

The Metropolitan Water District of Southern California

Agenda

The mission of the Metropolitan Water District of Southern California is to provide its service area with adequate and reliable supplies of high-quality water to meet present and future needs in an environmentally and economically responsible way.

Exec Committee

A. Ortega, Chair
J. Abdo, Board Vice Chair
M. Camacho, Board Vice Chair
S. Goldberg, Board Vice Chair
N. Sutley, Board Vice Chair
L. Fong-Sakai, Board Secretary
J. Armstrong
G. Cordero
D. De Jesus
D. Erdman
J. Garza
G. Gray
F. Jung
M. Luna
T. McCoy
B. Pressman
T. Quinn
T. Smith

Executive Committee

Meeting with Board of Directors *

May 28, 2024

11:30 a.m.

Agendas, live streaming, meeting schedules, and other board materials are available here: <https://mwdh2o.legistar.com/Calendar.aspx>. Written public comments received by 5:00 p.m. (business days) before the meeting is scheduled will be posted under the Submitted Items and Responses tab available here: <https://mwdh2o.legistar.com/Legislation.aspx>. If you have technical difficulties with the live streaming page, a listen-only phone line is available at 1-877-853-5257; enter meeting ID: 891 1613 4145. Members of the public may present their comments to the Board on matters within their jurisdiction as listed on the agenda via in-person or teleconference. To participate via teleconference 1-833-548-0276 and enter meeting ID: 815 2066 4276 or click <https://us06web.zoom.us/j/81520664276pwd=a1RTQWh6V3h3ckFhNmduUWpKR1c2Zz09>

**Tuesday, May 28, 2024
Meeting Schedule**

**09:30 a.m. Audit
11:00 a.m. Break
11:30 a.m. Exec**

MWD Headquarters Building - 700 N. Alameda Street - Los Angeles, CA 90012

Teleconference Locations:

3008 W. 82nd Place • Inglewood, CA 90305

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- 1. Opportunity for members of the public to address the committee on matters within the committee's jurisdiction (As required by Gov. Code Section 54954.3(a))**
- 2. OTHER MATTERS AND REPORTS**
 - a. Chair's Report
 - b. General Manager's Report of Metropolitan Activities
 - c. General Counsel's Report of Metropolitan Activities

Boardroom

- d. General Auditor's Report of Metropolitan Activities
- e. Ethics Officer's Report of Metropolitan Activities

**** CONSENT CALENDAR ITEMS - ACTION ****

3. CONSENT CALENDAR OTHER ITEMS - ACTION

- A. Approval of the Minutes of the Executive Committee Meeting of April 23, 2024 (Copies have been submitted to each Director, any additions, corrections, or omissions) [21-3381](#)

Attachments: [05282024 Exec 3A \(04232024\) Minutes](#)

- B. Approve draft Committee and Board meeting agendas and schedule for June 2024 [21-3382](#)

Attachments: [05282024 EXEC 3B Draft Packet](#)

4. CONSENT CALENDAR ITEMS - ACTION

- 7-1 Approve General Auditor’s Audit Plan for fiscal year 2024/25; the General Manager has determined that the proposed action is exempt or otherwise not subject to CEQA [21-3386](#)

Attachments: [06112024 Exec 7-1 B-L](#)
[05282024 Exec 7-1 Presentation](#)

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

5. COMMITTEE INFORMATION ITEMS

- a. Report on the Colorado River Board Meeting [21-3383](#)
- b. Colorado River Activities [21-3384](#)

6. COMMITTEE ITEMS

- a. Report, discuss, and provide direction to Audit Subcommittee of the Executive Committee [21-3385](#)

7. FOLLOW-UP ITEMS

NONE

8. FUTURE AGENDA ITEMS

9. ADJOURNMENT

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THE METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA

MINUTES

EXECUTIVE COMMITTEE

April 23, 2024

Chair Ortega called the meeting to order at 1:31 p.m.

Members present: Directors Abdo, Armstrong, Camacho, De Jesus, Erdman, Fong-Sakai, Garza, Goldberg, Gray (teleconference posted location), Jung (teleconference posted location), Luna (entered after roll call), McCoy, Ortega, Pressman (teleconference posted location), Quinn, Smith and Sutley.

Members absent: Director Cordero.

Other Board members present: Directors Ackerman, Dennstedt, Dick, Fellow, Kurtz, Miller (teleconference posted location), Morris, Peterson, and Seckel.

Committee staff present: Hagekhalil, Hudson, Salinas, Scully, Suzuki, Wheeler, and Upadhyay.

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

NONE

2. OTHER MATTERS AND REPORTS

a. Subject: Chair's Report

Presented by: Chair Ortega

Chair Ortega stated that the report on international travel for the first quarter of 2024, January through March 2024, was posted online. He asked if there were any questions or comments. None were made.

- b. Subject: General Manager's Report of Metropolitan activities
Presented by: General Manager Adel Hagekhalil

General Manager Hagekhalil reported on the following:

- State Water Project allocation increase
- The Greater Los Angeles American Chamber of Commerce Utility of the Year Award to Metropolitan
- The One Water Awards
- Water Awareness Month
- Member Agency Board Meetings
- Annual Reports
 - 2024 Leadership Today Water Tomorrow Report
 - Navigating Transformations in 2023 – The Metropolitan Water District of Southern California Year-in-Review Report

- c. Subject: General Counsel's report of Metropolitan activities
Presented by: General Counsel Marcia Scully
General Counsel Scully stated she had nothing to add to her report.

- d. Subject: General Auditor's report of Metropolitan activities
Presented by: General Auditor Scott Suzuki

General Auditor Suzuki reported in addition to his written, he will be developing his business plan, incorporating the feedback received at the Audit Subcommittee.

- e. Subject: Ethics Officer's report of Metropolitan activities
Presented by: Ethics Officer Abel Salinas

Ethics Officer Salinas reported on the Ethics Symposium.

CONSENT CALENDAR ITEMS – ACTION

3. CONSENT CALENDAR OTHER ITEMS – ACTION

- A. Approval of the Minutes of the Executive Committee Meeting for March 26, 2024.

Chair Ortega asked Directors if there were any additions, corrections, or omissions on the minutes of the March 26, 2024, Executive Committee Meeting. None were made.

Director Luna entered the meeting.

- B. Approve the draft of the Committee and Board meeting agendas and schedule for May 2024.

Chair Ortega announced that the Subcommittee on Long-Term Regional Planning Processes and Business Modeling CAMP4W Task Force meeting would be moved from May 29, 2024 to May 30, 2024, at 1:30 p.m. due to scheduling conflicts.

Chair Ortega asked if there were any additions or deletions to the May 2024 draft packet.

Committee Chair Smith reported that at the Finance and Asset Management Committee, the following item subject has been revised:

- Renewal Status of Metropolitan's Property and Casualty Insurance Program; and the following subject has been added:
- Resolution of the Board of Directors of the Metropolitan Water District of Southern California declaring approximately 6,742 acres of Metropolitan-Owned Real Property in the County of Riverside, located southwest of the City of Blythe, California, and commonly known as the Palo Verde Mesa, as exempt surplus land.

Board Vice Chair Abdo reported that at the Ethics, Organization & Personnel Committee, the following item subject has been revised:

- Authorize the General Manager to enter into an agreement for supplemental labor services containing the following thirty supplemental temporary labor agencies listed in the agenda, each with up to four annual renewal options, with a maximum not-to-exceed amount of \$8 million per year for the contracts.

Chair Ortega called for the vote on Items 3A and 3B.

Director Luna made a motion, seconded by Director Garza, to approve the consent calendar Items 3A and 3B as listed and revised.

The vote was:

Ayes: Directors Abdo, Armstrong, Camacho, De Jesus, Erdman, Fong-Sakai, Garza, Goldberg, Gray, Jung, Luna, McCoy, Ortega, Pressman, Quinn, Smith, and Sutley.

Abstention: None

Recusal: None

Absent: Cordero

The motion for Item 3A and 3B passed by a vote of 17 ayes; 0 noes; 0 abstention; and 1 absent.

4. CONSENT CALENDAR ITEMS – ACTION

NONE

END OF CONSENT CALENDAR ITEMS

5. COMMITTEE INFORMATION ITEMS

- a. Subject: Report on the Colorado River Board Meeting.
Presented by: Director De Jesus

Director De Jesus reported on the Colorado River Board Meeting.

- b. Subject: Colorado River Activities
Presented by: William Hasencamp, Manager of Colorado River Resources

Mr. Hasencamp reported on Colorado River activities.

The following Directors provided comments or asked questions:

1. De Jesus
2. Peterson
3. Erdman
4. Ortega

Staff responded to the Directors' questions and comments.

6. SUBCOMMITTEE REPORTS AND DISCUSSION

Chair Ortega reported on the successful inaugural meeting of the Audit Subcommittee of the Executive Committee.

7. FOLLOW-UP ITEMS

Director Erdman requested a report on the Bureau of Reclamation situation at the Glen Canyon Dam.

8. FUTURE AGENDA ITEMS

NONE

9. ADJOURNMENT

The meeting was adjourned at 2:02 p.m.

Adán Ortega, Jr.
Chair of the Board

Draft

June 10-11, 2024

Committee and Board Meeting

Agenda Packet



The Metropolitan Water District of Southern California

5/22/2024



BOARD UPDATES

Schedule of Meetings – June 2024

Monday, June 10

- 9:00 a.m. Legislation and Communications Committee
- 11:00 a.m. Break
- 11:30 a.m. Legal and Claims Committee
- 1:30 p.m. Engineering, Operations, and Technology Committee
- 3:30 p.m. One Water and Stewardship Committee

Tuesday, June 11

- 9:00 a.m. Finance and Asset Management Committee
- 11:00 a.m. Ethics, Organization, and Personnel Committee
- 12:30 p.m. Break
- 1:00 p.m. Board of Directors Meeting

Tuesday, June 25

- 9:30 a.m. Subcommittee on Pure Water Southern California and Regional Conveyance
- 11:30 a.m. Break
- 12:00 p.m. Executive Committee

Wednesday, June 26

- 9:30 a.m. Subcommittee on Long-Term Regional Planning Processes and Business Modeling (CAMP4W Task Force)

The Metropolitan Water District of Southern California

Agenda

The mission of the Metropolitan Water District of Southern California is to provide its service area with adequate and reliable supplies of high-quality water to meet present and future needs in an environmentally and economically responsible way.

LEG Committee

F. Jung, Chair
A. Kassakhian, Vice Chair
J. Abdo
L. Ackerman
B. Dennstedt
A. Fellow
J. Garza
G. Gray
M. Luna
J. McMillan
T. Phan
B. Pressman
M. Ramos
T. Smith

Legislation and Communications Committee - Hidden

Meeting with Board of Directors *

June 10, 2024

9:00 a.m.

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**Monday, June 10, 2024
Meeting Schedule**

**09:00 a.m. LEG
11:00 a.m. Break
11:30 a.m. Legal
01:30 p.m. EOT
03:30 p.m. OWS**

MWD Headquarters Building • 700 N. Alameda Street • Los Angeles, CA 90012

Teleconference Locations:

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1. Opportunity for members of the public to address the committee on matters within the committee's jurisdiction (As required by Gov. Code Section 54954.3(a))

**** CONSENT CALENDAR ITEMS -- ACTION ****

2. CONSENT CALENDAR OTHER ITEMS - ACTION

- A.** Approval of the minutes of the Legislation and Communications Committee for May 13, 2024 (copies have been submitted to each Director, any additions, corrections, or omissions) **21-3450**

3. CONSENT CALENDAR ITEMS - ACTION

- 7-8 Express Support for Ballot Measure ACA 1: Lower Requirements to 55% for Local Special Taxes to Fund Housing and Public Infrastructure Amendment; the General Manager has determined that the proposed action is exempt or otherwise not subject to CEQA 21-3446

- 7-9 Express Support for Ballot Measure ACA 13: Vote Requirements for Initiatives Requiring Supermajority Votes Amendment and Express Opposition to Initiative 1935: Two-Thirds Legislative Vote and Voter Approval for New or Increased Taxes Initiative; the General Manager has determined that the proposed action is exempt or otherwise not subject to CEQA 21-3447

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

4. OTHER BOARD ITEMS - ACTION

- 8-3 Authorize entering into a three-year contract for media placement services related to drought awareness and water conservation not to exceed \$10.5 million; the General Manager has determined that the proposed action is exempt or otherwise not subject to CEQA 21-3445

5. BOARD INFORMATION ITEMS

NONE

6. COMMITTEE ITEMS

- a. Report on Permissible Activities related to Ballot Measures 21-3460
- b. Report on Activities from Sacramento 21-3457
- c. Report on Activities from Washington, D.C. 21-3458

7. MANAGEMENT ANNOUNCEMENTS AND HIGHLIGHTS

- a. External Affairs activities 21-3459

8. FOLLOW-UP ITEMS

NONE

9. FUTURE AGENDA ITEMS

10. ADJOURNMENT

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L&C Committee

M. Luna, Chair
J. Garza, Vice Chair
M. Camacho
G. Cordero
L. Dick
C. Douglas
C. Kurtz
T. McCoy
C. Miller
G. Peterson
M. Ramos
K. Seckel

Legal and Claims Committee - Hidden

Meeting with Board of Directors *

June 10, 2024

11:30 a.m.

**Monday, June 10, 2024
Meeting Schedule**

**09:00 a.m. LEG
11:00 a.m. Break
11:30 a.m. Legal
01:30 p.m. EOT
03:30 p.m. OWS**

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1. Opportunity for members of the public to address the committee on matters within the committee's jurisdiction (As required by Gov. Code Section 54954.3(a))

2. MANAGEMENT ANNOUNCEMENTS AND HIGHLIGHTS

A. General Counsel's report of monthly activities **21-3436**

**** CONSENT CALENDAR ITEMS -- ACTION ****

3. CONSENT CALENDAR OTHER ITEMS - ACTION

A. Approval of the Minutes of the Legal and Claims Committee for May 13, 2024 (Copies have been submitted to each Director, any additions, corrections, or omissions) **21-3437**

4. CONSENT CALENDAR ITEMS - ACTION

NONE

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

5. OTHER BOARD ITEMS - ACTION

- 8-4** Report on San Diego County Water Authority v. Metropolitan Water District of Southern California, et al., San Francisco County Superior Court Case Nos. CPF-10-510830, CPF-12-512466, CPF-14-514004, CPF-16-515282, CPF-16-515391, CGC-17-563350, and CPF-18-516389; the appeals of the 2010 and 2012 actions, Court of Appeal for the First Appellate District Case Nos. A146901, A148266, A161144, and A162168, and California Supreme Court Case No. S243500; the petition for extraordinary writ in the 2010 and 2012 actions, Court of Appeal for the First Appellate District Case No. A155310; the petition for extraordinary writ in the second 2016 action, Court of Appeal for the First Appellate District Case No. A154325 and California Supreme Court Case No. S251025; the Metropolitan Water District of Southern California v. San Diego County Water Authority cross-complaints in the 2014, 2016, and 2018 actions; and the appeals of the 2014, 2016, and 2018 actions, Court of Appeal for the First Appellate District Case No. A170156; authorize initiation of settlement negotiations with SDCWA and provide direction to staff regarding the 2014, 2016, and 2018 actions, including the cross-complaints and appeals, San Francisco County Superior Court Case Nos. CPF-14-514004, CPF-16-515282, and CPF-18-516389 and Court of Appeal for the First Appellate District Case No. A170156 [Conference with legal counsel – existing litigation; to be heard in closed session pursuant to Gov. Code Section 54956.9(d)(1)] **21-3438**

6. BOARD INFORMATION ITEMS

NONE

7. COMMITTEE ITEMS

- a.** Update on the Water Quality Control Plan for the San Francisco Bay/Sacramento-San Joaquin Delta Estuary: Phase 1, State Water Board Cases, Sacramento County Superior Court Case No. JCCP 5113, and Phase 2 **21-3440**

- b.** Update on environmental litigation challenging the Department of Water Resources Delta Conveyance Project approval, certification of the Final Environmental Impact Report and other actions taken under the California Environmental Quality Act, currently ten related cases pending in Sacramento County Superior Court: Tulare Lake Basin Water Storage District v. California Department of Water Resources, Case No. 24WM000006, Sierra Club, et al. v. California Department of Water Resources, Case No. 24WM000008, City of Stockton v. California Department of Water Resources, Case No. 24WM000009, County of San Joaquin et al. v. California Department of Water Resources, Case No. 24WM000010, County of Butte v. California Department of Water Resources, Case No. 24WM000011, Sacramento Area Sewer District v. California Department of Water Resources, Case No. 24WM000012, County of Sacramento, et al. v. California Department of Water Resources, Case No. 24WM000014, San Francisco Baykeeper, et al. v. California Department of Water Resources, Case No. 24WM000017, South Delta Water Agency and Rudy Mussi Investment L.P. v. California Department of Water Resources, Case No. 24WM000062 and North Delta Water Agency v. Cal. Dept. of Water Resources, Case No. 24WM000076. [Conference with legal counsel – anticipated litigation (ten or more cases); to be heard in closed session pursuant to Gov. Code Section 54956.9(d)(4)]

21-3439

8. FOLLOW-UP ITEMS

NONE

9. FUTURE AGENDA ITEMS

10. ADJOURNMENT

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EOT Committee

D. Erdman, Chair
M. Camacho, Vice Chair
D. Alvarez
G. Bryant
B. Dennstedt
S. Faessel
L. Fong-Sakai
R. Lefevre
J. McMillan
C. Miller
J. Morris
M. Petersen
G. Peterson
K. Seckel
T. Smith

Engineering, Operations, and Technology Committee - Hidden

Meeting with Board of Directors *

June 10, 2024

1:30 p.m.

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1. **Opportunity for members of the public to address the committee on matters within the committee's jurisdiction (As required by Gov. Code Section 54954.3(a))**

**** CONSENT CALENDAR ITEMS -- ACTION ****

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

- A. Approval of the Minutes of the Engineering, Operations, and Technology Committee for May 13, 2024 (Copies have been submitted to each Director, any additions, corrections, or omissions) **21-3390**

3. **CONSENT CALENDAR ITEMS - ACTION**

- 7-2** Authorize on-call agreements with AECOM, Black & Veatch, and Hazen and Sawyer in amounts not to exceed \$3 million each, for a maximum of three years for engineering services; the General Manager has determined that the proposed action is exempt or otherwise not subject to CEQA [21-3402](#)
- 7-3** Award a \$897,469 contract to Exaro Technologies Corporation to construct a cathodic protection system along the Santa Monica Feeder; the General Manager has determined that the proposed action is exempt or otherwise not subject to CEQA **21-3404**

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

4. OTHER BOARD ITEMS - ACTION

- 8-1** Approve and appropriate an increase of \$20 million to the Capital Investment Plan for fiscal years 2022/23 and 2023/24 for a new biennium amount of \$620 million; the General Manager has determined that the proposed action is exempt or otherwise not subject to CEQA **21-3403**

5. BOARD INFORMATION ITEMS

NONE

6. COMMITTEE ITEMS

- a.** Capital Investment Plan quarterly report for period ending March 30, 2024 **21-3405**
- b.** Celebrating the History of Water Quality at Metropolitan **21-3406**
- c.** Report on U.S. Environmental Protection Agency Climate Pollution Reduction Grant Memorandum of Agreement with Coalition Members to fund proposed Targeted Zero-Emission Vehicles and Infrastructure for Water Utilities Program **21-3461**

7. MANAGEMENT ANNOUNCEMENTS AND HIGHLIGHTS

- a.** Engineering Services activities **21-3391**
Information Technology activities
Water System Operations activities

8. SUBCOMMITTEE REPORTS AND DISCUSSION

- a.** Discuss and provide direction to Subcommittee on Pure Water Southern California and Regional Conveyance **21-3392**

9. FOLLOW-UP ITEMS

NONE

10. FUTURE AGENDA ITEMS

11. ADJOURNMENT

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OW&S Committee

T. Quinn, Chair
S. Faessel, Vice Chair
L. Ackerman
D. Alvarez
J. Armstrong
G. Cordero
D. De Jesus
D. Erdman
L. Fong-Sakai
S. Goldberg
C. Kurtz
R. Lefevre
C. Miller
G. Peterson
B. Pressman
N. Sutley

One Water and Stewardship Committee - Hidden

Meeting with Board of Directors *

June 10, 2024

3:30 p.m.

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01:30 p.m. EOT
03:30 p.m. OWS

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1. Opportunity for members of the public to address the committee on matters within the committee's jurisdiction (As required by Gov. Code Section 54954.3(a))

**** CONSENT CALENDAR ITEMS -- ACTION ****

2. CONSENT CALENDAR OTHER ITEMS - ACTION

- A.** Approval of the Minutes of the One Water and Stewardship Committee for May 13, 2024 (Copies have been submitted to each Director, any additions, corrections, or omissions) **21-3410**

3. CONSENT CALENDAR ITEMS - ACTION

NONE

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

4. OTHER BOARD ITEMS - ACTION

- 8-2 By a two-thirds vote, authorize two payments of up to \$993,600 for support of the Colorado River Board and Six Agency Committee for fiscal year 2024/2025 and \$1,023,408 for fiscal year 2025/2026; the General Manager has determined that the proposed action is exempt or otherwise not subject to CEQA **21-3408**

5. BOARD INFORMATION ITEMS

NONE

6. COMMITTEE ITEMS

- a. Update on Delta Conveyance Project--Costs Estimate and Benefit-Cost Analysis: presented by Karla Nemeth, Department of Water Resources Director and Special Advisor to the Governor on Water; Graham Bradner, Executive Director, Delta Conveyance Design and Construction Authority; and Dr. David Sunding, Vice Chairman, Berkeley Research Group **21-3411**
- b. Update on California System Conservation Projects 2024-2026 **21-3432**
- c. Update on Water Surplus Drought and Drought Management **21-3414**
- d. Update on Conservation Program **21-3415**

7. MANAGEMENT ANNOUNCEMENTS AND HIGHLIGHTS

- a. Bay-Delta Resources activities **21-3416**
 Colorado River Resources activities
 Sustainability, Resilience and Innovation activities
 Water Resource Management activities

8. COMMITTEE REPORTS

- a. Report on the Delta Conveyance Design and Construction Authority Meeting **21-3417**
- b. Report on Delta Conveyance Finance Authority Meeting **21-3418**
- c. Report on the Bay-Delta Ad Hoc Meeting **21-3419**

9. SUBCOMMITTEE REPORTS AND DISCUSSION

- a. Discuss and provide direction to Subcommittee on Demand Management and Conservation Programs and Priorities **21-3420**

10. FOLLOW-UP ITEMS

NONE

11. FUTURE AGENDA ITEMS

12. ADJOURNMENT

NOTE: This committee reviews items and makes a recommendation for final action to the full Board of Directors. Final action will be taken by the Board of Directors. Committee agendas may be obtained on Metropolitan's Web site <https://mwdh2o.legistar.com/Calendar.aspx>. This committee will not take any final action that is binding on the Board, even when a quorum of the Board is present.

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The Metropolitan Water District of Southern California

Agenda

The mission of the Metropolitan Water District of Southern California is to provide its service area with adequate and reliable supplies of high-quality water to meet present and future needs in an environmentally and economically responsible way.

FAM Committee

T. Smith, Chair
L. Dick, Vice Chair
D. Alvarez
J. Armstrong
G. Bryant
D. De Jesus
B. Dennstedt
L. Fong-Sakai
J. McMillan
C. Miller
M. Petersen
B. Pressman
T. Quinn
K. Seckel

Finance and Asset Management Committee - Hidden

Meeting with Board of Directors *

June 11, 2024

9:00 a.m.

Agendas, live streaming, meeting schedules, and other board materials are available here: <https://mwdh2o.legistar.com/Calendar.aspx>. If you have technical difficulties with the live streaming page, a listen-only phone line is available at 1-877-853-5257; enter meeting ID: 862 4397 5848. Members of the public may present their comments to the Board on matters within their jurisdiction as listed on the agenda via in-person or teleconference. To participate via teleconference 1-833-548-0276 and enter meeting ID: 815 2066 4276 or click <https://us06web.zoom.us/j/81520664276pwd=a1RTQWh6V3h3ckFhNmduUWpKR1c2Zz09>

**Tuesday, June 11, 2024
Meeting Schedule**

**09:00 a.m. FAM
11:00 a.m. EOP
12:30 p.m. Break
01:00 p.m. BOD**

MWD Headquarters Building • 700 N. Alameda Street • Los Angeles, CA 90012
Teleconference Locations:

* The Metropolitan Water District's meeting of this Committee is noticed as a joint committee meeting with the Board of Directors for the purpose of compliance with the Brown Act. Members of the Board who are not assigned to this Committee may participate as members of the Board, whether or not a quorum of the Board is present. In order to preserve the function of the committee as advisory to the Board, members of the Board who are not assigned to this Committee will not vote on matters before this Committee.

1. Opportunity for members of the public to address the committee on matters within the committee's jurisdiction (As required by Gov. Code Section 54954.3(a))

**** CONSENT CALENDAR ITEMS -- ACTION ****

2. CONSENT CALENDAR OTHER ITEMS - ACTION

- A.** Approval of the Minutes of the Finance and Asset Management Committee Meeting for May 14, 2024 (Copies have been submitted to each Director, any additions, corrections, or omissions) **21-3449**

3. CONSENT CALENDAR ITEMS - ACTION

- 7-4 Approve up to \$TBD million to purchase insurance coverage for Metropolitan’s Property and Casualty Insurance Program for fiscal year 2024/25; the General Manager has determined that the proposed action is exempt or otherwise not subject to CEQA [21-3441](#)
- 7-5 Approve Metropolitan's Statement of Investment Policy for fiscal year 2024/25, delegate authority to the Treasurer to invest Metropolitan's funds for fiscal year 2024/25; the General Manager has determined that the proposed action is exempt or otherwise not subject to CEQA **21-3442**
- 7-6 Authorize the General Manager to grant a permanent easement to the Las Virgenes Municipal Water District for water pipeline purposes on Metropolitan fee-owned property in the City of Los Angeles within Assessor Parcel Number 2723-009-905; the General Manager has determined that the proposed action is exempt and not subject to CEQA **21-3443**
- 7-7 Authorize amending agreements with Hazen and Sawyer for a not-to-exceed amount of \$2,000,000 and CDM Smith Inc. for a not-to-exceed amount of \$500,000, and a new agreement with Arup US, Inc. for a not-to-exceed amount of \$500,000 to provide Climate Adaptation Master Plan for Water planning and implementation support services; the General Manager has determined that the proposed action is exempt or otherwise not subject to CEQA **21-3444**

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

4. OTHER BOARD ITEMS - ACTION

NONE

5. BOARD INFORMATION ITEMS

NONE

6. COMMITTEE ITEMS

- a. Update on Other Post-Employment Benefits **21-3452**
- b. Discussion on Section 115 trust for Pension and Other Post-Employment Benefits **21-3453**

7. MANAGEMENT ANNOUNCEMENTS AND HIGHLIGHTS

- a. Finance and Asset Management activities **21-3454**

8. SUBCOMMITTEE REPORTS AND DISCUSSION

- a. Report from Subcommittee on Long-Term Regional Planning Processes and Business Modeling **21-3455**
- b. Discuss and provide direction to Subcommittee on Long-Term Regional Planning Processes and Business Modeling **21-3456**

9. FOLLOW-UP ITEMS

NONE

10. FUTURE AGENDA ITEMS

11. ADJOURNMENT

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The Metropolitan Water District of Southern California

Agenda

The mission of the Metropolitan Water District of Southern California is to provide its service area with adequate and reliable supplies of high-quality water to meet present and future needs in an environmentally and economically responsible way.

EO&P Committee

B. Pressman, Chair
T. Phan, Vice Chair
G. Bryant
M. Camacho
G. Cordero
C. Douglas
D. Erdman
S. Faessel
L. Fong-Sakai
F. Jung
A. Kassakhian
J. McMillan
M. Ramos
N. Sutley

Ethics, Organization, and Personnel Committee - Hidden

Meeting with Board of Directors *

June 11, 2024

11:00 a.m.

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**Tuesday, June 11, 2024
Meeting Schedule**

**09:00 a.m. FAM
11:00 a.m. EOP
12:30 p.m. Break
01:00 p.m. BOD**

MWD Headquarters Building • 700 N. Alameda Street • Los Angeles, CA 90012
Teleconference Locations:

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1. Opportunity for members of the public to address the committee on matters within the committee's jurisdiction (As required by Gov. Code Section 54954.3(a))

**** CONSENT CALENDAR ITEMS -- ACTION ****

2. CONSENT CALENDAR OTHER ITEMS - ACTION

- A.** Approval of the Minutes of the Ethics, Organization, and Personnel Committee for May 14, 2024 (Copies have been submitted to each Director, any additions, corrections, or omissions) **21-3424**

3. CONSENT CALENDAR ITEMS - ACTION

NONE

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

4. OTHER BOARD ITEMS - ACTION

NONE

5. BOARD INFORMATION ITEMS

NONE

6. COMMITTEE ITEMS

- a. Monthly Ethics Education 21-3423
- b. Update on Department Head Evaluation Process and Comparator Agencies 21-3451

7. MANAGEMENT ANNOUNCEMENTS AND HIGHLIGHTS

- a. Ethics Officer's report on monthly activities 21-3425
- b. Equal Employment Opportunity activities 21-3426
Human Resources activities
Safety, Security, and Protection activities

8. FOLLOW-UP ITEMS

NONE

9. FUTURE AGENDA ITEMS

10. ADJOURNMENT

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The Metropolitan Water District of Southern California

Agenda

The mission of the Metropolitan Water District of Southern California is to provide its service area with adequate and reliable supplies of high-quality water to meet present and future needs in an environmentally and economically responsible way.

Board of Directors - Hidden

June 11, 2024

1:00 PM

Tuesday, June 11, 2024
Meeting Schedule

09:00 a.m. FAM
11:00 a.m. EOP
12:30 p.m. Break
01:00 p.m. BOD

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MWD Headquarters Building • 700 N. Alameda Street • Los Angeles, CA 90012

1. Call to Order

- a. Invocation: TBD
- b. Pledge of Allegiance: TBD

2. Roll Call

3. Determination of a Quorum

4. Opportunity for members of the public to address the Board on matters within the Board's jurisdiction. (As required by Gov. Code §54954.3(a))

5. OTHER MATTERS AND REPORTS

- | | | |
|----|--|---------|
| A. | Report on Directors' Events Attended at Metropolitan's Expense | 21-3393 |
| B. | Chair's Monthly Activity Report | 21-3394 |
| C. | General Manager's summary of activities | 21-3395 |
| D. | General Counsel's summary of activities | 21-3396 |

- | | | |
|----|---|---------|
| E. | General Auditor's summary of activities | 21-3397 |
| F. | Ethics Officer's summary of activities | 21-3398 |

**** CONSENT CALENDAR ITEMS -- ACTION ****

6. CONSENT CALENDAR OTHER ITEMS - ACTION

- | | | |
|----|--|---------|
| A. | Approval of the Minutes of the Subcommittee on Audits for January 23, 2024 and Board of Directors Meeting for May 14, 2024 (Copies have been submitted to each Director, any additions, corrections, or omissions) | 21-3380 |
| B. | Approve Committee Assignments | |
| C. | Approve Commendatory Resolution for Director Michael Gualtieri representing Central Basin Municipal Water District | |

7. CONSENT CALENDAR ITEMS - ACTION

- | | | |
|-----|---|-------------------------|
| 7-1 | Approve General Auditor's Audit Plan for fiscal year 2024/25; the General Manager has determined that the proposed action is exempt or otherwise not subject to CEQA (Exec) | 21-3386 |
|-----|---|-------------------------|

Attachments: [06112024 Exec 7-1 B-L](#)
[05282024 Exec 7-1 Presentation](#)

- | | | |
|-----|--|-------------------------|
| 7-2 | Authorize on-call agreements with AECOM, Black & Veatch, and Hazen and Sawyer in amounts not to exceed \$3 million each, for a maximum of three years for engineering services; the General Manager has determined that the proposed action is exempt or otherwise not subject to CEQA (EOT) | 21-3402 |
| 7-3 | Award a \$897,469 contract to Exaro Technologies Corporation to construct a cathodic protection system along the Santa Monica Feeder; the General Manager has determined that the proposed action is exempt or otherwise not subject to CEQA (EOT) | 21-3404 |
| 7-4 | Approve up to \$TBD million to purchase insurance coverage for Metropolitan's Property and Casualty Insurance Program for fiscal year 2024/25; the General Manager has determined that the proposed action is exempt or otherwise not subject to CEQA (FAM) | 21-3441 |

- 7-5** Approve Metropolitan's Statement of Investment Policy for fiscal year 2024/25, delegate authority to the Treasurer to invest Metropolitan's funds for fiscal year 2024/25; the General Manager has determined that the proposed action is exempt or otherwise not subject to CEQA (FAM) **21-3442**
- 7-6** Authorize the General Manager to grant a permanent easement to the Las Virgenes Municipal Water District for water pipeline purposes on Metropolitan fee-owned property in the City of Los Angeles within Assessor Parcel Number 2723-009-905; the General Manager has determined that the proposed action is exempt and not subject to CEQA (FAM) **21-3443**
- 7-7** Authorize amending agreements with Hazen and Sawyer for a not-to-exceed amount of \$2,000,000 and CDM Smith Inc. for a not-to-exceed amount of \$500,000, and a new agreement with Arup US, Inc. for a not-to-exceed amount of \$500,000 to provide Climate Adaptation Master Plan for Water planning and implementation support services; the General Manager has determined that the proposed action is exempt or otherwise not subject to CEQA (FAM) **21-3444**
- 7-8** Express Support for Ballot Measure ACA 1: Lower Requirements to 55% for Local Special Taxes to Fund Housing and Public Infrastructure Amendment; the General Manager has determined that the proposed action is exempt or otherwise not subject to CEQA (Leg) **21-3446**
- 7-9** Express Support for Ballot Measure ACA 13: Vote Requirements for Initiatives Requiring Supermajority Votes Amendment and Express Opposition to Initiative 1935: Two-Thirds Legislative Vote and Voter Approval for New or Increased Taxes Initiative; the General Manager has determined that the proposed action is exempt or otherwise not subject to CEQA (Leg) **21-3447**
- 7-10** Approve the nomination and naming of the Wildflower Trail at Diamond Valley Lake in honor of Metropolitan Board Vice Chair Judy Abdo; the General Manager has determined that the proposed action is exempt or otherwise not subject to CEQA (FNA) **21-3400**

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

8. OTHER BOARD ITEMS - ACTION

- 8-1** Approve and appropriate an increase of \$20 million to the Capital Investment Plan for fiscal years 2022/23 and 2023/24 for a new biennium amount of \$620 million; the General Manager has determined that the proposed action is exempt or otherwise not subject to CEQA (EOT) **21-3403**
- 8-2** By a two-thirds vote, authorize two payments of up to \$993,600 for support of the Colorado River Board and Six Agency Committee for fiscal year 2024/2025 and \$1,023,408 for fiscal year 2025/2026; the General Manager has determined that the proposed action is exempt or otherwise not subject to CEQA (OWS) **21-3408**
- 8-3** Authorize entering into a three-year contract for media placement services related to drought awareness and water conservation not to exceed \$10.5 million; the General Manager has determined that the proposed action is exempt or otherwise not subject to CEQA (Leg) **21-3445**
- 8-4** Report on San Diego County Water Authority v. Metropolitan Water District of Southern California, et al., San Francisco County Superior Court Case Nos. CPF-10-510830, CPF-12-512466, CPF-14-514004, CPF-16-515282, CPF-16-515391, CGC-17-563350, and CPF-18-516389; the appeals of the 2010 and 2012 actions, Court of Appeal for the First Appellate District Case Nos. A146901, A148266, A161144, and A162168, and California Supreme Court Case No. S243500; the petition for extraordinary writ in the 2010 and 2012 actions, Court of Appeal for the First Appellate District Case No. A155310; the petition for extraordinary writ in the second 2016 action, Court of Appeal for the First Appellate District Case No. A154325 and California Supreme Court Case No. S251025; the Metropolitan Water District of Southern California v. San Diego County Water Authority cross-complaints in the 2014, 2016, and 2018 actions; and the appeals of the 2014, 2016, and 2018 actions, Court of Appeal for the First Appellate District Case No. A170156; authorize initiation of settlement negotiations with SDCWA and provide direction to staff regarding the 2014, 2016, and 2018 actions, including the cross-complaints and appeals, San Francisco County Superior Court Case Nos. CPF-14-514004, CPF-16-515282, and CPF-18-516389 and Court of Appeal for the First Appellate District Case No. A170156 [Conference with legal counsel – existing litigation; to be heard in closed session pursuant to Gov. Code Section 54956.9(d)(1)] (LC) **21-3438**

9. BOARD INFORMATION ITEMS

9-1 Conservation Report

21-3399

10. OTHER MATTERS

NONE

11. FOLLOW-UP ITEMS

NONE

12. FUTURE AGENDA ITEMS

13. ADJOURNMENT

NOTE: Each agenda item with a committee designation will be considered and a recommendation may be made by one or more committees prior to consideration and final action by the full Board of Directors. The committee designation appears in parenthesis at the end of the description of the agenda item, e.g. (EOT). Board agendas may be obtained on Metropolitan's Web site <https://mwdh2o.legistar.com/Calendar.aspx>

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- **Board of Directors**
Executive Committee

6/11/2024 Committee Meeting

7-1

Subject

Approve General Auditor’s Internal Audit Plan for fiscal year 2024/25; the General Manager has determined that the proposed action is exempt or otherwise not subject to CEQA

Executive Summary

The General Auditor’s Internal Audit Plan (**Attachment 1**) describes how the audit plan was developed, the internal audit services available to Metropolitan, and the planned projects for the fiscal year 2024/25. Strategic goals and FY 2023/24 accomplishments will be provided separately in a July business plan presentation to the Board.

The fiscal year 2024/25 Internal Audit plan is comprised of 20 planned audits, including seven new audits, 12 carried forward audits from prior fiscal years, and one recurring board request. Additionally, the audit plan includes nine advisory projects plus follow-up reviews.

This action requests that the Board approve the General Auditor’s Audit Plan for fiscal year 2024/25, which is presented for consideration in accordance with the Metropolitan Administrative Code and professional internal auditing standards.

Proposed Action(s)/Recommendation(s) and Options

Staff Recommendation: Option #1

Option #1

Approve General Auditor’s Internal Audit Plan for fiscal year 2024/25.

Fiscal Impact: None

Business Analysis: This option will authorize the General Auditor to proceed with planned audit and advisory projects that add value and improve Metropolitan’s operations.

Option #2

Do not approve General Auditor’s Internal Audit Plan for fiscal year 2024/25.

Fiscal Impact: None

Business Analysis: This option may impact the General Auditor’s ability to perform audit work and other duties prescribed by the Metropolitan Administrative Code.

Alternatives Considered

Not applicable

Applicable Policy

Metropolitan Water District Administrative Code Section 6451: Audit Department Charter

Metropolitan Water District Administrative Code Section 11104: Delegation of Responsibilities

Related Board Action(s)/Future Action(s)

July 11, 2023, Item 7-8, Approve General Auditor's Business Plan for fiscal year 2023/24

California Environmental Quality Act (CEQA)

CEQA determination for Option #1:

The proposed action is not defined as a project under CEQA because it involves organizational, maintenance, or administrative activities; personnel-related actions; and/or general policy and procedure making that will not result in direct or indirect physical changes in the environment. (Public Resources Code Section 21065; State CEQA Guidelines Section 15378(b)(2) and (5).)

CEQA determination for Option #2:

None required

Details and Background

Background

The mission of the Office of the General Auditor, Metropolitan's Internal Audit function, is to provide independent, professional, objective assurance and consulting services designed to add value and improve Metropolitan's operations. Internal Audit helps Metropolitan accomplish its objectives by using a proactive, systematic approach to evaluate and improve the effectiveness of risk management, control, and governance processes.

Professional internal audit standards require the General Auditor to establish a risk-based plan to determine the priorities of the office that are consistent with Metropolitan's goals and objectives. Internal Audit's methodology is to perform focused audits and provide advisory services that evaluate important areas of Metropolitan and deliver timely results.

Internal Audit completed an audit risk assessment by gaining an understanding of Metropolitan's business operations through documentation reviews, interviews with management, and discussions with the Board. The results facilitated efforts to identify and measure risks and prioritize potential audits and advisory projects for the audit plan. Internal Audit's approach is to provide coverage of the most important aspects of the areas identified. Exceptions may be made to this approach when there are carryforward audits from the prior year, where there has been recent audit coverage, or if professional judgment dictates otherwise.

This year's audit risk assessment identified opportunities for Internal Audit to provide audit or advisory services in the following areas (listed in alphabetical order): business continuity, conveyance & distribution, cybersecurity, human resources, information technology, infrastructure reliability, integrated operations planning & support services, power operations & planning, and treatment & water quality.

Internal Audit Plan Overview


The Internal Audit Plan includes the following information:

- (1) An introduction to the Metropolitan Internal Audit Office.
- (2) A description of the audit plan project planning and execution methodology.
- (3) A description of the project's results.
- (4) An overview of the services Internal Audit offers to Metropolitan.
- (5) Projects planned to be performed during fiscal year 2024/25.
- (6) A crosswalk of risk areas to associated projects.
- (7) Specific risks/internal control concerns identified pending audit resource/time availability.
- (8) An overview of internal audit resources that will support the execution of the audit plan.

(9) Our internal reporting structure.


(10) References to relevant professional internal audit standards.

The General Auditor, from time to time, may determine it appropriate to substitute, postpone, or cancel a planned engagement due to timing, priority, resources, and/or other risk considerations. Such modifications will be noted in activity reports submitted to the Board, and acceptance of the reporting authorizes any changes noted and amends the audit plan.



Scott Suzuki
General Auditor

5/22/2024
Date



Adel Hagekhalil
General Manager

5/22/2024
Date

Attachment 1 – General Auditor’s Internal Audit Plan for FY 2024/25

Ref# a12692344



Office of General Auditor —

General Auditor's Internal Audit Plan for **FY 2024/25**

June 11, 2024

DRAFT – PENDING BOARD APPROVAL

Executive Summary

BACKGROUND

The mission of the Office of the General Auditor, Metropolitan’s internal audit function, is to provide independent, professional, and objective assurance and consulting services designed to add value and improve Metropolitan’s operations. We help Metropolitan accomplish its objectives by using a proactive and systematic approach to evaluate and recommend improvements to the effectiveness of risk management, internal control, and governance processes.

Professional internal audit standards require we establish a risk-based plan to determine the priorities of our office that are consistent with Metropolitan’s goals and objectives. Our methodology is to perform focused audits and provide advisory services that evaluate important areas of Metropolitan and deliver timely results.

We completed an audit risk assessment by gaining an understanding of Metropolitan’s business operations through documentation reviews, interviews with management, and discussions with the Board. The results facilitated our efforts to identify and measure risks and prioritize potential audits and advisory projects for the audit plan. Our approach is to provide coverage of the most important aspects of the areas identified. We may make exceptions to this approach when there are carryforward audits from the prior year, where there has been recent audit coverage, or if our professional judgment dictates otherwise.

RESULTS

Our fiscal year 2024/25 Internal Audit Plan is comprised of 20 planned audits, including seven new audits, 12 carried forward audits from prior fiscal years, and one recurring Board request. Additionally, we plan to cover nine advisory projects plus follow-up reviews.

Our audit risk assessment identified opportunities for our office to provide audit or advisory services in the following areas (listed in alphabetical order):

- Business Continuity
- Conveyance & Distribution
- Cybersecurity
- Human Resources
- Information Technology
- Infrastructure Reliability
- Integrated Operations Planning & Support Services
- Power Operations & Planning
- Treatment & Water Quality

Due to limited staffing resources, our audit plan includes projects addressing the highest identified audit risk areas. As resources and/or time become available in fiscal year 2024/25, we will incorporate additional risk areas into the audit plan. While we will re-evaluate the audit risk assessment periodically during the fiscal year, any risk areas not incorporated into the audit plan by fiscal year-end will be re-evaluated for inclusion in our fiscal year 2025/26 Internal Audit Plan.

COVER PHOTO: Gene Pump Plant ground-level pipe at sunrise; Metropolitan operates five pumping plants with a total lift of 1,617 feet.

DRAFT – PENDING BOARD APPROVAL

THE METROPOLITAN WATER DISTRICT
OF SOUTHERN CALIFORNIA

Date: June 11, 2024

To: Adán Ortega, Jr., Board Chair
Members of the Board of Directors

From: Scott Suzuki, CPA, CIA, CISA, CFE, General Auditor

Subject: General Auditor's Internal Audit Plan for Fiscal Year 2024/25

The Office of the General Auditor is pleased to present our audit plan for fiscal year 2024/25 in accordance with the Metropolitan Administrative Code Section 6451 and the International Standards for the Professional Practice of Internal Auditing issued by the Institute of Internal Auditors.

The audit plan results from careful analysis of Metropolitan documents and data, numerous risk discussions with Metropolitan managers, and Board input on specific risk and internal control concerns.

Our office is charged with determining whether Metropolitan's network of risk management, internal control, and governance processes are appropriate and functioning as intended by management. To execute this charge, we plan to perform a series of audits and advisory projects, 29 in total, during the fiscal year (seven new audits, 12 carryforward audits, one recurring Board request, and nine advisories).

Our mission is to add value by recommending improvements to Metropolitan's operations while maintaining transparency and trust in the work we perform. We will do this by working collaboratively with all levels of the Metropolitan team, identifying risks and opportunities that evolve under our changing environment, and ultimately contributing to ensuring Metropolitan's resources have the maximum impact on the communities and member agencies we serve.

We appreciate the opportunity to serve Metropolitan by offering independent, professional, and objective audit and advisory services and appreciate the cooperation provided by the Metropolitan staff and Board during our audit risk assessment project.

If you have any questions regarding our audit plan, please do not hesitate to contact me directly at 213.217.6528 or Deputy General Auditor Kathryn Andrus at 213.217.7213.

Attachments

Other report recipients:

General Manager
General Counsel
Ethics Officer
Chief of Staff
Assistant General Managers
Board Executive Officer
External Auditor

DRAFT – PENDING BOARD APPROVAL**TABLE OF CONTENTS**

Introduction

1 Department Overview

An introduction to our office

Audit Risk Assessment

2 Audit Risk Assessment Process

A description of our project planning and execution methodology

4 Audit Risk Assessment Summary

A description of project results

Internal Audit Plan

6 Service Portfolio

An overview of the services we provide to Metropolitan

7 Planned Engagements

Projects we plan to perform during fiscal year 2024/25

Appendix A: Additional Information

11 Assurance Coverage

A crosswalk of risk areas to associated projects

13 Deferred Projects

Specific risks/internal control concerns identified pending audit resource/time availability

14 Resource Plan

An overview of our resources that will support execution of the audit plan

15 Organization Chart

Our internal reporting structure

16 Standards

References to relevant professional internal audit standards

DRAFT – PENDING BOARD APPROVAL**INTRODUCTION****DEPARTMENT OVERVIEW**

The General Auditor provides independent, professional, and objective advice to the Board and Metropolitan management in accordance with the professional standards issued by The Institute of Internal Auditors. To maintain independence, the General Auditor reports directly to the Board through the Audit Subcommittee of the Executive Committee.

Our goal is to assist Metropolitan’s Board and management in improving business and financial practices. To carry out this effort, the General Auditor oversees a team of audit professionals who determine whether Metropolitan activities, programs, or agreements comply with policies, procedures, and applicable regulations. The team proactively addresses issues, focusing on risk management, internal control, and governance processes.

Towards this goal, our office is charged with determining if Metropolitan’s network of risk management, internal control, and governance processes (as designed and represented by management), are adequate and functioning in a manner to ensure:

- ◆ Risks are appropriately identified, managed, and monitored.
- ◆ Significant financial, managerial, and operating information is accurate, reliable, and timely.
- ◆ Employees’ actions comply with policies, standards, procedures, and applicable laws and regulations.
- ◆ Resources are acquired economically, used efficiently, and adequately protected.
- ◆ Programs, plans, and objectives are achieved.
- ◆ Quality and continuous improvement are fostered in Metropolitan’s control process.
- ◆ Significant legislative or regulatory issues are recognized and addressed appropriately.

Our office carries out its responsibilities in accordance with the Audit Department Charter specified in the Metropolitan Administrative Code Section 6451.



DRAFT – PENDING BOARD APPROVAL**AUDIT RISK ASSESSMENT****AUDIT RISK ASSESSMENT PROCESS**

The Office of the General Auditor's objective is to add value to and improve Metropolitan's effectiveness and efficiency.

Our strategy to accomplish this is thorough planning, nimble responsiveness, aligning our priorities with Metropolitan's objectives, and auditing risks with the greatest potential to affect Metropolitan's ability to achieve its objectives.

The chief audit executive must establish a risk-based plan to determine the priorities of the internal audit activity, consistent with the organization's goals. – International Professional Practices Framework Standard 2010

There are eight primary steps in performing and maintaining the audit risk assessment and audit plan:

1. Understand the organization
2. Identify, assess, and prioritize risks
3. Coordinate with other assurance providers
4. Estimate resources
5. Propose the audit plan and solicit feedback
6. Finalize and communicate the audit plan
7. Assess risks continuously
8. Update the audit plan and communicate changes

Metropolitan's internal audit team developed the audit plan using this process to ensure a thorough and comprehensive risk evaluation, facilitate effective communication with the Board, management, and other stakeholders, and allocate sufficient resources to perform the planned projects.

As part of identifying, assessing, and prioritizing risks, we looked at the following risk factors:

Impact Factors

1. Loss/Material Exposure: Dollar values at risk, annual expenses, number of transactions, impact on other areas of Metropolitan, and degree of reliance on IT.
2. Strategic Risk: Public perception/reputation, economic conditions, volatility, significance to the General Manager's business plan/strategy, degree of regulation, and recent changes.



DRAFT – PENDING BOARD APPROVALLikelihood Factors

3. Control Environment: Degree of process isolation, degree of formalization, the newness of processes/applications, third-party reliance, management turnover, management monitoring, and policy & procedures.
4. Complexity: Degree of automation, degree of required specialization, level of technical detail, complexity of structure, and frequency of change.
5. Assurance Coverage: Type of engagement, other reviews, second-line coverage, and current audit/follow-up.
6. Board & Management Concern: Quantity and specificity of concerns shared during interviews and meetings.

Speed Factor

7. Velocity: How fast a risk can occur and impact Metropolitan.

We obtained input and suggestions from management in key business areas to better identify and quantify the risks Metropolitan faces. We also looked at goals and objectives in various Metropolitan documents, including the financial statements, the Integrated Resources Plan, the Climate Action Plan, monthly General Manager reports, Board and Committee meeting agendas, and the biennial budget.

Our audit universe was defined as 35 auditable units and generally revolved around functional areas of Metropolitan. All departments, groups, sections, and units of Metropolitan are included in the audit universe except for our office. We scored each factor and sorted each auditable unit according to a total risk score to identify those with the most significant risks.

An auditable unit with a higher audit risk score indicates the services or functions it is responsible for are a higher risk activity due to factors including, but not limited to, having a large amount of expenditures and/or revenues, having a high level of liquid assets such as cash, undergoing significant change (e.g., organizational structure, major system), processing complex transactions, criticality to Metropolitan's mission, or having a high degree of public interest. A higher audit risk score indicates that if something were to go wrong, it could have a greater impact on Metropolitan.



Bay Delta Estuary



DRAFT – PENDING BOARD APPROVAL

AUDIT RISK ASSESSMENT SUMMARY

Our audit risk assessment results show that eight auditable units are considered higher risk, 22 are moderate risk, and five are lower risk. Below are Metropolitan’s auditable units in their respective risk categories in alphabetical order.

HIGHER AUDIT RISK

- Business Continuity
- Conveyance & Distribution
- Cybersecurity
- Human Resources
- Information Technology
- Integrated Operations Planning & Support Services
- Power Operations & Planning
- Treatment & Water Quality

A higher audit risk score DOES NOT mean that a business area/process is being managed ineffectively or that internal control is inadequate.

MODERATE AUDIT RISK

- Administrative Services
- Bay Delta Initiatives
- Board of Directors
- Centralized Grants & Research
- Controller (accounting)
- Diversity Equity & Inclusion
- Employee Relations
- Engineering Planning
- Environmental Planning
- Equal Employment Opportunity
- External Affairs
- General Manager Office
- Infrastructure Reliability
- Land Management
- Operational Safety & Regulation
- Program Management
- Revenue & Budget
- Security
- Sustainability Resilience & Innovation
- Treasury & Debt Management
- Water Resource Implementation
- Water Resource Planning

LOWER AUDIT RISK

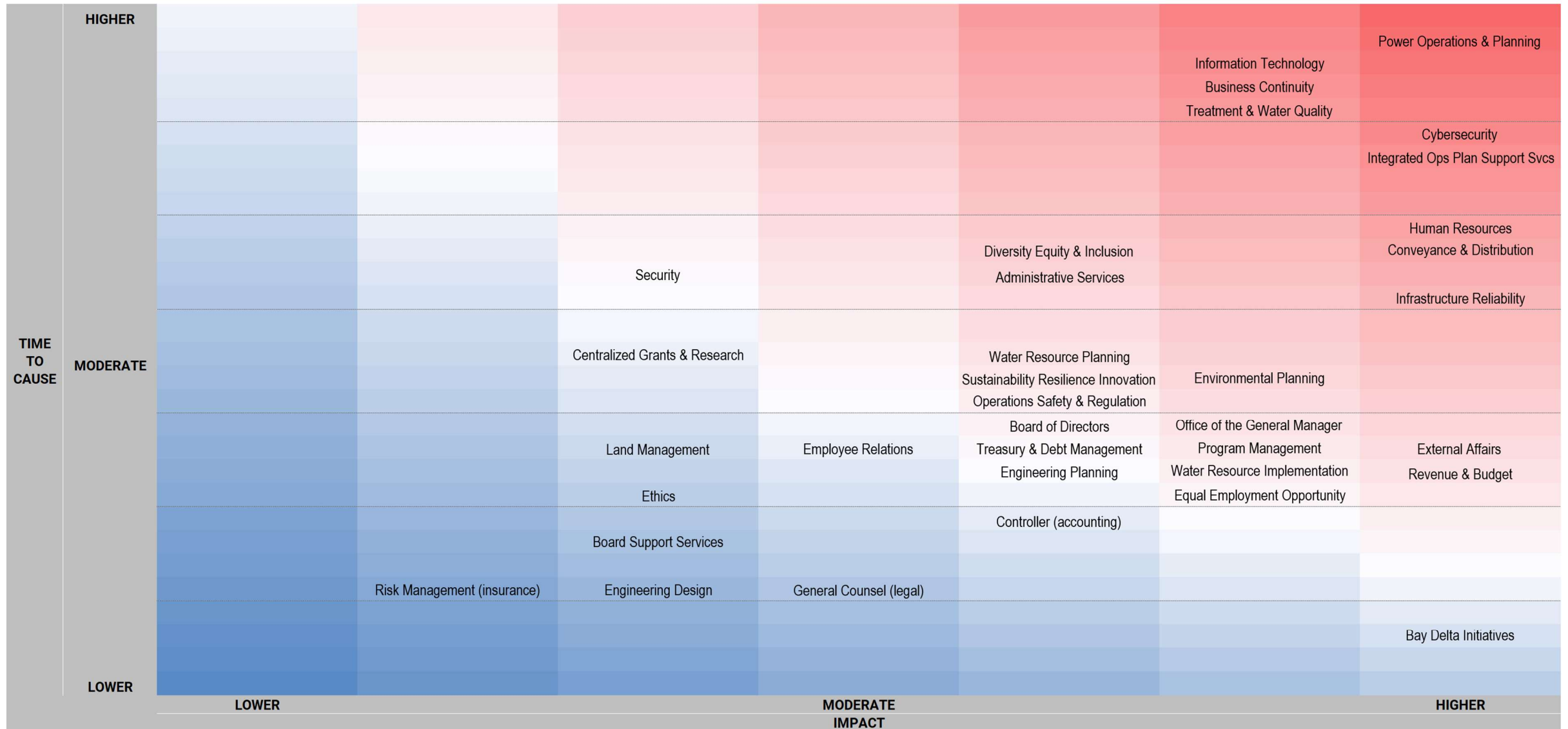
- Board Support Services
- Engineering Design
- Ethics
- General Counsel (legal)
- Risk Management (insurance)



DRAFT – PENDING BOARD APPROVAL

HEAT MAP

The diagram below shows the relationship between time to cause (likelihood + velocity) vs. impact for each Metropolitan auditable area.



DRAFT – PENDING BOARD APPROVAL**INTERNAL AUDIT PLAN****SERVICE PORTFOLIO**

Our core portfolio includes the following services:

1 Operational & Compliance Audits

These audits provide assurance focusing on internal control design, implementation, and/or maintenance of core business operations. The criteria used for our internal control audits is the Committee on Sponsoring Organizations of the Treadway Commission (COSO) internal control framework. Projects can also include assessment of policy compliance, contractual compliance, and/or regulatory compliance.

2 Information Technology Audits

Information technology is pervasive in Metropolitan's system of internal control. These audits focus on general information technology controls (e.g., operations, change management, disaster recovery) or specialized cybersecurity controls (e.g., asset management, data protection, malware defense).

3 Advisory Services

These advisory projects include providing consulting services to Metropolitan functions primarily in support of major business changes (e.g., new application implementation, re-organization, new service line, process re-alignment); however, they can also include ad-hoc on-demand advice.

4 Follow-Up Reviews

Follow-up reviews of observations from prior audits to monitor the implementation progress of recommended corrective actions. The amount of follow-up necessary will depend on the severity of the issue and the type of corrective action.

5 Administration & Other Activities

Includes the annual audit risk assessment and audit plan; TeamMate+ training and functional utilization; quality assessment & improvement program; and contractually required assistance to the external auditor.



DRAFT – PENDING BOARD APPROVAL**PLANNED ENGAGEMENTS**

Planned engagements are based upon approximately 12,900 productive hours provided by nine audit professionals. Higher audit risk areas are given priority for project assignment over moderate and lower audit risk areas. Once all higher audit risk areas are assigned an audit, additional moderate audit risk areas are selected at the discretion of the General Auditor. Projects may also be assigned based on Board direction or as mandated by law/regulation. Lastly, recurring audits are generally not assigned unless determined as higher risk or mandated by law/regulation.

The following table provides planned audit and advisory engagements and includes preliminary objectives and budgeting:

TITLE	PRELIMINARY OBJECTIVES	PRELIMINARY BUDGET
Operational & Compliance Audits		
1. CRA Reliability	Review CRA Main Pump Reliability Program.	600
2. Total Asset Management	Assess CIP requirements for proper preventative maintenance thresholds.	600
3. Chemical Safety	Review chemical transfer procedures.	600
4. Recruiting Process	Compare recruiting procedures and technology against industry and sector best practices.	600
5. Business Continuity Program	Review Metropolitan business continuity program procedures.	600
6. Small/Disadvantaged Business Enterprise Program	Review small/disadvantage business enterprise program	600
7. Colorado River Water User Association Review <i>Board Request</i>	Perform agreed-upon procedures on Colorado River Water User Association financial statements.	120
8. Sole Source Contracts <i>Carryforward from FY 2023/24</i>	Determine if sole-source contracts are issued in accordance with Metropolitan policy.	400
9. Power Market Operations <i>Carryforward from FY 2023/24</i>	Review Metropolitan power market operations.	200
10. State Audit Monitoring <i>Carryforward from FY 2023/24</i>	Review implementation status of State Auditor recommendations.	200



DRAFT – PENDING BOARD APPROVAL

TITLE	PRELIMINARY OBJECTIVES	PRELIMINARY BUDGET
Operational & Compliance Audits (con't)		
11. Bay Delta Disaster Preparedness <i>Carryforward from FY 2023/24</i>	Review Bay Delta disaster preparedness procedures.	120
12. CRA Maintenance <i>Carryforward from FY 2023/24</i>	Review conveyance maintenance program/processes.	160
13. California Landscape Contractors Association Contract Compliance <i>Carryforward from FY 2023/24</i>	Review contract compliance.	120
14. Pure Water State Funding Audit <i>Carryforward from FY 2023/24</i>	Determine adherence to state and Board directives for the Pure Water state funding.	120
15. Reserves/Rate Stabilization Fund <i>Board request</i> <i>Carryforward from FY 2022/23</i>	Determine if reserves are maintained in accordance with Metropolitan Administrative Code.	120
16. Real Property Business Management System <i>Carryforward from FY 2022/23</i>	Review administration of the Real Property Business Management System Project.	80
17. CRA Discharge Line Isolation Couplings Rehabilitation Project <i>Carryforward from FY 2022/23</i>	Review administration of the CRA Discharge Line Isolation Couplings Project.	80
Final Report Closeout	NA	320
Information Technology Audits		
18. IT Governance	Evaluate the value delivered by Metropolitan's IT investments and initiatives.	600
19. Cybersecurity: Software Asset Inventory & Control <i>Carryforward from FY 2023/24</i>	Determine if Metropolitan actively manages all software on the network.	200
20. Oracle Enterprise Business Suite Security <i>Carryforward from FY 2022/23</i>	Assess Oracle security controls.	160
Final Report Closeout	NA	40



DRAFT – PENDING BOARD APPROVAL

TITLE	PRELIMINARY OBJECTIVES	PRELIMINARY BUDGET
Advisory Services		
21. Grants	Provide advice to the new grants management function.	200
22. Buy v. Lease	Advise on advantages and disadvantages of leasing Metropolitan vehicles versus purchasing.	200
23. Progressive Design-Build	Advise on progressive design-build construction project procedures.	200
24. Corporate Climate Assessments	Advise on Metropolitan climate/culture assessments.	200
25. Risk Oversight Committee (Power Operations)	Advise on committee matters.	NA
26. METCON <i>Carryforward from FY 2023/24</i>	Advise on new application implementation.	80
27. WINS <i>Carryforward from FY 2023/24</i>	Advise on new application implementation.	80
28. PeopleSoft Time & Labor <i>Carryforward from FY 2023/24</i>	Advise on new application implementation.	80
29. Enterprise Content Management <i>Carryforward from FY 2023/24</i>	Advise on new application implementation.	80
Follow-Up Reviews		
Follow up on Operational & Compliance Audits	Follow up on audit recommendation implementation by management.	1,084
Administration & Other Activities		
External Audit Support	Assist Macias Gini & O'Connell (MGO) in the annual financial audit and single audit.	800
Annual Audit Risk Assessment & Internal Audit Plan	Perform annual audit risk assessment tasks and prepare Internal Audit Plan.	360
TeamMate+ Training & Functional Utilization	Provide and receive training on internal audit project management system.	160



DRAFT – PENDING BOARD APPROVAL

TITLE	PRELIMINARY OBJECTIVES	PRELIMINARY BUDGET
Administration & Other Activities (con't)		
Quality Assessment & Improvement Program (QAIP)	Complete mandates to ensure adherence to professional internal audit standards and improve internal audit operations.	120
On-Demand Advisory Services	Provide rapid advice upon request.	80

The General Auditor, from time to time, may determine it appropriate to substitute, postpone, or cancel a planned engagement due to timing, priority, resources, and/or other risk considerations. Such modifications will be noted in activity reports submitted to the Board and acceptance of the reporting authorizes any changes noted and amends the audit plan.

PROJECT TEAM

- ◆ Kathryn Andrus, CPA, Deputy General Auditor
- ◆ Chris Gutierrez, CPA, CIA, Audit Program Manager
- ◆ Arturo Castro, Principal Auditor
- ◆ Sherman Hung, CISA, Principal Auditor
- ◆ Andrew Lin, CPA, CIA, CIGA, Principal Auditor
- ◆ Leo Roldan, CPA, CIA, CGMA, Principal Auditor
- ◆ Lina Tan, Principal Auditor
- ◆ Bonita Leung, CPA, CIA, CRMA, CGMA, Senior Deputy Auditor
- ◆ Neena Mehta, Senior Deputy Auditor
- ◆ Faviola Sanchez, Deputy Auditor III
- ◆ Mari Elias, Executive Assistant II



DRAFT – PENDING BOARD APPROVAL**APPENDIX A: ADDITIONAL INFORMATION****ASSURANCE COVERAGE**

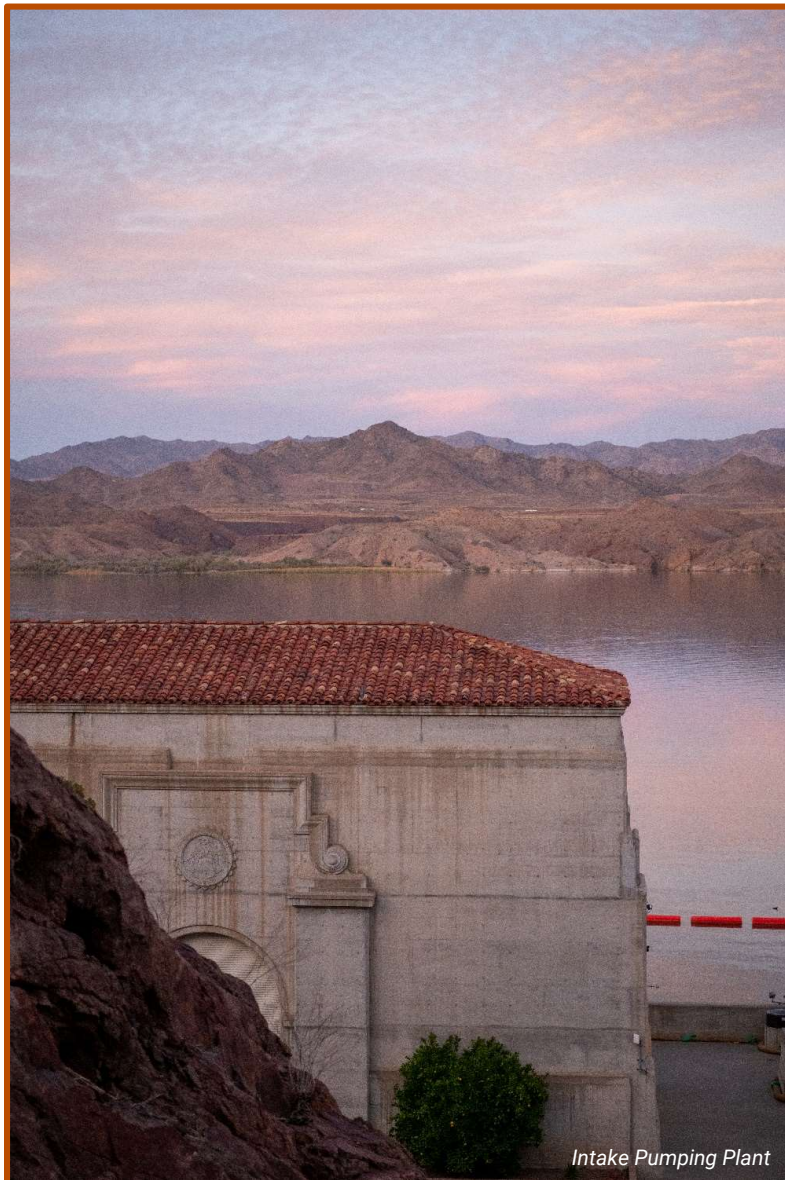
Risk areas we identified as part of the audit risk assessment process are listed alphabetically and mapped to their associated auditable areas, and the resultant planned engagement number is included in parentheses:

RISK AREA	AUDITABLE AREA	ENGAGEMENT
Asset management	Infrastructure Reliability	Total Asset Management (2)
Business continuity	Business Continuity	Business Continuity Program (5)
Chemical safety	Treatment & Water Quality	Chemical Safety (3)
Competitive contracting	Administrative Services	Sole Source Contracts (8)
Construction	Engineering Design	Progressive Design-Build (advisory)(23)
Culture	Diversity Equity & Inclusion Equal Employment Opportunity Ethics Human Resources	Corporate Climate Assessments (advisory)(24)
Cybersecurity	Cybersecurity	Cybersecurity: Software Asset Inventory & Control (19)
Data governance	Administrative Services	Enterprise Content Management (advisory)(29)
Delta failure/earthquake	Bay Delta Initiatives	Bay Delta Disaster Preparedness (11)
Fleet vehicles	Integrated Operations Planning & Support Services	Buy v. Lease (advisory)(22)
Grant compliance	Centralized Grants & Research	Grants (advisory)(21) Pure Water State Funding Audit (14)
IT Governance	Information Technology	IT Governance (18)
New Applications	Controller Conveyance & Distribution	Peoplesoft Time & Labor (advisory)(28) WINS (advisory)(27) METCON (advisory)(26)



DRAFT – PENDING BOARD APPROVAL

RISK AREA	AUDITABLE AREA	ENGAGEMENT
Power costs/operations	Power Operations & Planning	Power Market Operations (9) Risk Oversight Committee (advisory)(25)
Recruiting	Human Resources	Recruiting Process (4)
SBA/DBE contracting	Diversity Equity Inclusion	SBA/DBE Program (6)
State Audit	Human Resources	State Audit Monitoring (10)
Third-party compliance	Water Resource Implementation	CLCA Contract Compliance (13)
Water system maintenance	Conveyance & Distribution	CRA Reliability (1) CRA Maintenance (12)

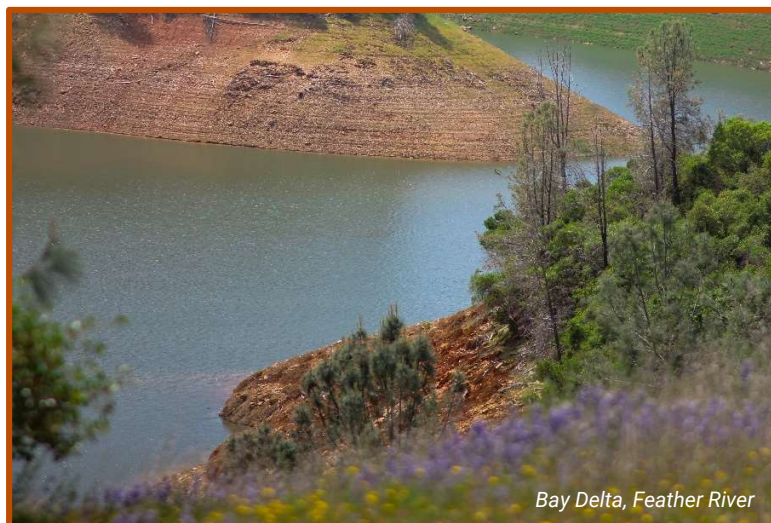


DRAFT – PENDING BOARD APPROVAL

DEFERRED PROJECTS

Risks/internal control concerns identified from Board input and management interviews (in high or medium-high areas of the audit risk assessment) are mapped to auditable areas below and will be added to the audit plan as resources and/or time become available:

RISK AREA	AUDITABLE AREA
California Air Resources Board (CARB) regulations/ fleet exemptions	Integrated Operations Planning & Support Services Sustainability Resilience & Innovation
Community Outreach	External Affairs
Conservation funding	Water Resource Implementation
Contract administration (post-award)	Program Management
Contract selection/award	Administrative Services Engineering External Affairs
Cybersecurity program	Information Technology
Desert housing	Integrated Operations Planning & Support Services
District temporary/annuitant usage	Human Resources
Electrical equipment supply chain	Integrated Operations Planning & Support Services
Enterprise risk management	Office of the General Manager
Investigative process	Multiple
Reserves/cost of service	Revenue & Budget
Revenue-generating lease/license contracts	Sustainability Resilience & Innovation



DRAFT – PENDING BOARD APPROVAL**RESOURCE PLAN**

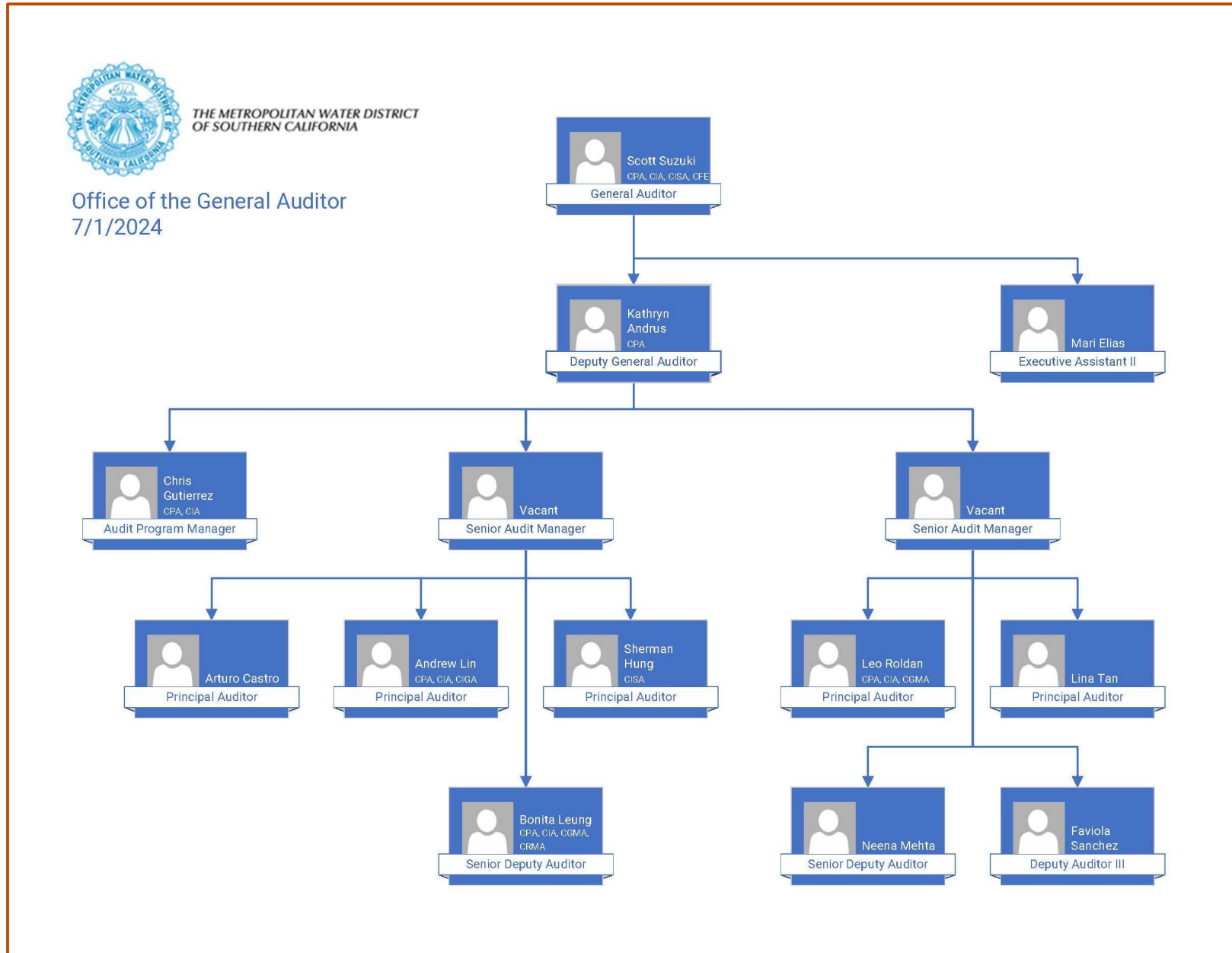
The department is comprised of 11 professional audit team members and one administrative professional. Team member audit experience includes financial, performance, fraud, compliance, and information technology. Six members are licensed Certified Public Accountants (CPA), five are Certified Internal Auditors (CIA), and two are Certified Information System Auditors (CISA). Other professional certifications held include Certified Fraud Examiner (CFE), Chartered Global Management Accountant (CGMA), Certification in Risk Management Assurance (CRMA), and Certified Inspector General Auditor (CIGA).

Our total productive hours available for portfolio services is 12,884 hours after allowances for benefits and non-productive time (e.g., training, staff meetings, HR activities). Additional time is then deducted for administration and other activities, a contingency reserve, Board requests, and special projects, resulting in 8,564 hours available for audit and advisory projects. Audit hours for the general auditor and deputy general auditor are not included in the productive hour total.



DRAFT – PENDING BOARD APPROVAL

ORGANIZATION CHART



DRAFT – PENDING BOARD APPROVAL**STANDARDS**

The following are references to conformance with relevant International Professional Practices Framework standards. Note: The IIA issued the Global Internal Audit Standards in January 2024 as an update to its standards, which will take effect in January 2025.

2010 – Planning

The chief audit executive must establish a risk-based plan to determine the priorities of the internal audit activity, consistent with the organization's goals.

- ◆ The internal audit activity's plan of engagements must be based on a documented risk assessment, undertaken at least annually. The input of senior management and the Board must be considered in this process.
- ◆ The chief audit executive must identify and consider the expectations of senior management, the Board, and other stakeholders for internal audit opinions and other conclusions.
- ◆ The chief audit executive should consider accepting proposed consulting engagements based on the engagement's potential to improve management of risks, add value, and improve the organization's operations. Accepted engagements must be included in the plan.

2020 – Communication & Approval

The chief audit executive must communicate the internal audit activity's plans and resource requirements, including significant interim changes, to senior management and the Board for review and approval. The chief audit executive must also communicate the impact of resource limitations.

2100 – Nature of Work

The internal audit activity must evaluate and contribute to the improvement of the organization's governance, risk management, and control processes using a systematic, disciplined, and risk-based approach. Internal audit credibility and value are enhanced when auditors are proactive and their evaluations offer new insights and consider future impact.

2110 – Governance

The internal audit activity must assess and make appropriate recommendations to improve the organization's governance processes for: (1) making strategic and operational decisions, (2) overseeing risk management and control, (3) promoting appropriate ethics and values within the organization, (4) ensuring effective organizational performance management and accountability, (5) communicating risk and control information to appropriate areas of the organization, (6) coordinating the activities of, and communicating information among the Board, external and internal auditors, other assurance providers, and management.

- ◆ The internal audit activity must evaluate the design, implementation, and effectiveness of the organization's ethics-related objectives, programs, and activities.
- ◆ The internal audit activity must assess whether the information technology governance of the organization supports the organization's strategies and objectives.



DRAFT – PENDING BOARD APPROVAL**2120 – Risk Management**

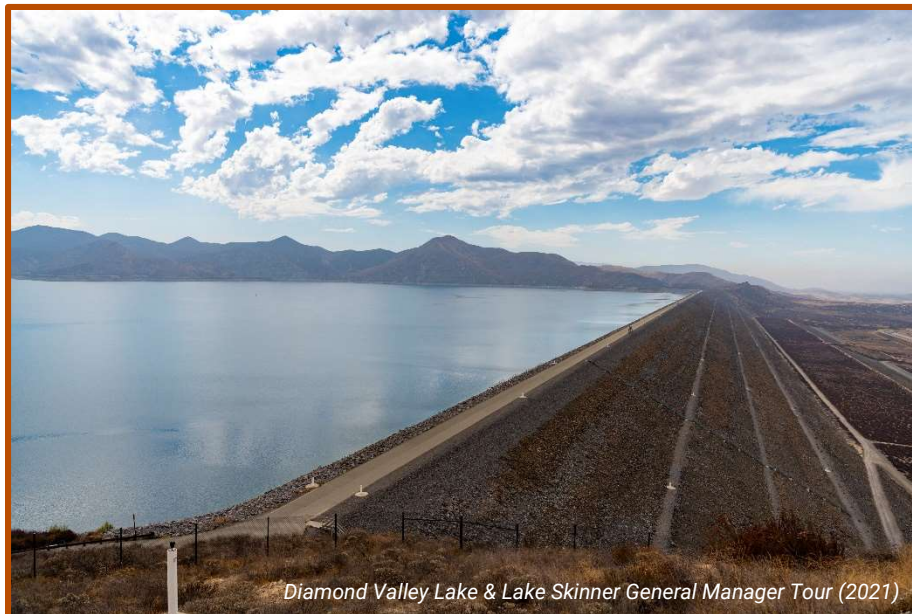
The internal audit activity must evaluate the effectiveness and contribute to the improvement of risk management processes.

- ◆ The internal audit activity must evaluate risk exposures relating to the organization’s governance, operations, and information systems regarding the: (1) Achievement of the organization’s strategic objectives; (2) Reliability and integrity of financial and operational information; (3) Effectiveness and efficiency of operations and programs; (4) Safeguarding of assets; and (5) Compliance with laws, regulations, policies, procedures, and contracts.
- ◆ The internal audit activity must evaluate the potential for the occurrence of fraud and how the organization manages fraud risk.
- ◆ During consulting engagements, internal auditors must address risk consistent with the engagement’s objectives and be alert to the existence of other significant risks.
- ◆ Internal auditors must incorporate knowledge of risks gained from consulting engagements into their evaluation of the organization’s risk management processes.
- ◆ When assisting management in establishing or improving risk management processes, internal auditors must refrain from assuming any management responsibility by actually managing risks.

2130 – Control

The internal audit activity must assist the organization in maintaining effective controls by evaluating their effectiveness and efficiency and by promoting continuous improvement.

- ◆ The internal audit activity must evaluate the adequacy and effectiveness of controls in responding to risks within the organization’s governance, operations, and information systems regarding the: (1) Achievement of the organization’s strategic objectives; (2) Reliability and integrity of financial and operational information; (3) Effectiveness and efficiency of operations and programs; (4) Safeguarding of assets; (5) Compliance with laws, regulations, policies, procedures, and contracts.
- ◆ Internal auditors must incorporate knowledge of controls gained from consulting engagements into evaluation of the organization’s control processes.





Executive Committee

General Auditor's Internal Audit Plan Fiscal Year 2024/25

Item 7-1

May 28, 2024

Item # 7-1
General
Auditor fiscal
year 2024/25
Audit Plan

Subject

Approve General Auditor's Internal Audit Plan for fiscal year 2024/25

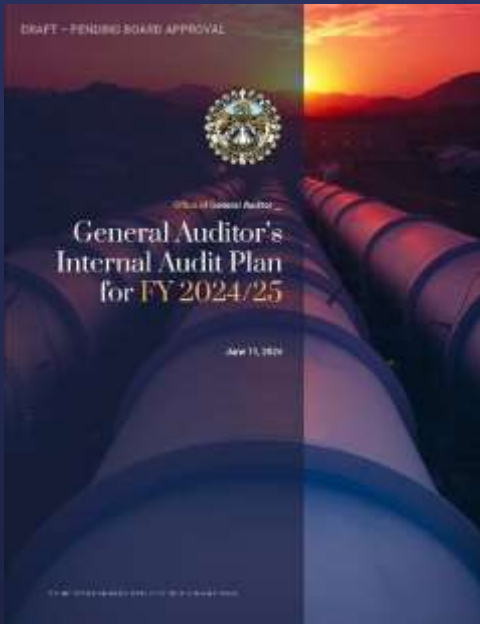
Purpose

Provide an overview of the department, the audit risk assessment process, and the Internal Audit Plan for fiscal year 2024/25

Next Steps

Submit the Internal Audit Plan for approval by the Board

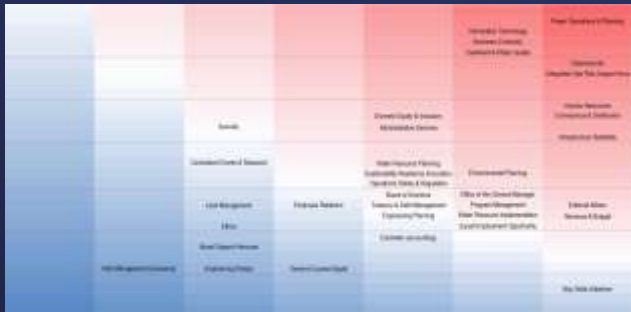
Business Plan



Department Overview

- Provide independent, professional, and objective advice to the Board and Metropolitan management in accordance with professional standards issued by The Institute of Internal Auditors
- Assist Metropolitan's Board and management in improving business and financial practices
- Proactively address issues, focusing on risk management, internal control, and governance processes
- Carry out responsibilities in accordance with the Audit Department Charter specified in Metropolitan Administrative Code Section 6451

Audit Risk Assessment



Audit Risk Assessment Process

The chief audit executive must establish a risk-based plan to determine the priorities of the internal audit activity, consistent with the organization's goals – International Professional Practices Framework (IPPF) Standard 2010

1. Understand the organization
2. Identify, assess, and prioritize risks
3. Coordinate with other assurance providers
4. Estimate resources
5. Propose the audit plan and solicit feedback
6. Finalize and communicate the audit plan
7. Assess risks continuously
8. Update the audit plan and communicate changes

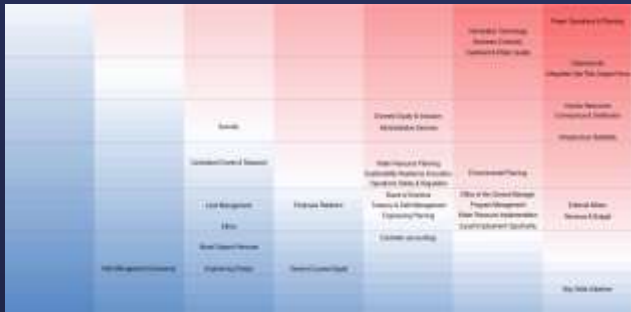
Audit Risk Assessment Summary

Higher Audit Risk Areas

- Business Continuity
- Conveyance & Distribution
- Cybersecurity
- Human Resources
- Information Technology
- Integrated Operations Planning & Support Services
- Power Operations & Planning
- Treatment & Water Quality

NOTE: A higher audit risk score **DOES NOT** mean that a business area/process is being managed ineffectively or that internal control is not adequate.

Audit Risk Assessment



Audit Plan



Service Portfolio

1. Operational & Compliance Audits

2. Information Technology Audits

3. Advisory Services

4. Follow-Up Reviews

5. Administration & Other Activities

Audit Plan



New Engagements

Operational & Compliance Audits

1. CRA Reliability
2. Total Asset Management
3. Chemical Safety
4. Recruiting Process
5. Business Continuity Program
6. Small/Disadvantaged Business Enterprise Program

Information Technology Audit

18. IT Governance

Recurring Board Request

7. Colorado River Water User Association Review

Audit Plan



Audit Plan



Carryforward Engagements

Operational & Compliance Audits

8. Sole Source Contracts
9. Power Market Operations
10. State Audit Monitoring
11. Bay Delta Disaster Preparedness
12. CRA Maintenance
13. California Landscape Contractors Association Contract Compliance
14. Pure Water State Funding Audit
15. Reserves/Rate Stabilization Fund
16. Real Property Business Management System
17. CRA Discharge Line Isolation Couplings Rehabilitation Project

Audit Plan



Carryforward Engagements (con't)

Information Technology Audit

19. Cybersecurity: Software Asset Inventory & Control
20. Oracle Enterprise Business Suite Security

Audit Plan



Advisory Engagements

21. Grants
22. Buy v. Lease
23. Progressive Design-Build
24. Corporate Climate Assessments
25. Risk Oversight Committee (Power Operations)
26. METCON (*carryforward*)
27. WINS (*carryforward*)
28. PeopleSoft Time & Labor (*carryforward*)
29. Enterprise Content Management (*carryforward*)

Audit Plan



Administration & Other Activities

- External Audit Support
- Annual Audit Risk Assessment & Internal Audit Plan
- TeamMate+ Training & Functional Utilization
- Quality Assessment & Improvement Program (QAIP)
- On-Demand Advisory Services

Assurance Coverage

Specific risk areas covered by planned engagements:

RISK	AUDITABLE AREA	ENGAGEMENT
Asset management	Infrastructure Reliability	Total Asset Management (2)
Business continuity	Business Continuity	Business Continuity Program (5)
Chemical safety	Treatment & Water Quality	Chemical Safety (3)
Competitive contracting	Administrative Services	Sole Source Contracts (8)
Construction	Engineering Design	Progressive Design-Build (Advisory)(23)
Culture	DEI EEO Ethics Human Resources	Corporate Climate Assessments (Advisory)(24)

Additional
Information



Assurance Coverage (con't)

RISK	AUDITABLE AREA	ENGAGEMENT
Cybersecurity	Cybersecurity	Cybersecurity: Software Asset Inventory & Control (19)
Data governance	Administrative Services	Enterprise Content Management (Advisory)(29)
Delta failure/earthquake	Bay Delta Initiatives	Bay Delta Disaster Preparedness (11)
Fleet vehicles	Integrated Operations Planning & Support Services	Buy v. Lease (Advisory)(22)
Grant compliance	Centralized Grants & Research	Grants (Advisory)(21) Pure Water State Funding Audit (14)
IT Governance	Information Technology	IT Governance (18)

Additional Information



Assurance Coverage (con't)

RISK	AUDITABLE AREA	ENGAGEMENT
New Applications	Controller Conveyance & Distribution	Peoplesoft Time & Labor (Advisory)(28) WINS (Advisory)(27) METCON (Advisory)(26)
Power costs/operations	Power Operations & Planning	Power Market Operations (9) Risk Oversight Committee (Advisory)(25)
Recruiting	Human Resources	Recruiting Process (4)
SBA/DBE contracting	Diversity Equity Inclusion	SBA/DBE Program (6)
State Audit	Human Resources	State Audit Monitoring (10)
Third-party compliance	Water Resource Implementation	CLCA Contract Compliance (13)
Water system maintenance	Conveyance & Distribution	CRA Reliability (1) CRA Maintenance (12)

Additional Information



Deferred Projects

Added to audit plan as resources/time become available:

RISK	AUDITABLE AREA
California Air Resources Board (CARB) regulations/fleet exemptions	Integrated Operations Planning & Support Services Sustainability Resiliency Innovation
Community Outreach	External Affairs
Conservation funding	Water Resource Implementation
Contract administration (post-award)	Program Management
Contract selection/award	Administrative Services Engineering External Affairs
Cybersecurity program	Information Technology
Desert housing	Integrated Operations Planning & Support Services

Additional
Information



Deferred Projects (con't)

RISK	AUDITABLE AREA
District temporary/annuitant usage	Human Resources
Electrical equipment supply chain	Integrated Operations Planning & Support Services
Enterprise risk management	Office of the General Manager
Investigative process	Multiple
Reserves/cost of service	Revenue & Budget
Revenue-generating lease/license contracts	Sustainability Resiliency & Innovation

Additional Information



Other Risk Areas

- Bonding capacity
- RFP development

Additional
Information



Additional Information



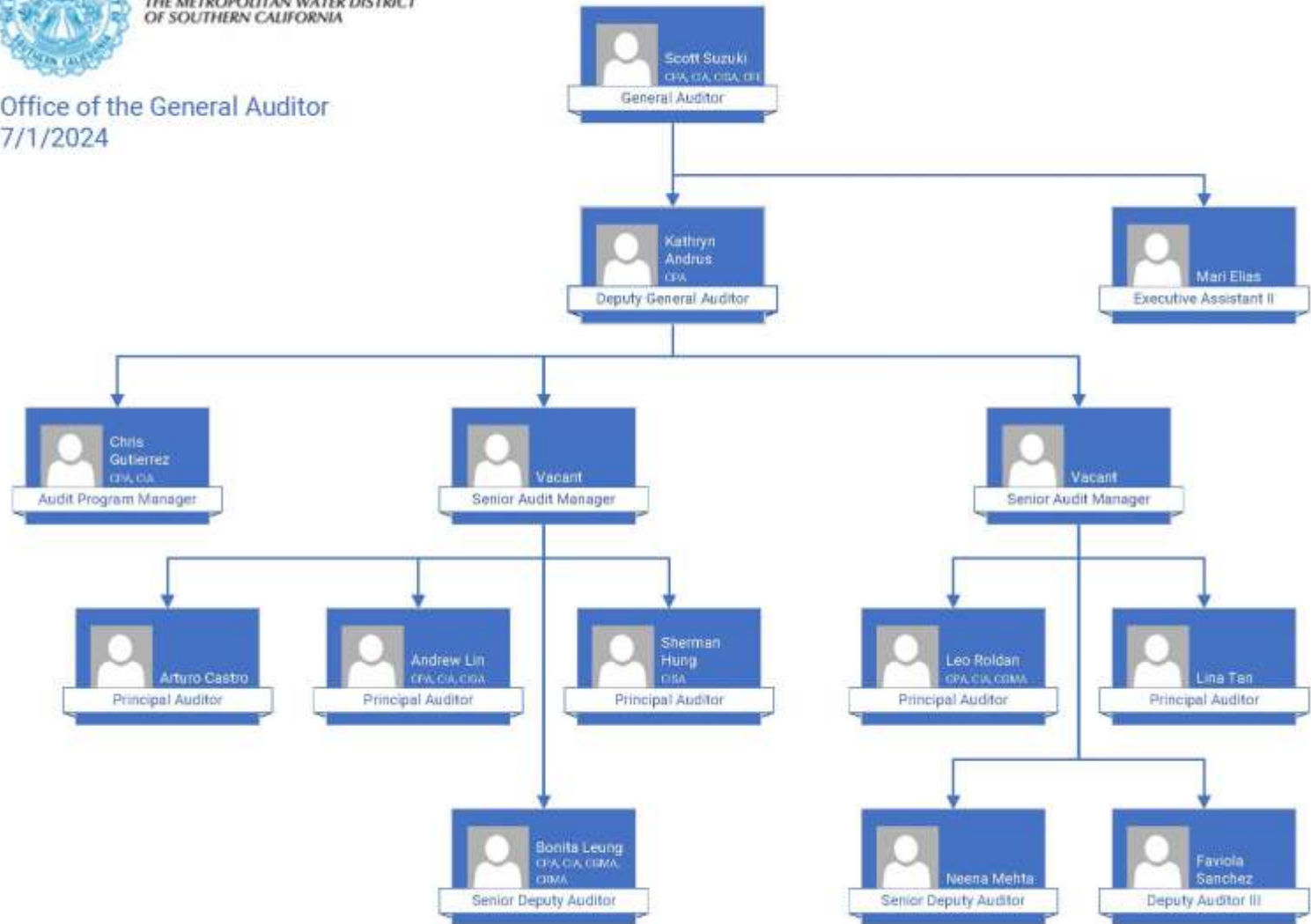
Resource Plan

- Eleven professional audit team members and one administrative professional
- Audit experience includes financial, performance, fraud, compliance, and information technology
- Six licensed Certified Public Accountants (CPA)
- Five Certified Internal Auditors (CIA) and two Certified Information Systems Auditors (CISA)
- 12,884 productive hours of which 8,564 are net project hours
- All eight higher-risk auditable areas will be covered



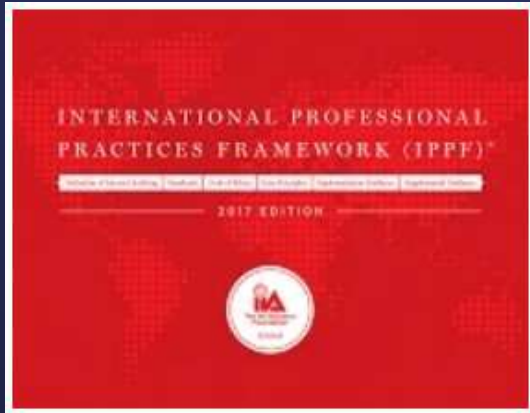
THE METROPOLITAN WATER DISTRICT
OF SOUTHERN CALIFORNIA

Office of the General Auditor
7/1/2024



Organization Chart

Additional Information



Standards

International Professional Practices Framework (IPPF) standards applicable to this project:

- 2010 - Planning
- 2020 - Communication & Approval
- 2100 - Nature of Work
- 2110 - Governance
- 2120 - Risk Management
- 2130 - Control

Note: The IIA issued the Global Internal Audit Standards in January 2024 as an update to its standards, which will take effect in January 2025.

