

Memorandum

To: HONORABLE BOARD OF DIRECTORS

From: Sue McCormick, CEO

CC: William M. Wolfson, CACO

Date: March 3, 2021

RE: EXPLANATION OF CEO March 2021 KPIs – “RED, YELLOW, GREEN” REPORT

OVERVIEW Last month there was one “yellow” indicator. This month there are two “yellow” indicators.

Our first “yellow” indicator is the measure of the ratio of operable valves to valves assessed remains yellow. The goal for this metric is 100% of GLWA valves are operational. Last month we reported that 73.5 % of GLWA valves assessed were operational, this month that percentage has declined to 72.2%

Our second “yellow” measure is the ratio of preventative maintenance projects completed as a percentage of total projects for our wastewater operations group. This month the measure ratio is 86%, 1 percent higher than the maximum 85% for the metric to be “green.” GLWA will continue to monitor this metric to determine if the high ratio of preventative maintenance projects is temporary, structural, or arithmetic. If this trend continues, GLWA will review to determine if our defined preventative measures appropriately capture activities that support asset life and operations.

SPECIFIC RED AND YELLOW MEASURES ON FOLLOWING PAGE:

EUM Attribute	Measure	Significance	Criteria	Status
Infrastructure Strategy and Performance	Water - 100% of GLWA valves assessed are operational.	Reduced risk of unplanned downtime and service interruption	Green = 90-100% Yellow = 80 - 90% Red = <80%	Yellow

Explanation and Responsive Actions: As expected, our valve assessment project metric remains “yellow.” 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. As previously indicated, the fact that the metric remains “yellow” suggests a continued need for focused valve assessment, rehabilitation, and repair throughout the system.

EUM Attribute	Measure	Significance	Criteria	Status
Infrastructure Strategy and Performance	Wastewater - Preventative maintenance projects completed as a percentage of total projects	Reduced risk of unplanned downtime or inefficiencies	Green = 75-85% Yellow = >85% Red = <75%	Yellow

Explanation and Responsive Actions: The ratio of preventative maintenance projects completed as a percentage of total projects. This month the measure ratio is 86%, 1 percent higher than the maximum 85% for the metric to be “green.” If the percentage is significantly higher than the target (yellow) it is a warning that PMs can be reduced, and resources can be better directed to other system needs.

GLWA does not believe that this 1% variance warrants operational modifications. However, GLWA will continue to monitor this metric to determine if the high ratio of preventative maintenance projects is temporary, structural, or arithmetic. If this trend continues, GLWA will review to determine if our defined preventative maintenance measures appropriately capture activities that support asset life and operations or requires revision.