

THE METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA

MINUTES

AUDIT AND ETHICS COMMITTEE

June 25, 2019

Chair Ramos called the meeting to order at 12:30 p.m. in Committee Room 2-145 at Metropolitan Headquarters.

Members present: Chair Ramos, Directors Ackerman, Ballin, Butkiewicz, Hogan, McKenney, and Smith.

Members absent: Vice Chair Paskett, Directors Barbre, Kurtz, and Quiñonez.

Other Board Members present: Chairwoman Gray, Directors Atwater, Blois, Dake, Faessel, Goldberg, Hall, Record, and Treviño.

Staff present: Beatty, Kightlinger, Riss, Rodriguez, and Scully

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

None

2. APPROVAL OF THE MINUTES OF THE AUDIT AND ETHICS COMMITTEE MEETING HELD ON JUNE 10, 2019

Motion: Carried

Moved: Director McKenney Seconded: Director Smith

Ayes: Directors Ackerman, Butkiewicz, Hogan, McKenney, Ramos (verbal), and Smith

Noes: None

Abstentions: Director Ballin

Absent: Directors Barbre, Kurtz, Paskett, and Quiñonez

The motion passed by a vote of 6 ayes, 0 no, 1 abstain, and 4 absent

3. MANAGEMENT REPORTS

- a. Subject: Interim Ethics Officer's report

Presented by: Interim Ethics Officer Gerald Riss

Mr. Riss apologized for making a change to the agenda moving the item from a consent item to a committee item. Mr. Riss also announced today would be his final report as the Interim Ethics Officer.

- b. Subject: General Auditor's report

Presented by: General Auditor Gerald Riss

Mr. Riss announced that he has nothing to add to his report.

4. COMMITTEE ITEMS

- a. Subject: Review of the policies and procedures of the Ethics Office and Recommend Changes

Presented by: Lance Olson, Olson, Hagel, and Fishburn LLP

Mr. Olson gave a report on the ongoing review and recommendation process for the Ethics Office. After considering input from the most recent Audit and Ethics Committee meeting, the drafting team completed and distributed for consideration the complete set of proposed Administrative Code amendments. These documents are attached to the information board letter accompanying this matter.

Mr. Olson noted changes from the prior draft proposals on two topics: (1) private communications by directors with staff; and (2) private communications by directors with vendors and contractors. Mr. Olson also elaborated on new proposed rules for contractors and lobbyists.

The presentation concluded with a discussion of the anticipated timeline for finalization and board consideration of the proposals:

- *July and August:* Board of Directors and new Ethics Officer review proposals.
- *September:* Audit and Ethics Committee to consider final draft proposals and make recommendations to full Board.
- *October:* Board to consider recommendations of Audit and Ethics Committee and adoption of final Administrative Code amendments.

The following Directors asked questions or provided comments:

1. Ackerman
2. McKenney
3. Hogan
4. Dake
5. Hall
6. Smith
7. Ballin
8. Blois

5. CONSENT CALENDAR ITEMS – ACTION

None

6. OTHER BOARD ITEMS – ACTION

None

7. BOARD INFORMATION ITEMS

None

8. FOLLOW-UP ITEMS

None

9. FUTURE AGENDA ITEMS

None

Meeting adjourned at 2:01 p.m.

Next meeting will be held on July 23, 2019

Marsha Ramos
Chair