



**Silicon Valley Clean Energy
Audit Committee Meeting**

Monday, October 6, 2025
1:00 p.m.

Silicon Valley Clean Energy Office
333 W. El Camino Real, Suite 330
Sunnyvale, CA

City of Gilroy City Hall
7351 Rosanna Street
Gilroy, CA 95020

MEETING MINUTES

Call to Order

Chair Mekechuk called the meeting to order at 1:07 p.m.

Roll Call

Present:

Bryan Mekechuk (Chair), Monte Sereno
Sergio Lopez (Vice Chair), Campbell
Harjot Sangha, Gilroy (participated remotely)

Absent:

George Tyson, Los Altos Hills

Public Comment on Matters Not Listed on the Agenda

No speakers.

Consent Calendar

Chair Mekechuk opened Public Comment.

No speakers.

Chair Mekechuk closed Public Comment.

MOTION: Vice Chair Lopez moved and Committee member Sangha seconded the motion to approve the Consent Calendar.

The motion carried by verbal roll call vote with Director Tyson absent.

1) Approve Minutes of the February 28, 2025, Audit Committee Meeting



Regular Calendar

Prior to Item 2, Amrit Singh, Chief Financial Officer (CFO), provided a CFO Report which included an update on establishing a Rate Stabilization Fund under Governmental Accounting Standards Board (GASB) 62 as discussed at the last committee meeting. CFO Singh shared preliminary information on projected numbers for the end of the 2025 fiscal year. Chair Mekechuk suggested a CFO Report item be included on future agendas.

2) Implementation of GASB 96, Accounting for Subscription-Based Information Technology Arrangements (Discussion)

CFO Singh introduced Mike Maher of Maher Accountancy who presented information on the implementation of GASB 96. Presentation information included:

- Background on what GASB 96 covers, which is Subscription-Based IT Arrangements (SBITAs) such as cloud software and certain IT services;
- The application of GASB 96 to SVCE;
- Materiality and estimated impact for Fiscal Year ending September 30, 2025; and
- Next steps to continue analyzing contracts annually and consideration to formalize a policy with specific thresholds for recognition

Mr. Maher and staff responded to questions and comments from the committee on next steps, establishing a capitalization threshold for SBITAs, how for past fiscal years materiality was determined for not applying GASB 96, and if GASB 96 is not implemented then what the accumulated impact would be on the financial statements over several years.

Kellin Gilbert of Sorren CPAs, P.C., SVCE's external financial auditor, clarified that reporting of SBITAs was not previously missed, but was something discussed with Mr. Maher during the period that it would be implemented, analysis was reviewed, and it was concluded that the SBITAs weren't material.

Committee members supported creating a policy for establishing a capitalization threshold for GASB 96 treatment of SBITAs.

Chair Mekechuk opened Public Comment.

No speakers.

Chair Mekechuk closed Public Comment.

3) SVCE Financial Audit Kick-off: Sorren CPAs, P.C. (Discussion)

Mr. Gilbert presented the kick-off for SVCE's year ended September 30, 2025 Financial Statements. Information included the firm's transition to Sorren CPAs, P.C., the anticipated audit timeline, relative roles and responsibilities of management and the auditor, risk assessment procedures for the year ended September 30, 2025, Statement on Auditing Standards No. 114 (SAS 114) pre-audit communication, and planned audit procedures for the year ended September 30, 2025.

Staff responded to comments and questions regarding implementation of GASB 62, and a request to assess how regulations could affect financial results.

Chair Mekechuk opened Public Comment.

No speakers.

Chair Mekechuk closed Public Comment.



4) Recommend Assignment of Auditor Contract to Sorren CPAs, P.C. (Action)

Michael Callahan, General Counsel, introduced the item and a recommendation for the Audit Committee's support to recommend the assignment of the auditor contract to Sorren CPAs, P.C.

Chair Mekechuk opened Public Comment.

No speakers.

Chair Mekechuk closed Public Comment.

CFO Singh noted the item would be brought to the November Board of Directors meeting on the Consent Calendar if approved.

MOTION: Vice Chair Lopez moved and Committee member Sangha seconded the motion to recommend the SVCE Board of Directors approve the assignment of the auditor contract from Kosmatka Donnelly & Co., LLP to Sorren CPAs, P.C.

The motion carried by verbal roll call vote with Director Tyson absent.

5) Information Technology and Cybersecurity Assessment Update (Discussion)

Nik Zannotto, Director of Operations, presented an update on Information Technology (IT) audits and cybersecurity posture. Main areas of discussion included IT department updates, SVCE's IT audits and assessments, SVCE's cybersecurity posture, and proposed discussion items for the next Audit Committee Meeting.

Director of Operations Zannotto responded to questions and comments from committee members on IT security in outsourcing accounting functions, and controls and confidentiality of data.

Chair Mekechuk opened public comment.

No speakers.

Chair Mekechuk closed public comment.

Committee/Staff Remarks

No comments.

Adjourn

Chair Mekechuk adjourned the meeting at 2:06 p.m.

ATTEST:

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Andrea Pizano

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Andrea Pizano, Board Secretary