

July 22, 1999

To: Board of Directors (Subcom. on Real Property and Asset Mgmt.--Information)
(Executive Committee--Information)

From: General Manager _____

Submitted by: J. W. Malinowski _____
Chief of Operations

Subject: Status Report for the Year 2000 Project

RECOMMENDATION(S)

For Information Only.

EXECUTIVE SUMMARY

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

DETAILED REPORT

The overall project has made significant progress since the last report in May 1999. The project is divided into six sub projects: Business Systems/IT Infrastructure, Non-critical Business Systems, Supply Chain, Contingency Planning, Embedded Systems and SCADA (Supervisory Control and Data Acquisition) System.

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 Subcommittee on Real Property and Asset Management, and the Executive Committee.

The overall project cost is now estimated at less than \$5,900,000. The fiscal year 1999/2000 Y2K budget is approximately \$3,600,000. Of that amount, a significant portion is for contingencies in case we find major remediation is necessary. At this time, no systems have required major remediation work. Current actual expenditures, as of the end of June 1999, are approximately \$1.3 million.

The Critical Business Systems/IT Infrastructure sub-project continues to test and remediate the approximately 100 identified, critical business programs. The MBA (Oracle Financials) test will be complete by July 1999. People Soft testing is running behind schedule because of a delay in the upgrade of the system and will be completed by August 1999. The overall sub-project is approximately 50 percent complete.

The Non-critical Business Systems team has been working to evaluate those systems that are important to business but are not critical in nature. Their task is to test, remediate, or replace approximately 387 identified, non-critical business programs. So far they have identified 138 to be phased out, 82 have been tested, 23 are in the testing process, and 144 still need to be tested.

A Y2K compliance letter was sent to approximately 50 identified, critical vendors of goods and services deemed vital to Metropolitan's delivery of safe, reliable water and necessary for business continuity. Site visits to 17 of the most critical vendors are now underway. The overall Supply Chain sub-project is approximately 40 percent complete.

Contingency planning exercises have been completed at all field sites. Backup communication systems have been tested. A Metropolitan Y2K Symposium for member agencies was held on May 5, 1999, with 87 attendees. We also conducted a District-wide emergency response exercise to test our Y2K contingency plans on May 20, 1999. The overall Contingency Planning sub-project is approximately 80 percent complete.

Metropolitan has responded to NERC (North American Electrical Reliability Council) contingency planning effort and has reported compliance of our power transmission system. Preliminary feedback from the NERC indicates that the bulk electric power system operators can successfully transition into the Year 2000.

We have received the final report from our embedded systems inventory contractor. About three percent of Metropolitan's embedded devices were non-compliant. Additionally, approximately 24 percent of the devices were not identifiable or questionable 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 82 percent complete.

The SCADA (Supervisory Control and Data Acquisition) system, which controls our operations, has completed the migration and software compatibility test and is currently being upgraded. The WINS (Water Information System) and the AMR (Automatic Meter Reading) System testing is complete, verifying Y2K compliance. The overall SCADA sub-project is approximately 80 percent complete. Completion is now scheduled for the end of July.

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

GLE/GE/MBY/ms