

April 15, 1999

**To:** Board of Directors (Executive Committee--Information)

**From:** General Manager \_\_\_\_\_

**Submitted by:** Year 2000 Project Manager \_\_\_\_\_

**Subject:** Project Status Report for the Year 2000 Project

**RECOMMENDATION(S)**

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For Information Only.

**EXECUTIVE SUMMARY**

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This report summarizes progress and provides highlights for the Year 2000 (Y2K) Project and for the actual costs as of March 1999.

**DETAILED REPORT**

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The project office is well established and has recently developed a comprehensive records retention program to track the projects and ensure a record of due diligence. Risk Management has provided assistance in setting up the program and a temporary employee has been hired to manage it.

The project reporting structure is providing regular project status reports on a bi-weekly basis to the Information Technology Governance Council (ITGC), monthly to the Y2K Advisory Committee, and bi-monthly to the E&O Committee.

The fiscal year 1999/2000 Y2K budget has been established and reviewed. The overall budget is approximately \$3,600,000. Current actual expenditures, as of the end of March 1999, are approximately \$500,000 and fiscal year 1998/99 projected expenditures are slightly less than \$2,000,000. The overall project is now estimated at less than \$6,000,000.

Recently, a team was formed to address the non-critical business systems. Their task is to test, remediate, or replace approximately 300 identified, non-critical business programs. They will join the five other teams currently working to identify, correct, and mitigate Y2K problems.

The Business Systems/IT Infrastructure sub-project continues to test and remediate the approximately 105 identified, critical business programs. The MBA (Oracle Financials) test will be complete by

June 1999. People Soft testing is running ahead of schedule and will be completed by July 1999. The overall sub-project is approximately 30 percent complete.

Recently, a Y2K compliance letter was sent to approximately two dozen identified, critical vendors of goods and services deemed vital to Metropolitan's delivery of safe, reliable water and business continuity. The overall Supply Chain sub-project is approximately 25 percent complete.

Contingency planning table-top exercises have been completed at all field sites. Backup communication systems have been tested. A Metropolitan Y2K Symposium for member agencies will be held on May 5, 1999. Also, Metropolitan will be conducting a District-wide emergency response exercise to test our Y2K contingency plans on May 20, 1999. The overall Contingency Planning sub-project is approximately 70 percent complete.

In addition to Metropolitan's contingency planning efforts and the testing of backup communications, the Western Systems Coordinating Council (WSCC) has also tested their backup communications. Preliminary feedback from the WSCC drill indicates that the electric power system operators in the West could withstand the failure to their primary telecommunication's links and still successfully transition into the Year 2000.

The embedded systems contractor has completed the inventory and assessment of embedded chip devices and is currently preparing the final report. Less than one percent of Metropolitan's embedded devices were non-compliant. Additionally, approximately 14 percent of the devices were not identifiable and will be treated as non-compliant. Remediation or replacement is currently taking place on all those devices deemed critical to Metropolitan's mission of delivering safe reliable water. The overall Embedded Systems sub-project is approximately 60 percent complete.

The SCADA (Supervisory Control and Data Acquisition) system, which controls our operations, has completed the migration and software compatibility test phase. The testing verified operational compatibility between different versions of the main SCADA software components. The WINS (Water Information System) testing is currently taking place and the AMR (Automatic Meter Reading) System testing is complete, verifying Y2K compliance. The overall Control Systems sub-project is approximately 50 percent complete.

Overall the project has made substantial progress. The Project Office estimates that all critical systems will be Y2K ready by August 1999, with fully tested detail contingency plans.

GLE/GE/MBY/ms