Draft Contract Change Order Audit Report; and
- B. Approve the Final Draft Audit Report and Management Response for the Contract Change Order Audit and direct staff and TAP International, Inc. to present to the Full Board at a future Board meeting.

Manager: Darin Taylor, 408-630-3068

Attachments: [Attachment 1: Auditor Response to CCO Audit Mgmt Response](#)

Est. Staff Time: 10 Minutes

4.3. Discuss the Options to Extend, Allow to Expire, or Terminate the Board Independent Auditing Services Agreement, with TAP International, Inc., Set to Expire Effective May 8, 2020. [20-0210](#)

Recommendation:

- A. Discuss options to extend, allow to expire, or terminate Board Independent Auditing Services Agreement with TAP International, Inc. for Board Independent Auditing Services currently scheduled to expire effective May 8, 2020; and
- B. Approve recommendation to the full Board to:
 - i. Exercise option to extend Board Independent Auditing Services Agreement with TAP International, Inc. for one year and increase the not-to-exceed amount by \$600,000 from \$1,005,000 to \$1,605,000;
 - ii. Allow the expiration of the Board Independent Auditing Services Agreement with TAP International; or
 - iii. Exercise option to terminate the Board Independent Auditing Services Agreement with TAP International, Inc. prior to the expiration date of May 8, 2020.

Manager: Darin Taylor, 408-630-3068

Attachments: [Attachment 1: FY2020 Procurement Year-end Deadlines](#)

Est. Staff Time: 5 Minutes

4.4. Conduct Annual Self-Evaluation. [20-0186](#)

Recommendation: A. Conduct Annual Self-Evaluation; and
B. Prepare Formal Report to Provide to the Full Board.

Manager: Darin Taylor, 408-630-3068

Attachments: [Attachment 1: BAC Self-Evaluation Framework](#)

Est. Staff Time: 10 Minutes

4.5. Review and Approve the Updated 2020 Board Audit Committee (BAC) Work Plan. [20-0187](#)

Recommendation: A. Review and Discuss topics of interest raised at prior Board Audit Committee Meetings and make any necessary adjustments to the Board Audit Committee Work Plan; and
B. Approve the updated 2020 Board Audit Committee Work Plan.

Manager: Darin Taylor, 408-630-3068

Attachments: [Attachment 1: 2020 BAC Work Plan](#)

Est. Staff Time: 5 Minutes

5. INFORMATION ITEMS:

5.1. Receive and Discuss Board Auditor Activity Report from TAP International, Inc. to Evaluate Board Auditor Performance. (Continued From January 22, 2020) [20-0176](#)

Recommendation: Receive and Discuss Board Auditor Activity Report from TAP International, Inc. to Evaluate Board Auditor Performance.

Manager: Darin Taylor, 408-630-3068

Attachments: [Attachment 1: SCVWD Independent Auditor Annual Performance](#)

Est. Staff Time: 10 Minutes

5.2. Receive and Discuss Financial Analysis Regarding the Board Independent Auditing Services Contract with TAP International, Inc. (Continued from January 22, 2020) [20-0177](#)

Recommendation: Receive and Discuss Financial Analysis Regarding the Board Independent Auditing Services Contract with TAP International, Inc.

Manager: Darin Taylor, 408-630-3068

Attachments: [Attachment 1: Financial Analysis](#)

Est. Staff Time: 10 Minutes

5.3. Board Independent Auditor Annual Audit Work Plan - TAP International, Inc. [20-0202](#)
Recommendation: Discuss the Annual Audit Work Plan and update, if necessary.
Manager: Darin Taylor, 408-630-3068
Attachments: [Attachment 1: Annual Audit Work Plan](#)
Est. Staff Time: 5 Minutes

5.4. Receive an Update on the Status of the District Counsel Audit. [20-0189](#)
Recommendation: Receive an update on the status of the on-going District Counsel Audit.
Manager: Darin Taylor, 408-630-3068
Attachments: [Attachment 1: Distrct Counsel Audit Progress Report](#)
Est. Staff Time: 5 Minutes

5.5. Receive an Update on the Status of the Real Estate Audit. [20-0190](#)
Recommendation: Receive an update on the status of the on-going Real Estate Audit.
Manager: Darin Taylor, 408-630-3068
Attachments: [Attachment 1: Real Estate Audit Progress Report](#)
Est. Staff Time: 5 Minutes

5.6. Receive an Update on the Status of the Grant Management Ad-hoc Desk Review. [20-0207](#)
Recommendation: Receive an update on the status of the on-going Grant Management Ad-hoc Desk Review.
Manager: Darin Taylor, 408-630-3068
Attachments: [Attachment 1: Grant Management Ad-hoc Desk Review](#)
Est. Staff Time: 5 Minutes

5.7. Receive an Update on the Status of the Hiring Practices Ad-hoc Desk Review. [20-0208](#)
Recommendation: Receive an update on the status of the on-going Hiring Practices Ad-hoc Desk Review.
Manager: Darin Taylor, 408-630-3068
Attachments: [Attachment 1: Hiring Practice Ad-hoc Desk Review](#)
Est. Staff Time: 5 Minutes

5.8. Receive an Update on the Status of the Board Agenda Preparation Ad-hoc Desk Review. 20-0209

Recommendation: Receive an update on the status of the on-going Board Agenda Preparation Ad-hoc Desk Review.

Manager: Darin Taylor, 408-630-3068

Attachments: [Attachment 1: Board Agenda Preparation Ad-hoc Desk Review](#)

Est. Staff Time: 5 Minutes

5.9. Discuss Potential Recommendation to Board to Authorize Release of Attorney-Client Privileged Documents to Board Independent Auditor. 20-0224

Recommendation: Discuss Potential Recommendation to Board to Authorize Release of Attorney-Client Privileged Documents to Board Independent Auditor.

Manager: Darin Taylor, 408-630-3068

Est. Staff Time: 5 Minutes

6. 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.

7. ADJOURN:

7.1. Adjourn to Regular Meeting as Set by the Committee.

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