

From: Adan Ortega <diradanortega@gmail.com>

Sent: Tuesday, November 9, 2021 5:25:26 AM

To: Tana McCoy <dirmccoy@gmail.com>

Cc: Castro,Rosa <RCastro@mw dh2o.com>; Margie Wheeler <wheeler margie@gmail.com>; Gloria Gray <mwdggray@gmail.com>

Subject: Fwd: Board item 7-14 (Authorize an increase of \$985,000 to an agreement with PlanNet, LLC for the Datacenter Modernization Relocation project)

Dear OP&T Vice Chair McCoy,

Is it possible to share the correspondence below with the OP&T Committee before today's meeting? I have many questions about this item and I would like to avoid taking up too much time asking them during the meeting. If possible I will request tabling this item. Thank you for your consideration.

Adán Ortega
San Fernando

Begin forwarded message:

From: Adan Ortega <diradanortega@gmail.com>

Date: November 9, 2021 at 4:52:44 AM PST

To: ceckstrom@mw dh2o.com

Cc: Shane Chapman <schapman@mw dh2o.com>, Adel Hagekhalil <AdelH@mw dh2o.com>, Tana McCoy <dirmccoy@gmail.com>, Gloria Gray <mwdggray@gmail.com>, Rosa Castro <rcastro@mw dh2o.com>, mwheeler@mw dh2o.com

Subject: Board item 7-14 (Authorize an increase of \$985,000 to an agreement with PlanNet, LLC for the Datacenter Modernization Relocation project)

Mr. Eckstrom,

I appreciate the time you took to brief me about Board item 7-14 (*Authorize an increase of \$985,000 to an agreement with PlanNet, LLC for the Datacenter Modernization Relocation project*) and have the following comments that I am asking be shared with the OP&T Committee as I will be requesting that the item be tabled until some questions are answered as outlined below:

- As written, the board letter does not provide sufficient information to justify increasing the consulting budget to PlanNet, LLC by approximately 50%. The board letter lacks critical information, such as budget expended to date, project schedule status, and details on the rationale for the increase other than COVID and supply chain delays. The project was four years in progress when COVID and the supply delays began.
- The board letter identifies a number of budget increases owing mainly to the impact of Covid, such as: increasing equipment costs, supply chain issues, and additional cybersecurity needs. While these costs may have increased they have nothing to do with the cost for PlantNet's services, unless they also provide hardware which the letter does not specify. If they are installers and programmers, one would presume that they were idle with hourly charges deferred.
- The total project budget is listed as \$8,354,900, yet there is no information in the board letter about project progress to date and expenditures to date. This information is critical in understanding how the project is progressing with respect to budget and schedule. Given the cost increases identified in the second bullet above, is it reasonable to assume there will be

additional board letters in the future for additional funds related to labor and equipment? Does this mean that the total budget will increase by 50%?

- What happened to the \$1.089M in contingency funds (remaining budget)? You indicated to me that it had been used. Why was that not discussed in the board letter? Will future board letters ask for additional remaining budget and if so, how much? Attachment 1 is inadequate--where are the other expenditures--they should be disclosed.
- Option 2 states that the impact of not approving the increase for PlanNet "*will delay the completion of the datacenter modernization and relocation project.*" Is this a real impact? How much will the delay be and for what reason? If it is 6 months to a year, what does it matter if we save nearly \$1M in funds, since the project is already 5 years old (2016)? At the rate that technology advances, has there been a reevaluation of needs?
- The letter indicates that there are funds in the CIP budget for this increase. Why are there available funds? What project will not be done in its place?
- The letter also indicates costs for cybersecurity for "teleworking for remote access for the project team." Isn't everyone at MWD already doing this? Why is this an additional cost just for this team?
- What is the \$695,000 in "other professional services for?"
- The board letter implies that the reason for the cost increase is primarily Covid related. Are there efforts to secure fiscal recovery funds due to coronavirus?

In summary, as currently written, I feel that there is insufficient information provided to warrant an additional 50% increase in the consulting budget for PlanNet, LLC. Moreover, there does not appear to be any impact to the project other than time delay in relocating the datacenter. Given that this project started 6 years ago, does saving some additional time warrant a \$1M Increase--especially when there does not appear to be a sense of urgency in completion?

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