



THE METROPOLITAN WATER DISTRICT  
OF SOUTHERN CALIFORNIA

- **Internal Audit Report for May 2010**

## **Summary**

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One report was issued during the month:

- **Colorado River Aqueduct Reliability Program Audit Report**
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## **Discussion Section**

This report highlights the significant activities of the Internal Audit Department during May 2010. In addition to presenting background information and the opinion expressed in the audit reports, a discussion of findings noted during the examination is also provided.

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## **Colorado River Aqueduct Reliability Program Audit Report**

### **Background**

The Colorado River Aqueduct (CRA) is a 242-mile-long conveyance system which transports water from Lake Havasu to Lake Matthews. Major portions of the system were initially constructed in the 1940s and have been in continuous service ever since. However, portions of the system are exhibiting signs of wear and tear. In July 2000, Metropolitan initiated the Infrastructure Reliability and Protection Plan (Plan) to evaluate risks and vulnerabilities of Metropolitan facilities, and to identify cost-effective options to address those risks through rehabilitation, repair, or replacement. As part of this Plan, the Corporate Resources Group staff identified several system components of the conveyance and distribution system that need repairs, refurbishment, or replacement. Metropolitan has undertaken numerous CRA rehabilitation projects since 2001. These projects are expected to be substantially completed by 2012.

As part of the CRA Reliability Program, Metropolitan entered into a \$3.4-million contract with Abhe & Svoboda, Incorporated in September 2007 to rehabilitate the CRA's San Jacinto Diversion Structure (SJDS) and the Desert Water/Coachella Valley Service Connections (DW/CVSC). Work under this contract consisted of refurbishing deteriorated slide gates and upgrading electrical systems and equipment at SJDS. Work also consisted of replacing valves and installing a security fence at DW/CVSC discharge structure located at the Whitewater River. As of April 2010, the SJDS and DW/CVSC projects were 100 percent complete, and Metropolitan has paid the contractor \$3.4 million, including approximately \$44,000 in approved extra work orders as of that date.

### **Opinion**

In our opinion, the accounting and administrative procedures over Colorado River Aqueduct Reliability Program Phase 6 – Abhe & Svoboda, Incorporated contract include those practices usually necessary to provide for a satisfactory internal control structure. The degree of compliance with such policies and procedures provided effective control for the period of October 2007 to April 2010.

### **Comments and Recommendations**

There were no material findings to report.