

THE METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA

MINUTES

AUDIT AND ETHICS COMMITTEE

July 28, 2020

Chair Ramos called the teleconference meeting to order at 10:40 a.m.

Members present: Chair Ramos, Vice Chair McCoy, Directors Ackerman, Ballin, Blois, Butkiewicz, Kurtz, McKenney, Record and Smith.

Members absent: Directors Hawkins, Hogan and Quiñonez.

Other Board Members present: Chairwoman Gray, Directors Abdo, Atwater, Cordero, DeJesus, Dick, Faessel, Galleano, Goldberg, Gray, Lefevre, Morris, Murray, Ortega, Peterson, Pressman, Quinn and Treviño.

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

None

CONSENT CALENDAR ITEMS — ACTION
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2. APPROVAL OF THE MINUTES OF THE AUDIT AND ETHICS COMMITTEE MEETING HELD ON JUNE 23, 2020

3. CONSENT CALENDAR ITEMS – ACTION

None

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

The vote was:

Ayes: Directors Ackerman, Ballin, Blois, Butkiewicz, McCoy, McKenney, Ramos, Record and Smith

Noes: None

Abstentions: None

Absent: Directors Hawkins, Hogan, Kurtz (vote was not recorded) and Quiñonez

The motion passed by a vote of 9 ayes, 0 noes, 0 abstain, and 4 absent

END OF CONSENT CALENDAR ITEMS

4. OTHER BOARD ITEMS – ACTION

None

5. BOARD INFORMATION ITEMS

None

6. COMMITTEE ITEMS

- a. Subject: General Auditor’s Business Plan for Fiscal Year 2020/21

Presented by: Gerald Riss, General Auditor

Mr. Riss gave a presentation on the fiscal year 2020/21 Business Plan. Mr. Riss began by summarizing the Department’s Board-adopted Mission Statement and Charter. He then provided detailed comments about:

- The audit process, how it works, and how it protects the district.
- The Department’s strategic objectives.
- Personnel and operational objectives.
- Board authority.
- Proposed audits for the upcoming year.

Per the request of the General Auditor, the committee took a vote on the General Auditor’s Business Plan. The committee approved the General Auditor’s Business Plan.

- b. Subject: Ethics Officer's Business Plan for Fiscal Year 2020/21

Presented by: Abel Salinas, Ethics Officer

Mr. Salinas gave a presentation on the results and accomplishments by the Ethics Office in fiscal year 2019/20 and proposed a Business Plan for 2020/2021. He provided detailed comments regarding the following:

- Strategic and Operational Priorities from the 2019/2020 Business Plan
- Year-end review of results and accomplishments by the Ethics Office that included a report on efforts in outreach, education, 2019 Ethics Survey, feedback, collaboration, performance metrics, Administrative Code revisions, and employee development. The report included highlights of core work in the areas of Advice, Education, Compliance, Policy, Investigations, and Budget.
- Proposed Strategic and Operational Priorities for fiscal year 2020/2021.

The committee approved the Ethics Officer's Business Plan.

The following Directors asked questions or provided comments:

1. Smith
2. Ortega
3. Ballin
4. Treviño
5. Ramos

7. MANAGEMENT REPORTS

- a. Subject: Ethics Officer's report

Presented by: Ethics Officer Abel Salinas

Mr. Salinas reported that on July 16th the Ethics Office held its second online webinar, which is part of a three-part series. This session was an opportunity for employees to meet the Ethics Office staff. Staff explained the core operational areas managed by the office. He also noted that as part of the Administrative Code requirement to report the status of investigations, currently there is one open investigation. This investigation involves an alleged abuse of authority by an employee. The Ethics Officer determined by a preponderance of evidence that a violation of Metropolitan's misuse of position or authority rule did occur. The Ethics Office has notified the employee of the finding and plans to forward the information soon to Human Resources for appropriate action. This investigation was opened on December 12, 2019.

- b. Subject: General Auditor's report

Presented by: General Auditor Gerald Riss

General Auditor Riss introduced Deven Upadhyay. Mr. Upadhyay stated that this is a management response to the audit of fleet management and maintenance, which resulted in a generally satisfactory rating. He mentioned that the presentation links to a presentation on asset management given by Ricardo Hernandez earlier this month at the Engineering and Operations committee meeting. Mr. Upadhyay introduced Sergio Escalante who will present. Mr. Escalante highlighted the following:

- Background
- Managing fleet assets
- Fleet audit covered several key areas
- Maximo and Oracle Systems
- Data Integration Across Systems
- Maximo going forward
- GPS vehicle tracking
- Current GPS vehicle tracking uses
- GPS vehicle tracking going forward

The following Directors asked questions or provided comments:

1. Ballin
2. Treviño
3. Ramos
4. McKenney
5. Butkiewicz

8. FOLLOW-UP ITEMS

None

9. FUTURE AGENDA ITEMS

None

10. ADJOURNMENT

Next meeting will be held on October 27, 2020.

Meeting adjourned at 12:06 p.m.

Marsha Ramos
Chair