

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.

A&E Committee

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

Audit and Ethics Committee

Meeting with Board of Directors *

September 27, 2022

9:30 a.m.

**Tuesday, September 27,
2022**

**09:30 a.m. A&E
11:00 a.m. OWC
01:00 p.m. Exec.**

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A listen only phone line is also available at 1-877-853-5257; enter meeting ID: 831 5177 2466. Members of the public may present their comments to the Committee on matters within the committee's jurisdiction as listed on the agenda via in-person or teleconference. To participate via teleconference (833) 548-0276 and enter meeting ID: 815 2066 4276.

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* 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 Meeting of the Audit and Ethics Committee held August 16, 2022 [21-1516](#)

Attachments: [09272022 AE 2A Minutes](#)

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. Discussion of Ethics Office oversight responsibilities

[21-1519](#)

Attachments: [09272022 AE 6a Presentation](#)

7. MANAGEMENT REPORTS

- a. Interim General Auditor's Report

[21-1517](#)

- b. Ethics Officer's Report

[21-1518](#)

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

ADJOURNED AUDIT AND ETHICS COMMITTEE

August 16, 2022

Chair Ramos called the teleconference meeting to order at 8:30 a.m.

Members present: Chair Ramos, Vice Chair McCoy, Directors Ackerman, Blois, Dennstedt, Hawkins, Jung, Kurtz, Record and Smith.

Members absent: None

Other Board Members present: Directors Abdo, Atwater, De Jesus, Dick, Erdman, Faessel, Fellow, Fong-Sakai, Goldberg, Gray, Lefevre Miller, Morris, Ortega, Peterson, Pressman, and Tamaribuchi.

Committee Staff present: Hagekhalil, Salinas, Scully, Shope, Rodriguez, Tonsick, H. Beatty, and Von Haam.

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

None

CONSENT CALENDAR ITEMS — ACTION

2. CONSENT CALENDAR OTHER ITEMS – ACTION

- A. Approval of the Minutes of the meeting of the Audit and Ethics Committee held June 28, 2022.

3. CONSENT CALENDAR ITEMS – ACTION

- 7-8 Subject: Approve proposed ethics-related amendments to the Administrative Code; the General Manager has determined that the proposed action is not subject to CEQA

Presented by: Kelli Shope, Assistant Ethics Officer

 Motion: Approve recommended ethics-related amendments to the Administrative Code.

Ms. Shope provided an overview of the ethics-related amendments to the Administrative Code highlighting the following:

- Brief summary of amendments proposed in June
- Updates to proposed Administrative Code amendments since June
- Additional proposed amendments
- Next steps

The following Directors asked questions or provided comments:

1. Smith
2. Ramos
3. Record

After completion of the presentation, Director Smith made a motion, seconded by Director McCoy, to approve the consent calendar consisting of items 2A and 7-8.

The vote was:

Ayes: Directors Ackerman, Blois, Dennstedt, Hawkins, Jung, Kurtz, McCoy, Ramos, Record, and Smith

Noes: None

Abstentions: None

Absent: None

The motion for items 2A and 7-8 passed by a vote of 10 ayes, 0 noes, 0 abstain, and 0 absent.

END OF CONSENT CALENDAR ITEMS

4. OTHER BOARD ITEMS – ACTION

None

5. BOARD INFORMATION ITEMS

None

6. COMMITTEE ITEMS

- a. Subject: Discussion on revising Administrative Code section 2416(f)(5), the ad hoc subcommittee process for EEO related investigations of directors and department heads

Presented by: Abel Salinas, Ethics Officer

Mr. Salinas presented on the current process, challenges and solicited feedback.

The following Directors asked questions or provided comments:

1. De Jesus
2. Smith
3. Ramos
4. Goldberg
5. Peterson
6. Ortega

Staff responded to Directors' comments or questions.

- b. Subject: Interim General Auditor's Annual Audit Plan and Governance and Audit Independence

Presented by: John Tonsick, Interim General Auditor

Mr. Tonsick gave a presentation on the Annual Audit Plan and Governance and Audit Independence and highlighted the following areas:

- 2022/23 Objectives
- COSO Framework
- Risk Assessment
- Audits planned and underway
- Audits in progress
- Follow up audits
- Governance
- MWD Internal Audit

The following Directors asked questions or provided comments:

1. Smith
2. Ortega
3. Goldberg
4. Dick
5. Dennstedt

Staff responded to Directors' comments or questions.

- c. Subject: Ethics Officer's Annual Plan 2022-23

Presented by: Abel Salinas, Ethics Officer

Mr. Salinas gave a presentation on the Ethics Officer's Annual Plan and highlighted the following areas:

- Annual Report FY 2021/22
- Core Functions
- Annual Plan FY 2022/23

The following Director asked questions or provided comments:

1. Peterson

7. MANAGEMENT REPORTS

- a. Subject: Interim General Auditor's report

Presented by: John Tonsick, Interim General Auditor

Mr. Tonsick had nothing to add to his report.

- b. Subject: Ethics Officer's report

Presented by: Abel Salinas, Ethics Officer

Mr. Salinas reported that since June, the Ethics Office has not initiated any new investigations. The Ethics Office currently has one pending investigation, expected to be completed within the next two months. Mr. Salinas reported he will be coming back to report on the request from this committee and to address Director Smith's comments. Mr. Salinas also responded to Director Goldberg's question.

8. FOLLOW-UP ITEMS

Chair Ramos provided an update on the General Auditor recruitment process and hope to conclude before the end of the year. Chair Ramos noted the ongoing ad hoc committee matters continue to move along.

9. FUTURE AGENDA ITEMS

None

10. ADJOURNMENT

Meeting adjourned at 10:18 a.m.

Marsha Ramos
Chair

Audit & Ethics Committee



Discussion of Ethics Office oversight responsibilities

Item 6a

September 27, 2022

Public
agencies
with
oversight
programs

- Los Angeles Department of Water and Power
- Los Angeles County Metropolitan Transportation Authority
- Los Angeles Unified School District
- Metropolitan Water Reclamation District of Greater Chicago
- Federal Inspectors General

Opportunity

Ethics Office could review unaddressed complaints and concerns it receives of “unethical” and other conduct.

Examples

Complaints and concerns

- Integrity/breach of fiduciary duties
- Arbitrary personnel practices
- Weak policies
- Mismanagement
- Contracting processes

Moving
forward

Conduct reviews necessary to evaluate the adequacy of existing ethics and other policies.

Benefits of reviews

- ✓ Enhance ethics rules
- ✓ Inform new policies and standards
- ✓ Organizational accountability
- ✓ Objective assessments
- ✓ Timely reports
- ✓ Transparency

