

- **Board of Directors**  
**Business and Finance Committee**

May 8, 2007 Board Meeting

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7-6

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**Subject**

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Authorize increase of \$60,000 in maximum amount payable under contract with Anne C. Pellegrini for external audit services

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**Description**

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On July 17, 2006, Metropolitan retained Anne C. Pellegrini on a one-year contract to perform external audit services. The amount payable under the one-year contract was not to exceed \$40,000 for fiscal year 2006/07. Ms. Pellegrini's services have been instrumental in ensuring that the Audit Department completes the fiscal year 2006/07 Business Plan. Her services continue to be needed, as a result of ongoing staff shortages. This shortage has been adversely affected by the fact that an experienced auditor recently transferred out of the Audit Department. Accordingly, Ms. Pellegrini's services continue to be needed to augment the full-time staff. Therefore, authority is being requested to authorize the increase of \$60,000 in maximum amount payable per contract year from \$40,000 to \$100,000, and extend the contract for an additional year.

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**Policy**

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Metropolitan Water District Administrative Code Section 6452: Authority to Obtain Professional Services

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**California Environmental Quality Act (CEQA)**

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CEQA determination for Option #1:

The proposed action is not defined as a project under CEQA because it involves continuing administrative activities (Section 15378(b)(2) of the State CEQA Guidelines). In addition, the proposed action is not subject to CEQA because it involves other government 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 CEQA Guidelines).

The CEQA determination is: Determine that the proposed action is not subject to the provisions of CEQA pursuant to Sections 15378(b)(2) and 15378(b)(4) of the State CEQA Guidelines.

CEQA determination for Option #2:

None required

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**Board Options**

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**Option #1**

Adopt the CEQA determination and approve amendment of contract for external audit services with Anne C. Pellegrini to increase maximum amount payable from \$40,000 to \$100,000.

**Fiscal Impact:** \$100,000 in current and future invoices

**Option #2**

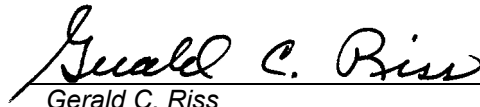
Do not amend subject contract.

**Fiscal Impact:** Unknown at this time

**Staff Recommendation**

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Option #1



Gerald C. Riss  
General Auditor

4/25/2007

Date

BLA #5438