



Silicon Valley Clean Energy Audit Committee Meeting

Wednesday, August 18, 2021
9:00 am

Margaret Abe-Koga, Chair
City of Mountain View

Liz Gibbons, Vice Chair
City of Campbell

Jon Willey
City of Cupertino

Zach Hilton
City of Gilroy

Neysa Fligor
City of Los Altos

George Tyson
Town of Los Altos Hills

Rob Rennie
Town of Los Gatos

Evelyn Chua
City of Milpitas

Javed Ellahie
City of Monte Sereno

Yvonne Martinez Beltran
City of Morgan Hill

Tina Walla
City of Saratoga

Gustav Larsson
City of Sunnyvale

Susan Ellenberg
County of Santa Clara

Pursuant to State of California Executive Order N-29-20, dated March 17, 2020, the meeting is conducted via teleconference.

DRAFT MINUTES

Chair Mekechuk noted due to connectivity issues, Vice Chair Wei would be chairing the meeting.

Call to Order

Vice Chair Wei called the meeting to order at 9:11 a.m. with all present committee members participating via teleconference.

Roll Call

Present:

Chair Bryan Mekechuk, City of Monte Sereno
Vice Chair Hung Wei, Cupertino
Director Evelyn Chua, Milpitas

Absent:

Director Yvonne Martinez Beltran, City of Morgan Hill

Comment on Matters Not Listed on the Agenda

The public may provide comments on any matter not listed on the Agenda provided that it is within the subject matter jurisdiction of SVCE. Speakers are customarily limited to 3 minutes each, however, the Committee Chair may increase or decrease the time allotted to each speaker based on the number of speakers, the length of the agenda and the complexity of the subject matter. Speaking time will not be decreased to less than one minute.

Vice Chair Wei opened public comment.

Seeing none, Vice Chair Wei closed public comment.

Consent Calendar (Action)

- 1) Approve Minutes of the March 3, 2021, Audit Committee Meeting

MOTION: Motion by Chair Mekechuk, second by Vice Chair Wei, to approve the March 3, 2021, Audit Committee Meeting minutes.

Motion passed by roll call vote 3/0/1.

AYES: 3	Directors:	Mekechuk, Wei, Chua
NOES: 0	Directors:	
ABSENT: 1	Director:	Martinez Beltran

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Suite 330
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At this time, Chair Mekechuk identified the 3 items he would like to see covered, so that the Auditor can anticipate and plan for these issues:

- 1) Identify any internal controls and weaknesses that the Auditor should address.
- 2) Identify key estimates for the Auditor to address, i.e., accounts receivable.
- 3) Identify key transactions for the Auditor in advance, rather than discover during the audit.

Regular Calendar

Due to prior Committee commitments CEO Balachandran suggested to hear Item 4 first, then proceed to Items 2 and 3.

MOTION: Motion by Director Chua, seconded by Chair Mekechuk to move agenda items being heard in the following order: 4, 2 and 3. Motion passed by roll call vote 3/0/1.

AYES: 3	Directors:	Mekechuk, Wei, Chua
NOES: 0	Directors:	
ABSENT: 1	Director:	Martinez Beltran

4) Financial Audit Kick-off (Discussion)

Amrit Singh, CFO for SCVE, introduced speakers Brett Bradford and Andrea Lifo with Pisenti and Brinker, SVCE Auditors.

Mr. Bradford reported he is planning the audit for the fiscal year that ends September 30, 2022. He has started preliminary conversations with Mike Maher and his team around the timing for receiving documents and draft financial statements to complete the audit.

Mr. Bradford noted that he has met with Dir. Mekechuk and Amrit on several occasions to review and anticipate large transactions that would be addressed in the audit. Mr. Bradford noted that they pay particular attention to allowances.

Director Chua asked what takeaways Pisenti and Brinker found.

Mr. Bradford noted that he had several meetings with staff regarding their internal review; noting that staff recognized weaknesses in some controls and implemented measures to address those. Mr. Bradford noted that the audit team will consider any information shared by management.

Amrit Singh noted that focus of Management Partners is to minimize SVCE's operational risk. We know there are holes and gaps in areas in which we can enhance management of operational risk.

Vice Chair Wei opened public comments, seeing none.



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Vice Chair Wei closed public comments

Chair Mekechuk requested a meeting with Mr. Bradford before year end. He also noted for the record; that the auditors are independent going forward and if there are any issues that they find during the audit that they should be confident they have open channels of communication to the committee.

2) Development of Controls Introduction (Discussion)

Jim Steele, Management Partners gave the staff report. He highlighted 3 specific projects to focus on; 1) creating budget model for 2022 year; 2) review financial policies and reporting practices, making recommendations to CEO for improvements; 3) preparing internal controls for best practices for procedures for CEO and staff in accordance with best practices.

Vice Chair Wei open public comments, seeing none.

Vice Chair Wei closed public comments

3) Internal Technology Audit Update (Discussion)

Kevin Armstrong, Administrative Services Manager gave the staff report and a PowerPoint presentation (available on the SVCE website). Mr. Armstrong noted the three audits covering different areas; 1) Information Technology Audit, currently in process with an expected completion in September 2021; 2) Advance Metering Infrastructure Audit, results due to CPUC by April 2022, expected start in Nov/Dec of 2021; 3) Security Review and Gap Assessment, currently in process, expected completion by end of year 2021.

Mr. Armstrong reported the following firms associated with these audits. 1) Information Technology Audit will be conducted by Hutchinson and Bloodgood via Abbott, Stringham, Lynch; 2) Advance Metering Infrastructure Audit conducted by Abbott, Stringham, Lynch; 3) Security Review and Gap Assessment, conducted by Securicon.

Each consultant gave a brief overview and PowerPoint presentation for each item (presentations provided on website).

Vice Chair Wei requested staff forward presentations to Committee members.

Vice Chair Wei opened public comments, seeing none.

Vice Chair Wei closed public comments

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Committee/Staff Remarks

No remarks, currently.

Adjourn

There being no further business, Vice Chair Wei adjourned the meeting at 10:25 a.m.



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ATTEST:

DocuSigned by:

Loni Frontella

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SECRETARY

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