



BOARD AUDIT COMMITTEE MEETING

MINUTES

**REGULAR MEETING
WEDNESDAY, NOVEMBER 19, 2025
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: Wade Blackard, Jessica Collins, Meenakshi Ganjoo, Rachael Gibson, Candice Kwok-Smith, Cecil Lawson, Olive Manaloto, Jennifer Martin, Anthony Mendiola, Nicole Merritt, Tony Ndah, Carlos Orellana, Luz Penilla, Alison Phagan, Mario Rivas, Manpreet Sra, Darin Taylor, Kristen Yasukawa and Tina Yoke.

Public in attendance were: District 7 Valley Water Director Rebecca Eisenberg, Cathy Brady, 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.

3. APPROVAL OF MINUTES:

3.1. Approval of October 15, 2025, Board Audit Committee Meeting Minutes.

Recommendation: Approve the minutes.

The Committee considered the attached minutes of the October 15, 2025 Committee meeting.

Public Comments:

None.

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

4. REGULAR AGENDA:

4.1. Discuss Potential Audit Topics for 2026 Annual Audit Plan and Provide Further Guidance as Needed.

Recommendation: A. Discuss and identify potential audit topics for 2026 Annual Audit Plan; and
B. Recommend proposed audit topics for 2026 to the Board.

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

George Skiles, Darin Taylor, Anthony Mendiola were available to answer questions.

Public Comments:

None.

The Committee received the information, and noted the following:

- The Committee noted the following potential audit topic recommendations, assignments, and timelines provided by the Chief Audit Executive (CAE): Risk Assessment: priority audit topic to be conducted by CAE; Asset Management: to be assigned to Plante Moran, anticipated to start in the first quarter of 2026; Pacheo Reservoir close-out: to be assigned to Sjoberg Evashenk Consulting, anticipated to start in the late second quarter to early third quarter of 2026; Investigations Process: to be assigned to Baker Tilly Advisory Group, anticipated to start in second quarter of 2026; and the Good Neighbor Program, or Grant Management Activities could be assigned to Baker Tilly Advisory Group if the investigations process audit is not conducted in 2026.
- The Committee confirmed there are no urgent high-risk audits not included and noted the risk assessment process.
- The Committee noted support for the risk assessment to consider the changes in the federal and state administrations and the impacts to Valley Water and the Water Supply Master plan and noted that timing of the risk assessment will depend upon the contracts process.
- The Committee noted the timing of the risk assessment may start in 2026 but may not be completed in time to be able to inform the 2027 Annual Audit Plan.
- The Committee noted support for the upcoming risk assessment to identify on the heat map which topics have been addressed versus those topics that are still pending and whether any are high risk.

- The Committee confirmed that the CAE's current contract has exhausted the last option to extend and is set to expire in 2026.

It was moved by Director Estremera and seconded by Vice Chairperson Ballard and carried by unanimous vote to approve the following recommendation:

B. Recommend proposed audit topics for 2026 to the Board.

The BAC approved to recommend the following proposed audit topics for 2026 to the Board: 1. Risk assessment, 2. Asset Management, 3. Pacheo Reservoir (close-out), 4. Investigations Process.

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

Recommendation: A. Discuss 2025 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 the information, took no formal action, and confirmed the audits are progressing and underway and without further discussion noted the update on the 2025 Annual Audit Plan.

4.3. Review and Discuss the 2025 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 2025 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 and George Skiles were available to answer questions.

Public Comments:
None.

The Committee received the information, took no formal action, and confirmed the next Board member audit training is scheduled for mid-year in 2026 and noted support for attendance at additional outside audit trainings and the update on the 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 discussed and provided feedback on the potential audit topics for 2026 Annual Audit Plan and approved to recommend the following proposed audit topics for 2026 to the Board: 1. Risk assessment, 2. Asset Management, 3. Pacheo Reservoir (close-out), 4. Investigations Process under Item 4.1; noted the 2025 Annual Audit Plan update under Item 4.2; and noted the 2025 BAC Work Plan under Item 4.3.

6. ADJOURN:

6.1. Adjourn. The Next Regular Meeting is Scheduled at 1:00 p.m. on December 17, 2025.

Chairperson Beall adjourned the meeting at 1:27 p.m. The next regular meeting was scheduled to occur at 1:00 p.m. on December 17, 2025, but was subsequently rescheduled to a special meeting at 10:00 a.m. on December 19, 2025.

Nicole Merritt,
Deputy Clerk (Committee Meetings)

Date approved: December 19, 2025