

Memorandum

To: HONORABLE BOARD OF DIRECTORS

From: Sue McCormick, CEO

CC: William M. Wolfson, CACO

Date: July 10, 2017

RE: EXPLANATION OF CEO September, 2017 KPIs – “RED, YELLOW, GREEN REPORT”

OVERVIEW: Last month there were 1 “red” and 2 “yellow” indicators. This month there are 1 “red”, and 2 “yellow” indicators. These three indicators that are “red” or “yellow” this month are all “stretch goals” that are particularly challenging to achieve. After two months of being “green”, the Security and Integrity number of incidents increased last month and both IT metrics remain “yellow” this month.

Before discussion the “red” and “yellow” metrics, it is important to note that the wastewater staffing metric remain “green” for the third month in a row. As the Board is aware, under the terms of our Administrative Consent Order (ACO) with the State our staffing levels are measured on an annual basis on October 1st of each year. With the progress we have made regarding this metric, we believe we are on pace to comply with this ACO requirement.

Red or Yellow Indicators:

SPECIFIC “RED” OR “YELLOW” INDICATORS ARE DISCUSSED ON THE FOLLOWING PAGES.

EUM Attribute	Measure	Significance	Criteria	Status
Enterprise Resiliency	GLWA will meet the industry standard by resolving at least 68% of Incidents reported to the Service Desk within 24 hours of receipt.	Information Technology – Rapid Incident Response promotes Employee Productivity	<i>Green >= 68% Yellow >=55% and <68% Red <55%</i>	YELLOW
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.	Information Technology - 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.

Network uptime increased from 99.51% in July to 99.78% in August. While this keeps the spotlight at yellow, it should be noted that our August connectivity rate is one of the highest we have recorded. Information Technology - Network Connectivity promotes Employee Productivity

Service Desk Reported Incidents Resolution decreased from 64.7 in July to 55.7% in August. This keeps the spotlight at yellow. This is an exception to the improved performance we have seen in recent months for this metric. In August, IT switched from manually tracking of the data points for this measure to automated data tracking utilizing business intelligence software. We believe the decline in this measure reflects improved data collection rather than declining service. Although we believe that this month's metric should be considered a new "baseline" GLWA will continue its efforts to improve Service Desk 24 hour resolution performance by continuing its focus on training and filling vacant

positions. We will also review whether the components of this metric should be refined to more accurately capture the Service Desk Team's efforts.

EUM Attribute	Measure	Significance	Criteria	Status
Enterprise Resiliency	Security and Integrity - Investigative Reports	The number of investigative security reports will decrease each month	<i>Green = Decrease Yellow = Same as previous month Red = increase</i>	RED

Explanation and Responsive Actions: During the past two months the number of investigative reports has decreased, however in August the number of reports increased turning the stoplight from "green" to "red". In reviewing the underlying data GLWA has determined that one of the largest areas accounting for the increase is vehicle accident reports. We are looking at this area to determine if this is an aberration or whether policy adjustment or further action is warranted. In addition to this effort GLWA will continue to take the following actions: Over the mid to long-term, GLWA will continue to make adjustments to its facilities to mitigate the need for investigation and response. GLWA recognizes the difficulty of achieving this Metric but continues to believe that over time, these measures will prove effective.