

Committee Members:

J. Edwards, Chair
L. Kosmont, Vice Chair
W. Bannister
H. Barbosa
J. Borenstein
T. Grandsen
H. Hansen
F. Krauel
G. Peterson
J. Rez
P. Swan
C. Treviño
K. Witt

Special Audit Committee

Meeting with Board of Directors*

December 11, 2000

10:00 a.m. -- Room 1-102

Monday, December 11, 2000 Meeting Schedule		
8:00 a.m.	Rm. 2-145	Museum
9:00 a.m.	Rm. 2-456	L&C
10:00 a.m.	Rm. 2-145	E&O
10:00 a.m.	Rm. 1-102	Audit
11:30 a.m.	Rm. 2-456	C&L
1:00 p.m.	Rm. 2-145	B&F
2:00 p.m.	Rm. 2-456	WP&R

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

*The Metropolitan Water District's Special Audit Committee meeting 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 the Special Audit Committee may attend and participate as members of the Board, whether or not a quorum of the Board is present. In order to preserve the function of the subcommittee as advisory to the Board, members of the Board who are not assigned to the Special Audit Committee will not vote on matters before the Special Audit Committee.

1. **Additions to the Agenda** (As required by Gov. Code § 54954.2(b).)
2. **Opportunity for members of the public to address the committee on matters within the committee's jurisdiction** (As required by Gov. Code § 54954.3(a).)
3. **Approval of the Minutes of the Special Audit Committee meeting held on October 17, 2000. (Previously mailed)**
4. **Committee Chairman's Report**

COMMITTEE ITEMS

5. **Activities of the Audit Department since the last regular Special Audit Committee meeting (October 17, 2000). (Monthly Report for October and November 2000-- Previously mailed)**

6. Audit Department new software program status

7. Reports from Internal Auditors:
 - a. Letter of Interim General Auditor, dated October 30, 2000, re results of monitoring the Electronic Document Management System (EDMS) Project. (Previously mailed)
 - b. Letter of Interim General Auditor, dated October 30, 2000, re summary report on review of the Supervisory Control and Data Acquisition (SCADA) System. (Previously mailed)
 - c. Letter of Interim General Auditor, dated October 30, 2000, re summary report on review of Inland Feeder Project overall financial status. (Previously mailed)
 - d. Letter of Interim General Auditor, dated October 30, 2000, re summary report on review of Agreement No. 3759 with Parsons Infrastructure and Technology Group, Inc. (Previously mailed)
 - e. Letter of Interim General Auditor, dated October 30, 2000, re summary report on review of Agreement No. 4555 with Psomas and Associates, Inc. (Previously mailed)
 - f. Letter of Interim General Auditor, dated October 30, 2000, re summary report on review of Agreement No. 3925 with Raytheon Infrastructure Services Incorporated. (Previously mailed)

8. Reports from External Auditors and Consultants:
 - a. Reports pertaining to KPMG's contract with the Board for audits of financial statements
 1. Report dated October 25, 2000, transmitting Audit Cash Basis Financial Statements as of June 30, 2000. (Previously mailed)
 2. Report dated October 25, 2000, transmitting Audited Comparative Financial Statements as of June 30, 2000 and 1999. (Previously mailed)
 3. Financial Statements of Trustee Agencies. (Transmitted to all Special Audit Committee members by the Interim General Auditor's letter, dated October 25, 2000) (Previously mailed)

4. Report dated October 25, 2000, transmitting Metropolitan's Single Audit Reports for the fiscal year ended June 30, 2000, dated September 15, 2000. (Previously mailed)
 5. Report dated October 25, 2000, transmitting Annual Letter of Recommendations from Independent Auditors, dated September 15, 2000. (Previously mailed)
 6. Report dated November 29, 2000, re Management's Response to the Independent Auditor's Letter of Recommendations. (To be mailed separately)
- b. Report pertaining to Richardson & Company's audit of Metropolitan's calendar year 2001 charges for water services from the California Department of Water Resources.
9. Matters carried over from prior meetings (dates of origin in parenthesis):
- a. Replacement of the General Auditor. (*to be heard in closed session pursuant to Government Code Section § 54957--Discussion of Personnel Matters*). (10/17/00)
10. Future agenda items.

NOTE: At the discretion of the committee, all items appearing on this agenda, whether or not expressly listed for action, may be deliberated and may be subject to action by the committee.

This committee reviews items and makes a recommendation for final action to the Executive Committee, which shall make further recommendations for 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 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.