

## Memorandum

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**To:** HONORABLE BOARD OF DIRECTORS

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

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

**Date:** October 8, 2022

**RE:** **EXPLANATION OF CEO October 2022 KPIs “RED, YELLOW, GREEN” REPORT**

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

Our “red” indicator relates to GLWA’s customer compliance percentage. For this metric to be “green” the customer pressures must be at least 98% of contracted amounts. This month we are reporting data from August 2022 and the measure is “yellow” due to the 120-inch main break that was sustained. The main break has been repaired and normal contractual pressures resumed however due to reporting lag this measure is “yellow.” GLWA has yet to receive the after-event report. Pending receipt of that analysis, we do not feel additional action is necessary at this time.

Our first “yellow” indicator is the measure of the ratio of preventative work orders to total maintenance work orders for the wastewater operations group. For this measure to be “green” preventative maintenance work orders must be 75 percent and 85 percent of total work orders. Last month we reported data from July and the indicator was “yellow” at 89 percent. This month we are reporting data from August 2022 and the indicator remains “yellow” and at 89 percent. While GLWA will continue to monitor this area, we do not believe operational changes are required at this time.

Our second “yellow” indicator is the measure of the ratio of operable valves to valves assessed. Last month this indicator was also “yellow”. The goal for this metric is 100% of GLWA valves are operational. Last month we reported that 80.7 % of GLWA valves assessed were operational. This month the percentage of operational valves has slightly decreased to 80.2%. We do not see this change as significant and as previously stated, 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 GLWA’s total CIP spend. For this measure to be “green” GLWAs must expend at least 80% of its approved capital spending plan. Last month

we reported data from July 2022, and the indicator the indicator was “red” at just over 69%. This month we are reporting data from August 2022 and the indicator is “yellow at 73.5%. This underperformance continues to be seen on wastewater projects which have improved from 40% of the approved capital spending plan last month to 52%. Water projects remain constant at just over 87% of the approved capital spending plan. As earlier indicated, we believe this underperformance is due to supply chain issues, adjustments made to other system projects to allow for necessary system repairs, and continued wet weather challenges. GLWA also recognizes that there is growing pressure on the supply chain, is planning for future impacts, and will continue to monitor causation and performance in this area with an eye on intermediate adjustments to the CIP.

**SPECIFIC RED AND YELLOW MEASURES FOLLOW:**

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

Explanation and Responsive Actions: For this measure to be “green” completed preventive maintenance projects must be between 75 and 85% of total completed maintenance projects. This month the indicator remains “yellow” for the second month at 89 percent. While GLWA will continue to monitor this area, we do not believe operational changes are required at this time.

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

Explanation and Responsive Actions: Our valve assessment project measure remains “yellow” this month and performance has slightly declined 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.

<b>EUM Attribute</b>	<b>Measure</b>	<b>Significance</b>	<b>Criteria</b>		<b>Status</b>
<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> <b>Yellow</b> <b>Red</b>	<b>&gt;80%</b> <b>70-80%</b> <b>&lt; 70%</b>	<b>Yellow</b>

Explanation and Responsive Actions: For this measure to be “green” GLWAs must expend at least 80% of its approved capital spending plan. Last month we reported data from July 2022, and the indicator the indicator was “red” at just over 69%. This month we are reporting data from August 2022 and the indicator is “yellow at 73.5%. This underperformance continues to be seen on wastewater projects which have improved from 40% of the approved capital spending plan last month to 52% this month. Water projects remain constant at just over 87% of the approved capital spending plan. As earlier indicated, we believe this underperformance is due to supply chain issues, adjustments made to other system projects to allow for necessary system repairs, and continued wet weather challenges. GLWA also recognizes that there is growing pressure on the supply chain, is planning for future impacts, and will continue to monitor causation and performance in this area with an eye on intermediate adjustments to the CIP.

<b>EUM Attribute</b>	<b>Measure</b>	<b>Significance</b>	<b>Criteria</b>		<b>Status</b>
<b>Customer Satisfaction</b>	GLWA will maintain pressure variance within 98% of required contract amounts	System reliability	<b>Green</b> <b>Yellow</b> <b>Red</b>	<b>98 - 100%</b> <b>95 - &lt;98%</b> <b>&lt;95%</b>	<b>Red</b>

Explanation and Responsive Actions: This customer satisfaction measure relates to GLWA’s customer compliance percentage. For this measure to be “green” the customer pressures must be at least 98% of contracted amounts. This month GLWA is reporting data from August 2022 and the measure is “yellow” due to the 120-inch main break that was sustained. The main break has been repaired and normal contractual pressures resumed however due to reporting lag this measure is “yellow.” GLWA has yet to receive the after-event report. Pending receipt of that analysis, we do not feel additional action is necessary at this time.