THE METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA

MINUTES

Special Audit Committee

June 23, 2025

Chair Armstrong called the meeting to order at 1:45 p.m.

Members present: Directors Armstrong, De Jesus (teleconference posted location), Dick, Fong-Sakai (teleconference posted location), and Ramos (teleconference posted location).

Members absent: Director Gray.

Other Board Members present: Directors Bryant, Dennstedt (teleconference posted location), Erdman (teleconference posted location), Faessel, Garza, Jay, Kurtz, Lewitt, Luna, McCoy, Miller (teleconference posted location), Ortega, Seckel, and Shepherd Romey.

Committee Staff present: Andrus, Elias, Parsons, Rubin, and Suzuki.

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

NONE

2. MANAGEMENT ANNOUNCEMENTS AND HIGHLIGHTS

A. Subject: General Auditor's Quarterly Report

Presented by: Scott Suzuki, General Auditor

Mr. Suzuki reported on the General Auditor's activities for the quarter ended March 31, 2025.

The following Directors asked questions and provided comments:

1. Faessel
2. Miller

Staff responded to the Directors' questions and comments.

<u>**CONSENT CALENDAR ITEMS – ACTION**</u>

3. CONSENT CALENDAR OTHER ITEMS – ACTION

A. Subject: Approval of the Minutes of the Special Audit Committee for April 22, 2025

4. CONSENT CALENDAR ITEMS – ACTION

7-1	Subject:	Approve General Auditor's Internal Audit Plan for fiscal year 2025/26; the General Manager has determined that the proposed action is exempt or otherwise not subject to CEQA
	Presented by:	Chris Gutierrez, Program Manager – Audit Sherman Hung, Principal Auditor Neena Mehta, Senior Deputy Auditor
	Motion:	Approve General Auditor's Internal Audit Plan for fiscal year 2025/26

Mr. Suzuki introduced staff who would present the General Auditor's Internal Audit Plan for fiscal year 2025/26.

The following Directors asked questions and provided comments:

1. Fong-Sakai
2. Ortega
3. Armstrong
4. Lewitt
5. Ramos

Staff responded to the Directors' questions and comments.

After completion of the presentation, Director Fong-Sakai made a motion, seconded by Director De Jesus, to approve the consent calendar consisting of items 3A and 7-1, option 1.

The vote was:

Ayes:	Directors Armstrong, De Jesus, Dick, Fong-Sakai, and Ramos
Noes:	None
Abstentions:	None
Absent:	Director Gray

The motion for items 3A and 7-1 passed by a vote of 5 ayes, 0 noes, 0 abstentions, and 1 absent.

****END OF CONSENT CALENDAR ITEMS****

5. OTHER BOARD ITEMS – ACTION

NONE

6. BOARD INFORMATION ITEMS

NONE

7. COMMITTEE ITEMS

a. Subject: Discussion on External Auditor Macias Gini & O'Connell, LLP Fiscal Year 2024/25 Audit Plan

Presented by: David Bullock, Partner at Macias Gini & O'Connell LLP

Ms. Andrus introduced Mr. David Bullock, Partner at Macias Gini & O'Connell LLP (MGO), who presented MGO's fiscal year 2024/25 audit plan.

Mr. Bullock reported on:

- The responsibilities for communication by the external auditor, and an outline of the scope of services and deliverables
- The independent auditors and Metropolitan management's responsibilities
- The audit timeline and the audit approach

The following Directors asked questions and provided comments:

1. Dick
2. Armstrong
3. Ortega

Mr. Bullock responded to the Directors' questions and comments.

b. Subject: Discussion on Cybersecurity Audit: Inventory and Control of IT Assets [Any discussion of threats to public services or facilities to be heard in closed session. Conference with Charles Eckstrom, Group Manager of Information Technology, Jacob Margolis, Director of Info Tech Services, and Scott Suzuki, General Auditor; may be heard in closed session pursuant to Gov. Code section 54957(a)]

Presented by: Scott Suzuki, General Auditor

There were no questions or comments in the open session on Cybersecurity Audit: Inventory and Control of IT Assets.

No directors requested a closed session discussion on Cybersecurity Audit: Inventory and Control of IT.

Chair Armstrong called the meeting into closed session.

c. Subject: Discussion of Department Head Performance and Goal Setting [Public employee performance evaluation – General Auditor; to be heard in closed session pursuant to Gov. Code Section 54957]

Presented by: Scott Suzuki, General Auditor

In closed session, the committee discussed the item with the General Auditor. No action was taken.

8. FOLLOW-UP ITEMS

NONE

9. FUTURE AGENDA ITEMS

Chair Armstrong requested a discussion on individual Board members' requests at the next meeting.

10. ADJOURNMENT

Meeting adjourned at 3:25 p.m.

Jeff Armstrong
Chair