



Audit & Ethics Committee

Fuel Management Audit Response

Item 6a

May 24, 2022

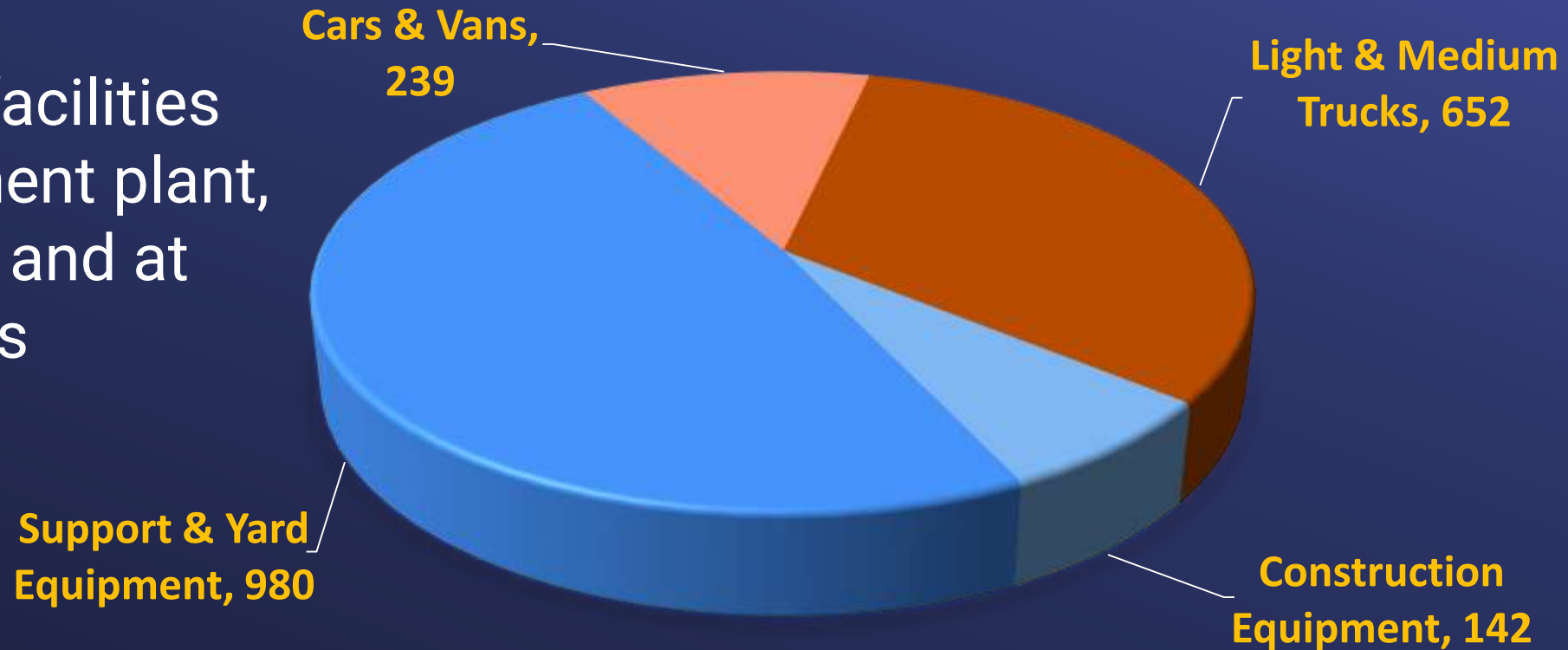
Audit of Fuel Management

Two broad areas of improvements identified

- Process and procedures related to fuel inventory, invoicing and fuel card transactions
 - Improvements scheduled to be complete in August of 2022
- Use of telematics to record fuel transactions for dispensing and inventorying
 - Improvements scheduled, estimated to be complete by October 2022

Background

- Metropolitan has over 2,000 fleet assets, and a staff that manages fleet inventory, provides support (such as fuel) and performs maintenance throughout Metropolitan's service area.
- Maintenance facilities at each treatment plant, Headquarters, and at desert facilities



Fuel Dispensing Locations



Fuel System Controls



FMS terminal at Lake Mathews

Fuel Management System is designed to automate and control the dispensing of fuel

- Fuel dispensing is restricted to authorized MWD employees through ID badge swipe
- Fuel dispensing is further restricted to authorized vehicles and equipment through use of telematics or asset information
- All transactions are recorded and retrieved by reporting
- All fueling locations employ security cameras with enhanced camera upgrades planned

Controls & Data

Fuel Transactions Findings



	Transactions	% of All Transactions
No Meter Change	533	0.5%
Meter Error *	55	0.1%
Low Meter Value	353	0.4%
Exceed Capacity *	316	0.3%

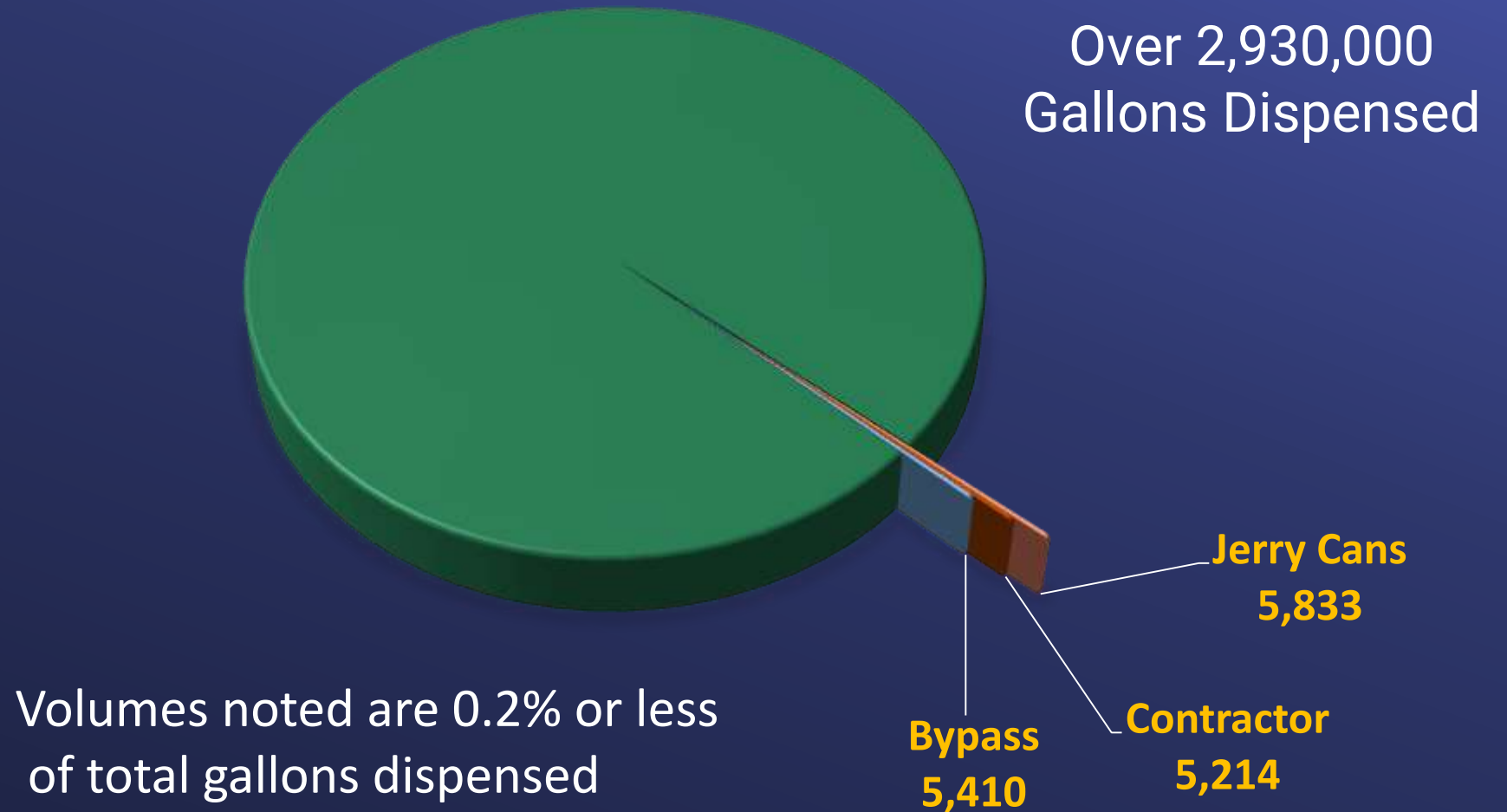
* New Fuel Management System to address

Telematics



*Small portable generator
for dewatering at Skinner
Water Treatment Plant*

Fuel Use by Volume From 2017 to 2021



Findings Implementation

Summary of Audit Findings

Item	Owner	Date
Reconcile Contractor vehicles in FMS	Security & Fleet	Complete
Update Contractor vehicle activation & deactivation procedures	Security & Fleet	August 2022
Complete FMS upgrade	ITG & Fleet	October 2022
Update Fuel Inventory & Storage Procedures	Fleet	August 2022
Review Fuel Card approval process for modernization	Procurement & Fleet	August 2022

