

Memorandum

To: HONORABLE BOARD OF DIRECTORS

From: Sue McCormick, CEO

CC: William M. Wolfson, CACO

Date: December 5, 2018

RE: EXPLANATION OF CEO December 2018 KPIs – “RED, YELLOW, GREEN REPORT”

OVERVIEW: Last month we have added a new KPI reflecting our progress on the valve exercising and rehabilitation project previously discussed with the Board. We have decided to take an additional month of reviewing this data to determine what, if any, “red”, “yellow”, and “green” measures might be appropriate for this effort.

Last month there were one “red” and one “yellow” indicators. This month there are no “red” and one “yellow” indicator. This month, our Wide Area Network connectivity was at 99.95%. While we have made significant progress towards meeting our Wide Area Network connectivity goal and our connectivity has been consistently well over 99.5% for some months, the metric remains “yellow.”

Discussion of specific results on next page

| 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. | <i>Green = 100% Yellow ≥99.50% and <100% Red <99.50%</i> | YELLOW |

Explanation and Responsive Actions: The above Information Technology metrics support communication ability necessary in supporting employee productivity, workflow optimization, and enterprise integration. As we have indicated previously, this is an extremely difficult aspirational goal to achieve, in November 2018, we had a connectivity rate of 99.95% with 39 of 42 sites (92%) experiencing 100% connectivity for the month. While the measure remains “yellow”, we appear to have reached a steady state of at least 99.5% connectivity.