



Memorandum

To: HONORABLE BOARD OF DIRECTORS

From: Sue McCormick, CEO

CC: William M. Wolfson, CACO

Date: May 6, 2021

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

OVERVIEW Last month there were one “yellow” and one “red” indicator. This month there are two “red” indicators.

Before addressing the “red” indicators, I would like to point out the cadence of our spending on capital projects continues to improve. This month’s data indicates that for water capital projects, through March, we are progressing at 114.8% of the Adopted Capital Spend Ratio and for wastewater capital projects, through March, we are progressing at 107% of the Adopted Capital Spend Ratio

Our first “red” 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 71.1 % of GLWA valves assessed were operational, this month that percentage has declined to 65.8%. This drop is due to a number of valves being “delayed” between assessment and exercising at the request of operations. Some valves were found closed that should be opened, the exercise of these valves is delayed until operations can review the potential impact to the system. These “delayed” valves were inadvertently being categorized as “non-operational” and this will be revised for the April KPI. Nonetheless, anything less than 100% operational may seem disappointing, but it is a measure of the value of this assessment. The current month’s decline in percentage of operational valves relates to the fact that we are now locating system valves that have been paved over or otherwise rendered inoperable. As we have previously indicated, this measure will continue to fluctuate as we proceed with this project. The data also suggests the need to carefully consider valve rehabilitation, repair and replacement as part of the Linear System Integrity Plan, currently being submitted for Board approval. Finally, considering the data we are receiving, we will review the metric to determine if the operability levels for the “red”, “yellow” and “green” measures are still appropriate.

You will also notice there is also a difference in the data reported on slide 20 and 21 related to valves located and assessed. As you are aware, not all valves within the water system are

designed to be regularly operated or exercised. These air relief and blow off valves are primarily operated only during watermain and valve maintenance tasks. Slide 20 reflects the operational valves within the system that are intended to be regularly operated to manage transmission. In contrast, slide 21 reflects the air relief and blow off valves within the GLWA system that are not intended to be regularly operated to support water transmission. Slide 21 and slide 20 data, when combined, reflect all valves that have been addressed to date by the current valve exercising program. The fact that we are now locating and assessing all valves reflects the benefit of this project in increasing GLWAs knowledge, control, and ultimately its ability to optimize its system.

Our second “red” measure is the ratio of incident and facility patrols generate as a percentage of security patrols. While the number of patrols remained relatively constant in April, the number of both facility and incident reports declined. While we note a sustained decline in incidents, over the past three months, given the pandemic, GLWA does not believe that an operational change is currently necessary, however GLWA will continue to monitor the data, and manage its operations to maximize protection and minimize the associated costs.

SPECIFIC RED AND YELLOW MEASURES FOLLOW:

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%	Red

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 as the system assessment continues, the metric is “red” with a declining percentage of operational valves amongst those assessed, suggests a continued need for focused valve assessment, rehabilitation, and repair throughout the system.

EUM Attribute	Measure	Significance	Criteria	Status
Enterprise Resiliency	GLWA security patrols will produce an average of 2 security reports (incident and facility inspection) per patrol.	Risk prevention	Green = 1.9 - 2.7 average reports per patrol Yellow = 1.5 - <1.9 or ,>2.7 - 2.9 average reports per patrol Red = <1.5 or >2.9 average reports per patrol	Red

Explanation and Responsive Actions: The ratio of facility and incident reports to security patrols completed turned “red” this month. Off particular note is that for the last three months the number of incidents reported and addressed has been substantially reduced.

GLWA does not currently believe that data warrants operational modifications. However, GLWA will continue to monitor this metric to determine if the data is temporary or structural. GLWA will continue to monitor this data to determine if adjustments to the frequency of patrols can be made while continuing to provide appropriate protection to GLWA.