



CUAHSI
allied for water science

CUAHSI Board Meeting Minutes
April 3, 2024

Roll Call

12 members are present, 10 needed for quorum. “X” indicates present

Term expires 12/31/2024

Alejandro Flores, Boise State University X
G.H. Crystal Ng, Univ. of Minnesota X
Steven Loheide, Univ. of Wisconsin - Madison X
Ashley Matheny, Univ. of Texas - Austin
Ashok Mishra, Clemson Univ. X
Åsa Rennermalm, Rutgers Univ.

Terms expires 12/31/2025

JP Gannon, Virginia Tech X
Drew Guswa, Smith College X
Hoori Ajami, Univ. of California - Riverside
Anne Jefferson, Univ. of Vermont (Chair) X
Jay Zarnetske, Michigan State Univ. (Past Chair) X

Term expires 12/31/2026

Safeeq Khan, Univ. of California, Merced X
Sarah Ledford, Georgia State Univ. (Chair Elect) X
Amy Burgin, Univ. of Kansas X
Darren Ficklin, Indiana Univ. X

Officers: (terms expire January 31, 2027)

Adam Ward, Oregon State University (Secretary) X
Steve Architzel, UC Santa Cruz (Treasurer) X

CUAHSI Staff Present: Jordan Read

Minutes prepared by Ward

Wednesday, 3-April-2024

13:01 US Eastern Call to Order

Executive Director Report (Read)

1. Finance and compliance
 - a. We are awaiting formal confirmation from NSF that the 2019 audit resubmission has been accepted by the agency and we can move forward with 2020. The auditors have assured us this will happen soon.
 - b. Sabino (Director of Finance) and Read (ED) are meeting with three leads from our NSF Cure Notice resolution team (Benson, Braxton, and Velez) this Friday to discuss our progress to-date, answer any questions NSF has, and to go over our current understanding of timelines for remaining audits.
 - c. CUAHSI now has two audit engagement letters for 2020: one from KVR (our 2019 auditor) and a second from Marcum (our planned 2022 auditor). These engagement letters have been reviewed by the Audit Committee. Marcum's audit package would include 2020-2022. Read expressed a need to make the commitment to an auditor in the near future.
 - d. ED Read has drafted a memo that covers current and planned CUAHSI service reductions that are designed to cut costs in 2024 and/or reduce overcommitments from the finance team, and expects to share this later in the week.
2. CUAHSI staffing
 - a. As shared via email, Deanna McCay (Deputy Director) and Maddie Scranton (Admin Assistant) have left CUAHSI. Exit interviews were completed for both and did not reveal any significant risks that were not already known to the ED or Board. Both had generally positive comments on their experience in CUAHSI.
 - b. CUAHSI is not planning on starting a hiring effort for at least a month, and the effort would be based on holistic needs in the role; unlikely to hire 1:1 replacements for either position. E.g., hiring "Director of Education" and more admin / project support role; Grants Specialist.
 - c. CUAHSI has transferred, or is in the process of transferring, Deanna's PI or lead roles to other staff, mostly to Read, Castronova, and Sosa-Gonzalez.
 - d. Khan asked about the future of the deputy director role, noting the need for institutional memory and operational redundancy. Read indicated that operational support internally was a higher priority in his view, noting that re-hiring in the role remains a possibility but not one that he is planning in the immediate future.
3. Misc. updates
 - a. CUAHSI April newsletter is coming out next week
 - b. [Instrumentation Discovery Travel Grant](#) application deadline is May 1st
 - c. [EarthScope](#), the NSF-funded geophysics consortium, has applied for and been granted CUAHSI affiliate member status.

Board Chair Report (Jefferson)

1. Jefferson summarized the exit interview she completed with D. McKay, noting a positive experience overall and emphasizing her departure is related to a personal health issue.
2. Jefferson reported that ExCom took action to approve the audit committee, dues for international members, and approval of EarthScope and Univ. of Rhode Island as members. She noted ExCom took action due to the lack of quorum at recent Board meetings, ensuring timely action on important matters for the organization.
3. **Approval of BoD minutes from February (2/7, 2/28) and March (3/6) meetings.**
 - a. **Motion: Ledford**
 - b. **Second: Zarnetske**
 - c. **Discussion: Ledford noted minutes from 2/14 need to be properly formatted before they are approved at a future meeting**
 - d. **Vote: Approved (unanimous)**
4. **Executive Director travel.** Read summarized anticipated travel to attend the CIROH summer institute. He provided information including: Tuscaloosa, AL April 22-25 (cost: \$1300; accounts billed: CIROH summer institute, admin, and CCA as this is multi-purpose; purpose: attend [Water Obs Forum](#), meet with Summer Institute partners, meet with USGS for instrumentation training, meet with potential CUAHSI sponsors)
 - a. **Approve ED travel as outlined above.**
 - i. **Motion: Ledford**
 - ii. **Second: Khan**
 - iii. **Discussion: (none)**
 - iv. **Vote: Approved (unanimous)**
5. **Board chair compensation.** Jefferson introduced the topic of compensation of the Board chair, having provided a briefing to the Board ahead of the meeting. In short, the Board chair and chair-elect have received compensation since 2006 for a portion of their time commitment to the organization. Duties for each role are summarized in a personal service agreement for each role, shared in the briefing. Jefferson noted that this approval should occur on an annual basis. She noted that these expenses are part of the NSF Core Cooperative Agreement and are allowable for the organization.
 - a. **The board authorizes the Executive Director to compensate the 2024 Chair up to \$15,000 and the 2024 Chair-Elect up to \$5,000 for their duties in service of CUAHSI, following execution of personal service agreement that specifies these duties.**
 - i. **Motion: Zarnetske**
 - ii. **Second: Khan**
 - iii. **Discussion:**
 1. **Ledford noted this will be an indirect cost rather than a direct cost in future fiscal years.**
 2. **Several Board members provided context, noting the parallels to compensation for editorial roles in journals. This also justifies the time and effort expended on the organization in terms of FTE.**
 - iv. **Vote:**
 1. **Approved (all but Ledford) - Motion Passes**
 2. **Abstained: Ledford**
 3. **Opposed: (none)**

Fundraising Update (Ledford)

1. Ledford reported that \$13k have been raised for the organization, which is modest progress toward the longer-term goal of the campaign. She requested the Board engage in contacting colleagues and potential funders, reminding the group where they can access the log for donor contacts.

Standing Committee Report (Sosa Gonzalez)

1. Sosa Gonzalez summarized her meetings with the standing committees, briefing them on the future of CUAHSI as an organization and reviewing the transition to advisory committees. The overarching sentiments were (a) support for formalizing the role of the committees, (b) enthusiasm for the future of the organization, and (c) a desire to understand the near- and long-term work that can be contributed by the committees.

Adjournment

Jefferson opened the floor to other business. Hearing none, the meeting was adjourned.

14:04 US Eastern Adjourned

Appendix

Excerpted and annotated from 2019 Audit report, dated 24 October 2023

Recommendations:

We offer multiple recommendations to address the immediate issues raised in the 2019 Audit Report and more generally to provide assistance to the Board of Directors (Board) in fulfilling its fiduciary responsibilities relating to accounting and reporting practices, with particular emphasis on preventing recurrence of the present situation. In what follows, we use the term “management” to refer to CUAHSI staff, including the Executive Director and possibly others.

Current status of these recommendations is identified in blue text.

Recommendations regarding the Board of Directors and Audit Committee

- Improve and make routine the annual audit process. Appoint the CUAHSI Audit Committee in January of each year (the start of the fiscal year). Terms should be for at least one year, with staggered multi-year terms being preferred for continuity. Management should correspond regularly with the Audit Committee to ensure the timely submission of financial statements, contracting of the independent auditor, and review of the audit report. The Audit Committee (collectively) should have the appropriate expertise and knowledge to evaluate financial statements, federal audits, and accounting practices.

These ideas have been embraced by the Board. We are in the process of establishing the Audit Committee for 2024.

- Ensure the Board of Directors fully understands its fiduciary risks and responsibilities. The preamble, drafted to accompany this report, should accompany all audit reports to the Board of Directors and should be updated as appropriate. That preamble defines vocabulary and lays out in broad terms the financial and accounting expectations for CUAHSI, drawing from the Uniform Guidance for federal awards located at 2 CFR Part 200, and can serve as context and orientation for the Board of Directors. Such a preamble could also be used as a stand-alone document as part of the on-boarding of new Directors.

The preamble will be included with all future reports from the Audit Committee.

- Ensure the Board of Directors fully understands its fiduciary risks and responsibilities. In January of each year, management should inform the Board regarding CUAHSI’s arrangements and policies on insurance and risk management for Board members and officers of the Consortium.

The CUAHSI Board of Directors was informed by the Secretary of the insurance carried by CUAHSI on behalf of the BoD at the January Board meeting.

- Ensure the Board of Directors fully understands their processes and procedures, including those related to the Board’s fiduciary responsibilities. Develop a robust set of materials (e.g., Board Book) that includes policies, procedures, and ways of conducting business that are not

necessarily documented in the bylaws. Such materials are to be readily available to all Directors (e.g., on a shared Google drive) and can be used as part of the on-boarding of new Directors.

This idea has been embraced in spirit and is (slowly) moving to operationalization. On-boarding of new Directors in January was more comprehensive and detailed than in the past. Efforts should continue to gather and document processes and make them easily findable.

- Consider changes to the bylaws of the Consortium pertaining to the Internal Audit Committee (Article VII, Section 5) to clarify the role of the committee and improve committee function. See Appendix A for specific suggestions.

Changes to by-laws will be considered by an ad hoc governance committee; however, the formation and action of that committee is lower priority this spring than other tasks.

- Consider changes to the charter for the Internal Audit Committee to align with the bylaws, clarify the role of the committee, and improve committee function. See Appendix B for specific suggestions.

Changes to the charter will be considered by an ad hoc governance committee; however, the formation and action of that committee is lower priority this spring than other tasks.

Recommendations regarding communications from the Executive Director to the Board of Directors on financial matters

- As soon as possible, Executive Director Read provides a detailed report to the entire CUAHSI Board of Directors on financial and accounting actions taken since May 2023 that includes names, roles, dates of hires, trainings taken or planned, etc., and plans for future actions with associated timelines and milestones. This should include a description of the financial and accounting systems that have recently been put into place. The progress updates to the NSF could form the basis of this report. At the January Board meeting (or sooner), Executive Director Read provides an opportunity for Q&A from the Board regarding that detailed report.

Jordan introduced/reviewed the new financial and accounting hires: Maureen Ako, Controller; Laura Davis, Accountant; Lindsay Platt, data scientist. Maureen was instrumental in preparing the 2019 SEFA and doing the associated forensic work. Jordan continues to share the 6-week updates on finances that he sends to the NSF. Jordan also provided a detailed overview of CUAHSI's financial situation at January Board meeting

- Management copies all members of the Board of Directors on the progress updates to the NSF (currently being submitted every six weeks). On a quarterly basis (or more frequently), management provides an update, followed by Q&A, to the Board, as part of their regular Board meetings, on financial and accounting actions taken, updates or changes, and milestones achieved. These quarterly conversations should commence in January 2024 and continue until such time as the annual audit process becomes a routine activity, CUAHSI receives an unqualified audit opinion on its finances and federal awards, and CUAHSI is considered a low-risk auditee.

Jordan provided a financial update in January 2024. He also continues to copy the BoD on progress updates to the NSF. We did not decide if we should have quarterly updates on finances and accounting actions. Drew plans to work with our Treasurer, Steve Architzel, and Audit Committee members to determine the appropriate frequency, medium, and nature of financial updates.

- Should management receive a notice from the NSF, or any other sponsor or funder, that indicates a concern or weakness related to financial management, that notice is to be shared immediately with the Board and should be discussed by management and the Board no later than at the next Board meeting. It also seems like a best practice that such notices of financial concern or weakness be communicated directly from the sponsor to more than one individual at CUAHSI; we recommend that CUAHSI inquire if the Chair of the Board, in addition to management, could receive such notices directly from the NSF and other sponsors.

I think the notion that Jordan should immediately share notices of financial concern was embraced by the Board. We have not yet inquired whether the Chair of the BoD (or other CUAHSI representatives) can also receive communications regarding concerns from funders.

Recommendations regarding finance, accounting, and administration

- discontinue the relationship with the external finance and accounting firm, Charles River CFO, which seems to lack the skills, knowledge, and experience needed to administer large federal grants. We suggest that CUAHSI continue to hire and invest in staff internally.

Done. Financial and accounting staff are now CUAHSI employees.

- proceed with the corrective actions as outlined by Executive Director Read in the 9 August 2023 status memo to the National Science Foundation related to progress made in addressing concerns raised by NSF. This includes completion and submission of delinquent single audit reports to the Federal Audit Clearinghouse and submission of federally negotiated indirect cost rate proposals.

Active and on-going

- management to review and update existing policies and create new policies as needed to establish internal controls and properly manage and expend federal funds (e.g., travel, purchasing/procurement, reimbursement, subaward management, unallowable costs, time and effort, program income).

Active and on-going