

**THE METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA**

**MINUTES**

**AUDIT AND ETHICS COMMITTEE**

June 28, 2022

Chair Ramos called the teleconference meeting to order at 9:30 a.m.

Members present: Chair Ramos, Vice Chair McCoy, Directors Ackerman (entered after roll call), Blois (entered after roll call), Dennstedt, Jung, Kurtz, Record and Smith.

Members absent: Director Hawkins

Other Board Members present: Directors Abdo, Atwater, Cordero, De Jesus, Dick, Erdman, Fellow, Fong-Sakai, Goldberg, Gray, Miller, Morris, Ortega, Peterson, Pressman and Tamaribuchi.

Committee Staff present: Hagekhalil, Salinas, Scully, Shope, Rodriguez, Tonsick, H. Beatty, and Von Haam.

**1. OPPORTUNITY FOR MEMBERS OF THE PUBLIC TO ADDRESS THE COMMITTEE ON MATTERS WITHIN THE COMMITTEE'S JURISDICTION**

- 1) Ellen Mackey, Environmental Specialist at Metropolitan, spoke in support of a Code of Conduct for Board Members.

**CONSENT CALENDAR ITEMS — ACTION**

**2. CONSENT CALENDAR OTHER ITEMS – ACTION**

- A. Approval of the Minutes of the meeting of the Audit and Ethics Committee held May 24, 2022.

Director Ackerman entered the meeting.

**3. CONSENT CALENDAR ITEMS – ACTION**

None

Director Jung made a motion, seconded by Director McCoy to approve the consent calendar consisting of item 2A.

The vote was:

Ayes: Directors Dennstedt, Jung, Kurtz, McCoy, Ramos, Record, and Smith

Noes: None

Abstentions: Ackerman

Absent: Blois and Hawkins

The motion for item 2A a passed by a vote of 7 ayes, 0 noes, 1 abstain, and 2 absent.

## **END OF CONSENT CALENDAR ITEMS**

### **4. OTHER BOARD ITEMS – ACTION**

None

### **5. BOARD INFORMATION ITEMS**

None

### **6. COMMITTEE ITEMS**

- a. Subject: Discussion on KPMG External Audit Fiscal Year 2021/22 Audit Plan
- Presented by: John Tonsick, Assistant General Auditor  
Brianne Weise, KPMG

Mr. Tonsick highlighted the letter that KPMG sent to the Board of Directors and asked if there are any questions.

The following Director asked questions or provided comments:

1. Dennstedt

Ms. Weise responded to Directors' comments or questions

- b. Subject: Update on response to State Auditor recommendations
- Presented by: Abel Salinas, Ethics Officer  
Kelli Shope, Assistant Ethics Officer

Ms. Shope gave a presentation on the response to the State Audit findings regarding the Ethics Office and highlighted the following areas:

- Methodology/review of audit recommendations
- Progress on proposed Administrative Code amendments/examples of draft language
- Next steps
- Opportunity for feedback

The following Directors asked questions or provided comments:

1. Smith
2. Ortega
3. Record
4. Peterson
5. Ramos

Staff responded to Directors' comments or questions

Director Blois entered the meeting

- c. Subject: Discussion of independent oversight programs in public agencies; potential applications at Metropolitan

Presented by: Abel Salinas, Ethics Officer

Mr. Salinas gave a presentation on the State Audit findings regarding the Ethics Office and highlighted the following areas:

- Public agencies with oversight programs
- Opportunity
- Requirements to initiate ethics investigations
- Complaints and concerns
- Concept
- Benefits of reviews

The following Directors asked questions or provided comments:

1. Smith
2. Record

## **7. MANAGEMENT REPORTS**

a. Subject: Interim General Auditor's report

Presented by: John Tonsick, Interim General Auditor

Mr. Tonsick had nothing to add to his report.

b. Subject: Ethics Officer's report

Presented by: Abel Salinas, Ethics Officer

Mr. Salinas reported that since May, the Ethics Office has not initiated any new investigations. The Ethics Office currently has a total of three pending investigations, expected to be completed within the next six months.

## **8. FOLLOW-UP ITEMS**

None

## **9. FUTURE AGENDA ITEMS**

- 1) Code of Conduct for Board members.
- 2) Review of ad hoc subcommittee process for EEO investigations of directors and department heads.
- 3) Review alternative organization structure models for independent internal oversight and review, including consideration of independence between audit and ethics functions.

## **10. ADJOURNMENT**

Meeting adjourned at 10:51 a.m.

Marsha Ramos  
Chair