THE METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA

MINUTES

AUDIT COMMITTEE

June 8, 2026

Vice Chair Crane called the meeting to order at 4:10 p.m.

Members present: Directors Crane, De Jesus (teleconference posted location), Fong-Sakai, and Kurtz.

Members absent: Directors Gray and Ramos.

Other Board Members present: Directors Alvarez, Dennstedt, Erdman, Garza, Jay, Miller (teleconference posted location), Ortega, and Seckel.

Committee Staff present: Andrus, Deshmukh, Elias, Hudson, 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, 2026.

The following Director asked a question and provided comments:

1. Fong-Sakai

Staff responded to the Director's question.

CONSENT CALENDAR

3. COMMITTEE ACTION (ONLY)

A. Subject: Approval of the Minutes of the Special Audit Committee for May 11, 2026

4. COMMITTEE ITEMS (FOR BOARD CONSIDERATION)

7-7 Subject: Approve amendments to the Metropolitan Water District Administrative Code Section 6451 regarding the Audit Department Charter; the General Manager has determined that the proposed actions are exempt or otherwise not subject to CEQA

Presented by: Scott Suzuki, General Auditor

Motion: Approve amendments to the Metropolitan Water District Administrative Code Section 6451 regarding the Audit Department Charter

No presentation was requested.

7-8 Subject: Approve the General Auditor's Internal Audit Plan for Fiscal Year 2026/27; the General Manager has determined the proposed action is exempt or otherwise not subject to CEQA

Presented by: Araceli Muñoz, Senior Audit Manager

Motion: Approve the General Auditor's Internal Audit Plan for Fiscal Year 2026/27

Vice Chair Crane requested the presentation on Item 7-8.

Ms. Muñoz presented on the proposed Internal Audit Plan for Fiscal Year 2026/27.

The following Directors asked questions and provided comments:

1. Fong-Sakai

Staff responded to the Directors' questions and comments.

After the presentation, Director Fong-Sakai made a motion, seconded by Director Kurtz, to approve the consent calendar, consisting of items 3A, 7-7, and 7-8.

The vote was:

Ayes:	Directors Crane, De Jesus, Fong-Sakai, Kurtz, and Ortega (item 3A)
Noes:	None
Abstentions:	Director Fong-Sakai (item 3A)
Absent:	Directors Gray and Ramos

The motion for item 3A passed by a vote of 4 ayes, 0 noes, 1 abstention, and 2 absent.

The motion for items 7-7 and 7-8 passed by a vote of 4 ayes, 0 noes, 0 abstentions, and 2 absent.

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

5. COMMITTEE ITEMS (ACTION FOR BOARD CONSIDERATION)

None.

6. COMMITTEE ITEMS (INFORMATIONAL FOR BOARD CONSIDERATION)

None.

7. COMMITTEE ITEMS (INFORMATIONAL)

a. Subject: Discussion on Independent Auditor Macias Gini & O'Connell, LLP's Fiscal Year 2025/26 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 2025/26 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

There were no questions or comments.

b. Subject: Overview of Enterprise Risk Management

Presented by: Lina Tan, Principal Auditor

Mr. Suzuki introduced Principal Auditor Lina Tan, who presented an overview of enterprise risk management.

The following Directors asked questions and provided comments:

1. Kurtz
2. Crane
3. Ortega
4. Erdman
5. Seckel

Staff responded to the Directors' questions and comments.

c. Subject: Discussion on Advisory Brief - Rapid Review: Deepfakes [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 Information Technology 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 Advisory Brief - Rapid Review: Deepfakes.

No directors requested a closed session discussion on Advisory Brief - Rapid Review: Deepfakes.

Director Miller left the meeting.

d. Subject: Discuss 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: Eleanor Allen, Consultant

The committee heard the item in closed session. No action was taken.

e. Subject: Conference with Labor Negotiator; agency-designated representative: Chair of Audit Committee Ramos; Unrepresented employee: General Auditor; to be heard in closed session pursuant to Gov. Code Section 54957.6

Presented by: Randall Crane, Audit Committee Vice Chair

The committee heard the item in closed session. No action was taken.

8. FOLLOW-UP ITEMS

Director Kurtz requested that the Department Heads look into how Enterprise Risk Management would fit within the decision-making framework.

9. FUTURE AGENDA ITEMS

None.

10. ADJOURNMENT

Meeting adjourned at 6:18 p.m.

Randall Crane
Vice Chair