

06/22/2021



MEMORANDUM

FC 14 (01-02-07)

TO: Board of Directors

FROM: Board Audit Committee

SUBJECT: 06/16/2021 Board Audit Committee
Meeting Summary.

DATE: June 22, 2021

This memorandum summarizes the Board Audit Committee (Committee) meeting held on Wednesday, June 16, 2021, at 2:00 p.m., where the following work plan Items were discussed:

ACTION ITEMS:

4.1 Discuss Options for 2021 Annual Audit Training and Select a Topic for Training.

Recommendation: A. Discuss Options for 2021 Annual Audit Training; and
B. Select a Topic for Training.

Mr. Darin Taylor, Chief Financial Officer, reviewed the information on this item, per the attached Committee Agenda Memo.

The Committee noted the information without formal action, and made the following requests of staff:

- The Committee selected Grants Management Administration Requirements as the topic for the 2021 Annual Audit Training;
- The Committee requested that TAP International, Inc., (TAP) prepare the presentation; and
- The Committee requested that staff schedule a Special Committee meeting through the Board Scheduler.

4.2 Review and Discuss the 2021 Board Audit Committee Work Plan.

Recommendation: Review and discuss topics of interest raised at prior Board Audit Committee (BAC) Meetings and make any necessary adjustments to the BAC Work Plan.

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

The Committee noted the information without formal action, and noted the following:

- Attachment 1, Page 3, Line No. 23, *Review the Contract Change Order Audit Report* has been moved to the August 18, 2021, Committee meeting; and
- Attachment 1, Page 3, Line No. 28, *Review of the Grants Management Audit Draft Report Presentation* has been scheduled for the September 15, 2021, Committee meeting;

4.3 Discuss and Approve an Updates to the Annual Audit Work Plan.

Recommendation: Discuss and approve any updates to recommend to the Board, if necessary.

Mr. Taylor and Ms. Denise Callahan, TAP, reviewed the information on this item, per the attached Board Agenda Memo.

The Committee noted the information without formal action.

INFORMATION ITEMS:

5.1 Receive an Update on the Status of the Pacheco Reservoir Expansion Fact-Finding Investigation.

Recommendation: Receive an update on the status of the Pacheco Reservoir Expansion fact-finding investigation.

Mr. Brian Hopper, Senior Assistant District Counsel, reviewed the information on this item, per the attached Board Agenda Memo.

The Committee noted the information without formal action, and requested the following:

- Mr. Hopper informed the Committee that the legal firm, Jackson Lewis P.C., will be presenting their Fact-Finding Investigation at the July 21, 2021, Committee meeting; and
- The Committee requested that staff relay to the legal firm a request to interview members of the Water Storage Exploratory Committee, and the San Benito Water District.

5.2 Receive an Update on the 2021 Risk Assessment.

Recommendation: Receive an update on the 2021 Risk Assessment.

Ms. Callahan reviewed the information on this item, per the attached Board Agenda Memo.

The Committee noted the information, without formal action.

5.3 Discuss the Fiscal Year 2020-21 Financial Audit.

Recommendation: Receive and discuss information regarding the Statement of Auditing Standards (SAS) 114 as it relates to the upcoming Fiscal Year 2020-21 financial audit, presented by Maze and Associates.

Mr. David Alvey, Maze and Associates, reviewed the information on this item, per the attached Board Agenda Memo, and per the information contained in Attachment 1.

The Committee noted the information, without formal action, and made the following requests of staff:

- TAP to provide Community Projects Review Unit (CPRU) Performance Audit with Mr. Alvey.
- District Counsel to investigate and come back to the Committee with alternatives by which the Auditor can communicate the exit conference with the Committee, during a Committee meeting, without staff present, and without violating the Brown Act.

Board member comments and suggestions can be forwarded to Mr. Max Overland, Assistant Deputy Clerk at (408) 630-2749 or by email to moverland@valleywater.org.

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