

AUDIT & ACCOUNTABILITY COUNCIL COMMITTEE
MEETING MINUTES
JUNE 16, 2020 at 10:00 AM
VIDEOCONFERENCE

Committee Present:	Councilmember John Courage, <i>District 9, Chair</i> Councilmember Ana Sandoval, <i>District 7</i> Citizen Member Judy Treviño
Committee Absent:	Councilmember Clayton Perry, <i>District 10</i> Citizen Member Priscilla Soto
Staff Present:	Andy Segovia, <i>City Attorney</i> ; Ed Guzman, <i>Deputy City Attorney</i> ; Kevin Barthold, <i>City Auditor</i> ; Tina Flores, <i>Acting City Clerk</i> ; Razi Hosseini, <i>Director, Public Works</i> ; Ben Gorzell, <i>Chief Financial Officer</i> ; Mike Shannon, <i>Director, Development Services</i> ; Alexandra Lopez, <i>Director, Economic Development Services</i> ; Homer Garcia, <i>Director, Parks & Recreation</i> ; Troy Elliott, <i>Deputy Chief Financial Officer</i> ; Christie Chapman, <i>Assistant Director, Public Works</i>
Others Present:	None.

CALL TO ORDER

Chairman Courage called the meeting to order.

1. Approval of the Minutes from the Audit & Accountability Committee Meeting on March 17, 2020.

Councilmember Sandoval moved to approve the Minutes of the March 17, 2020 Audit and Accountability Council Committee Meeting. Citizen Member Treviño seconded the motion. The motion carried unanimously by those present.

CONSENT AGENDA

Pre-Solicitation High Profile Items

2. On-Call Citywide Traffic Signal Optimization (Congestion Mitigation and Air Quality Improvements Program) [Roderick Sanchez, Assistant City Manager; Razi Hosseini, Director, Public Works]

Post-Solicitation High Profile Items

3. On-Call Traffic Engineering Services [Roderick Sanchez, Assistant City Manager; Razi Hosseini, Director, Public Works]

4. On-Call Storm Water Engineering Services [Roderick Sanchez, Assistant City Manager; Razi Hosseini, Director, Public Works]

- 5. On-Call Civil Engineering and Professional Services** [Roderick Sanchez, Assistant City Manager; Razi Hosseini, Director, Public Works]

Final Internal Audit Reports

- 6. AU19-F05 Follow-Up Audit of City Clerk Records Retention and Archives**
- 7. AU20-F02 Follow-Up Audit of Parks and Recreation Online Reservation Payment System**
- 8. AU19-025 Audit of SAPD Fleet Operations**
- 9. AU19-005 Audit of Convention & Sports Facilities Alamodome Event Services**

Citizen Member Treviño moved to approve Items 2 through 9. Councilmember Sandoval seconded the motion. The motion carried unanimously by those present.

ITEMS FOR INDIVIDUAL CONSIDERATION

- 10. Audit of Development Services Department Accela Land Development, Permit, Inspection, and Compliance Management System**

City Auditor Kevin Barthold reported that the objective of the audit was to determine if the application controls for the Accela System were adequate and if the data gleaned was accurate and reliable. He stated that the Accela System replaced multiple systems currently in use and combined them into a single application that was web-based and accessible to clients, residents, and staff. He noted that Phase 1 was implemented in October 2018 with the installation of the land development application. He added that Phase 2 would be implemented by the end of this year and would include the building development code enforcement application. He reported several issues that were identified and addressed during the audit process: Controlled access to issue refunds, controlled segregation of IT system programmers to authorized areas, and improvements to the account reconciliation and documentation process.

Michael Shannon reported that the Development Services Department (DSD) was in agreement with the audit findings and the implementation of additional user controls. He stated that full implementation of the full Accela System at the end of the year would be an added benefit to staff and the community.

Citizen Member Treviño moved to approve Item 10. Councilmember Sandoval seconded the motion. The motion carried unanimously by those present.

Public Comment

Terry Burns, M.D., Chair, San Antonio Sierra Club, submitted written testimony, as follows:

1. Why was this meeting not posted 72 hours in advance, over the weekend?

2. Sierra Club and others have asked for YEARS for some audit of Vista Ridge and SAWS. Last week SAWS was flushing 1-2 annual SA jobs down Mud Creek (\$50K), EVERY DAY, for who knows how long?
3. We understand there may finally be some inquiry about the \$120M paid to Abengoa to buy VR pipe that was never purchased. When will this be on the agenda?
4. The Vista Ridge Integration Project is at least \$80M OVER BUDGET. When will you address this?
5. Early in the VR WTPA Contract, the site of integration was moved from the southeast side where Seguin GBRA water arrives. That location, I believe, would not have required water counter flow in pipes, and not required the expense of tunneling in Stone Oak. WHY DID THEY MOVE INTEGRATION TO HARDY OAKS? WHAT WAS THE ADDED COST IN DOING THIS?
6. If Stone Oaks was the better location, why was it necessary to tunnel and INTEGRATE with the older system south of 1604? That integration decision brought on all of the added tunneling costs, **and** the water counter flow concerns, **and** the huge chemistry compatibility concerns. Restricting VR water to the newer N. of 1604 system would have avoided all those costs. WHY couldn't current older SA continue to use its system and EA and ASR water, and newer northside development use VR??

These are many points calling out for investigation, of the Vista Ridge Project, of SAWS, and of the failure of both the SAWS BOT and COSA to protect rate payers.

Reinette King submitted written testimony as follows: As a fiscal conservative and a person I think believes in government transparency, I believe you will want to address these questions:

1. Are you aware that SAWS held a press conference without the press on April 15th?
2. It became clear why weeks later. They were dumping 10M gallons of water a day into Mud Creek, which flows into our district.

<https://therivardreport.com/saws-flushing-half-of-vista-ridge-water-as-cost-overflow-nears-100-million>

3. Reporter Gibbons stated it cost \$50,000/day at \$1600 per acre feet. I believe it is more like \$2400/acre feet. I want to know how many days SAWS was doing this?

Stan Mitchell submitted written testimony, as follows: Thank you, Chairman Courage for accepting our written inputs into your Committee during the COVID-19 emergency. We have submitted two letters for your consideration since the last Committee meeting we attended on February 18 - the April 28, 2020 11-pager and June 10, 2020 6-pager. These letters were also shared with City Clerk Flores, including copies for distribution to your Committee's Citizen

Members Soto and Treviño at a future meeting. These two letters originated in presentations by four members of our Coalition at your November 19, 2019 Committee meeting, a matter of record. Included at that time were remarks by government performance auditor Colleen Waring who proposed approaching our recommended audit of VISTA Ridge by prioritizing components, based on a risk assessment. The top priority she identified was possible misappropriation of \$120 million of VISTA Ridge Bridge Loan proceeds, still unresolved. Ms. Waring provided written back up for her presentation. Thank you for accepting our inputs. We will follow closely your response to our April 28 and June 10 letters.

Chairman Courage responded to the public comment regarding VISTA Ridge issues. He stated that the Committee was recently reconstituted and the new members were not in office when VISTA Ridge issues were brought before the Committee in November 2019. He added that it was appropriate to allow for additional time for the Committee to reconsider VISTA Ridge issues. He noted that the City Audit Department was prepared to look further into the matter and the Committee would provide an update soon.

Audit Plan

11. FY 2020 Annual Audit Plan Update

City Auditor Kevin Barthold stated that the Audit Department had 26 audit plans scheduled for FY 2020. He reported that several staff were redeployed to other City departments to assist with the tracking of COVID-19 funding, expenses, grants and preparations for audits by outside agencies. He added that audit plans for the Metro Health Department and the Department of Human Services were put on hold due to COVID-19. He noted that a draft of the proposed Audit Plan FY 2021 would be presented to the Committee at the August meeting.

Chairman Courage noted the postponement of some Committee meetings due to COVID-19. He asked of the status of high profile procurement items. Chief Financial Officer Ben Gorzell reported that a memo was distributed two weeks ago regarding high profile procurement items that were routine in nature and some contracts were extended to allow more time for vendors to respond. He stated that overall the Committee was up to date.

Councilmember Sandoval referenced Item 2 regarding a grant-funded, traffic signal optimization project for which a local funding match must be made. She noted that a budget adjustment was made to defer a local match for this type of project and asked what projects would be affected. Public Works Director Razi Hosseini reported that funding for this project was not needed until FY 2021.

Consideration of Items for Future Meetings: There were no items considered for future meetings.

Adjourn

There being no further discussion, Chairman Courage adjourned the meeting at 10:27 am.

John Courage, Chairman

Tina J. Flores
Acting City Clerk