

**THE METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA**

**MINUTES**

**AUDIT AND ETHICS COMMITTEE**

**October 27, 2020**

Chair Ramos called the teleconference meeting to order at 1:01 p.m.

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

Members absent: Directors Hawkins and Quiñonez.

Other Board Members present: Chairwoman Gray, Directors Abdo, Atwater, Cordero, DeJesus, Dick, Faessel, Galleano, Goldberg, Gray, Lefevre, Petersen, Record, Quinn, Tamaribuchi, Treviño and Williams.

Committee 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

<b>CONSENT CALENDAR ITEMS — ACTION</b>
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Director Kurtz left the meeting.

**2. CONSENT CALENDAR OTHER ITEMS – ACTION**

A. APPROVAL OF THE MINUTES OF THE AUDIT AND ETHICS COMMITTEE MEETING HELD ON JULY 28, 2020

**3. CONSENT CALENDAR ITEMS – ACTION**

None

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

The vote was:

Ayes: Directors Ackerman, Ballin, Blois, Butkiewicz, Hogan, McCoy, McKenney,

Ramos, Record and Smith

Noes: None

Abstentions: None

Absent: Directors Hawkins, Kurtz and Quiñonez

The motion passed by a vote of 10 ayes, 0 noes, 0 abstain, and 3 absent

<b>END OF CONSENT CALENDAR ITEMS</b>
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#### **4. OTHER BOARD ITEMS – ACTION**

None

#### **5. BOARD INFORMATION ITEMS**

None

#### **6. COMMITTEE ITEMS**

- a. Subject: Discussion of Independent Auditor’s Report from KPMG, LLP for fiscal year 2019/20

Presented by: Chris Ray, Partner at KPMG

Mr. Ray gave a presentation on the fiscal year 2019/20 Audit Plan and strategy and highlighted the following areas:

- Summary of Audit Results
- Uncorrected audit misstatements
- Corrected audit misstatements
- Non-GAAP policies and practices
- Auditor’s Reports
- Significant Accounting Estimates
- Independence Communications

- b. Subject: Supplemental Analysis of the 2019 Ethics Office Survey

Presented by: Abel Salinas, Ethics Officer

Mr. Salinas provided a final overview of the results of the survey.

The following Directors asked questions or provided comments:

1. Kurtz
2. Hogan
3. Blois
4. Record
5. Ortega
6. Treviño
7. Butkiewicz
8. Gray
9. Ramos

- c. Subject: Discussion of Department Head Performance and Goal Setting  
**[Public employees' performance evaluations – General Auditor; heard in closed session pursuant to Gov. Code Section 54957]**

Presented by: Human Resources Group Manager Diane Pitman

In closed session, Human Resources Group Manager, introduced the item. No action was taken.

- d. Subject: Discussion of Department Head Performance and Goal Setting  
**[Public employees' performance evaluations – Ethics Officer; heard in closed session pursuant to Gov. Code Section 54957]**

Presented by: Human Resources Group Manager Diane Pitman

In closed session, Human Resources Group Manager Diane Pitman introduced the item. No action was taken.

## 7. MANAGEMENT REPORTS

- a. Subject: Ethics Officer's report

Presented by: Ethics Officer Abel Salinas

Mr. Salinas reported the Ethics Office held it's third in a three-part series of online webinars. The session provided an overview of Metropolitan's ethics rules which are available to all employees. Mr. Salinas also began an evaluation of Metropolitan's policies, processes and procedures with respect to EEO complaints. This item will be presented at today's OP&T committee meeting. Mr. Salinas also reminded the Directors that they should take AB 1234 state ethics training which is due by December 31, 2020. Mr. Salinas reported that currently there are no open investigations. He also reported that the Ethics Office

reviewed two complaints this past week. The first relates to an outside employment and the second relates to management's handling of COVID related situation.

b. Subject: General Auditor's report

Director Ramos recommended that Mr. Riss present his update at the next Audit and Ethics meeting. Mr. Riss agreed he would present his quarterly update at the next meeting.

The following Directors asked questions or provided comments:

1. McKenney
2. Ramos

**8. FOLLOW-UP ITEMS**

None

**9. FUTURE AGENDA ITEMS**

None

**10. ADJOURNMENT**

Next meeting will be held on February 23, 2021.  
Meeting adjourned at 2:29 p.m.

Marsha Ramos  
Chair