



BOARD AUDIT COMMITTEE MEETING

MINUTES

**REGULAR MEETING
WEDNESDAY, MARCH 18, 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: Chris Cannard, Rita Chan, Jessica Collins, Rachael Gibson, Walter Gonzalez, Wendy Ho, Olive Manaloto, Linda Mason, Patrice McElroy, Anthony Mendiola, Nicole Merritt, Tony Ndah, Carlos Orellana, Luz Penilla, Manpreet Sra, Darin Taylor, Kristen Yasukawa, and Tina Yoke.

Public in attendance were: 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 February 18, 2026, Board Audit Committee Meeting Minutes.

Recommendation: Approve the minutes.

The Committee considered the attached minutes of February 18, 2026 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 the Single Audit Report for Fiscal Year (FY) ending June 30, 2025.

Recommendation: Receive and discuss the Single Audit Report for FY ending June 30, 2025.

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

Darin Taylor was available to answer questions.

Public Comments:
None.

The Committee received and discussed the information, took no formal action, and without further discussion noted the clean audit, with no findings, would be considered by the Board at a future meeting.

- 4.2. Discuss Proposed Updates to the Board Audit Committee (BAC) Audit Charter and Provide further Direction as Needed.

Recommendation: A. Discuss proposed updates to the BAC Audit Charter;
B. Provide Further Direction as needed.

Linda Mason reviewed the information on this item, per the attached Committee Agenda Memo, and reviewed the information contained in Attachment 2.

Linda Mason, Darin Taylor, George Skiles were available to answer questions.

Public Comments:
None.

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

- The Committee expressed support for the proposed revisions and discussed the BAC Audit Charter process for the review of audit reports.
- The Committee expressed support for using the term “auditor” instead of “vendor” and the phrase “every three years” instead of “tri-annually” for consistency and clarity.
- The Committee discussed the reporting process for management-initiated audits and noted the semi-annual reports and direct communication between the BAC Chair and the BAC Liaison for status updates.

- The Committee expressed interest in the future including additional guidance in the BAC Charter for Board members serving on Joint Powers of Authority (JPAs), specifically regarding roles and responsibilities related to JPAs with cost-sharing agreements.

It was moved by Director Estremera and seconded by Vice Chairperson Ballard and approved to recommend the proposed revisions with the BAC's feedback to the BAC Audit Charter to go to the Board for consideration.

4.3. Receive and Discuss Report From Independent Chief Audit Executive (CAE), Sjoberg Evashenk Consulting, Regarding Their Performance in Calendar Year (CY) 2025, and Evaluate Performance of CAE.

- Recommendation:
- A. Receive and discuss a report from the independent CAE, Sjoberg Evashenk Consulting, regarding their performance in CY 2025;
 - B. Evaluate the performance of the CAE.

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

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 discussed an overview of the CAE's role and function, including the relationship with the other auditor firms retained pursuant to the BAC Audit Charter.
- The Committee discussed the overall annual audit budget, expressed support for the CAE's work, and emphasized the importance of maintaining the risk assessment schedule to allow for Board feedback and identify any potential impacts to federal grants.

4.4 Discuss Process and Scope of 2026 Annual Audit Training from Chief Audit Executive (CAE).

- Recommendation: Discuss process and scope of 2026 Annual Audit Training from CAE.

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 interest in training for Board members serving on JPAs regarding roles and responsibilities, including guidance on reviewing audit reports and for inclusion in an onboarding process.

4.5. 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, and noted the following:

- The Committee expressed support for the CAE to review the Board Policy and Monitoring Committee's discussion at the March 17, 2026, meeting and at the next April 21, 2026, meeting regarding the investigations process and noted the update on the 2026 Annual Audit Plan.

4.6. 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 and discussed the information, took no formal action, and without further discussion, noted the Closed Session for the upcoming April 15, 2026, meeting and 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 noted the update on the Single Audit Report for FY ending June 30, 2025 under Item 4.1; discussed, provided feedback, and approved the proposed updates to the BAC Charter to go to the Board for consideration under Item 4.2; noted report from CAE regarding performance in CY 2025 and expressed support for CAE's work and staying on schedule specifically with the risk assessment under Item 4.3; noted and provided feedback regarding support for JPA training for Board members under Item 4.4; expressed support for CAE to review BPMC's discussions regarding the investigations process and updated to 2026 Annual Audit Plan under Item 4.5; and noted the Closed Session for the upcoming April 15, 2026 meeting and the update for the 2026 BAC Work Plan under Item 4.6.

6. ADJOURN:

6.1. Adjourn. The Next Regular Meeting is Scheduled at 1:00 p.m. on April 15, 2026.

Chairperson Beall adjourned the meeting at 1:53 p.m. The next regular meeting was scheduled to occur at 1:00 p.m. on April 15, 2026.

Nicole Merritt,
Deputy Clerk (Committee Meetings)

Date approved: April 15, 2026

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