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## Finance & Audit Committee Meeting

ACWA JPIA Executive Conference Room  
2100 Professional Drive,  
Roseville, CA 95661  
(800) 231-5742

**February 28, 2017**

This meeting consisted of a simultaneous WebEx teleconference call at the ACWA JPIA, 2100 Professional Drive, Roseville, CA 95661 and the following remote sites:

- Scaglione - 201 Vallecitos de Oro, San Marcos
- Corder – 10440 Ashford Street, Rancho Cucamonga
- Kilic – 3101 Forest Lake Road, Pebble Beach
- Ruettggers – 3200 Rio Mirada Drive, Bakersfield
- Smith – 3200 Rio Mirada Drive, Bakersfield

### MEMBERS PRESENT

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Chairman: Tom Scaglione, Vallecitos Water District *(via WebEx)*  
 Carrie Corder, Cucamonga Valley Water District *(via WebEx)*  
 Suha Kilic, Pebble Beach Community Services District *(via WebEx)*  
 Kevin Phillips, Paradise Irrigation District  
 Steve Ruettggers, Kern County Water Agency *(via WebEx)*  
 Jim Smith, Wheeler Ridge Maricopa Water Storage District *(via WebEx)*

### MEMBERS ABSENT

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Dennis Michum, Glenn-Colusa Irrigation District

### STAFF PRESENT

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Chief Executive Officer/Secretary: Walter “Andy” Sells  
 Carol Barake, Risk Management Program Manager  
 Linda Craun, Administrative Assistant II  
 David deBernardi, Director of Finance  
 Cece Reynolds, Accountant II (Recording Secretary)  
 Patricia Slaven, Director of Administration  
 Sandra Smith, Employee Benefits Manager  
 Dan Steele, Lead Accountant  
 Dianna Sutton, Finance Manager  
 Karen Thesing, Director of Insurance Services

### OTHERS IN ATTENDANCE

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David Drake, Rincon del Diablo Municipal Water District *(via WebEx)*  
 E.G. “Jerry” Gladbach, Castaic Lake Water Agency *(via WebEx)*  
 Bob Green, Gilbert Associates, Inc.  
 Brent Hastey, ACWA Vice President, Yuba County Water Agency *(via WebEx)*

W.D. "Bill" Knutson, Yuima Municipal Water District *(via WebEx)*  
Melody McDonald, San Bernardino Valley Water Conservation District *(via WebEx)*  
Bruce Rupp, Humboldt Bay Municipal Water District *(via WebEx)*  
Kevin Wong, Gilbert Associates, Inc.

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## **WELCOME**

Chairman Scaglione welcomed everyone in attendance.

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## **CALL TO ORDER AND ANNOUNCEMENT OF QUORUM**

Chairman Scaglione called the meeting to order at 1:05 p.m. He announced there was a quorum.

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## **ANNOUNCEMENT RECORDING OF MINUTES**

Chairman Scaglione announced that the meeting would be recorded to assist in preparation of minutes. Recordings are only kept 30 days following the meeting, as mandated by the California Brown Act.

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## **EVACUATION PROCEDURES**

Mr. Sells reviewed the building evacuation procedures.

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## **PUBLIC COMMENT**

Chairman Scaglione noted that, as the agenda stated, members of the public would be allowed to address the Finance & Audit Committee on any agenda item prior to the Committee's decision on that item. Comments on any issues on the agenda, or not on the agenda, were also welcomed. No comments were brought forward.

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## **INTRODUCTIONS**

Chairman Scaglione welcomed all in attendance.

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## **ADDITIONS TO OR DELETIONS FROM THE AGENDA**

Chairman Scaglione asked for any additions to, or deletions from, the agenda; none requested.

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## **APPROVAL OF MINUTES**

Chairman Scaglione called for approval of the minutes of the August 29, 2016 and October 4, 2016 meetings.

M/S/C (Corder/Phillips) (Corder-Yes; Kilic-Yes; Phillips-Yes; Ruetters-Yes; Smith-Yes; Scaglione-Yes: That the Finance & Audit Committee approve the minutes of August 29, 2016 and October 4, 2016 meetings.

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## **AUDIT UPDATE FOR YEAR ENDING SEPTEMBER 30, 2016**

Mr. deBernardi relayed that each year, the JPIA provides for an independent audit of the JPIA's financial statements. Mr. deBernardi introduced the JPIA's new auditors, Kevin Wong and Bob Green from Gilbert Associates. Gilbert Associates performed the

annual audit of the JPIA for the fiscal year of October 1, 2015 through September 30, 2016.

Historically the audit report is presented to the Finance & Audit Committee for review and input at the first meeting of the calendar year.

Mr. Wong presented an overview of the audit process and the use of Suralink, a new cloud based tool being utilized to complete the audit. Mr. Wong praised the level of preparation by management and staff relaying that the JPIA was the most prepared of any previous client.

The JPIA received an unmodified opinion. The drafted opinion stated that the financial statements presented fairly, in all material respects, the financial position of the JPIA as of September 30, 2016 and the results of its operations and cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

As in the previous year, the JPIA prepared a Comprehensive Annual Financial Report (CAFR) in accordance with the Government Finance Officers Association (GFOA) standards. Management intends to submit this report to the GFOA for review in order to again obtain a Certificate of Achievement for Excellence in Financial Reporting. Consequently, the annual report has additional reports therein to meet these high standards.

The auditors did not recommend any changes to the document and commended staff on the quality of reporting in the document.

Mr. Wong, presented the audited financial statements. The Committee and Executive Committee members in attendance were given the opportunity to speak without staff present. Staff was excused from the meeting at 1:44 p.m. for a confidential discussion.

M/S/C (Phillips/Corder) (Corder-Yes; Kilic-Yes; Phillips-Yes; Ruetters-Yes; Smith-Yes; Scaglione-Yes): That the Finance & Audit Committee approve the Audited Financial Statements for year ending September 30, 2016, and forward to the Executive Committee for approval, with final approval of the Board of Directors at Spring Conference.

## **MISCELLANEOUS**

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### Future Agenda Items

None stated.

### Availability for Upcoming Meeting(s)

The next scheduled Finance & Audit Committee meeting is Monday, March 20, 2017. No conflicts were noted.

The Finance & Audit Committee meeting adjourned at 1:51 p.m.