

Memorandum

To: HONORABLE BOARD OF DIRECTORS

From: Sue McCormick, CEO

CC: William M. Wolfson, CACO

Date: March 6, 2019

RE: EXPLANATION OF CEO March 2019 KPIs – “RED, YELLOW, GREEN REPORT”

OVERVIEW Last month there were two “red” and two “yellow” indicators. This month there are three “red” and two “yellow” indicators. We have one “white” measure as we did not receive the data from our Water Services Group on preventative work orders as a percentage of total work orders. We are reviewing our data and collection procedures and expect to have that data available within the next one or two months.

This month there is a change to one of our Enterprise Resiliency metrics related to cyber security training. The metric which previously read: “At least 75% of GLWA team members will complete the most recent monthly cyber-security training within one month of issuance:” now reads “At least 85% of GLWA team members will complete the most recent monthly cyber-security training within one month of issuance.” This area of training has been a focus for the utility. During the past four months we have had above a 90% completion rate and the increased completion goal reflects these improved results.

two “red” metrics are the new measures discussed above.

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: For the first time, this measure has turned “yellow” indicating that preventative maintenance work orders were slightly above 85% of the total

work orders. In the short term, this change is not a cause for concern and is likely due to one of two factors:

More efficiently performing/completing preventative maintenance work orders.

The average number of preventative maintenance work orders per month over the last year is 3092. This month 265 more preventative maintenance work orders than average were completed; or

Reduction in overall corrective maintenance work orders. During the last year, the average number of monthly corrective maintenance work is 638. During this period, 77 less monthly corrective maintenance work orders than average were completed. This decrease may be due to the better completion of preventative maintenance work orders having resulted in less unforeseen failures requiring corrective maintenance.

EUM Attribute	Measure	Significance	Criteria	Status
Infrastructure Strategy and Performance	Water - 25 or more valves exercised per month	Reduced risk of unplanned downtime or emergency repairs	Green=25 or more per month Yellow= 21 -24 per month Red = 20 or less per month	RED

Explanation and Responsive Actions: Progress in identifying valves continues to be slowed due to winter temperatures which required GLWA to redeploy Field Team Members supporting this effort to other areas of need for the utility.

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: Although this measure remains “red”, progress can be seen as it approaches “yellow” at 79.5% operability. 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 contract 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
Enterprise Resiliency	The number of investigative security reports will decrease each month	Risk prevention	Green = Decrease Yellow = Same as previous month Red = increase	RED

Explanation and Responsive Actions: During the past month, GLWA had one more incident report than the previous month which caused the measure to turn red. GLWA is continuing to evaluate the efficacy of this measure to determine whether it remains “key” to our operations.

EUM Attribute	Measure	Significance	Criteria	Status
Enterprise Resiliency	All GLWA sites (59) with Wide Area Network (WAN) connections will have 100% availability excluding schedule down time for maintenance.	Network Connectivity promotes Employee Productivity	Green = 100% Yellow >=99.50% and <100% Red <99.50%	YELLOW

Explanation and Responsive Actions: This measure requires 100% connectivity to be “green.” During the past month GLWA experienced a 99.98% success rate. There is no corrective action required at this time.