



Santa Clara Valley Water District Board Audit Committee Meeting

HQ. Bldg. Boardroom, 5700 Almaden Expressway, San Jose, California
Join Zoom Meeting: <https://valleywater.zoom.us/j/91608079873>

REGULAR MEETING AGENDA

Wednesday, April 15, 2026
1:00 PM

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

BOARD AUDIT COMMITTEE
Jim Beall, Chairperson - District 4
Shiloh Ballard, Vice Chairperson -
District 2
Tony Estremera - District 6

All public records relating to an open session 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 to the public through the legislative body agenda web page 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 participate in the legislative body's meeting. Please advise the Clerk of the Board Office of any special needs by calling (408) 630-2277.

DARIN TAYLOR
Committee Liaison

NICOLE MERRITT
Deputy Clerk (Committee
Meetings)
Office/Clerk of the Board
(408) 630-3262
nmerritt@valleywater.org

Note: The finalized Board Agenda, exception items and supplemental items will be posted prior to the meeting in accordance with the Brown Act.

Santa Clara Valley Water District
Board Audit Committee
REGULAR MEETING
AGENDA

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Expressway, San Jose, California

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IMPORTANT NOTICES AND PARTICIPATION INSTRUCTIONS

Santa Clara Valley Water District (Valley Water) Board of Directors/Board Committee meetings are held as a “hybrid” meetings, conducted in-person as well as by telecommunication, and is compliant with the provisions of the Ralph M. Brown Act.

To maximize public safety while still maintaining transparency and public access, members of the public have an option to participate by teleconference/video conference or attend in-person. To observe and participate in the meeting by teleconference/video conference, please see the meeting link located at the top of the agenda. If attending in-person, you are required to comply with Ordinance 22-03 - AN ORDINANCE OF THE SANTA CLARA VALLEY WATER DISTRICT SPECIFYING RULES OF DECORUM FOR PARTICIPATION IN BOARD AND COMMITTEE MEETINGS located at <https://s3.us-west-2.amazonaws.com/valleywater.org.if-us-west-2/f2-live/s3fs-public/Ord.pdf>

In accordance with the requirements of Gov. Code Section 54954.3(a), members of the public wishing to address the Board/Committee during public comment or on any item listed on the agenda, may do so by filling out a Speaker Card and submitting it to the Clerk or using the “Raise Hand” tool located in the Zoom meeting application to identify yourself in order to speak, at the time the item is called. Speakers will be acknowledged by the Board/Committee Chair in the order requests are received and granted speaking access to address the Board.

- Members of the Public may test their connection to Zoom Meetings at: <https://zoom.us/test>
- Members of the Public are encouraged to review our overview on joining Valley Water Board Meetings at: <https://www.youtube.com/watch?v=TojJpYCxXm0>

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This agenda has been prepared as required by the applicable laws of the State of California, including but not limited to, Government Code Sections 54950 et. seq. and has

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Under the Brown Act, members of the public are not required to provide identifying information in order to attend public meetings. Through the link below, the Zoom webinar program requests entry of a name and email address, and Valley Water is unable to modify this requirement. Members of the public not wishing to provide such identifying information are encouraged to enter "Anonymous" or some other reference under name and to enter a fictional email address (e.g., attendee@valleywater.org) in lieu of their actual address. Inputting such values will not impact your ability to access the meeting through Zoom.

Join Zoom Meeting:

<https://valleywater.zoom.us/j/91608079873>

Meeting ID: 916 0807 9873

Join by Phone:

1 (669) 900-9128, 91608079873#

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: Members of the public who wish to address the Board/Committee on matters not listed on the agenda may do so by completing a Speaker Card and submitting it to the Clerk, or by using the "Raise Hand" feature within the Zoom meeting application to request recognition. Speakers will be acknowledged by the Board/Committee Chair in the order requests are received and, when recognized, will be granted speaking access to address the Board/Committee.

Public comments shall be limited to three (3) minutes per speaker, or such other time as determined by the Chair. State law does not permit the Board/Committee to take action on, or engage in extended discussion of, any item not appearing on the posted agenda, except as otherwise authorized under applicable law. If Board/Committee action is requested, the matter may be scheduled for consideration at a future meeting.

All public comments requiring a response will be referred to staff for a written reply. The Board/Committee may take action on any item of business appearing on the posted agenda.

3. APPROVAL OF MINUTES:

- 3.1. Approval of March 18, 2026, Board Audit Committee Minutes. [26-0365](#)

Recommendation: Approve the minutes.

Manager: Wendy Ho, 408-630-3874

Attachments: [Attachment 1: 03182026 BAC Minutes](#)

4. REGULAR AGENDA:

- 4.1. Receive Update on the Implementation of the Management Response to the 2024 Human Resources (HR) Process Performance Audit. [26-0281](#)

Recommendation: Receive the status update on the implementation of the Management Response to the 2024 HR Performance Audit.

Manager: Patrice McElroy, 408-630-3159

Attachments: [Attachment 1: PowerPoint](#)

- 4.2. Discuss the Results of the Board Audit Committee's (BAC) Annual Self-Evaluation for Calendar Year (CY) 2025. [26-0232](#)

Recommendation: Discuss the results of the BAC's Annual Self-Evaluation for CY 2025.

Manager: Darin Taylor, 408-630-3068

- 4.3. Discuss 2026 Annual Audit Plan (Risk Assessment, Asset Management, Pacheco Reservoir Project, and Investigations Process), and Provide Feedback as Needed [26-0341](#)

Recommendation: A. Discuss 2026 Annual Audit Plan; and
B. Provide feedback as needed.

Manager: Darin Taylor, 408-630-3068

- 4.4. Review and Discuss 2026 Board Audit Committee (BAC) Work Plan. [26-0340](#)

Recommendation: Review and discuss topics of interest raised at prior BAC meetings and approve any necessary adjustments to the 2026 BAC Work Plan.

Manager: Wendy Ho, 408-630-3874

Attachments: [Attachment 1: 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.

6. CLOSED SESSION:

6.1. CONFERENCE WITH LEGAL COUNSEL - THREAT TO PUBLIC SERVICES OR FACILITIES

[26-0343](#)

(Pursuant to Government Code Section 54957(a))

Consultation with Information Technology: Interim Chief Executive Officer, Melanie Richardson; Chief Operating Officer, Tina Yoke; Deputy Administrative Officer, Cecil Lawson; Information Technology Manager, Chris Cannard; District Counsel, Carlos Orellana; and Senior Assistant District Counsel, Linda Mason.

6.2. District Counsel Report on Closed Session.

7. ADJOURN:

7.1. Adjourn. The Next Regular Meeting is Scheduled at 1:00 p.m., on May 20, 2026.

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Santa Clara Valley Water District

File No.: 26-0365

Agenda Date: 4/15/2026
Item No.: 3.1.

COMMITTEE AGENDA MEMORANDUM Board Audit Committee

Government Code § 84308 Applies: Yes No
(If "YES" Complete Attachment A - Gov. Code § 84308)

SUBJECT:

Approval of March 18, 2026, Board Audit Committee Minutes.

RECOMMENDATION:

Approve the minutes.

SUMMARY:

In accordance with the Ralph M. Brown Act, a summary of Committee discussions, and details of all actions taken by the Board Audit Committee, during all open and public Committee meetings, is transcribed and submitted to the Committee for review and approval.

Upon Committee approval, minutes transcripts are finalized and entered into the Committee's historical records archives and serve as historical records of the Committee's meetings.

ENVIRONMENTAL JUSTICE IMPACT:

The approval of minutes is not subject to environmental justice analysis.

ATTACHMENTS:

Attachment 1: 03182026 BAC Minutes

UNCLASSIFIED MANAGER:

Wendy Ho, 408-630-3874

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BOARD AUDIT COMMITTEE MEETING
DRAFT 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 was: 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:

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Santa Clara Valley Water District

File No.: 26-0281

Agenda Date: 4/15/2026
Item No.: 4.1.

COMMITTEE AGENDA MEMORANDUM Board Audit Committee

Government Code § 84308 Applies: Yes No
(If "YES" Complete Attachment A - Gov. Code § 84308)

SUBJECT:

Receive Update on the Implementation of the Management Response to the 2024 Human Resources (HR) Process Performance Audit.

RECOMMENDATION:

Receive the status update on the implementation of the Management Response to the 2024 HR Performance Audit.

SUMMARY:

The purpose of this item is to provide an update on the implementation of the Management Response to the 2024 Human Resources (HR) Process Performance Audit (Attachment 1).

Background:

On March 26, 2024, the Board approved the initiation of the Human Resources (HR) Performance Audit. The audit was conducted between August and November 2024, which resulted in ten (10) recommendations. The presentation of the HR Performance final report was approved and recommended by the Board Audit Committee on March 19, 2025, and subsequently presented to the full Board at the April 8, 2025, Board meeting.

Update:

Since April 2025, seven (7) of the ten (10) recommendations have been implemented, and three (3) audit recommendations are identified as "Pending/Underway," of which two (2) are identified as High priority, and one (1) as medium. Key improvements include conducting monthly all HR employee team meetings, providing change management and communication training to HR leadership, continuing to prioritize required training for all new supervisors, enhancing the effectiveness of the supervisory training program, and incorporating additional topics. An HR Operations Plan outlining key initiatives was developed, reviewed, and approved by HR Leadership in Q4 2025 and approved by the Chief Operating Officer of Administrative Services. A number of updates within the Equal Employee Opportunity Program have been implemented, including increased visibility of forms, processes, and staffing for employees, and regular in-person supervisory and employee Sexual

Harassment Prevention Training by the EEO Manager.

Next Steps:

Next steps involve ensuring that a representative from HR with a strong understanding of HR system needs is involved in evaluating the Enterprise Resource Planning (ERP) system capabilities against HR's system needs. Additionally, the HR representative will be involved in providing feedback for the selection of the system. The HR representative will also be on the implementation team to ensure a careful process for successful system adoption is applied. Staff will continue to work on implementing the remaining recommendations and return to provide a status report at the next BAC meeting.

ENVIRONMENTAL JUSTICE IMPACT:

There are no Environmental Justice impacts associated with this item. Audits are a tool utilized by the BAC to monitor possible risks to the organization, and inform any guidance provided to staff to achieve the Board's priorities. There are no environmental impacts that result from this audit.

ATTACHMENTS:

Attachment 1: PowerPoint

UNCLASSIFIED MANAGER:

Patrice McElroy, 408-630-3159



Board Audit Committee
**Management Response to
2024 Human Resources (HR) Performance Audit**

Presented by:
Patrice McElroy, Deputy Administrative Officer – Human Resources & Labor Relations

Background

1. March 2024 Board of Directors Request Audit of Human Resources

Key Recommendations:

- A. Enhance Communication, develop HR Operations Plan, assess HR positions.
- B. Employ change management principles.
- C. Ensure involvement with selecting & implementing new ERP.
- D. Hire EEO Manager, implement regular EEO training.
- E. Train new supervisors and enhance supervisory training programs.

Status of Recommendations

| Key Recommendation (Summarized) | Management Response | Progress |
|--|---|---|
| <p>1 A) Continue to enhance communication practices within the Department to build trust.; B) Develop a Departmental operating plan that details key initiatives to build confidence in the strategic direction of the Department.; C) Review HR employee classifications for HR staff to determine whether their job function suggests they should be confidential positions.</p> | <p>A) Agree B) Agree C) Agree</p> | <p>A) Completed B) Completed C) In-Progress</p> |
| <p>2. A) Employ the principles of change management to effectively communicate and integrate changes within the Department. B) Consider providing change management and communication training to HR leadership.</p> | <p>A) Agree B) Agree</p> | <p>A) Completed B) Completed</p> |
| <p>3. A) As the District seeks a new ERP system, ensure that a representative from HR with a strong understanding of system needs is highly involved in evaluating system capabilities against HR's system needs. B) After a new system is selected, conduct a thorough implementation process to support successful system adoption.</p> | <p>A) Agree B) Agree</p> | <p>A) In-Progress B) Pending 3 A</p> |

Status of Recommendations

| Key Recommendation (Summarized) | Management Response | Progress |
|---|----------------------|--|
| 4. Adopt proactive measures to prevent harassment from occurring, including demonstrating leadership accountability, regularly communicating the District's harassment policy, developing an effective and accessible harassment complaint system, and implementing regular EEO training for all staff. | A) Agree | A) Completed |
| 5. A) Continue to prioritize required training for all new supervisors. B) To enhance the effectiveness of the supervisory training program, incorporate additional topics focused on leadership skills and people management practices. | A) Agree B) Agree | A) Completed B) Completed |

1C: Review HR classifications

1C: Review HR Classifications

Recommendation Summarized: Review HR employee classifications for HR staff to determine whether their job function suggests they should be confidential positions.

Status Update

1C. (Review HR Classifications)

- 1) Met with Valley Water District Counsel
- 2) District Counsel reviewed the definition of “Confidential” employees related to the Ralph C. Dills Act (Dills Act) and Meyers Milias Brown Act (MMBA) and provided a recommendation
- 3) Human Resources is in the process of implementing this recommendation

3A & B: ERP

1C: Review HR Classifications

Recommendation Summarized: As the District seeks a new ERP system, ensure that a representative from HR with a strong understanding of system needs is highly involved in evaluating system capabilities against HR's system needs. After a new system is selected, conduct a thorough implementation process to support successful system adoption.

Status Update

3A. (ERP selection)

- 1) RFP – completed
- 2) Vendor review & assessment – completed
- 3) Vendor selection (Dayforce) – completed
- 4) Contract in review with legal and procurement

Status Update

3B. (ERP implementation)

- 1) Pending completion of 3A

FY27 Next Steps

Next Steps

1. Continue Implementing Process Improvements
2. Continue HR involvement with ERP selection & implementation

END OF PRESENTATION





Santa Clara Valley Water District

File No.: 26-0232

Agenda Date: 4/15/2026

Item No.: 4.2.

COMMITTEE AGENDA MEMORANDUM Board Audit Committee

Government Code § 84308 Applies: Yes No
(If "YES" Complete Attachment A - Gov. Code § 84308)

SUBJECT:

Discuss the Results of the Board Audit Committee's (BAC) Annual Self-Evaluation for Calendar Year (CY) 2025.

RECOMMENDATION:

Discuss the results of the BAC's Annual Self-Evaluation for CY 2025.

SUMMARY:

The Board Audit Committee (BAC) was established to assist the Board of Directors (Board), consistent with direction from the full Board, to identify potential audit priorities, and to review, update, plan, and coordinate execution of Board-directed audits.

According to Article 9, paragraph 4 of the BAC Audit Charter, the BAC shall conduct a self-evaluation of its performance annually. The Committee shall conduct the evaluation of its performance to determine whether it is functioning effectively and to discuss with the Chief Audit Executive (CAE) any observations related to the effectiveness of the Committee. The BAC shall prepare and submit a formal report based upon each such self-evaluation to the full Board.

At its February 18, 2026, meeting the BAC discussed potential approaches to the self-evaluation process, including the use of questionnaires and interviews, and requested the CAE to schedule interviews with each member of the BAC to obtain insight regarding the Committee's performance as well as opportunities for improvement.

Interviews with BAC members occurred between March 3 and March 19, 2026. Consistent with prior years, members of the BAC generally agreed that the overall governance and activities of the committee were aligned with its charter. Specifically, members have a clear understanding of the role and responsibility of the BAC, strive to ensure the BAC acts independently of Valley Water management, meet regularly as scheduled, adhere to the annual work plan, maintain open lines of communication with the Chief Audit Executive, engage in ongoing assessments of corrective action taken by management in response to audit findings and recommendations, routinely evaluate risk

and systems of internal control, and strive for continuous improvement.

However, members raised specific areas where improvements may be achieved, and value added. These include:

- Incorporating into the risk assessment process (a) areas within Valley Water’s operations and capital program that should be audited on a cyclical basis, and (b) areas focused on the Water Supply Master Plan, including factors that could impede Valley Water’s ability to ensure a reliable, sustainable water supply.
- Promoting transparency by developing a way to report to the public. This could include developing an annual report reflecting audit activity as well as improvements that Valley Water has made as a result of the audit process-e.g., the results or outcomes of Board-directed audits, management audits, and other audits.
- Developing a process to initiate audits when there is turnover of executive leadership and/or Board Appointed Officers.
- Updating the BAC Charter to allow for follow-on audit services related to completed audits.
- Promoting open communication between Board members and Board auditors, including communications during the audit planning process.
- Developing a process to facilitate management or stakeholder feedback on the audit process.
- Continuing to emphasize Valley Water’s collaborative approach to audits, focusing on continuous improvement while minimizing the potentially adversarial nature of audits and building collaboration from management and staff.

The purpose of this agenda item is to discuss the results of the 2024 annual self-evaluation.

ENVIRONMENTAL JUSTICE IMPACT:

The Annual Self-Evaluation topic is not subject to environmental justice analysis. The discussion is an opportunity for the BAC members to identify areas where the committee is doing well, and/or areas where the committee could improve their efforts to meet the Board's priorities.

ATTACHMENTS:

None.

UNCLASSIFIED MANAGER:

Darin Taylor, 408-630-3068



Santa Clara Valley Water District

File No.: 26-0341

Agenda Date: 4/15/2026

Item No.: 4.3.

COMMITTEE AGENDA MEMORANDUM Board Audit Committee

Government Code § 84308 Applies: Yes No
(If "YES" Complete Attachment A - Gov. Code § 84308)

SUBJECT:

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; and
- B. Provide feedback as needed.

SUMMARY:

On November 19, 2025, the Chief Audit Executive (CAE) presented the proposed topics for the 2026 Annual Audit Plan to the Board Audit Committee (BAC) based on his individual interviews with each of the Board members. The BAC discussed and ultimately agreed to recommend the following topics to the full Board:

- 1) Risk Assessment, including developing the 2026 Risk Assessment pursuant to Section 7.4 of the BAC Charter for the purpose of identifying and prioritizing potential audit topics and informing future audit plans.
- 2) Asset Management, including reviewing and evaluating Valley Water's infrastructure maintenance programs, encompassing various elements related to operations and maintenance. This includes assessing how Valley Water develops and maintains its asset inventories. The evaluation will include:
 - a. Valley Water's methods and approach to determining the condition of existing assets.
 - b. Practices related to scheduling predictive and preventative maintenance, monitoring maintenance backlogs, and work order scheduling.
 - c. The extent to which Valley Water relies on outsourced service providers to augment in-house resources, and how well inventories are planned, maintained, and optimized to enhance overall operational efficiencies.
 - d. The use of asset management software or systems to extend the lifespan of critical infrastructure while minimizing operational costs.
- 3) Pacheco Reservoir Project, including evaluating whether best practices were followed during

each phase of the project through termination of the project.

- 4) Investigations Process, including evaluating the effectiveness, efficiency, and integrity of Valley Water's processes for investigating allegations of employee, Board officer, and Board member misconduct, including:
- a. Adherence to applicable laws, policies, collective bargaining agreements, and ethical standards governing workplace investigations.
 - b. Appropriate separation of duties and independence in the handling of investigations involving management, senior leadership, or Board members;
 - c. Timeliness in the initiation, conduct, and resolution of investigations;
 - d. Consistent standards, procedures, and outcomes across similar cases;
 - e. Clear roles, responsibilities, and reporting lines for Human Resources staff, investigators, management, legal counsel, and appropriate oversight;
 - f. Accurate, complete, and secure maintenance of investigation case records;
 - g. Implementation of recommendations and identification of systemic issues or patterns of misconduct; and
 - h. Consistency with the practices of other public, private, and non-profit organizations related to complaint intake, investigation processes, and outcomes.

At its meeting on December 9, 2025, the Board approved the audit assignments and respective target start dates for each audit:

1. Risk Assessment
 - Assign to the Chief Audit Executive
 - Anticipated start date to be determined following the selection of the next CAE
2. Asset Management
 - Assign to Plante Moran
 - Anticipated start in Q1 of Calendar Year 2026
3. Pacheco Reservoir Project
 - Assign to Sjoberg Evashenk Consulting
 - Anticipated start in Q3 of Calendar Year 2026
4. Investigations Process
 - Assign to Baker Tilly Advisory Group
 - Anticipated start in Q2 of Calendar Year 2026

Audits Pending from Prior Years

Several audit projects initiated in the prior year remain in progress:

- The Board Policy Compliance Audit is in the reporting phase with the expected draft report completion to April 2026. This project has been delayed due to resource issues on both sides.
- The Capital Project Delivery audit commenced later than anticipated and remains in the fieldwork stage, with completion projected for late Q2 2026.

- The Centralized and Decentralized Contracting Practices audit remains in the fieldwork stage, but experienced delays extending its expected draft report completion to April 2026.
- The Water Usage and Demand Forecasting audit is concluding the fieldwork stage and is initiating the draft report which is currently expected for review in late April or early May.

The purpose of this agenda item is to present and discuss the 2026 Annual Audit Plan and receive any feedback the Board deems appropriate.

ENVIRONMENTAL JUSTICE IMPACT:

There are no Environmental Justice impacts associated with this item. The Annual Audit Workplan serves as a tool for communicating audit priorities as determined by the BAC and the Board of Directors.

ATTACHMENTS:

None.

UNCLASSIFIED MANAGER:

Darin Taylor, 408-630-3068

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Santa Clara Valley Water District

File No.: 26-0340

Agenda Date: 4/15/2026

Item No.: 4.4.

COMMITTEE AGENDA MEMORANDUM Board Audit Committee

Government Code § 84308 Applies: Yes No
(If "YES" Complete Attachment A - Gov. Code § 84308)

SUBJECT:

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.

SUMMARY:

Per the BAC's Charter, Article III, Paragraph 6.2, "The Committee shall, in coordination with Valley Water's Clerk of the Board, develop a proposed Annual Work Plan. Items shall be included in the Annual Work Plan based upon a majority vote of the Committee."

Under direction of the Clerk, Work Plans are used by all Board Committees to increase Committee efficiency, provide increased public notice of intended Committee discussions, and enable improved follow-up by staff. Work Plans are dynamic documents managed by Committee Chairs and are subject to change.

The 2026 BAC work plan (Attachment 1) identifies planned discussion topics for the upcoming year and when those topics may appear before the committee.

Looking forward, the topics of discussion identified for May 20, 2026, BAC Meeting can be summarized as follows:

1. 2021 Permitting Best Practices Audit Status Update
2. Financial Status - Periodic Update
3. 2026 BAC Work Plan
4. 2026 Annual Audit Plan

Upon review, the BAC may make changes to be incorporated into the work plan.

ENVIRONMENTAL JUSTICE IMPACT:

The BAC Work Plan is not subject to environmental justice analysis. The BAC Work Plan serves as a tool utilized by the BAC to identify topics to be discussed during the public meeting and when that topic may be presented.

ATTACHMENTS:

Attachment 1: 2026 BAC Work Plan

UNCLASSIFIED MANAGER:

Wendy Ho, 408-630-3874

BOARD AUDIT COMMITTEE 2026 WORKPLAN

January 1, 2026 to December 31, 2026

| | DATE: | Jan-21 | Feb-18 | Mar-18 | Apr-15 | May-20 | Jun-17 | Jul-15 | Aug-19 | Sep-16 | Oct-21 | Nov-18 | Dec-16 |
|--|--|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|
| No. of Topics: | | 8 | 5 | 6 | 5 | 4 | 5 | 2 | 4 | 7 | 6 | 3 | 3 |
| # Board Audit Committee Management | | | | | | | | | | | | | |
| 1 | Discuss and Conduct Annual Self-Evaluation | • | | | • | | | | | | | | |
| 2 | Request and Discuss CAE Activity Report to Evaluate Performance | • | | • | | | | | | | | | |
| 3 | Discuss Board Audit Committee Audit Charter | | | • | | | | | | | | | |
| 4 | Discuss Scope of Annual Audit Training | | | • | | | | | | | | | |
| 5 | Receive Annual Audit Training | | | | | | • | | | | | | |
| 6 | Review and Update BAC Work Plan | • | • | • | • | • | • | • | • | • | • | • | • |
| 7 | Provide Draft BAC Work Plan for Upcoming Year | | | | | | | | | | | | • |
| Board Audit Committee Special Requests | | | | | | | | | | | | | |
| 8 | Review of Joint Powers Authority (JPA) audits | | | | | | • | | | | | | |
| 9 | Discuss Initiating Chief Audit Executive RFP | • | • | | | | | | | | | | |
| 10 | Discuss Plante Moran Contract (expires 07/05/26) | • | | | | | | | | | | | |
| Board-directed Audits | | | | | | | | | | | | | |
| 11 | 2021 Permitting Best Practices | | | | | • | | | | | | | |
| 12 | 2023 CIP Performance | | | | | | | | | • | | | |
| 13 | 2024 Human Resources Audit | | | | • | | | | | | | | |
| 14 | 2024 Information Technology Audit (Closed-Session) | | | | • | | | | | | | | |
| 15 | 2024 Board Policies and Compliance Audit | | | | | | | | | | | | |
| 16 | 2025 Water Conservation Audit | • | | | | | | | | | | | |
| 17 | 2025 Centralized and Decentralized Contracting Practices | | | | | | | | | | | | |
| 18 | 2025 Capital Project Delivery Audit | | | | | | | | | | | | |
| 19 | 2025 Water Usage and Demand Forecasting Audit | | | | | | | | | | | | |
| 20 | 2026 Audit - TBD | | | | | | | | | | | | |
| Other Audits | | | | | | | | | | | | | |
| 21 | 2024 SCW Program Performance Audit | | | | | | | | | | • | | |
| CAE Standing Topics | | | | | | | | | | | | | |
| 22 | Review and Update Annual Audit Plan | • | • | • | • | • | • | • | • | • | • | • | • |
| 23 | Discuss next Annual Audit Plan | | | | | | | | • | • | | | |
| 24 | Discuss Draft 2027 Annual Audit Plan | | | | | | | | | | • | | |
| 25 | Discuss Proposed 2027 Annual Audit Plan, Assign Audit Firms, and Recommend Proposed 2027 Annual Audit Plan with assignments for Board Approval | | | | | | | | | | | • | |
| Miscellaneous 3rd-Party Financial Audits | | | | | | | | | | | | | |
| 26 | Financial Status - Periodic Updates | | • | | | • | | | | • | | | |
| 27 | Discuss Audit for upcoming Fiscal Year (presented by Vasquez) | | | | | | • | | | | | | |
| 28 | Audit Report of the Water Utility Enterprise Funds | | | | | | | | | • | | | |
| 29 | Audited Financial Statements | | | | | | | | | | • | | |
| 30 | Single Audit Report | | | • | | | | | | | | | |
| Staff Standing Topics | | | | | | | | | | | | | |
| 31 | Audit Recommendations Implementation Status | | • | | | | | | • | | | | |
| 32 | Receive Audit Analysis Report from CAE | • | | | | | | | | | • | | |
| Committee Clerk Action Items (not included in count shown in Row 3 above) | | | | | | | | | | | | | |
| 33 | Provide BAC Summary Report to full Board | • | • | • | • | • | • | • | • | • | • | • | • |
| 34 | Election of BAC Chair and Vice Chair | • | | | | | | | | | | | |
| BAC Topics for Future Work Plan | | | | | | | | | | | | | |
| 35 | Provide Report on Tri-annual Risk Assessment (Target CY 2026) | | | | | | | | | • | | | |

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Santa Clara Valley Water District

File No.: 26-0343

Agenda Date: 4/15/2026
Item No.: 6.1.

NON-EXHIBIT/CLOSED SESSION ITEM

SUBJECT:

CONFERENCE WITH LEGAL COUNSEL - THREAT TO PUBLIC SERVICES OR FACILITIES
(Pursuant to Government Code Section 54957(a))

Consultation with Information Technology: Interim Chief Executive Officer, Melanie Richardson; Chief Operating Officer, Tina Yoke; Deputy Administrative Officer, Cecil Lawson; Information Technology Manager, Chris Cannard; District Counsel, Carlos Orellana; and Senior Assistant District Counsel, Linda Mason.

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