



Committee

M. Ramos, Chair
T. McCoy, Vice Chair
L. Ackerman
S. Blois
J. Butkiewicz
P. Hawkins
M. Hogan
F. Jung
C. Kurtz
R. Record
T. Smith

Audit and Ethics Committee

Meeting with Board of Directors *

June 22, 2021

12:30 p.m.

**Tuesday, June 22, 2021
Meeting Schedule**

08:30 AM	IRP
10:30 AM	Bay-Delta
11:30 AM	Break
12:00 PM	Exec
12:30 PM	A&E

Live streaming is available for all board and committee meetings on our mwdh2o.com website ([Click to Access Board Meetings Page](#))

Public Comment Via Teleconference Only: Members of the public may present their comments to the Board on matters within their jurisdiction as listed on the agenda via teleconference only. To participate call (404) 400-0335 and use Code: 9601962.

* 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 OTHER ITEMS -- ACTION ****

2. CONSENT CALENDAR OTHER ITEMS - ACTION

- A.** Approval of the Minutes of the Meeting for February 23, 2021

[21-213](#)

Attachments: [06222021 AE 2A draft minutes.pdf](#)

3. CONSENT CALENDAR ITEMS - ACTION

- 7-1 Authorize extending Agreement No. 177666 for one year with KPMG LLP to continue engagement for external audit services for fiscal year 2021/22, for an amount not to exceed \$465,500; the General Manager has determined that the proposed action is exempt or otherwise not subject to CEQA [21-214](#)

Attachments: [06222021 AE 7-1 B-L.pdf](#)

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

4. OTHER BOARD ITEMS - ACTION

None

5. BOARD INFORMATION ITEMS

None

6. COMMITTEE ITEMS

- a. Discussion on KPMG External Audit Fiscal Year 2020/21 Audit Plan [21-215](#)

Attachments: [06222021 AE 6a Presentation.pdf](#)

- b. Ethics Office Annual Report – Fiscal Year 2020/21 [21-235](#)

Attachments: [06222021 AE 6b Presentation.pdf](#)

7. MANAGEMENT REPORTS

- a. General Auditor's Report [21-217](#)

- b. Ethics Officer's Report [21-216](#)

8. FOLLOW-UP ITEMS

None

9. FUTURE AGENDA ITEMS

10. 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. Agendas for the meeting of the Board of Directors may be obtained from the Board Executive Secretary. This committee will not take any final action that is binding on the Board, even when a quorum of the Board is present.

Writings relating to open session agenda items distributed to Directors less than 72 hours prior to a regular meeting are available for public inspection at Metropolitan's Headquarters Building and on Metropolitan's Web site <http://www.mwdh2o.com>.

Requests for a disability related modification or accommodation, including auxiliary aids or services, in order to attend or participate in a meeting should be made to the Board Executive Secretary in advance of the meeting to ensure availability of the requested service or accommodation.

THE METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA

MINUTES

AUDIT AND ETHICS COMMITTEE

February 23, 2021

Chair Ramos called the teleconference meeting to order at 1:01 p.m.

Members present: Chair Ramos, Directors Ackerman, Ballin, Butkiewicz, Hawkins, Hogan, Jung, Kurtz, Quiñonez, Record and Smith.

Members absent: Vice Chair McCoy and Director Blois.

Other Board Members present: Chairwoman Gray, Directors Abdo, Atwater, Goldberg, Morris, Peterson, Pressman and Tamaribuchi.

Staff present: Beatty, Kightlinger, Salinas, Scully, Shope, Riss, Rodriguez and Von Haam.

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

Alan Shanahan, President of AFSCME Local 1902, raised a few concerns. Mr. Shanahan requested that the Climate Assessment Survey deadline be extended. Secondly, he also requested a public statement from the organization that employees who had non-disclosure agreements are still allowed to participate in the Climate Assessment Survey. Lastly, Mr. Shanahan stated that the General Manager recruitment is done in closed session which is not mandatory. He suggested that we should also know what direction was given to the Hawkins Group since an action was taken, in order to provide full transparency.

CONSENT CALENDAR ITEMS — ACTION

Chair Ramos announced that the approval of the minutes will be heard after the presentations in the Consent Calendar

3. CONSENT CALENDAR ITEMS – ACTION

- 7-5 Recommend that the Board approve proposed ethics-related amendments to the Administrative Code; the General Manager has determined that the proposed action is exempt or otherwise not subject to CEQA

Presented by: Abel Salinas, Ethics Officer, Peter Von Haam, Assistant Ethics Officer, Kelli Shope, Assistant Ethics Officer and Lance Olson, Partner at Olson Remcho.

Substitute Motion: Substitute motion to table item 7-5 until May 2021

The presentation highlighted the various ethics-related amendments proposed to be made to the Administrative Code. Mr. Olson included his recommendations and answered questions.

After completion of the presentation, Director Smith made a Substitute motion to table item 7-5 until May 2021, seconded by Director Ballin:

The vote was:

Ayes: Directors Ackerman, Ballin, Butkiewicz, Hogan, Jung, Quiñonez, Record and Smith

Noes: Directors Kurtz and Ramos

Abstentions: None

Absent: Directors Blois, Hawkins and McCoy

The motion passed by a vote of 8 ayes, 2 noes, 0 abstain, and 3 absent

The following Directors provided comments or asked questions-:

1. Ramos
2. Hogan
3. Quiñonez
4. Butkiewicz
5. Smith
6. Kurtz
7. Jung
8. Ballin
9. Peterson

Staff responded to the Directors questions and comments.

2. CONSENT CALENDAR OTHER ITEMS – ACTION

A. Approval of the minutes of the audit and ethics committee meeting held on October 27, 2020

Director Ballin made a motion, seconded by Director Atwater to approve the consent calendar consisting of item 2A:

The vote was:

Ayes: Directors Ackerman, Ballin, Butkiewicz, Hogan, Jung, Kurtz, Quiñonez, Ramos, Record and Smith

Noes: None

Abstentions: None

Absent: Directors Blois, Hawkins and McCoy

The motion passed by a vote of 10 ayes, 0 noes, 0 abstain, and 3 absent

END OF CONSENT CALENDAR ITEMS

4. OTHER BOARD ITEMS – ACTION

None

5. BOARD INFORMATION ITEMS

None

6. COMMITTEE ITEMS

None

7. MANAGEMENT REPORTS

- a. Subject: Ethics Officer's report

Presented by: Ethics Officer Abel Salinas

Mr. Salinas noted he had nothing to add to his monthly report.

- b. Subject: General Auditor's report

Presented by: General Auditor Gerald Riss

Mr. Riss began a discussion of the External Audit contract with KPMG which is set to expire with the 2020/21 Annual Audit. A proposal to extend this contract was discussed and the committee directed the General Auditor to proceed with such an action.

Assistant General Auditor John Tonsick then discussed the Check with Order Audit report and recommendations. Assistant General Manager/CFO Katano Kasaine then presented action plans to address the audit.

The following Director asked questions or provided comments:

1. Ballin

Staff responded to the Directors questions and comments.

8. FOLLOW-UP ITEMS

None

9. FUTURE AGENDA ITEMS

None

10. ADJOURNMENT

Next meeting will be held on June 22, 2021.

Meeting adjourned at 2:50 p.m.

Marsha Ramos
Chair



- **Board of Directors**
Audit and Ethics Committee

7/13/2021 Board Meeting

7-1

Subject

Authorize extending Agreement No. 177666 for one year with KPMG LLP to continue engagement for external audit services for fiscal year 2021/22, for an amount not to exceed \$465,500; the General Manager has determined that the proposed action is exempt or otherwise not subject to CEQA

Executive Summary

This action requests board authority for a one-year extension with KPMG LLP to perform periodic independent audits of Metropolitan's financial statements, review accounting procedures used by Metropolitan, to recommend improvements to Metropolitan's accounting procedures and systems of internal control, and to express an opinion on Metropolitan's basic financial statements.

Details

Metropolitan's current External Audit Services Agreement No. 177666 with KPMG, LLP expires with the completion of the fiscal year 2020/21 annual audit. External Audit Services Agreement No. 177666 comprises several required audits, including the annual financial audit, single audit for federal grants, and trustee agency audits. The agreement also requires an annual review of the Comprehensive Annual Financial Report.

Metropolitan initially issued a Request for Proposal (RFP) for External Audit Services No. 1167 on September 18, 2017, for proposals to perform external audit services for four fiscal years beginning July 1, 2017, and ending June 30, 2021. The Respondent would examine Metropolitan's annual financial statements in accordance with Generally Accepted Auditing Standards promulgated by the American Institute of Certified Public Accountants, Government Auditing Standards promulgated by the Comptroller General of the United States, and any other audit principles relevant to public agencies in the state of California. KPMG LLP was selected as the most qualified candidate, and an award for a four-year contract was made for annual audits commencing with the fiscal year ending June 30, 2018.

KPMG LLP has provided consistent, highly-professional service to Metropolitan during their contract. They are one of the leading providers of services to governments and utilities and bring a thorough understanding of the water industry, the State Water Project, and have the depth of resources needed to serve Metropolitan. In addition, their audit team transitioned to a work-from-home environment in response to the COVID-19 pandemic.

Given the challenges of issuing a new RFP to potential respondents, scheduling interviews of prospective firms by Metropolitan directors, and awarding a new contract, it seemed prudent to seek an extension to the existing contract. The proposed extension was discussed in the February 2021 Audit and Ethics Committee, and the consensus was to pursue such an action. The hourly billing rates payable under this extension have not changed from the 2020/21 rates and are provided in **Attachment 1**. The amounts payable under the one-year contract extension will not exceed \$465,500.

Policy

Metropolitan Water District Administrative Code Section 6453: Authority to Obtain Professional Services

Metropolitan Water District Administrative Code Section 11104: Delegation of Responsibilities

California Environmental Quality Act (CEQA)

CEQA determination for Option #1:

The proposed action is not defined as a project under CEQA because it involves continuing administrative activities, such as general policy and procedure making (Section 15378(b)(2) of the State CEQA Guidelines). In addition, the proposed action is not defined as a project under CEQA because it involves other governmental fiscal activities, which do not involve any commitment to any specific project which may result in a potentially significant physical impact on the environment (Section 15378(b)(4) of the State of CEQA Guidelines). Finally, where it can be seen with certainty that there is no possibility that the proposed actions may have a significant impact on the environment, those actions are not subject to CEQA pursuant to Section 15061(b)(3) of the State CEQA Guidelines.

CEQA determination for Option #2:

None required

Board Options

Option #1

Authorize the General Auditor to enter into a one-year contract extension for external audit services with the firm of KPMG LLP for annual audits covering fiscal years ending June 30, 2021, through June 30, 2022; for an amount not to exceed \$465,500.

Fiscal Impact: \$465,500 for the one-year contract term extension, funded within the FY 2021/22 budget.

Business Analysis: This option will ensure the continuity of the external audit services until 2022, when a new Request for Proposal can be issued.

Option #2

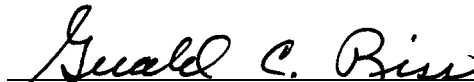
Reject the recommendation to award the proposed contract to KPMG LLP and issue another Request for Proposal.

Fiscal Impact: Unknown

Business Analysis: Issuing a Request for Proposal under current pandemic restrictions may limit prospective external audit firms from making proposals. This could result in a candidate pool of firms without a thorough knowledge of the Metropolitan's operations and the State Water Project complexities.

Staff Recommendation

Option #1


Gerald C. Riss
General Auditor

6/11/2021
Date

Attachment 1 – Projected Professional Fees

Ref# a12681965

Projected Professional Fees

The following is a summary of projected professional fees for the year ended June 30, 2022.

		Amount
	Projected Hours	2022 Fees
Partner/Managing Director	135	\$59,000
Senior Manager	225	\$79,800
Manager	125	\$37,600
Supervising Senior	395	\$105,800
Senior Associate	265	\$62,300
2 nd year Associate	525	\$111,900
Associate	445	\$80,200
Intern	40	\$4,300
GDC	300	\$24,600
Subtotal	2,455	\$565,500
Less: Internal Audit assistance	800	\$100,000
Total hours and fees	1,655	\$465,500



Metropolitan Water District of Southern California

Audit plan and strategy for the year ending
June 30, 2021



Our commitment to you

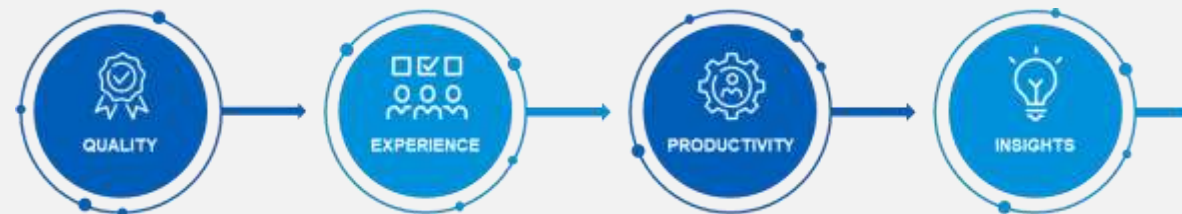


Delivering a better audit experience drives us.

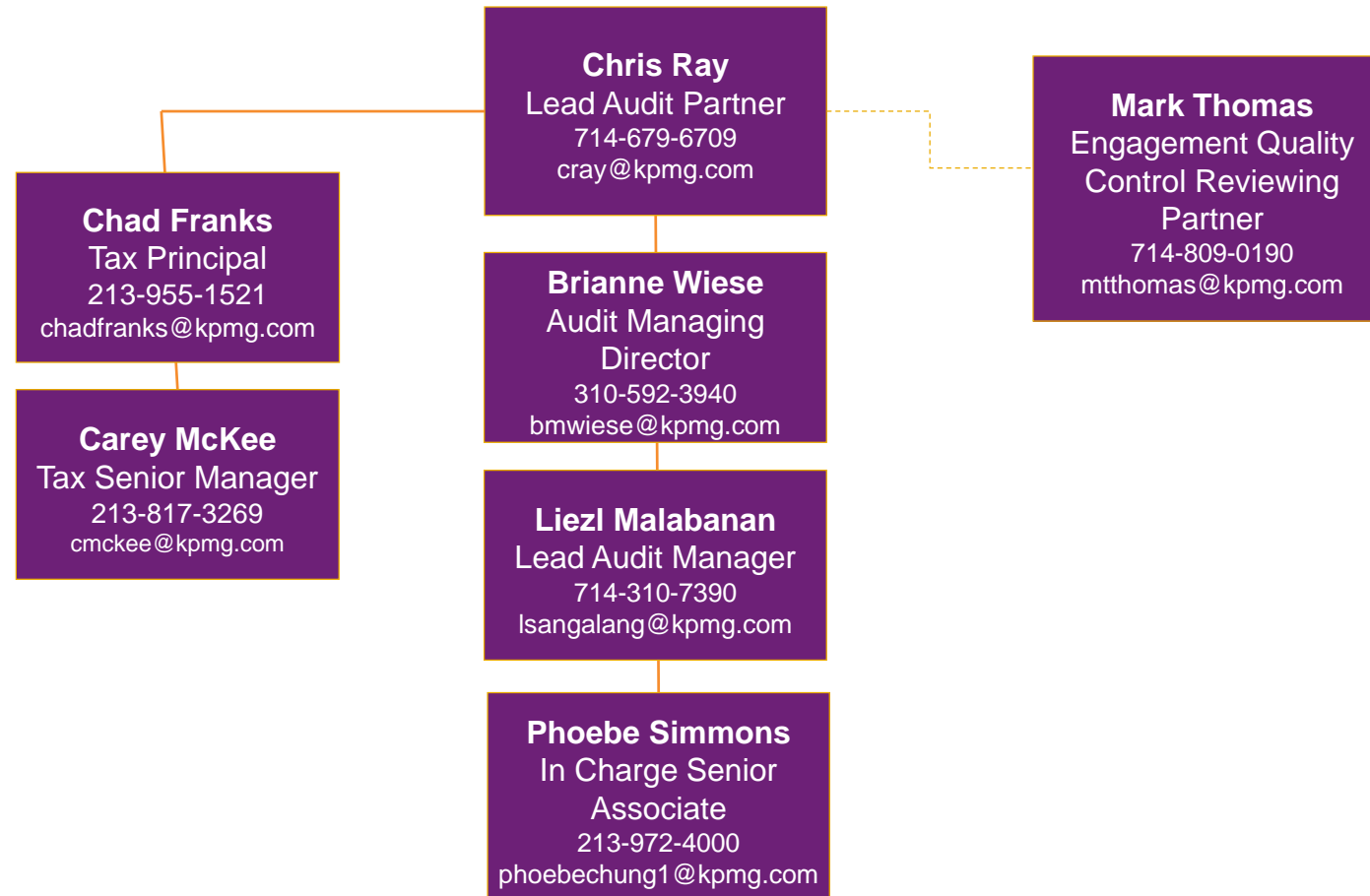
With KPMG you can expect an experience that's better for your team, organizations and the capital markets. An experience that's built for a world that demands agility and integrity.

See patterns in what has passed. See where risks may emerge. See opportunities emerge. See opportunities to optimize processes. And see ahead to new possibilities.

We aim to deliver an exceptional client experience for Metropolitan Water District of Southern California by focusing on:



Client service team



Team members with continuity are designated in purple.

Executive summary

2021 AUDIT PLAN



Scope of the audit

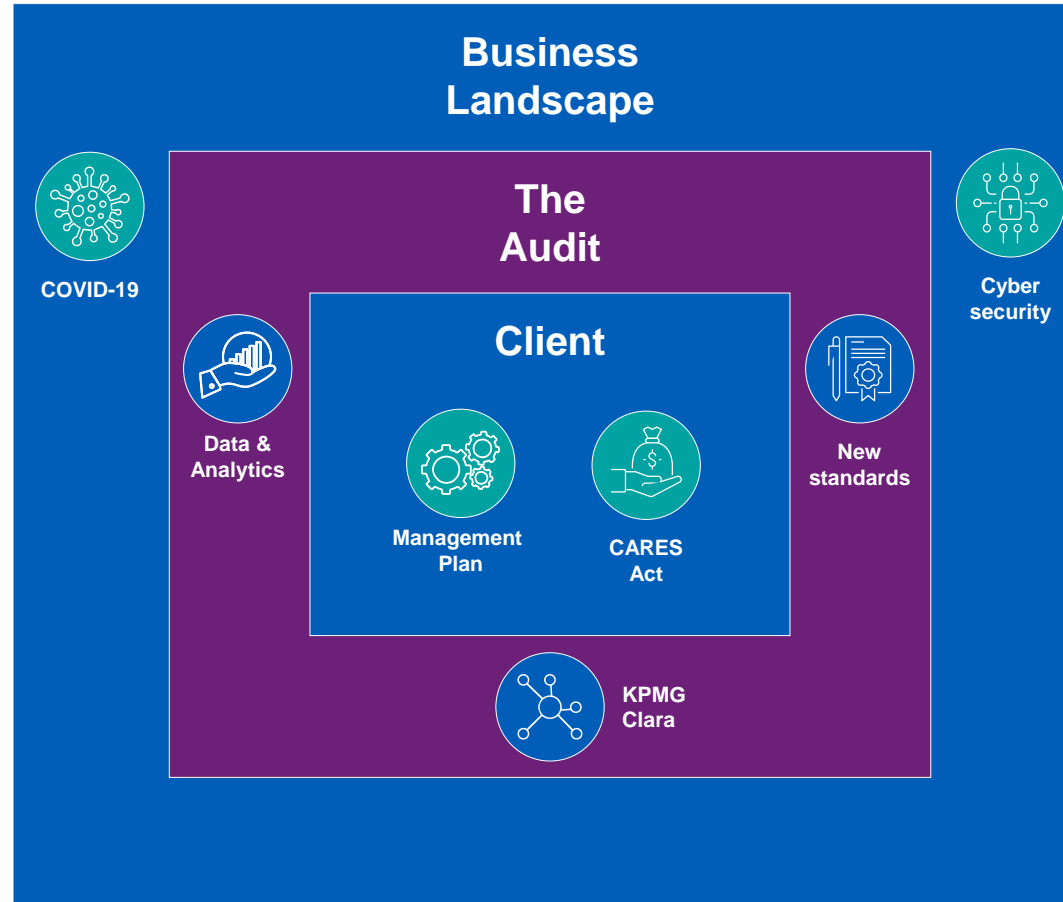
- Metropolitan Water District of Southern California financial statements
- Comprehensive Annual Financial Report of the Metropolitan Water District of Southern California
- Six Agency Committee financial statements
- Colorado River Joint Powers Authority financial statements
- Delta Conveyance Design and Construction Joint Powers Authority financial statements
- Single Audit report

2021: Planning a better audit experience



Delivering value – through and beyond the audit

- Your business:
 - CARES Act and other federal funding
 - Management Plan
- The audit
 - Data & Analytics
 - KPMG Clara
 - GASB Statement No. 84



Digitizing our audit platform



Accelerating our innovation

Over the past year, we have deployed multiple new audit technologies within the KPMG Clara ecosystem to enhance your audit experience.

Built on an agile, integrated, and secure platform, KPMG Clara combines a client-facing portal, data extraction, a comprehensive suite of tools to evaluate and respond to risk, and a workflow to guide our teams through it all. These capabilities help us deliver with quality, efficiency, and insight, leading to an exceptional experience.

Collaboration Platform

A next-generation audit facilitated by a digitized, efficient and transparent audit process.

Our risk assessment approach:

Same high standards.
More precision.
Powerful technology.
Tailored testing.

The result:

More targeted and effective audit response.



Data Extraction & Transformation

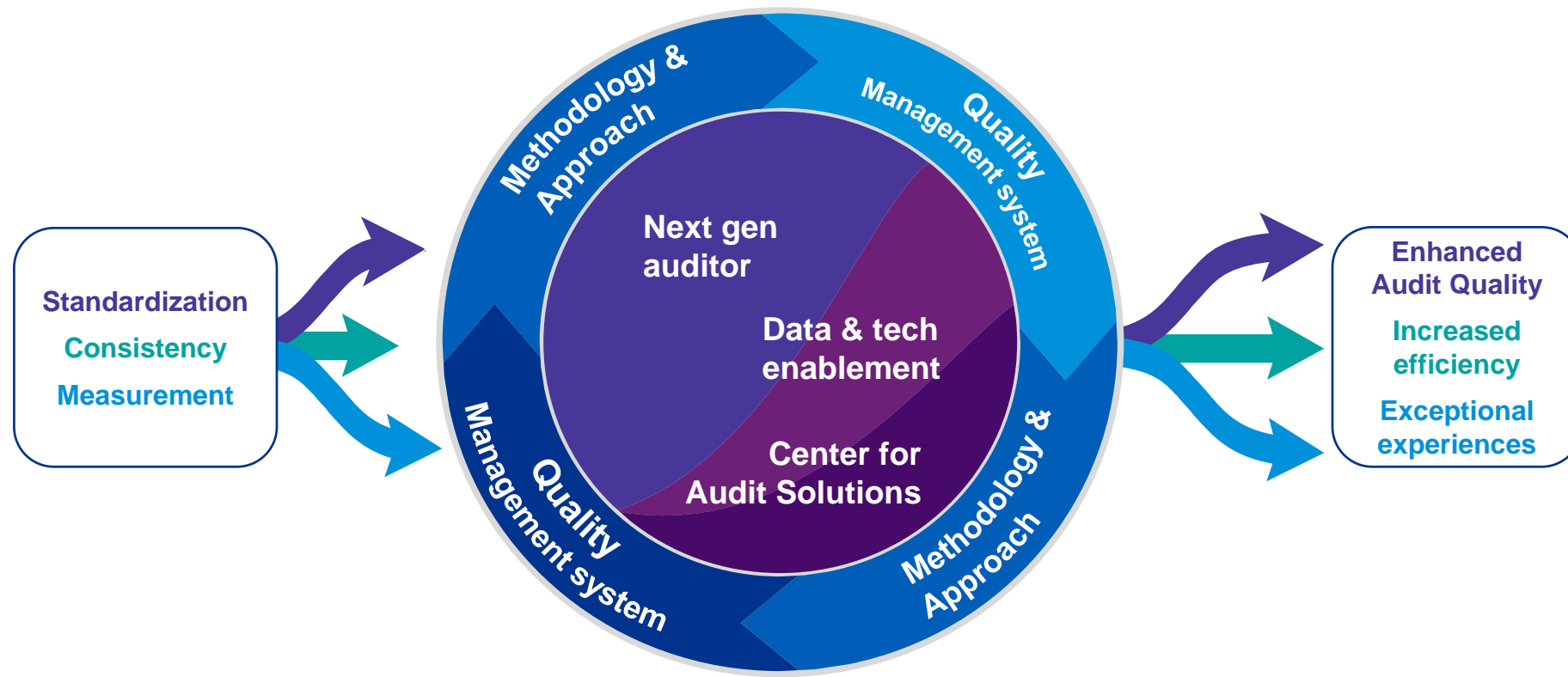
No matter your technology environment, we streamline data extraction and transformation to power the audit.

Automation Throughout Our Response

End-to-end automation enabling a consistent and efficient response.

Modernization: Driving quality, efficiency, and experience

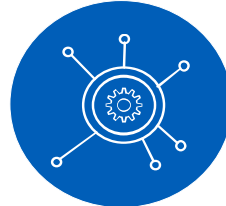
We are modernizing the audit experience. Our continuous transformation effort will enhance quality and efficiency, while delivering an exceptional experience marked by a responsive team and enriched with audit insights.



Your experience. Made better.

We have heard our client's feedback, considered trends, and other challenges in order to identify opportunities to raise the bar on your overall client experience.

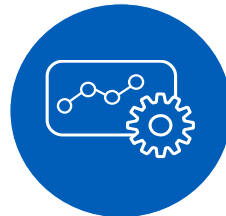
Our Planned Actions – Audit Related



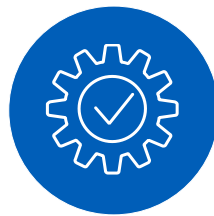
**KPMG Clara
Expansion**



Alteryx



PowerBI



**Automated
Vouching Tool**

What this means for you



Meaningful insights delivered to add value for you – today and tomorrow



Commitment to build onto our strong foundation serving you



Relentless continuous improvement mindset to continually raise the bar



Deliberate planning and execution of our client experience strategy



Required Communications to Those Charged with Governance



Summary: Audit approach required communications and other matters

Planning & risk assessment	Response	
	Role and identity of engagement partner	The lead audit engagement partner is Chris Ray
	Significant findings or issues discussed with management	No matters to report.
	Scope of audit	<p>Our audit of the financial statements of the following entities will be performed in accordance with auditing standards generally accepted in the United States of America.</p> <ul style="list-style-type: none"> • Metropolitan Water District of Southern California • Six Agency Committee • Colorado River Joint Powers Authority <p>Our audit also includes the report issued in connection with the Uniform Guidance for Metropolitan Water District of Southern California</p>
	Materiality in the context of an audit	See slide 12
	Our timeline	See slide 13
	Risk assessment: Significant risks	See slide 14
	Other risk assessments	See slide 15
	Involvement of others	See slide 16
	New effective accounting standards	See slide 17

Summary: Audit approach required communications and other matters

	Response
Independence	See slide 18
Responsibilities	See slide 19
Inquiries	See slide 20

Materiality in the context of an audit

We will apply materiality in the context of the preparation and fair presentation of the financial statements, considering the following factors:

Misstatements, including omissions, are considered to be material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

Judgments about materiality are made in light of surrounding circumstances and are affected by the size or nature of a misstatement, or a combination of both.

Judgments about materiality involve both qualitative and quantitative considerations.

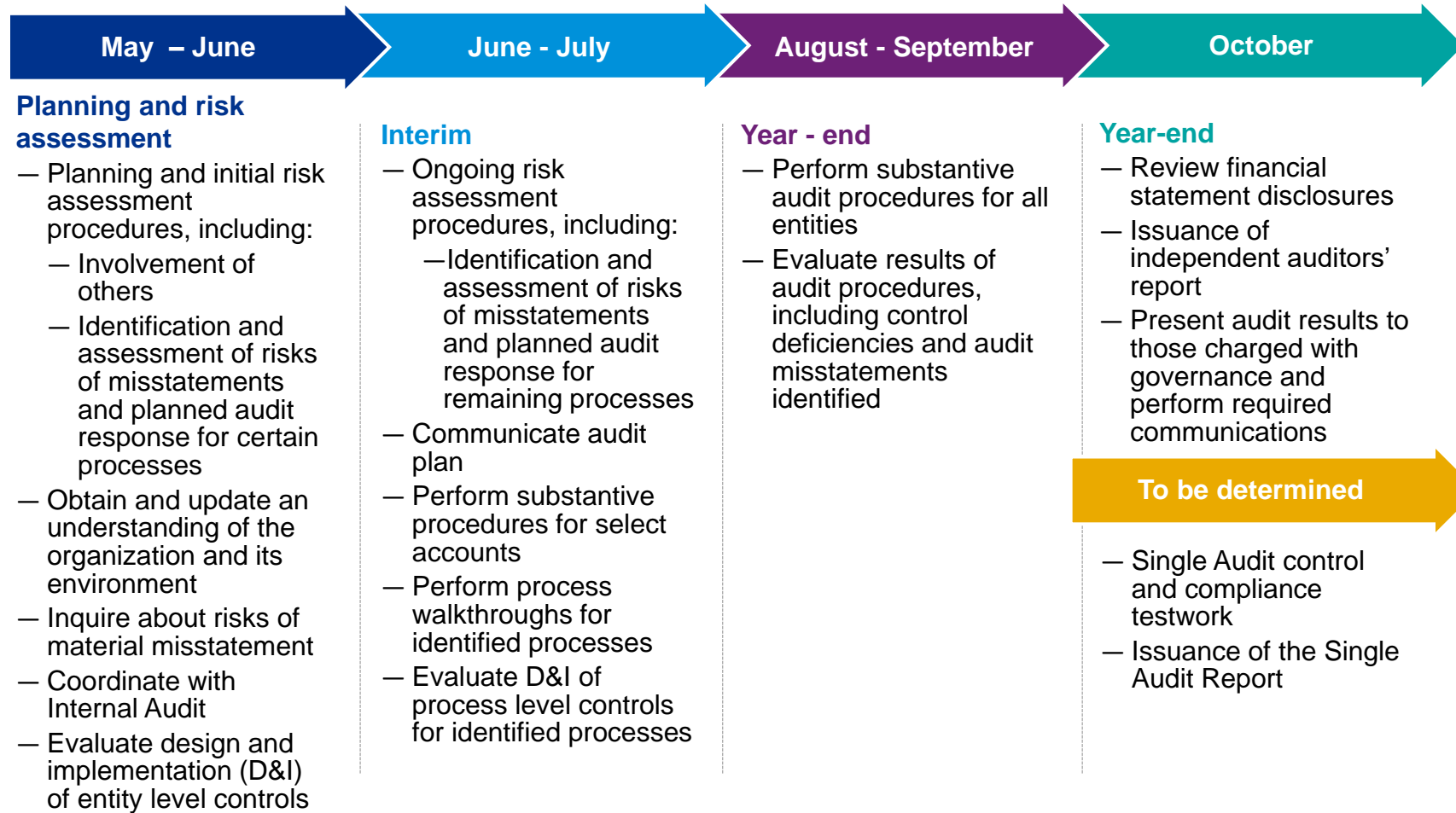
Judgments about matters that are material to users of the financial statements are based on a consideration of the common financial information needs of users as a group. The possible effect of misstatements on specific individual users, whose needs may vary widely, is not considered.

Determining materiality is a matter of professional judgment and is affected by the auditor's perception of the financial information needs of users of the financial statements.

Judgments about the size of misstatements that will be considered material provide a basis for

- a) Determining the nature and extent of risk assessment procedures;
- b) Identifying and assessing the risks of material misstatement; and
- c) Determining the nature, timing, and extent of further audit procedures.

Our timeline



Risk assessment: Significant risks

Significant risks

Management override of controls

Management is in a unique position to perpetrate fraud because of its ability to manipulate accounting records and prepare fraudulent financial statements by overriding controls that otherwise appear to be operating effectively. Although the level of risk of management override of controls will vary from entity to entity, the risk nevertheless is present in all entities.

Susceptibility to:

Error**Fraud****N****Y**

Y = Yes **N** = No

Other risk assessments

Other audit considerations	Susceptibility to		Relevant factors affecting our risk assessment:
	Error	Fraud	
COVID-19	Y	N	Incremental risk assessment considerations
Cash and investments	Y	N	Cash and investments represent approximately 10% of total assets
Capital assets, including participating rights in the Statement Water project	Y	N	Capital assets represent approximately 84% of total assets
Long-term debt	Y	N	Long-term debt represents approximately 77% of total liabilities
Pension amounts	Y	N	Pension liabilities represent approximately 12% of total liabilities. This liability is based on an actuarial report supported by various assumptions.
Revenues	Y	N	Water sales represents approximately 76% of total revenues.
Expenses	Y	N	Power and water costs and salary and benefit expenses represents 52% of total expenses.

Y = Yes

N = No

Involvement of others

Audit of financial statements	Plan to involve?	Extent of planned involvement
Internal Audit	Y	Assist in the performance of audit procedures on the following areas: <ul style="list-style-type: none"> • Receipts and disbursement • Capital asset • Census data for Pension and Other post-employment benefits • Payroll • Compliance testing for the Single Audit
KPMG specialists involved in performance of audit procedures	Y	<ul style="list-style-type: none"> • Review of actuarial reports for pension and other post- employment benefits

Y = Yes N = No

Newly effective accounting standards

Effective immediately

GASB 84: Fiduciary Activities

GASB 95: Postponement of the effective dates of certain authoritative guidance

Effective for calendar year-end companies in 2021

GASB 89: Accounting for interest cost incurred before the end of a construction period

GASB 90: Majority Equity Interests—an amendment of GASB Statements No. 14 and No. 61

Effective for calendar year-end companies in 2022 and thereafter

GASB 87: Leases

GASB 91: Conduit debt obligations

GASB 92: Omnibus 2020

GASB 93: Replacement of Interbank Offered Rates

GASB 94: Public-Private and Public-Public partnerships and availability payment arrangements

GASB 96: Subscription-based IT arrangements

GASB 97: Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans—an amendment of GASB Statements No. 14 and No. 84, and a supersession of GASB Statement No. 32

Shared responsibilities: Independence

Auditor independence is a shared responsibility and most effective when management, those charged with governance and audit firms work together in considering compliance with the independence rules. In order for KPMG to fulfill its professional responsibility to maintain and monitor independence, management, those charged with governance, and KPMG each play an important role.

System of independence quality control

The firm maintains a system of quality control over compliance with independence rules and firm policies. Timely information regarding upcoming transactions or other business changes is necessary to effectively maintain the firm's independence in relation to:

- New affiliates (which may include subsidiaries, equity method investees/investments, sister companies, and other entities that meet the definition of an affiliate under AICPA independence rules)
- New directors, officers, owners of 10% or more of the Company's equity securities or ownership interests, and persons in key positions with respect to the preparation or oversight of the financial statements

Certain relationships with KPMG

Independence rules prohibit:

- Certain employment relationships involving directors, officers, or others in an accounting or financial reporting oversight role and KPMG and KPMG covered persons.
- The Company or its directors, officers, from having certain types of business relationships with KPMG or KPMG professionals.

Responsibilities

Management responsibilities



- Communicating matters of governance interest to those charged with governance.
- The audit of the financial statements does not relieve management or those charged with governance of their responsibilities.

KPMG responsibilities – Objectives



- Communicating clearly with those charged with governance the responsibilities of the auditor regarding the financial statement audit and an overview of the planned scope and timing of the audit.
- Obtaining from those charged with governance information relevant to the audit.
- Providing those charged with governance with timely observations arising from the audit that are significant and relevant to their responsibility to oversee the financial reporting process.
- Promoting effective two-way communication between the auditor and those charged with governance.
- Communicating effectively with management and third parties.

KPMG responsibilities – Other



- Forming and expressing an opinion about whether the financial statements that have been prepared by management, with the oversight of those charged with governance, are prepared, in all material respects, in accordance with the applicable financial reporting framework.
- Establishing the overall audit strategy and the audit plan, including the nature, timing, and extent of procedures necessary to obtain sufficient appropriate audit evidence.
- Communicating any procedures performed relating to other information, and the results of those procedures.

Inquiries

The following inquiries are in accordance with AU-C 260

Are those charged with governance aware of:

- Matters relevant to the audit, including, but not limited to, violations or possible violations of laws or regulations?
- Any significant communications with regulators?
- Any developments in financial reporting, laws, accounting standards, corporate governance, and other related matters, and the effect of such developments on, for example, the overall presentation, structure, and content of the financial statements, including the following:
 - The relevance, reliability, comparability, and understandability of the information presented in the financial statements
 - Whether all required information has been included in the financial statements, and whether such information has been appropriately classified, aggregated or disaggregated, and presented?

Do those charged with governance have knowledge of:

- Fraud, alleged fraud, or suspected fraud affecting the Company?
 - If so, have the instances been appropriately addressed and how have they been addressed?

Inquiries (Continued)

The following inquiries are in accordance with AU-C 260

Additional Inquiries

- What are those charged with governance's views about fraud risks in the Company?
- Who is the appropriate person in the governance structure for communication of audit matters during the audit?
- How are responsibilities allocated between management and those charged with governance?
- What are the Company's objectives and strategies and related business risks that may result in material misstatements?
- Are there any areas that warrant particular attention during the audit and additional procedures to be undertaken?
- What are those charged with governance's attitudes, awareness, and actions concerning (a.) the Company's internal controls and their importance in the entity, including oversight of effectiveness of internal controls, and (b.) detection of or possibility of fraud?
- Have there been any actions taken based on previous communications with the auditor?
- Has the Company entered into any significant unusual transactions?
- Whether the entity is in compliance with other laws and regulations that have a material effect on the financial statements?
- What are the other document(s) that comprise the annual report, and what is the planned manner and timing of issuance of such documents?

Questions?

For additional information and audit committee resources, including National Audit Committee Peer Exchange series, a Quarterly webcast, and suggested publications, visit the KPMG Audit Committee Institute (ACI) at www.kpmg.com/ACI

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Annual Report to the Audit & Ethics Committee

Ethics Office
July 2020-June 2021

Presentation Roadmap

Annual Report: Fiscal Year 2020/21

- 1 Operational Priorities
- 2 Strategic Priorities
- 3 Board-Directed Priorities
- 4 Ethics Office Budget

Operational Priorities

Results

Operational Priorities



Advice



Education



Compliance



Policy



Investigations



Metrics

Advice



THE METROPOLITAN WATER DISTRICT
OF SOUTHERN CALIFORNIA

Conflicts Bulletin Preview

Please review the list of outside entities involved in the upcoming Committee and Board meetings. Contact the Ethics Office or General Counsel for advice if you:

- 1) Have a financial interest (such as income or investments) in any of the entities below; or
- 2) Have received or solicited campaign contributions or gifts from any of the entities below.

1

Individual Advice

2

Monthly Conflicts Bulletins

3

Requested FPPC Advice

Education

1

Individual Sessions with
New Form 700 Filers

3

Online Training for Form
700 Designated Filers

2

Provided Updates on State
Ethics Laws

Compliance

2020-2021 Statement of Economic Interests



Form 700

A Public Document

1

Filing Officer
Duties

3

Conflict of Interest
Code Review

2

AB 1234 State
Ethics Training

4

Monthly Conflicts
Screenings

Public Service Ethics Education Online Proof of Participation Certificate

Date of Completion: Sep 08, 2020

Training Time*: 2 hr. 55 min.

This course is an overview course on all public service ethics issues necessary to satisfy the requirements of Article 2.4 of Chapter 2 of Part 1 of Division 2 of Title 5 of the Government Code, including the following:

- Laws relating to personal financial gain by public servants, including, but not limited to, laws prohibiting bribery and conflict-of-interest laws.
- Laws relating to claiming perquisites ("perks") of office, including, but not limited to, gift and travel restrictions, prohibitions against the use of public resources for personal or political purposes, prohibitions against gifts of public funds, mass mailing restrictions, and prohibitions against acceptance of free or discounted transportation by transportation companies.
- Government transparency laws, including, but not limited to, financial interest disclosure requirements and open government laws.

Policy



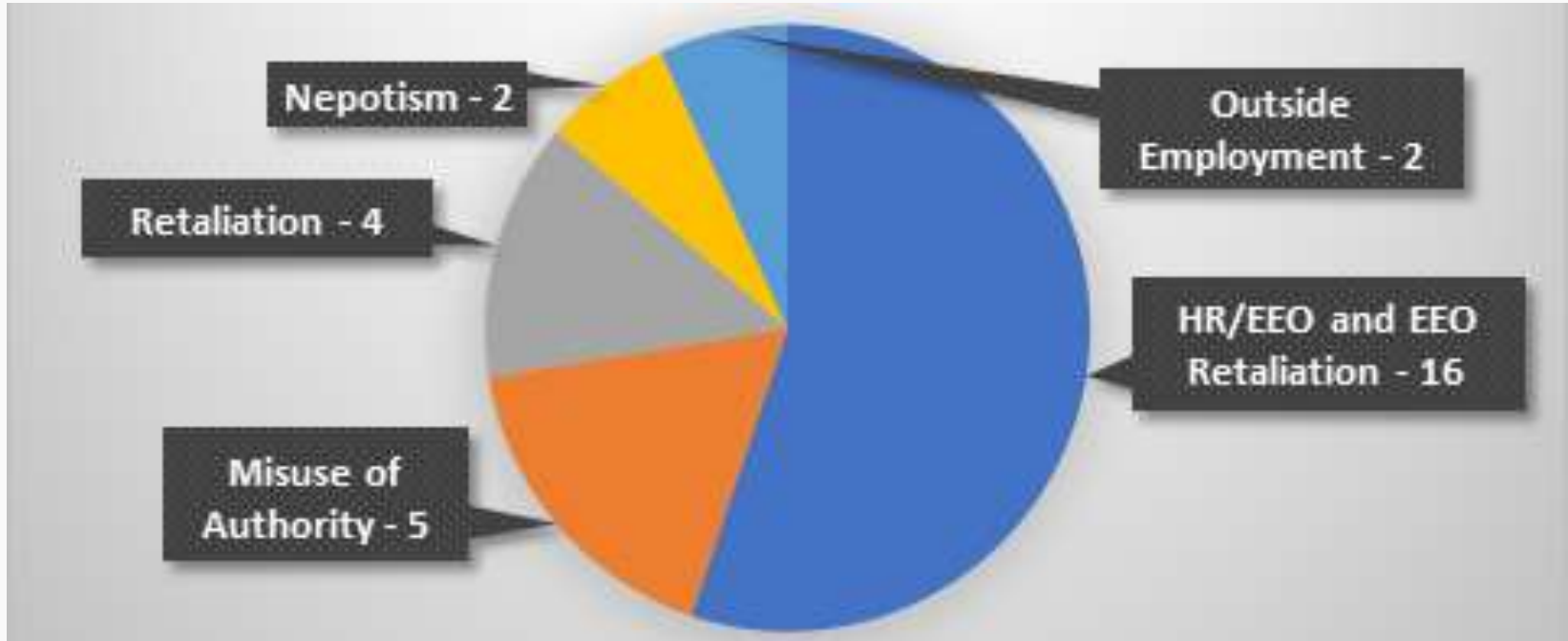
Administrative Code

Monitored Best Practices

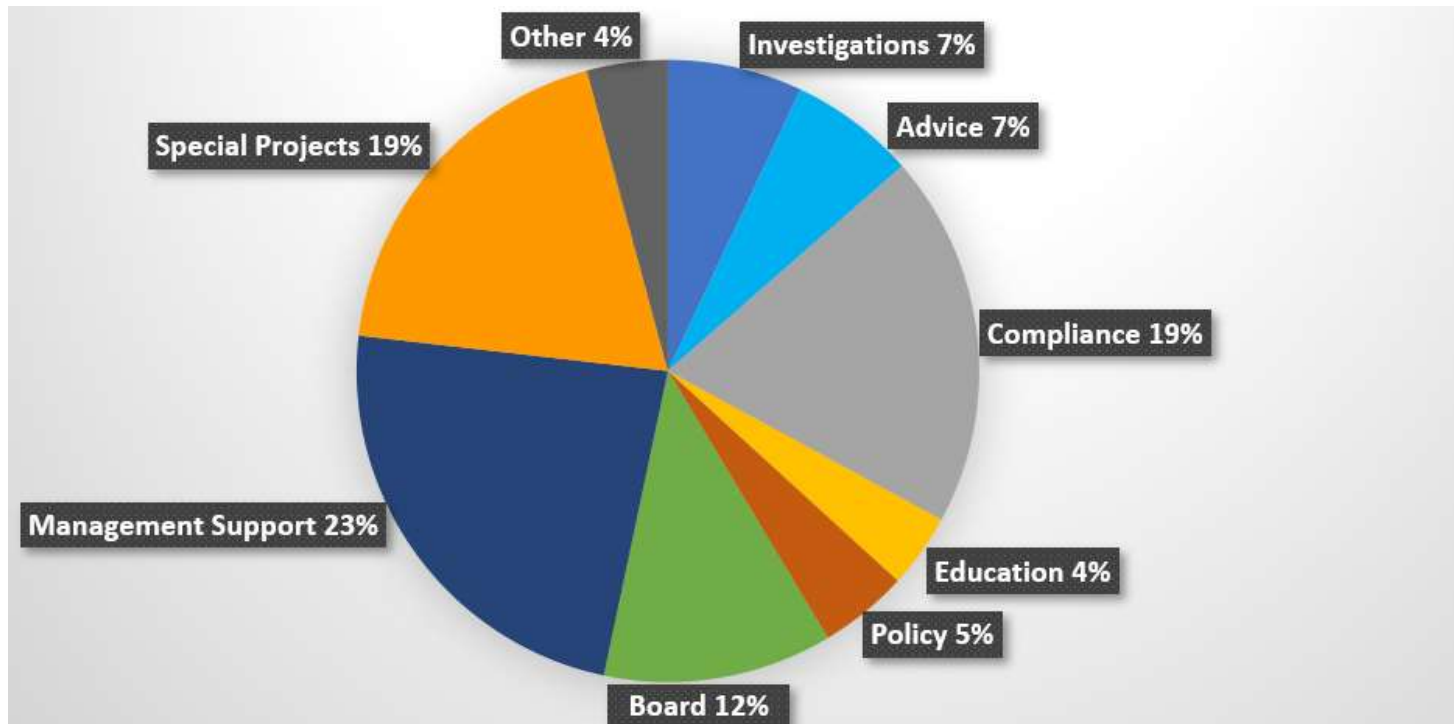
Considered Potential Ethics Rules

Investigations

29 Complaints



Performance Metrics



Performance Metrics

Program Highlights

- Advice

161 Matters

- Compliance

884 Statements of Economic Interests
398 Technical Assistance Matters

- Investigations

2 Completed
2 Ongoing

Strategic Priorities

Results

Strategic Priorities



Education and Outreach



1

Online Learning

New employee orientation

Ethics Webinars:

- “Ethics Office Purpose and Services”
- “Ethics Rules at a Glance”

2

Focused Trainings

Live tailored trainings for:

- Aspiring managers
- Work groups

3

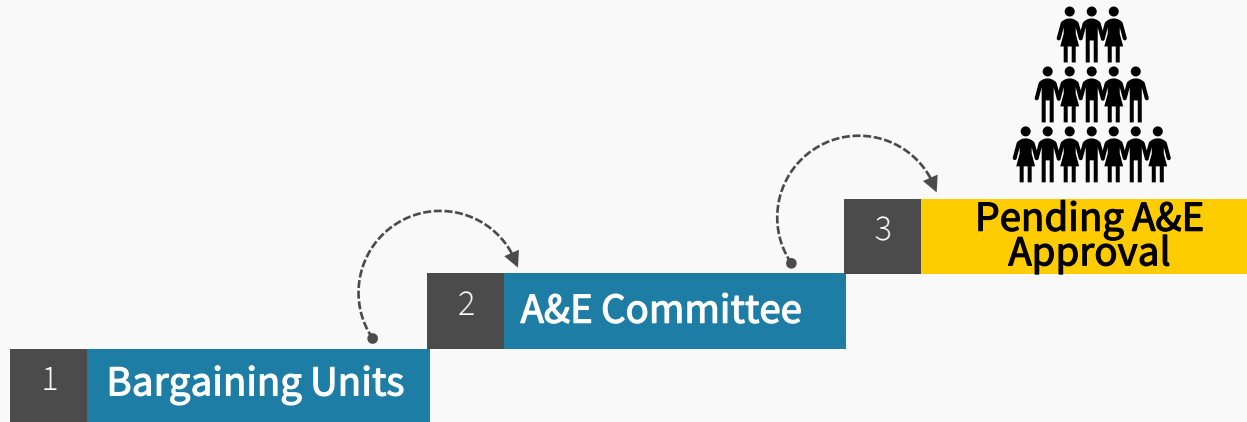
Engagement

Employee resource groups

“Ask the Ethics Officer” button on internal website

Online Ethics training library for employees

Administrative Code



Collaboration

- **Conferred** with Board Chair, A&E Committee Chair/Vice Chair on policy and operational matters
- **Informed** leadership of opportunities for organizational growth and risks
- **Collaborated** with Department Heads



Board-Directed Priorities

Independent Review

November 2020 – Board directed Ethics Officer to oversee a review of systemic EEO-related concerns:

- Contract administration, facilitation
- Resource allocation
- High employee engagement and trust
- 4 EEO investigations



THE METROPOLITAN WATER DISTRICT
OF SOUTHERN CALIFORNIA

BOARD
ACTION

• **Board of Directors**
Organization, Personnel and Technology Committee

11/10/2020 Board Meeting

8-2

Subject

Authorize and direct the Ethics Officer to enter into a contract with an outside legal counsel in an amount not-to-exceed \$200,000 to conduct an independent review of allegations of systemic Equal Employment Opportunity related discrimination, harassment, and retaliation, and related concerns; the General Manager has determined that the proposed actions are exempt or otherwise not subject to CEQA.

Ethics Office Budget

Budget

Fiscal Year Resources

- 5 Employees
- \$1,621,433 Annual Budget

