



**Silicon Valley Clean Energy
Audit Committee Meeting**

Friday, February 28, 2025
2:00 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 2:03 p.m.

Roll Call

Present:

Bryan Mekechuk (Chair), Monte Sereno
Sergio Lopez (Vice Chair), Campbell
George Tyson, Los Altos Hills
Harjot Sangha, Gilroy (Participated remotely)

Absent:

None

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: Director Tyson moved and Alternate Director Lopez seconded the motion to approve the Consent Calendar.

The motion carried unanimously by verbal roll call vote.

1) Approve Minutes of the October 21, 2024, Audit Committee Meeting

Prior to the Regular Calendar, Chair Mekechuk suggested Item 5) *Receive Financial Audit Report from Pisenti & Brinker, LLP and Recommend the SVCE Board of Directors Accept the Audit Findings*, be heard following Item 2; there were no objections from committee members.



Regular Calendar

2) Elect Chair and Vice Chair of the 2025 SVCE Audit Committee (Action)

Director Mekechuk expressed interest in serving as Chair of the 2025 Audit Committee and opened the floor for others interested in the role; no other committee members expressed interested.

MOTION: Alternate Director Lopez moved and Director Tyson seconded the motion to nominate Director Bryan Mekechuk to serve as Chair of SVCE's 2025 Audit Committee.

Chair Mekechuk opened public comment.

No speakers.

Chair Mekechuk closed public comment.

The motion carried unanimously by verbal roll call vote.

Following Chair Mekechuk's appointment as Chair, the Audit Committee proceeded with identifying a Vice Chair.

Alternate Director Lopez expressed interest in serving as Vice Chair of the 2025 Audit Committee.

MOTION: Committee member Sangha moved and Director Tyson seconded the motion to nominate Alternate Director Lopez to serve as Vice Chair of SVCE's 2025 Audit Committee.

Chair Mekechuk opened public comment.

No speakers.

Chair Mekechuk closed public comment.

The motion carried unanimously by verbal roll call vote.

Following the vote on Item 2, the Committee considered Item 5.

3) Overview of Committee Function (Discussion)

This item was heard following the vote on Item 5.

Amrit Singh, Chief Financial Officer (CFO) and Director of Administrative Services, presented an overview of the SVCE Audit Committee, which included:

- The purpose of the Audit Committee;
- An overview of SVCE's finance and accounting procedures, and the role of Maher Accountancy relating to finance functions and accounting services;
- Review of the purpose of the committee;
- An overview of the process of the completion of the Financial Audit;
- An overview of SVCE's IT audits; and
- Meeting timing

Chair Mekechuk provided a statement regarding closed sessions of Audit committee meetings.

Chair Mekechuk opened public comment.

No speakers.

Chair Mekechuk closed public comment.



4) Approve Assignment of Auditor Contract to Kosmatka Donnelly & Co. LLP (Action)

CFO and Director of Administrative Services Singh provided information regarding the merger of Pisenti & Brinker LLP, with Kosmatka Donnelly & Co. LLP, and recommended that the Audit Committee accept the assignment to Kosmatka Donnelly & Co. LLP for the remaining contract duration. CFO and Director of Administrative Services Singh noted if the committee were to support staff's recommendation, staff would include the item on the Consent Calendar for the Board of Directors consideration for approval at the next Board of Directors meeting.

Chair Mekechuk opened public comment.

No speakers.

Chair Mekechuk closed public comment.

Staff responded to committee member questions regarding audit partner contract terms.

MOTION: Director Tyson moved and Vice Chair Lopez seconded the motion to approve the assignment of auditor contract to Kosmatka Donnelly & Co. LLP.

The motion carried unanimously by verbal roll call vote.

Following the vote on Item 4, the committee heard Item 6.

5) Receive Financial Audit Report from Pisenti & Brinker, LLP and Recommend the SVCE Board of Directors Accept the Audit Findings (Action)

Item 5 was considered following the vote on Item 2.

Kellin Gilbert, CPA, Pisenti & Brinker LLP presented results of the current year financial audit, which was an unmodified opinion, and announced that Pisenti & Brinker LLP joined practices with Kosmatka Donnelly & Co., LLP, noting there would be no changes to staffing, costs or timing of services provided to SVCE.

Mr. Gilbert presented information on the roles and responsibilities of management and the auditor, risk assessment procedures, audit procedures, and required Board communications.

Mr. Gilbert responded to questions and comments from committee members regarding responsibilities and the differentiation between the financial statements and the Management's Discussion and Analysis (MD&A), notes to the financial statements and disclosure in the notes, and Maher Accountancy's role in the financial audit.

Chair Mekechuk opened public comment.

No speakers.

Chair Mekechuk closed public comment.

Director Tyson and Vice Chair Lopez provided supportive comments regarding the audit results.

MOTION: Vice Chair Lopez moved and Director Tyson seconded the motion to accept the results of the financial audit.

The motion carried unanimously by verbal roll call vote.

Following the vote on Item 5, the committee considered Item 3.



6) Establish Rate Stabilization Fund Under GASB 62 (Informational)

Item 6 was heard following Item 4.

CFO and Director of Administrative Services Singh provided a presentation regarding establishing a potential Rate Stabilization Fund under the GASB 62 accounting rule, that included the following:

- Discussion of accounting rule GASB 62; enabling revenue recognition deferment to a future period;
- CCA's usage of GASB 62;
- Financial statement impact;
- Potential impact on readers of financial statements;
- SVCE reserves and the Rate Stabilization Fund; and
- Criteria for deferring and recognizing revenues

Staff responded to questions and comments from committee members regarding the year end for Marin Clean Energy, clarification on the statement of net position and where the deferred inflows would be seen, adjustment of the rate stabilization balance, and the impetus behind the request to establish a Rate Stabilization Fund. CFO and Director of Administrative Services Singh noted the item would be brought to the Board of Directors on the Consent Calendar at the next Board of Directors meeting.

Chair Mekechuk opened public comment.

No speakers.

Chair Mekechuk closed public comment.

Public Comment on Closed Session

No speakers.

The Committee convened to Closed Session at 3:00 p.m.

Closed Session

THREAT TO PUBLIC SERVICES OR FACILITIES

Consultation with: Amrit Singh, Chief Financial Officer and Director of Administrative Services, Nik Zanolto, Senior Manager of IT and Administrative Services

The Committee returned from Closed Session at 3:38 p.m.

Report from Closed Session

Chair Mekechuk announced there was nothing to report.

Adjourn

Chair Mekechuk adjourned the meeting at 3:39 p.m.

ATTEST:

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Andrea Pizano, Board Secretary