



## MEMORANDUM

FC 14 (01-02-07)

**TO:** Board of Directors

**FROM:** Board Audit Committee

**SUBJECT:** 08/18/2021 Board Audit Committee  
Meeting Summary.

**DATE:** August 19, 2021

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This memorandum summarizes the Board Audit Committee (Committee) meeting held on Wednesday, August 18, 2021, at 2:00 p.m., where the following work plan items were discussed:

### ACTION ITEMS:

- 4.1 Receive an Update Regarding the Quality and Environmental Management System (QEMS) Benchmarking Analysis.

Recommendation: Receive an update regarding the Quality and Environment Management System (QEMS) Benchmarking Analysis.

Mr. John Mahoney, and Mr. Mike Brown, Tanner Pacific, 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, noted the following:

- Valley Water is a leader in the community by incorporating Environmental Justice into its policies and practices;
- QEMS is an effective tool for Valley Water in its efforts to maintaining best industry practices; and
- Staff to return periodically to update the Committee.

- 4.2 Discuss Process to Follow-up on Completed Audits.

Recommendation: Discuss process to follow-up on completed audits.

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.

4.3 Review the Board Audit Committee's 2020 Self-Evaluation and Discuss Progress Toward Improvement Areas.

Recommendation:     A.   Review the results of the 2020 Self-Evaluation; and  
                              B.   Discuss progress toward improvement areas.

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

The Committee noted the information without formal action.

4.4 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.

The Committee noted the information without formal action.

4.5 Discuss and Approve any Updates to the Annual Audit Work Plan.

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

Mr. Taylor reviewed the information on this item, per the attached Committee 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. Carlos Orellana, District Counsel, reviewed the information on this item, per the attached Board Agenda Memo.

The Committee noted the information without formal action.

5.2 Status Update on Recommendations from the Contract Change Order Audit Conducted by TAP International, Inc.

- Recommendation:    A.     Receive and discuss a status update on recommendations from the Contract Change Order Audit conducted by TAP International, Inc.; and  
                              B.     Continue adoption of Contract Change Order Audit recommendations with implementation goal of Q4 2021.

Mr. Ken Wong, Deputy of General Services, reviewed the information on this item, per the attached Board Agenda Memo, and per the information contained in Attachment 1.

Motion:                Approve Recommendation B.

Move to Approve:    R. Santos

Second:                G. Kremen

Yeas:                    G. Kremen, R. Santos, B. Keegan

Nays:                    None

Abstains:              None

Recuses:                None

Absent:                 None

Summary:              3 Yeas; 0 Nays; 0 Abstains; 0 Absent.

5.3 Updates to the Quality and Environmental Management System (QEMS) internal Audit Program.

Recommendation:    Receive updates to the QEMS Internal Audit Program.

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

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

- The Internal Audit program was placed on hold due to the COVID-19 pandemic and a delay of the Benchmarking Analysis that is used to inform the Internal Audit Work Plan. With the latest Benchmarking Analysis complete, the program will be restated pending the implementation of Phase 1 improvements.

5.4 Receive an Update on the 2021 Risk Assessment.

Recommendation:    Receive an update on the 2021 Risk Assessment.

Ms. Denise Callahan, TAP International, Inc., reviewed the information on this item, per the attached Committee Agenda Memo.

The Committee noted the information without formal action.

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](mailto:moverland@valleywater.org).

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