

- Capital Investment Plan – Quarterly Report for the period ending December 2006

Summary

This report provides a summary of accomplishments, expenditures to date, variance explanations, and schedule status for all Capital Investment Plan (CIP) programs. This report also identifies any service connections approved for construction as well as relocation/protection agreements executed under the General Manager's authority. During the first and second quarters of the 2006/07 fiscal year, 28 Board actions appropriated a total of \$93.4 million and awarded 12 construction contracts. Additionally, six agreements for consulting services were authorized. Through December 2006, 79 programs encompassing over 400 projects were budgeted to be underway at a projected expenditure of \$290.9 million. Actual fiscal year expenditures through December were \$260 million, for a variance of \$30.9 million below projections.

During the first two quarters, over \$185.9 million in construction contract payments were made, reflecting continuing progress on the Skinner Plant Module No.7, Chemical System Modifications, and ORP contracts; the Inland Feeder Arrowhead Tunnels contract, where 5,560 feet of tunnel were mined from July through January, for an overall mined length of 24,783 feet; and completion of the San Diego Pipeline No. 6 North Reach contract. Additionally, four major construction contracts were underway at the Diemer Plant: the Solids Handling Facilities and Vehicle Maintenance Center; the Plant Maintenance Center; the Chemical System Upgrades, and the South Slope Stabilization contract. Ten construction contracts were completed during the first half of the fiscal year.

At the end of the second quarter, thirty-two construction contracts were underway with a total value of approximately \$1 billion. Three of these contracts required additional time beyond their original completion dates. An extension to the completion date for the Weymouth Solids Handling Facilities was pending as a result of rain delays and to complete minor punch-list items. The completion date for the Skinner Module No. 7 contract has been extended by one month to April 2007, and a time extension is pending to complete several punch list items and to complete acceptance testing of the new firewater pumps. The Diemer Washwater Tank Pumps contract has been extended by two months to January 2007 to allow the contractor to rectify equipment problems with check valves and pump bowls, and to complete additional work requested by Metropolitan to replace corroded piping.

No new service connections were authorized for construction, and no relocation/protection agreements were executed during this period.

More detailed information regarding accomplishments and budget variances is included in the following pages. Performance targets for design and construction inspection costs as a percentage of construction costs were met during the first half of the fiscal year.

Attachments

Attachment 1 provides summary budget, expenditures, and progress information for all capital programs underway during the first half of Fiscal Year 2006/07.

Quarterly Report

Highlights of progress and major milestones on selected programs are presented below, grouped by reporting category, during the period from July 2006 through December 2006. The programs are categorized as follows:

Supply and Delivery Reliability – Programs to provide new water supplies and/or major delivery facilities, including service connections.

Date of Report: May 30, 2007

Board Report (Capital Investment Plan – Quarterly Report for the period ending December 2006)

Infrastructure Reliability – Programs to upgrade, refurbish, replace, or repair existing facilities and equipment, including pipeline relocations and protection.

Information Technology – Programs to upgrade, replace or provide new software applications and technology.

Water Quality – Programs to ensure Metropolitan meets all applicable water quality regulations and codes.

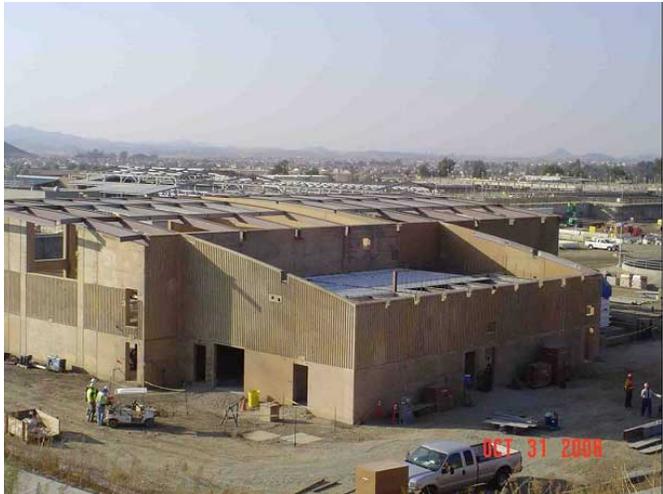
Stewardship – Programs to ensure the protection, safety, and security of Metropolitan’s employees, visitors, and all real and intellectual properties and assets; and to provide for prudent and cost effective use and management of Metropolitan’s assets in compliance with all applicable regulations and codes.

Supply and Delivery Reliability:	Through 2nd Quarter Budget: \$91M Expended: \$72.5M
<ul style="list-style-type: none"> • Construction continued on the Inland Feeder Arrowhead Tunnels, and progress is on schedule and within budget. A total of 5,560 feet was mined on the Arrowhead East and Arrowhead West tunnels. The Arrowhead East Tunnel is approximately 72 percent mined and the Arrowhead West Tunnel is approximately 43 percent mined. • Construction of Skinner Module No. 7 and the chemical systems modifications are nearly complete. Construction of the Washwater Reclamation Plant No. 3 was completed. Module 7 will be operational on schedule, by summer 2007. • Installation of the San Diego Pipeline No. 6 North Reach was completed on schedule and within budget. • Permits were obtained to begin geotechnical and geological investigations within the Cleveland National Forest for the Central Pool Augmentation Tunnel Feasibility Study. The two boreholes are planned to be completed in June 2007. <p>The variance between budgeted and expended dollars is primarily due to rescheduling construction of the Perris Valley Pipeline due to close-out of the design/build contract.</p>	 <p>Construction at the Skinner Water Treatment Plant</p> <ul style="list-style-type: none"> • In November, the Skinner Water Treatment Plant was shut down to perform tie-ins and other work associated with the Module No. 7, ORP, and Chemical Systems Upgrades contracts. All of the planned work was completed.

Board Report (Capital Investment Plan – Quarterly Report for the period ending December 2006)

<p>Infrastructure Reliability:</p>	<p style="text-align: center;">Through 1st Quarter Budget: \$78M Expended: \$75M</p>
<ul style="list-style-type: none"> • Design of several improvement projects at the Jensen plant continued: Washwater Pump Modifications, Solids Handling Facility and Thickeners, Module No. 1 Filter Valve Replacement, and the Alum-to-Polymer Tank Conversion. • Fabrication of replacement steel pipe sections was initiated for repair projects on the Foothill Feeder, Box Springs Feeder, and Rialto Pipeline. Construction by Metropolitan forces is scheduled for early 2007 on the Box Spring Feeder and Rialto Pipeline. The Foothill Feeder repairs will be performed by a contractor in early 2007. • The Weymouth plant was shut down in December to perform inspections and to install guides for basin isolation gates. Design also progressed on the Laverne Power System Upgrade, Chemical Tank Farm Modifications, Plant Maintenance Center, and the Upper Feeder/Yorba Linda Feeder Junction Structure Seismic Upgrade. 	 <p style="text-align: center;">San Diego Canal Liner Repairs</p> <ul style="list-style-type: none"> • Approximately 6000 square feet of damaged canal liner sections were replaced on the San Diego Canal during the November 2006 Skinner Plant shutdown.
<p>Information Technology:</p>	<p style="text-align: center;">Through 1st Quarter Budget: \$5M Expended: \$3.6M</p>
<ul style="list-style-type: none"> • A professional services agreement was executed and work commenced on the Integrated Budget Management System (IBMS) project, which will better link the budget to operational business plans and to performance measures. • The SMART-Ops (formerly Real Time Operating System) dynamic modeling software was successfully demonstrated as a pilot project on the Rialto Feeder portion of the distribution system. The next phase will expand the model to be used for planning, training, and optimizing operations. • Factory testing of the turnkey pilot system for the Automated Meter Reading (AMR) Upgrade project was completed. The pilot system consists of 31 remote terminal units (RTU's - field computers, that capture and process flow readings), communications, software and security. <p>The fiscal year variance is primarily due to the longer-than-anticipated time required to negotiate the professional services agreement for the IBMS project.</p>	 <p style="text-align: center;">CRA Pumps</p> <ul style="list-style-type: none"> • The Energy Management Application was developed for the CRA. This software will help schedule, manage, and account for power used for the five pumping plants.

Board Report (Capital Investment Plan – Quarterly Report for the period ending December 2006)

<p>Water Quality:</p>	<p style="text-align: center;">Through 1st Quarter Budget: \$91M Expended: \$80.6M</p>
<ul style="list-style-type: none"> • Three construction contracts totaling almost \$5.7 million were awarded for the relocation of 74 air release/vacuum valve assemblies. The relocation is necessary to comply with California Department of Health Services regulations for cross connection prevention. • In preparing the Diemer site for ozone construction, the Plant Maintenance Facilities construction reached 90 percent complete, the Vehicle Maintenance Center construction reached 80 percent complete, and the first phase of the Chemical Tank Farm Improvements construction reached 23 percent complete. Design of the ozone facilities is approximately 87 percent complete. • Final design of the Weymouth ORP reached 90 percent complete, and is scheduled to advertise for bids in early 2007. <p>The fiscal year variance is primarily due to contract payments for the Skinner ozone construction that did not match cash flow projections.</p>	 <p style="text-align: center;">144-inch diameter Skinner ozone contactor inlet manifold</p> <ul style="list-style-type: none"> • Construction of the ozone facilities at the Skinner plant reached 40 percent complete, and the Metropolitan-furnished ozone generation equipment was successfully transferred to the contractor for on-site storage prior to installation
<p>Stewardship:</p>	<p style="text-align: center;">Through 1st Quarter Budget: \$26M Expended: \$27M</p>
<ul style="list-style-type: none"> • The Diamond Valley Lake East Recreation Area Landscaping and Signage Improvements, Phase 1 construction contract was completed, and the Searl Parkway Improvements, Phase 2 contract reached 90 percent complete. • The construction contract for the Intake Pump Plant Secondary Containment Structures was awarded in September 2006. Construction is 80 percent complete and is scheduled to be finished in February 2007. • In October 2006, the Board authorized staff to implement all remaining recommendations from the December 2005 IT Security Assessment, and to implement measures to secure Metropolitan’s computing environment against cyber threats. <p>Work under the Stewardship category is proceeding in accordance with the Fiscal Year expenditure plan.</p>	 <p style="text-align: center;">Chlorine Containment Building at Skinner</p> <ul style="list-style-type: none"> • Construction of chlorine containment facilities is currently underway at Skinner (60% complete), Jensen (5% complete), and Mills (18% complete).

Board Report (Capital Investment Plan – Quarterly Report for the period ending December 2006)

Corporate Resources Capital Project Performance Measures FY2006/07	
<p>Achieved target for cost of final design as a percentage of construction cost, for construction costs:</p> <ul style="list-style-type: none"> • greater than \$3 million; target 9% - 12% • less than \$3 million; target 9% - 15% 	<p>Met Target Met Target</p>
<p>Achieved target for cost of construction inspection as a percentage of construction cost, for construction costs:</p> <ul style="list-style-type: none"> • greater than \$3 million; target 9% - 12% • less than \$3 million; target 9% - 15% 	<p>Met Target Met Target</p>

							FY 2006/07 Status				
Program Title	Total Program Estimate	Total Expenditures to Date	Projected Cost to Complete	% Budget Expended	% Work Complete	Schedule Status/ Completion Date	Fiscal Year Budget	Fiscal Year Budget To Date 2nd Qtr	Fiscal Year Expenditures	Expenditure Variance	Comments (See Note)
Supply & Delivery Reliability											
Skinner Water Treatment Plant Expansion No. 4	\$147,000,000	\$111,455,374	\$135.8M	76%	78%	On schedule 2008/09	\$31,692,900	\$19,053,200	\$16,345,724	\$2,707,476	Fiscal year variance is due to construction contract payments for the Chemical System and ORP contracts, which include components of the Skinner Expansion No.4, being temporarily collected under the Skinner ORP and Improvements Programs. The program remains on schedule and within budget.
Yorba Linda Feeder Bypass	\$8,720,000	\$8,190,196	\$8.3M	94%	99%	On schedule 2006/07	\$217,000	\$217,000	\$378,071	(\$161,071)	Construction was completed in August 2006, on schedule and within budget.
Inland Feeder	\$1,186,460,000	\$908,792,987	\$1,129.5B	77%	84%	On schedule 2010/11	\$51,821,300	\$26,499,400	\$39,803,720	(\$13,304,320)	Fiscal year variance is due to a one-time lump sum payment of \$17 million following a settlement agreement with the Arrowhead Tunnels contractor. This amount was slightly offset by slower-than-planned mining progress during the first part of the year. Mining is currently back on schedule.
Lake Perris Flexible Storage	\$13,910,000	\$535,098	\$6.4M	4%	50%	On schedule 2010/11	\$617,000	\$196,300	\$366,142	(\$169,842)	Percent work completed is significantly greater than percent budget expended because actual expenditures have been offset by reimbursement payments received from the State Water Resources Control Board.
Local Groundwater Storage Agreements	\$210,000,000	\$40,653,746	\$181.0M	19%	19%	On schedule 2014/15	\$8,620,000	\$3,700,000	\$399,014	\$3,300,986	Progress and expenditures in this program are dependent on work performed by the contracted member agencies. Contracts to construct some facilities are still pending.
Mills Treatment Plant Capacity Upgrade	\$101,000,000	\$3,756,198	\$89.0M	4%	8%	On schedule 2009/10	\$5,533,200	\$2,520,800	\$1,334,133	\$1,186,667	Fiscal year variance is due to extension of the preliminary design phase of the Chemical Upgrades and Modules 1&2 Rehabilitation projects in order to incorporate value engineering comments and revisions.
Mills Water Treatment Plant Expansion No. 2	\$160,000,000	\$141,078,543	\$143.12M	88%	98%	On schedule 2006/07	\$3,104,200	\$1,903,400	\$1,929,026	(\$25,626)	Remaining work underway is for the Entry Road and Perimeter Landscaping contract, which is on schedule and within budget.
Perris Pumpback Expansion	\$10,000,000	\$0	8.7M	0%	0%	On schedule 2009/10	\$592,400	\$260,200	\$0	\$260,200	The schedule for this new program is being re-evaluated in light of updated demand projections and reliability assessments associated with the Santa Ana Valley Pipeline and Lake Perris.
Perris Valley Pipeline	\$110,000,000	\$1,831,741	\$103.8M	2%	2%	Being Revised 2008/09	\$51,848,700	\$26,920,100	\$1,051,671	\$25,868,429	Fiscal year variance is due to unsuccessful negotiations to perform the work under a Design/Build contract, which resulted in a rescoping of the project to follow the traditional Design/Bid/Build approach.
Rialto Pipeline Improvements	\$19,300,000	\$1,570,833	\$18.7M	8%	14%	On schedule 2008/09	\$4,637,700	\$611,100	\$732,970	(\$121,870)	Construction of the new valve vaults and procurement of the valves are on schedule and within budget.
San Diego Pipeline No. 6 - North & South Reaches	\$291,617,900	\$95,211,027	\$246.5M	33%	45%	North Reach On schedule 2006/07 Remaining On schedule 2016/17	\$9,197,800	\$7,438,000	\$8,708,435	(\$1,270,435)	Fiscal year variance is due to contract payments that are ahead of cash flow projections. The program remains within budget. The Total Program Estimate only includes costs for conveyance facilities extending to the San Diego County Line.
Second Lower Cross Feeder	\$30,712,000	\$2,844,128	25.9M	9%	7%	Being Revised 2009/10	\$3,946,700	\$858,000	\$1,052,424	(\$194,424)	The program schedule is currently being re-evaluated.

							FY 2006/07 Status				
Program Title	Total Program Estimate	Total Expenditures to Date	Projected Cost to Complete	% Budget Expended	% Work Complete	Schedule Status/ Completion Date	Fiscal Year Budget	Fiscal Year Budget To Date 2nd Qtr	Fiscal Year Expenditures	Expenditure Variance	Comments (See Note)
Desalination Research and Innovation Partnership	\$7,650,000	\$4,204,816	\$6.9M	55%	78%	On schedule 2006/07	(\$69,600)	(\$34,300)	\$46,113	(\$80,413)	Percent work completed is significantly greater than percent budget expended because actual expenditures have been offset by reimbursement payments received.
Central Pool Augmentation and Water Quality Project – Study and Land Acquisition	\$62,100,000	\$25,810,691	\$51.9M	42%	49%	On schedule 2013/14	\$819,000	\$415,000	\$303,946	\$111,054	The primary scope of work for this fiscal year is to conduct the geotechnical investigations along the tunnel alignment. Field work is now in progress.
Hayfield Groundwater Storage Project	\$81,100,000	\$10,171,748	\$69.6M	13%	14%	On schedule 2011/12	\$374,800	\$175,100	\$20,554	\$154,546	Groundwater level monitoring and sampling are ongoing.
TOTAL							\$141,043,200	\$71,463,100	\$55,748,148	\$15,714,952	
Infrastructure Reliability											
Accusonic Flow Meter Upgrade	\$1,033,000	\$808,756	\$914,000	78%	90%	On schedule 2006/07	\$0	\$0	\$2,008	(\$2,008)	The installation work is complete. As-built and close out activities have extended into the current fiscal year. The program is within budget.
All Facilities – Inspection & Replacement of Critical Vacuum Valves	\$4,600,000	\$1,277,592	\$1.6M	28%	69%	On schedule 2007/08	\$138,200	\$67,900	\$55,398	\$12,502	Percent expended is less than percent completed because the actual number of valves that require replacement is less than the original estimated amount.
All Facilities - Install Roofs for Chemical Tank Farms	\$15,080,000	\$2,908,265	\$13.5M	19%	20%	On schedule 2007/08	\$5,539,200	\$1,423,300	\$1,261,389	\$161,911	Construction of tank farm roofs are underway at the Weymouth, Jensen, and Mills plants as part of various Chemical System Upgrades contracts.
Allen McColloch Pipeline Repair	\$8,650,000	\$6,480,698	\$7.9M	75%	80%	Repairs/Upgrades On schedule 2006/07 Other On schedule 2014/15	\$423,100	\$338,700	\$116,072	\$222,628	Completion date is tied to update of original design drawings. Final facility improvements are on schedule and within budget.
Assess the Condition of Metropolitan's Prestressed Concrete Cylinder Pipe	\$9,200,000	\$4,114,120	\$8.5M	45%	48%	On schedule 2008/09	\$1,031,300	\$516,800	\$252,022	\$264,778	The cost of the inspection work planned for this fiscal year is anticipated to be less than budgeted, and is dependent on available pipeline shutdowns.
Cabazon Radial Gate Facility Improvements	\$1,800,000	\$178,935	\$1.4M	10%	6%	On schedule 2009/10	\$206,400	\$83,800	\$756	\$83,044	Planned progress is pending development of environmental documentation.
Capital Projects Costing Less than \$250,000 for FY2004/05	\$3,300,000	\$2,396,063	\$3.0M	73%	78%	On schedule 2006/07	\$97,500	\$73,000	\$823,019	(\$750,019)	Fiscal year variance is due to progress ahead of schedule, resulting in earlier expenditures than planned. Nine projects have been completed; fourteen are ongoing. The program remains within budget.
Capital Projects Costing Less than \$250,000 for FY 2005/06	\$3,000,000	\$1,429,756	\$2.9M	48%	58%	On schedule 2007/08	\$618,400	\$537,700	\$835,608	(\$297,908)	Fiscal year variance is due to progress ahead of schedule, resulting in earlier expenditures than planned. Four projects have been completed; sixteen are ongoing; one project was moved to another program. The program remains within budget.
Capital Projects Costing Less than \$250,000 for FY 2006/07	\$5,600,000	\$119,260	\$5.38M	2%	12%	On schedule TBD	\$623,900	\$355,800	\$119,260	\$236,540	This Program was authorized in June 2006 and work has commenced.
Conveyance and Distribution System Rehabilitation	\$55,588,200	\$28,696,537	\$45.1M	52%	55%	On schedule 2011/12	\$7,588,200	\$3,001,600	\$5,545,070	(\$2,543,470)	Fiscal year variance is due to the San Diego Canal Repair contract that was awarded ahead of schedule in order to take advantage of a planned shutdown. Work progressed on forty separate projects in this program, including the Box Springs Feeder Repairs Assessment, the San Diego Canal Repairs, and the Foothill Feeder Repairs. The program remains within budget.

							FY 2006/07 Status				
Program Title	Total Program Estimate	Total Expenditures to Date	Projected Cost to Complete	% Budget Expended	% Work Complete	Schedule Status/ Completion Date	Fiscal Year Budget	Fiscal Year Budget To Date 2nd Qtr	Fiscal Year Expenditures	Expenditure Variance	Comments (See Note)
CRA – Conveyance Reliability	\$70,750,000	\$40,887,002	\$59.4M	58%	75%	On schedule 2008/09	\$4,938,500	\$1,345,500	\$1,508,625	(\$163,125)	Design and construction are on schedule and within budget. Planned repair work is scheduled to be completed during the shutdown in March 2007.
CRA – Electrical/Power Systems Reliability	\$20,100,000	\$16,916,226	\$17.9M	84%	85%	On schedule 2007/08	\$511,200	\$267,500	\$107,496	\$160,004	Design and construction are on schedule and within budget.
CRA – Pumping Plant Reliability	\$65,430,000	\$5,230,182	\$53.1M	8%	14%	On schedule 2011/12	\$3,302,200	\$1,862,400	\$821,309	\$1,041,091	Materials were procured for the Circulating Water System repairs. Work progressed slower than anticipated on the Intake Plant Instrumentation Replacement due to abatement of asbestos wiring.
CRA - Reliability Program	\$1,100,000	\$2,129	\$969,000	0%	0%	On schedule 2007/08	\$542,300	\$205,100	\$2,129	\$202,971	Work has been initiated on two reliability projects authorized in September 2006.
Dam Rehabilitation & Safety Improvements	\$5,115,000	\$820,538	\$4.2M	16%	15%	On schedule 2008/09	\$881,700	\$347,200	\$73,300	\$273,900	Initial evaluations were completed under the Seismic Assessment project. A Board action in December 2006 authorized seismic assessments of 13 dams.
Diemer Water Treatment Plant Improvements	\$79,300,000	\$7,376,959	\$77.2M	9%	8%	On schedule 2010/11	\$7,427,500	\$3,689,600	\$1,919,705	\$1,769,895	Fiscal year variance is due to longer-than-planned effort to complete the environmental documentation for multiple projects at the Diemer site, including the Second Access Road, and the schedule adjustment to the new Washwater Reclamation Plant #3 to accommodate construction of the new ozone facilities.
Diemer Water Treatment Plant Improvements - Phase II	\$36,800,000	\$316,700	\$36.2M	1%	2%	On schedule 2010/11	\$999,900	\$400,000	\$316,700	\$83,300	Three new rehabilitation projects were initiated in July 2006.
Diemer Water Treatment Plant Solids Handling and Water Reclamation	\$44,824,000	\$31,819,149	\$36.5M	71%	80%	On schedule 2007/08	\$15,139,100	\$9,453,900	\$9,560,261	(\$106,361)	The new solids handling facility is scheduled to be completed by April 2007.
Diemer Water Treatment Plant Washwater Tanks Refurbishment	\$2,025,500	\$1,121,925	\$1.2M	55%	62%	On schedule 2007/08	\$473,500	\$13,900	\$291,864	(\$277,964)	Fiscal year variance is due to design of the west washwater tank refurbishment being ahead of schedule, resulting in earlier expenditures than planned. The program remains within budget.
Diemer Land Acquisition, Habitat Conservation Plan, and Site Grading	\$14,771,000	\$11,669,876	\$13.2M	79%	78%	On schedule 2006/07	\$261,420	\$210,900	(\$54,339)	\$265,239	Design and construction are on schedule and within budget. The negative FY expenditure is due to costs incurred during FY 2005/06 that were transferred to the appropriate capital programs during the first half of this fiscal year.
Distribution System Facilities - Rehabilitation Program	\$19,200,000	\$0	17.4	0%	0%	On schedule 2014/15	\$1,256,400	\$498,800	\$0	\$498,800	New program in FY 2006/07. Projects have not yet commenced pending initial Board action.
Information Technology System - Infrastructure	\$47,637,300	\$12,857,982	\$37.9M	27%	26%	On schedule 2009/10	\$2,041,800	\$883,300	\$1,093,355	(\$210,055)	Work was completed for the Phonemail Replacement project. Work is proceeding on schedule for the Local and Wide Area Network upgrades and Two-Way Radio System Upgrade projects. The program remains within budget.
Jensen Water Treatment Plant Improvements	\$77,000,000	\$12,054,017	\$69.5M	16%	20%	On schedule 2011/12	\$3,786,600	\$2,019,900	\$559,698	\$1,460,202	Fiscal year variance is due to rescheduling of the Solids Handling project. Design progressed on the new thickeners, but the design and construction of the belt presses, hoppers, chemical feed system, and other equipment is not yet needed because of the extended availability of the LADWP residuals lagoons. The tank farm containment project was postponed until the Chlorine Containment contract is complete.
Jensen Water Treatment Plant Improvements - Phase II	\$11,900,000	\$0	10.6M	0%	0%	On schedule 2009/10	\$309,500	\$184,400	\$0	\$184,400	New program in FY 2006/07. Projects have not yet started pending initial Board action.

							FY 2006/07 Status				
Program Title	Total Program Estimate	Total Expenditures to Date	Projected Cost to Complete	% Budget Expended	% Work Complete	Schedule Status/ Completion Date	Fiscal Year Budget	Fiscal Year Budget To Date 2nd Qtr	Fiscal Year Expenditures	Expenditure Variance	Comments (See Note)
Mills Water Treatment Plant Improvements	\$11,958,000	\$3,875,974	\$8.6M	32%	30%	On schedule 2011/12	\$886,800	\$668,800	\$327,842	\$340,958	Fiscal year variance is due to rescheduling of work on the ground fault protection system upgrades to coincide with the shutdown scheduled for the Winter of 2007.
Mills Water Treatment Plant Improvements - Phase II	\$26,900,000	\$0	\$23.4M	0%	0%	On schedule 2010/11	\$522,800	\$221,700	\$0	\$221,700	New program in FY 2006/07. Projects have not yet started pending initial Board action.
Remote Computer Room Environmental Control Improvements	\$1,720,000	\$888,296	\$1.4M	52%	55%	On schedule 2006/07	\$360,800	\$360,800	\$174,186	\$186,614	The initial construction contract is complete. Awaiting final payment to contractor. The program remains within budget.
Reservoir Cover and Replacement	\$21,500,000	\$211,403	\$18.9M	1%	2%	On schedule 2009/10	\$431,300	\$360,800	\$63,997	\$296,803	Final design of replacement covers for the Skinner and Palos Verdes Reservoirs was initiated in September 2006.
Skinner Water Treatment Plant Improvements	\$177,800,000	\$80,568,984	\$141.7M	45%	46%	On schedule 2011/12	\$69,595,600	\$44,517,700	\$45,656,921	(\$1,139,221)	The largest component of the Skinner Chemical Systems construction contract is included in this program. \$1.1 million of extra work has been authorized to date on this contract. The program remains on schedule and within budget.
Skinner Water Treatment Plant Improvements - Phase II	\$2,700,000	\$0	\$2.2M	0%	0%	On schedule 2007/08	\$1,329,500	\$549,700	\$0	\$549,700	New program in FY 2006/07. Projects have not yet started pending initial Board action.
System Reliability Plan	\$4,890,000	\$0	\$3.9M	0%	0%	On schedule 2009/10	\$921,200	\$298,900	\$0	\$298,900	New program in FY 2006/07. Projects have not yet started pending initial Board action.
Weymouth Water Treatment Plant Improvements	\$163,000,000	\$38,228,258	\$134.4M	23%	28%	On schedule 2011/12	\$8,916,900	\$3,345,900	\$3,552,838	(\$206,938)	There are currently 17 active projects in this program. A shutdown of the Weymouth plant in December enabled inspection of multiple plant components and facilities to finalize design scopes and project cost estimates. The program remains on schedule and within budget.
Weymouth Water Treatment Plant Improvements - Phase II	\$17,000,000	\$0	\$15.0M	0%	0%	On schedule 2009/10	\$332,600	\$54,000	\$0	\$54,000	New program in FY 2006/07. Projects have not yet started pending initial Board action.
Whitewater Siphon Protection	\$10,400,000	\$2,209,953	\$9.2M	21%	20%	On schedule 2009/10	\$556,400	\$80,300	\$142,940	(\$62,640)	The main activity this fiscal year has been preparation of an EIR.
TOTAL							\$141,991,720	\$78,239,600	\$75,129,429	\$3,110,171	
Information Technology											
Control System Enhancement & Automation	\$32,558,600	\$5,677,055	\$27.65M	17%	21%	On schedule 2009/10	\$3,335,500	\$1,433,400	\$1,444,357	(\$10,957)	Work is progressing on the Real Time Operating System, the Energy Management System, and the Automatic Meter Reading System Upgrade.
Distribution System Control and Equipment Upgrade	\$11,600,000	\$4,606,381	\$9.4M	40%	23%	On schedule 2009/10	\$1,898,300	\$1,030,500	\$794,547	\$235,953	Pilot projects for installation of automated pilot valves, and installation of digital display and valve position indicators are underway. Staff also continues to document operational processes and knowledge of the distribution system.
Information Technology System – Business, Finance & HR	\$25,969,000	\$6,492,591	\$17.5M	25%	30%	On schedule 2009/10	\$4,397,500	\$2,222,100	\$1,386,030	\$836,070	Fiscal year variance is due to the longer-than-anticipated time required to negotiate the professional services agreement for implementation of the Integrated Budget Management System. In July 2006, the Board approved implementation of the WINS Re-Write project.
Palo Verde Irrigation District Program Management System	\$1,600,000	\$0	\$1.4M	0%	0%	Being Revised 2009/10	\$100,000	\$0	\$0	\$0	Progress has been delayed pending assessment of the need and urgency for this project.
Strategic Operations and Maintenance Management System	\$6,977,400	\$3,741,272	\$6.5M	54%	55%	Being Revised 2006/07	\$1,381,200	\$350,000	\$21,707	\$328,293	Fiscal year variance is due to the scope being reassessed by Water System Operations.
TOTAL							\$11,112,500	\$5,036,000	\$3,646,641	\$1,389,359	

Note: Generally, comments are provided for variances of about \$1M or more, or over about 90% of the FY Budget to Date. Also, for programs with schedule revisions or Percent Work Complete significantly different from Percent Budget Expended.

							FY 2006/07 Status				
Program Title	Total Program Estimate	Total Expenditures to Date	Projected Cost to Complete	% Budget Expended	% Work Complete	Schedule Status/ Completion Date	Fiscal Year Budget	Fiscal Year Budget To Date 2nd Qtr	Fiscal Year Expenditures	Expenditure Variance	Comments (See Note)
Water Quality											
Diemer Water Treatment Plant – Construct Sedimentation Basin Spillways	\$9,810,000	\$6,939,851	\$7.5M	71%	76%	On schedule 2007/08	\$0	\$0	\$100,720	(\$100,720)	The construction contract is substantially complete. Fiscal year variance is due to remaining punch list items being performed by the contractor. The program remains within budget.
Diemer Water Treatment Plant – Oxidation Retrofit	\$236,000,000	\$62,991,140	\$224.2M	27%	25%	On schedule 2011/12	\$78,231,300	\$38,942,600	\$38,651,945	\$290,655	Major contracts underway this year include the Plant and Vehicle Maintenance facilities, the Phase I of the Chemical Tank Farm Improvements, and the South Slope Stabilization. The program remains on schedule and within budget.
Distribution System – Treated Water Cross Connection Prevention	\$53,400,000	\$14,308,562	\$49.7 M	27%	33%	On schedule 2008/09	\$6,014,900	\$2,154,600	\$933,832	\$1,220,768	Fiscal year variance is due to additional time needed to secure numerous encroachment permits for construction in public rights-of-way. The first three construction contracts were awarded in November 2006.
Jensen & Mills Water Treatment Plants – Oxidation Retrofit	\$235,410,816	\$234,704,209	\$235M	99.7%	99%	On schedule 2006/07	\$480,000	\$480,000	(\$233,954)	\$713,954	The FY variance is due to costs incurred for work performed under the Jensen ORP contract in FY 05/06 that were transferred to the appropriate capital program during the first half of this fiscal year. Work planned for this fiscal year is by Metropolitan forces to comply with new Fire Department requirements, and to prepare the O&M Manual. Program is on schedule and within budget.
Lake Mathews Watershed – Drainage Water Quality Management Plan	\$37,400,000	\$35,397,550	\$35.7M	95%	97%	On schedule 2006/07	\$0	\$0	(\$331,021)	\$331,021	Fiscal year variance, and the negative expenditure, is due to the sale of property that had been purchased as part of a residence relocation for the project. The program remains within budget.
Mills Water Treatment Plant - Ozone Generator Expansion	\$7,500,000	\$11,996	6.6M	0.2%	1%	On schedule 2009/10	\$409,700	\$84,200	\$11,996	\$72,204	Final design was initiated in August 2006. The fiscal year variance is due to extended negotiations to finalize the consulting agreement.
Skinner Water Treatment Plant – Oxidation Retrofit	\$245,700,000	\$111,587,613	\$224.4M	45%	40%	On schedule 2007/08	\$80,992,300	\$44,327,600	\$35,927,056	\$8,400,544	Fiscal year variance is due to contract payments that do not match cash flow projections. The program remains on schedule and within budget.
Water Quality Pilot Plant Treatment Facility	\$8,609,000	\$235,200	\$7.1M	3%	1%	Being Revised 2006/07	\$1,000,700	\$300,000	\$149,334	\$150,666	Fiscal year variance is due to extended negotiations to finalize the consulting agreement.
Water Treatment Plants - Algae Control Study	\$1,100,000	\$144,281	\$.6M	13%	30%	On schedule 2007/08	\$77,300	\$30,300	\$40,549	(\$10,249)	The study and design to install a basin cover as a pilot project continues. It is planned to install a cover in FY 2006/07 and test the effects of the cover on algae growth during the summer of 2007.
Water Treatment Plants – Control and Equipment Upgrade	\$7,650,000	\$1,247,873	\$6.6M	16%	17%	On schedule 2008/09	\$464,400	\$233,000	(\$511)	\$233,511	Fiscal year variance is due to a significant reduction in the initial scope thereby reducing the projected cost for this program.
Weymouth Water Treatment Plant – Oxidation Retrofit	\$185,300,000	\$18,573,862	\$146.5M	10%	9%	On schedule 2011/12	\$11,342,900	\$4,568,000	\$5,318,382	(\$750,382)	Program is on schedule and within budget. The construction is scheduled to be advertised for bid this fiscal year.
TOTAL							\$179,013,500	\$91,120,300	\$80,568,328	\$10,551,972	

							FY 2006/07 Status				
Program Title	Total Program Estimate	Total Expenditures to Date	Projected Cost to Complete	% Budget Expended	% Work Complete	Schedule Status/ Completion Date	Fiscal Year Budget	Fiscal Year Budget To Date 2nd Qtr	Fiscal Year Expenditures	Expenditure Variance	Comments (See Note)
Stewardship											
All Facilities – Security Systems Improvements	\$19,600,000	\$13,472,107	\$18.9M	69%	68%	On schedule 2008/09	\$1,452,300	\$955,500	\$1,202,530	(\$247,030)	Fiscal year variance is due to progress ahead of schedule, resulting in earlier expenditures than planned. Program is on schedule and within budget.
All Water Treatment Plants – Fluoridation System	\$5,500,000	\$0	\$5.0M	0%	70%	Being Revised 2007/08	\$2,365,600	\$1,609,200	\$0	\$1,609,200	Percent completed is greater than percent expended because actual expenditures have been offset by reimbursement payments received. All of the fluoridation facilities are being constructed under various chemical system contracts at all five treatment plants. The program is within budget. Start-up of the fluoridation systems has been rescheduled to October 2007 to allow sufficient time for start-up activities and delivery of the initial fill of the chemical.
Chemical Containment Phase II	\$7,000,000	\$0	\$6.6M	0%	0%	On schedule 2008/09	\$1,899,700	\$439,800	\$0	\$439,800	New program in FY 2005/06. Projects have not yet started pending Initial Board action.
Chlorine Containment and Handling Facilities	\$163,800,000	\$44,294,766	\$127.2M	27%	34%	On schedule 2009/10	\$30,982,800	\$12,778,500	\$14,774,070	(\$1,995,570)	Fiscal year variance is due to contract payments that are ahead of cash flow projections. Facilities are currently under construction at the Skinner, Mills, and Jensen treatment plants. Program remains on schedule and within budget.
CRA – Discharge Containment	\$5,500,000	\$1,099,329	\$4.6M	20%	20%	On schedule 2007/08	\$1,050,100	\$446,800	\$536,232	(\$89,432)	Program is on schedule and within budget.
CRA – Real Property Recordation	\$24,665,000	\$6,831,114	\$24.1M	28%	40%	Ahead Budget - 2020/21 Projected - 2010/11	\$1,470,900	\$738,000	\$1,107,868	(\$369,868)	Completion date reflects reduced annual expenditures to accommodate higher priority work. Progress is ahead of schedule and will be completed under budget.
Desert Facilities - Fire Protection Upgrade	\$7,342,000	\$6,488,065	\$6.5M	88%	100%	On schedule 2005/06		\$0	\$1,351	(\$1,351)	Construction was completed on schedule with some punch-list items remaining. The program is within budget.
Diamond Valley Recreation Infrastructure	\$97,472,700	\$60,067,213	\$96.8M	62%	60%	On schedule 2008/09	\$13,358,900	\$7,124,800	\$8,673,230	(\$1,548,430)	Fiscal year variance is due to the Searl Parkway Phase I improvements and landscaping work being completed ahead of cash flow projections.
Information Technology System – Security	\$3,393,800	\$2,025,071	\$2.4M	60%	77%	On schedule 2008/09	\$345,500	\$153,100	\$105,536	\$47,564	The program remains on schedule and within budget
La Verne Facility – Shop Equipment Upgrades	\$19,040,000	\$950,436	\$11.5M	5%	10%	On schedule 2008/09	\$1,828,200	\$1,329,300	\$272,058	\$1,057,242	Fiscal year variance is due to salvage of used equipment and rescheduling of work to accommodate planned ORP construction. The Board authorized preliminary design in March 2006.
Power Reliability and Energy Conservation	\$25,800,000	\$14,687,061	\$17.70	57%	80%	On schedule 2008/09	\$493,100	\$166,600	\$359,836	(\$193,236)	Construction is complete on the OC-88 Modifications contract and minimal close-out work was budgeted for this fiscal year. The program remains within budget.
Weymouth Water Treatment Plant – Renovation of the Softener Buildings	\$6,570,000	\$4,514,695	\$5.5M	69%	100%	On schedule 2005/06	\$0	\$0	\$57,691	(\$57,691)	Construction is complete and minimal close-out work was budgeted for this fiscal year. The program remains within budget.
TOTAL							\$55,247,100	\$25,741,600	\$27,090,402	(\$1,348,802)	