



## Memorandum

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**To:** HONORABLE BOARD OF DIRECTORS

**From:** Suzanne R. Coffey, P.E., ICEO

**CC:** William M. Wolfson, CACO

**Date:** January 6, 2022

**RE:** **EXPLANATION OF ICEO December 2021 KPIs “RED, YELLOW, GREEN” REPORT**

OVERVIEW Last month there were four “yellow” indicators. This month there are four “yellow” indicators. The same indicators remain “yellow” this month that were “yellow” for the previous two months.

Our first “yellow” measure relates to the reliability of wholesale water and sewer revenue projection. For the last two months this measure has been “yellow”. It is “yellow” again this month. For this measure to return to “green,” water system wholesale billed revenues will equal at least 100% of the budgeted amount. Last month we reported data from September 2021 and the measure was “yellow” with billed revenues at 95.0% of budgeted charge revenue. This month we reported data from October 2021 and the measure remained “yellow” with billed revenues improving to 95.9% of budgeted charge revenue. This result is consistent with our preliminary analysis reported last month that predicted continued improvements anticipated for this area. The performance shortfall has been addressed through first quarter budget amendments.

Our second “yellow” indicator is the measure of the ratio of operable valves to valves assessed. Last month this measure was also “yellow”. The goal for this metric is 100% of GLWA valves are operational. Last month we reported that 83.6% of GLWA valves assessed were operational. This month the percentage of operational valves has again declined but very slightly to 81.3%. As previously indicated, it is not unreasonable to expect this indicator to remain “yellow” for the foreseeable future underscoring the value of this project.

Our third “yellow” indicator relates to our network up-time percentage. For this metric to be “green” the network must be up at least 99.98% of the time. Last month the indicator was “yellow” with an up time of 99.97%. This month our network up time declined to 99.90% of the time but still slightly below the goal. During this period GLWA experienced downtime due to an extended outage in an effluent building. The IT Group is evaluating affected location to determine what, if anything is needed to improve performance.

Our fourth “yellow” indicator relates to GLWA’s total CIP spend. This is the fifth month this measure has remained “yellow.” For this measure to be “green” GLWAs must expend at least 80% of its approved capital spending plan. Last month we reported data from October 2021 and the metric was “yellow” at 78%. This month the metric remains “yellow”, and the performance remains at 78%. In November, GLWA’s spending on water capital projects was 88% of the approved capital spending plan but for wastewater the spending ratio is at 61%, an improvement over prior months. We continue to believe that the cause of the wastewater underperformance is related to project delays associated with the frequent wet weather events experienced this summer but are seeing two other causes beginning to emerge: One, additional disruptions to the supply chain that have emerged in the past few months and, two, the need to adjust water system projects to allow for repairs and operations related to the recent break in the 14-mile main. GLWA will continue to monitor causation and performance in this area.

**SPECIFIC RED AND YELLOW MEASURES ON FOLLOWING PAGE:**

EUM Attribute	Measure	Significance	Criteria	Status	
<b>Financial Viability</b>	Water system wholesale billed revenues will meet or exceed budgeted amount	Methods for establishing revenue projections are reliable	<b>Green</b> <b>Yellow</b> <b>Red</b>	<b>100%</b> <b>85% - 99%</b> <b>&lt;85%</b>	<b>Yellow</b>

Explanation and Responsive Actions: This measure relates to the reliability of wholesale water and sewer revenue projection. For this measure to remain “green” water system wholesale billed revenues will equal at least 100% of the budgeted amount. Last month we reported data from September 2021 and the measure was “yellow” with billed revenues at 95.0% of budgeted charge revenue. This month we reported data from October 2021 and the measure remained “yellow” with billed revenues improving to 95.9% of budgeted charge revenue. This result is consistent with our preliminary analysis that predicted continued improvements in this area.

EUM Attribute	Measure	Significance	Criteria	Status	
<b>Infrastructure Strategy and Performance</b>	Water - 100% of GLWA valves assessed are operational	Reduced risk of unplanned downtime and service interruption	<b>Green</b> <b>Yellow</b> <b>Red</b>	<b>&gt;90%</b> <b>80% - 90%</b> <b>&lt;80%</b>	<b>Yellow</b>

Explanation and Responsive Actions: Our valve assessment project measure remains “yellow” this month and declined slightly from the previous month. As the Board is aware, under this project, valves are currently defined in one of three categories – minor repair, rehabilitation, or replacement. Where the valve ultimately ends up is determined at the end of the project which means that a valve can go from minor repair to rehabilitated during the contract and may be operational by the end of the contract period.

EUM Attribute	Measure	Significance	Criteria	Status
<b>Enterprise Resiliency</b>	All GLWA sites with Wide Area Network connections will have 100% availability	Network connectivity promotes employee productivity	<b>Green</b> >99.98% <b>Yellow</b> 99.50% - 99.98% <b>Red</b> <99.50%	<b>Yellow</b>

Explanation and Responsive Actions: This month our network was up 99.90% of the time, below the 99.98 % goal. During this period GLWA experienced downtime due to an extended outage in an effluent building. The IT Group is evaluating affected locations to determine what, if anything is needed to improve performance.

EUM Attribute	Measure	Significance	Criteria	Status
<b>Enterprise Resiliency</b>	Total CIP spend 80% or greater than approved spending plan	Method for establishing spending is aligned with budgeted revenue	<b>Green</b> >80% <b>Yellow</b> 70-80% <b>Red</b> < 70%	<b>Yellow</b>

Explanation and Responsive Actions: For this measure to be “green” GLWA’s capital spending must be 80% or greater of the approved spending plan. This month the CIP spend metric was again “yellow” at 78% of spending plan. The underperformance was primarily driven by underperformance on sewer capital projects (61%). GLWA believes this underperformance was due to the frequency and duration of wet weather events, however other potential drivers are emerging which may further hamper performance of this measure. GLWA will continue to monitor these drivers and their impact on performance to determine if further corrective actions are necessary.