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The Metropolitan Water District
of Southern California
at its meeting held

9-11



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METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA

SEP 12 1995

Karen E. Duff
EXECUTIVE SECRETARY

August 28, 1995

To: Board of Directors (Engineering and Operations Committee -- Information)
(Organization and Personnel Committee -- Information)
(Information Systems Ad Hoc Committee -- Information)

From: General Manager

Subject: Quarterly Status Report on Phase One of the Information Systems Strategic Plan --
Activities and Objectives through August 1995 and Financials for Quarter Ended
June 30, 1995

RECOMMENDATION:

For information only.

John R. Wodraska
General Manager

Submitted by:

Lambertus H. Becker
Lambertus H. Becker
Chief Financial Officer

Concur:

John R. Wodraska
John R. Wodraska
General Manager

Executive Summary:

On November 9, 1993, your Board authorized an increase in Capital Appropriation 634 to commence Phase One of the Information Systems Strategic Plan to implement 19 key business applications. The Board also approved an increase in continuing Appropriation 099 of \$2,100,000 for related operating equipment expenditures to support this program.

The program management structure for Phase One requires that quarterly status reports be submitted to your Board throughout the duration of the program. This letter contains program activities as of the date of this letter. The financial data in this report reflects activity from the Oracle Financials system through June 30, 1995.

Major milestones and activities since the last quarterly report include:

- The Finance project team successfully implemented the Accounts Receivable and Revenue Accounting modules of the Oracle Financials system in June of 1995. In July 1995, the Finance project team completed the design deliverable for the Budget Estimating module.
- The Health, Safety and Environmental project team successfully implemented the Permits & Storage Tanks system in early July. HSE is currently evaluating further project implementation schedules in light of lessons learned from the Permits & Tanks implementation.
- The Human Resources/Payroll project team continued their progress toward implementation of the PeopleSoft Payroll system. Parallel testing has begun. Differences between the existing system and the new system are being resolved and corrected as they are identified. User Training was completed. A district-wide communications plan was implemented to prepare all employees for the upcoming changes in their paychecks.
- Following the April implementation of the Oracle General Ledger, Asset Tracking and Materials Management systems, many new business processes and procedures have been adopted. The Business Transition Team continued to be involved in cross-divisional cross-functional areas, providing a team approach to the many changes affecting the District following implementation of the new systems.
- A number of technical improvements to the networks and telephone connections have been made, resolving problems in these areas for several field sites.
- The Help Desk (recently renamed the Customer Support Center) provides a central point of contact for users encountering problems in understanding and using the systems implemented in April. The Customer Support Center will also be the focal point for calls about the new Payroll system.

Attachment "A" highlights the current status of Phase One, including information on achievements during the reporting quarter.

Attachment "B" is the Program Cost Report, which shows the balance of the Capital Appropriation and program costs as of June 30, 1995.

Overall, the Phase One Program is tracking well against the appropriation. All activities are projected to complete under the total appropriation amount.

Attachment "C" is the Program Master Schedule reflecting the current project schedule.

Detailed Report:**ATTACHMENT "A"****I. PROGRESS HIGHLIGHTS IN THIS PERIOD**

Following the April 3rd "go live" implementation date, all teams and the Program Office worked together to provide post-production support. Calls were routed through the Customer Support Center (Help Desk), then to the appropriate people for resolution. Areas requiring the most attention were: changes in business procedures, using the new Chart of Accounts, becoming familiar with the new Oracle system, and resolving the backlog in processing Accounts Payable invoices.

The creation of the Business Transition Team provided a cross-divisional cross-functional approach to resolving many different challenges associated with the major systems implementations at the District.

Adjustments to the new Chart of Accounts and associated Finance procedures continue to be made as needed.

Several field sites experienced technical difficulties with either their network or telecommunications links. These have been investigated and appropriate corrections made. The Program Office and the Technology team has begun investigating possibilities to streamline the "user sign-on" process.

The Human Resources/Payroll project team continued Cycle 2 parallel systems testing and documentation activities. Schedules and implementation plans for Cycle 3, Cycle 4 and the Medical project are being re-assessed.

The Program Office assisted the Payroll project team by implementing a district-wide communications plan to explain the coming changes to pay checks and pay statements when the Payroll is implemented.

The HSE project team implemented their Permits and Storage Tanks system. Following the announcement by the software product vendor (GRC) of a delay in the release of their client/server products, HSE is re-evaluating the balance of their implementation schedules.

II. MAJOR MILESTONES**Completed this Period**

Completed post-production support activities for the Finance, Materials Management and Asset Tracking modules of the Oracle Financials system. Users throughout the District continued the process of adjusting to the new system to conduct normal business transactions including purchase requisitions, purchase orders and invoice payments.

The Finance project team completed post-production activities, including closing the General Ledger for the fiscal year. Training began for Budget and Reporting. The Accounts Receivable and Revenue Accounting modules were implemented into production. A review of the Encumbrance Accounting procedures was initiated, in preparation for its roll-out into the production system.

The HSE Project Team implemented the Permits and Storage Tanks system into production.

The Human Resources/Payroll project team continued work toward production implementation. Parallel testing against the legacy system began. The Medical Project budget amount was reduced, based on a re-evaluation of MWD requirements.

Schedules and tasks for Payroll Cycles 3 and 4 are being re-evaluated. New schedules will be prepared.

In Progress

The Human Resources/Payroll Team is conducting extensive testing on the new PeopleSoft Payroll system. This includes parallel testing as well as user acceptance testing activities.

The Finance project team continues the review of Encumbrance Accounting requirements and business process changes, in preparation for a roll out of the functionality into the production system.

The Program Office continues liaison activities with all Phase One project teams, monitoring critical path activities and implementation activities. The Program Office continues closely monitoring of all costs related to Phase One projects and activities.

III. OBJECTIVES FOR NEXT PERIOD

Complete all testing of the new Payroll System.

Implement the PeopleSoft Payroll system into production.

Begin the roll-out of Ad-hoc Reporting from the information contained in the Oracle Financials database.

Continue to monitor post-implementation of the Oracle systems. Work with the Business Transition Team to resolve outstanding issues related to implementation of Phase One systems.

Roll-out the Encumbrance Accounting functionality in the Oracle Financials system.

Develop new schedules and implementation plans for Human Resources/Payroll Cycles 3 and 4.

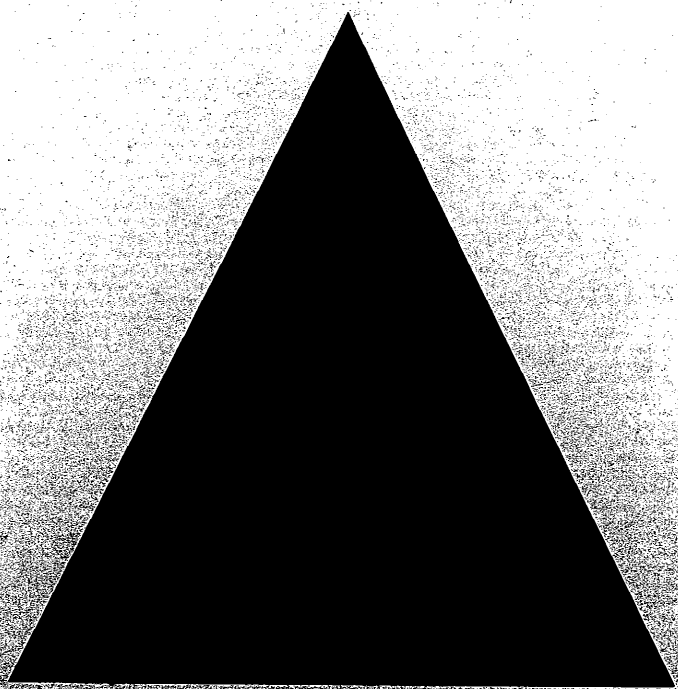
Develop new schedules and implementation plans for the Medical project.

Develop new schedules and implementation plans for the HSE project.

The Program Office, working closely with the project teams, will continue to conduct extensive integration testing of all components scheduled for the Payroll implementation milestone.

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