



Memorandum

To: HONORABLE BOARD OF DIRECTORS

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

CC: William M. Wolfson, CACO

Date: November 4, 2021

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

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

Our first “yellow” measure relates to the reliability of wholesale water and sewer revenue projection. Last month this measure was “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 July 2021 and the measure was “yellow” with billed revenues at 89.0% of budgeted charge revenue. This month we reported data from August 2021 and the measure remained “yellow” with billed revenues improving to 92.8% of budgeted charge revenue. This result is consistent with our preliminary analysis reported last month that predicted improvements anticipated for August and September in this area.

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 86.8 % of GLWA valves assessed were operational. This month the percentage of operational valves has declined to 83.8%. As previously indicated, it is not unreasonable to expect this measure 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 measure was “green.” This month our network was up 99.63% of the time, slightly below the goal. During this period GLWA experienced downtime due to external power outages four locations. The IT Group is evaluating affected locations to determine what, if anything is needed to improve performance.

Our fourth “yellow” indicator relates to GLWA’s total CIP spend. This is the third 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 August 2021 and the metric was “yellow” at 70%. This month the metric remains “yellow”, but the performance has improved to just above 74%. In September, GLWA’s spending on water capital projects was 84% of the approved capital spending plan but for wastewater the spending ratio remains at 56% for the third month. We continue to believe that the cause of this underperformance is related to project delays associated with the frequent wet weather events experienced this summer but will continue to monitor the performance in this area.

SPECIFIC RED AND YELLOW MEASURES FOLLOW:

EUM Attribute	Measure	Significance	Criteria	Status
Financial Viability	Water system wholesale billed revenues will meet or exceed budgeted amount	Method for establishing revenue projections are reliable	Green=100% Yellow= 85-99% Red = <85%	Yellow

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 July 2021 and the measure was “yellow” with billed revenues at 89.0% of budgeted charge revenue. This month we reported data from August 2021 and the measure remained “yellow” with billed revenues improving to 92.8% of budgeted charge revenue. This result is consistent with our preliminary analysis reported last month that predicted improvements anticipated for August and September in this area.

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: 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
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 = 99.98 - 100% Yellow >=99.50% and <99.98% Red <99.50%	Yellow

Explanation and Responsive Actions: This month our network was up 99.63% of the time, slightly below the 99.98 % goal. During this period GLWA experienced downtime due to external power outages four locations. The IT Group is evaluating affected locations to determine what, if anything is needed to improve performance.

EUM Attribute	Measure	Significance	Criteria	Status
Enterprise Resiliency	FY 2021 Total CIP Spend	Method for establishing spending is aligned with budgeted revenue	Green= >80% Yellow= 70-80% Red = < 70%	Yellow

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 “yellow” at 74% of spending plan. The underperformance was primarily driven by underperformance on sewer capital projects (56%). GLWA believes this underperformance was due to the frequency and duration of wet weather events. GLWA will continue to monitor this performance to determine if further corrective actions are necessary.