



Margaret Abe-Koga, Chair  
City of Mountain View

Howard Miller, Vice Chair  
City of Saratoga

Liz Gibbons  
City of Campbell

Rod Sinks  
City of Cupertino

Fred M. Tovar  
City of Gilroy

Jeannie Bruins  
City of Los Altos

Courtenay C. Corrigan  
Town of Los Altos Hills

Marico Sayoc  
Town of Los Gatos

Bob Nuñez  
City of Milpitas

Javed Ellahie  
City of Monte Sereno

Yvonne Martinez Beltran  
City of Morgan Hill

Susan Ellenberg  
County of Santa Clara

Nancy Smith  
City of Sunnyvale

## Silicon Valley Clean Energy Audit Committee Meeting

Wednesday, June 5, 2019  
11:30 am

Silicon Valley Clean Energy Office  
Conference Room  
333 W El Camino Real, Suite 290  
Sunnyvale, CA

### AGENDA

#### Call to Order

#### Roll Call

#### Public Comment on Matters Not Listed on the Agenda

*The public may provide comments on any item not on the Agenda. Speakers are limited to 3 minutes each.*

#### Consent Calendar (Action)

- 1) Approve Minutes of the February 4, 2019, Audit Committee Meeting

#### Regular Calendar

- 2) Selection of Chair for the 2019 Audit Committee (Action)
- 3) Automated Meter Infrastructure Audit Results (Discussion)
- 4) Information Technology Audit Results (Discussion)
- 5) Report on Cybersecurity Request for Information Results (Discussion)
- 6) 2019 Audit Committee Meeting Schedule (Action)

#### Committee/Staff Remarks

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333 W El Camino Real  
Suite 290  
Sunnyvale, CA 94087

#### Adjourn



**Silicon Valley Clean Energy  
Audit Committee Meeting**

Monday, February 4, 2019  
8:00 am

Silicon Valley Clean Energy Office  
Conference Room  
333 W El Camino Real, Suite 290  
Sunnyvale, CA

**DRAFT MINUTES**

City of Campbell

City of Cupertino

City of Gilroy

City of Los Altos

**Call to Order**

Town of Los Altos Hills

Director Corrigan called the meeting to order at 8:14 a.m.

Town of Los Gatos

**Roll Call**

A roll call was not heard. All committee members were present.

City of Milpitas

**Present:**

Director Jeannie Bruins, City of Los Altos  
Director Courtenay Corrigan, Town of Los Altos Hills  
Director Nancy Smith, City of Sunnyvale

City of Monte Sereno

**Absent:**

None.

City of Morgan Hill

**Public Comment on Matters Not Listed on the Agenda**

No public speakers.

City of Mountain View

**Consent Calendar**

County of Santa Clara

MOTION: Director Smith moved and Director Bruins seconded the motion to approve the consent calendar.

City of Saratoga

The motion carried unanimously.

**1) Approve Minutes of the January 16, 2019, Audit Committee Meeting**

City of Sunnyvale

**Regular Calendar**

**2) Receive Financial Auditor Report from Pisenti & Brinker, LLP (Discussion)**

Director of Finance and Administration Don Eckert introduced Brett Bradford, CPA of Pisenti and Brinker LLP, and Michael Maher, CPA of Maher Accountancy. Bradford presented a PowerPoint presentation of the draft financial audit results and responded to committee member questions.

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Draft Minutes of 2/4/19 Audit Committee Meeting



City of Campbell

Mike Maher provided additional information regarding a user entity controls audit.

City of Cupertino

Management Analyst Nik Zanotto provided information regarding IT controls and the security measures in place at SVCE.

City of Gilroy

Director Smith requested a definition of noncurrent assets be included in the notes section of the report.

### **3) Request for Information on Addition of Cybersecurity Information (Action)**

City of Los Altos

Director of Finance and Administration presented the staff report on a request to issue a request for information (RFI) on cybersecurity.

Town of Los Altos Hills

Director Smith identified the following typographical errors in the draft RFI: Section 3.1.2, "Responds may comment..." should be "Respondents may comment..."; Section 3.1.5, "...such as by altering IT to suspicious activity" should be "such as by alerting IT to suspicious activity"; and Section 4.3.3, the reference to "Section 2 of the white paper" should be changed to "Section 3 of the white paper".

Town of Los Gatos

Director Smith suggested staff review the Center for Internet Security website, which lists controls and standards for cybersecurity.

City of Milpitas

MOTION: Director Bruins moved and Director Smith seconded the motion to approve the RFI, as amended with Director Smith's edits.

City of Monte Sereno

The motion carried unanimously.

City of Morgan Hill

### **4) Information Technology Audit Update (Discussion)**

Management Analyst Zanotto provided an oral update on the information technology update, noting it would be complete for the next committee meeting.

City of Mountain View

### **5) Automated Meter Infrastructure Audit Update (Discussion)**

County of Santa Clara

Director of Finance and Administration introduced the item and a PowerPoint presentation; Management Analyst Zanotto provided additional information on the differences between an annual IT audit versus the Automated Meter Infrastructure Audit and responded to committee member questions.

City of Saratoga

#### **Committee/Staff Remarks**

The committee was in consensus to schedule a tentative meeting on April 29, 2019 at 8:30 a.m. for the next meeting of the Audit Committee.

City of Sunnyvale

#### **Adjournment**

Director Corrigan adjourned the meeting at 9:09 a.m.



**Staff Report – Item 2**

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To: Silicon Valley Clean Energy Audit Committee

From: Girish Balachandran, CEO

**Item 2: Selection of Chair for the 2019 Audit Committee**

Date: 6/5/2019

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**RECOMMENDATION**

Establish a Chair of the Audit Committee to preside over Committee meetings.

**BACKGROUND**

At the February 14, 2018 SVCE Board of Directors meeting, the Board approved the formation of an Audit Committee, consistent with Board Policy FP1-A, *Establish Audit Committee*.

**ANALYSIS & DISCUSSION**

As a permanent standing committee of the Board of Directors, the Audit Committee is subject to the Brown Act for all meetings. In order to provide for efficient and reliable Committee meeting organization, Staff recommends the Committee appoint a Chair to preside over its meetings.

**STRATEGIC PLAN**

N/A

**ALTERNATIVE**

This item is for discussion; staff is open to any suggestions from the committee.



**Staff Report – Item 3**

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To: Silicon Valley Clean Energy Audit Committee

From: Girish Balachandran, CEO

**Item 3: Automated Meter Infrastructure Audit Results**

Date: 6/5/2019

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**This item will be addressed in the form of a presentation to the Audit Committee by Abbott, Stringham & Lynch (ASL) and Hutchinson Bloodgood LLP (HBLP). A copy of the independent accountant’s report on applying agreed-upon procedures is attached.**



**SILICON VALLEY CLEAN ENERGY AUTHORITY**

**INDEPENDENT ACCOUNTANT'S REPORT ON  
APPLYING AGREED-UPON PROCEDURES**

**REPORTING YEAR 2018**

## INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES

Board of Directors  
Silicon Valley Clean Energy Authority  
Sunnyvale, California

and

California Public Utilities Commission  
San Francisco, California

We have performed the procedures enumerated below, which were agreed to by Silicon Valley Clean Energy Authority ("SVCE") and the California Public Utilities Commission ("CPUC") (the specified parties), solely to assist SVCE with respect to complying with third party verification requirements of Decision 12-08-045 (the "Decision") as it relates to SVCE's internal privacy and data security policies regarding "Covered Information", as defined in the Decision, for the period from inception of operations, April 1, 2017, through December 31, 2018. SVCE's management is responsible for its compliance with those requirements. The sufficiency of these procedures is solely the responsibility of the parties specified in this report. Consequently, we make no representation regarding the sufficiency of the procedures enumerated below either for the purpose for which this report has been requested or for any other purpose.

Our procedures and findings are as follows:

1) We obtained the following documents from SVCE:

- List of all customers from which SVCE collected Covered Information
- Latest privacy notice (version prior to December 31, 2018) provided to customers
- Internal privacy and data security policies
- Categories of agents, contractors, and other third parties to which SVCE disclosed Covered Information for a primary purpose
- List of agents, contractors, and other third parties to which SVCE disclosed Covered Information for a secondary purpose, if any
- List of disclosures pursuant to legal requests, if any
- List of security breaches, if any

2) We performed the following procedures with respect to these documents:

A. Data Security and Information Technology (IT) Environment and Controls:

- i. The internal and external security vulnerability scans were performed by third party IT Specialists to ascertain that SVCE implemented technical and physical safeguards to protect Covered Information from unauthorized access, destruction, use, modification, or disclosures. We obtained the work of the IT Specialists that reported the results of their procedures as follows:
  1. Based on the IT security vulnerability scans performed, the IT Specialists noted that SVCE implemented technical and physical safeguards to protect Covered Information from unauthorized access, destruction, use, modification, or disclosures. No exceptions were noted.

A. Data Security and Information Technology (IT) Environment and Controls (continued):

- ii. Ascertain that upon any breach affecting 1,000 or more customers, SVCE notified the CPUC within two weeks of the detection, or within one week of notification.
  - 1. Upon inquiry of SVCE's management, management represented that SVCE did not have any breach affecting 1,000 or more customers during the period from inception of operations, April 1, 2017, through December 31, 2018. As such, this step was not applicable and was not performed.

B. Transparency:

- i. Ascertain that a privacy notice was provided to customers from which SVCE collected Covered Information.
  - 1. We noted that SVCE's privacy notice is available at all times at <https://www.svcleanenergy.org/customer-confidentiality>. Furthermore, the link to this policy is included on each customer's monthly utility bill on an annual basis. Any changes to this policy between notification periods will be communicated through SVCE's website. No exceptions were noted.
- ii. We inspected the latest privacy notice and ascertained that it contained the language described in the Decision. No exceptions were noted.

C. Use and Disclosure:

- i. Ascertain that authorizations were obtained from customers for the disclosure of Covered Information to third parties for a primary purpose, other than to an entity exempted under Decision 12-08-045, Attachment B, 6(b) and 6(c).
  - 1. Upon inquiry of SVCE's management, management represented that SVCE did not disclose Covered Information to third parties for a primary purpose, other than to an entity exempted under Decision 12-08-045, Attachment B, 6(b) and 6(c), during the period from inception of operations, April 1, 2017, through December 31, 2018. As such, this step was not applicable and was not performed.
- ii. Ascertain that authorizations were obtained from customers for the disclosure of Covered Information to third parties for a secondary purpose.
  - 1. Upon inquiry of SVCE's management, management represented that SVCE did not disclose Covered Information to third parties for a secondary purpose during the period from inception of operations, April 1, 2017, through December 31, 2018. As such, this step was not applicable and was not performed.
- iii. Ascertain that a notice was provided to the applicable customer within seven days for the disclosure of Covered Information as a result of a subpoena or legal proceedings.
  - 1. Upon inquiry of SVCE's management, management represented that SVCE did not disclose Covered Information to third parties as a result of a subpoena or legal proceedings during the period from inception of operations, April 1, 2017, through December 31, 2018. As such, this step was not applicable and was not performed.



D. Data Minimization:

- i. Ascertain that Covered Information was maintained only for as long as reasonably necessary or as authorized by the CPUC to accomplish a specific primary purpose or for a specific secondary purpose authorized by the customers.
  1. We noted that SVCE has in place records retention policies and procedures to ensure that the use and retention of Covered Information is minimized if followed. No exceptions were noted.

This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. We were not engaged to and did not conduct an examination or review, the objective of which would be the expression of an opinion or conclusion, respectively, on SVCE's compliance with the requirements of Decision 12-08-045. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to Silicon Valley Clean Energy Authority and the California Public Utilities Commission.

This report is intended solely for the information and use of the specified parties listed above, and is not intended to be and should not be used by anyone other than these specified parties.



April 23, 2019



**Staff Report – Item 4**

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To: Silicon Valley Clean Energy Audit Committee

From: Girish Balachandran, CEO

**Item 4: Information Technology Audit Results**

Date: 6/5/2019

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**This item will be addressed in the form of an oral report to the Audit Committee.**



## Staff Report – Item 5

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To: Silicon Valley Clean Energy Audit Committee

From: Girish Balachandran, CEO

**Item 5: Report on Cybersecurity Request for Information Results**

Date: 6/5/2019

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### **RECOMMENDATION**

This item is informational and will cover findings from SVCE's Request for Information (RFI) related to cybersecurity risks.

### **BACKGROUND**

In March 2019, SVCE issued an RFI to further assess cybersecurity preparedness for the agency and the Community Choice Aggregator (CCA) industry.

The RFI's purpose was to gather intelligence from the information technology community with a broad scope of best practices for cybersecurity including:

- Governance and Risk Assessment
- Access Rights and Controls
- Data Loss Prevention
- Vendor Management
- Training
- Other Recommendations

### **ANALYSIS & DISCUSSION**

As a result of the responses received, SVCE has prepared recommendations for addressing cybersecurity which will be presented as an oral report to the committee.

### **STRATEGIC PLAN**

This report supports the Information Technology goals of the strategic plan.

### **FISCAL IMPACT**

There is no fiscal impact to the agency as a result of the RFI.



### Staff Report – Item 6

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To: Silicon Valley Clean Energy Audit Committee

From: Girish Balachandran, CEO

**Item 6: 2019 Audit Committee Meeting Schedule**

Date: 6/5/2019

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#### **RECOMMENDATION**

Approve a meeting date and time for the next 2019 Audit Committee meeting.

#### **BACKGROUND**

At the February 14, 2018 Board of Directors meeting, the SVCEA Board approved FP1-A, *Establish Audit Committee*. The purpose of the Audit Committee, among other things is to:

- Oversee the accounting and financial reporting process and the audit of the Agency’s financial statements by the independent auditor; and
- Monitor compliance with the conflict of interest policy
  - Each member shall be free of any relationship that, in the opinion of the Board of Directors, would interfere with his or her individual exercise of independent judgement.

#### **ANALYSIS & DISCUSSION**

Staff would like to schedule the next Audit Committee meeting for 2019, preferably in the first two weeks of December, to kick off the FY 2018-19 Financial Audit.

The meeting would be held at the SVCE office located at 333 W. El Camino Real, Suite 290 in Sunnyvale.

#### **STRATEGIC PLAN**

N/A

#### **ALTERNATIVE**

This item is for discussion; staff is open to any suggestions from the committee.

#### **FISCAL IMPACT**

No fiscal impact as a result of selecting a committee meeting date and time.