Memorandum

To: HONORABLE BOARD OF DIRECTORS

From: Sue McCormick, CEO

CC: William M. Wolfson, CACO

Date: November 5, 2017

RE: EXPLANATION OF CEO November, 2017 KPIs – "RED, YELLOW, GREEN REPORT

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OVERVIEW: Last month there were 1"red" and 2 "yellow" indicators. This month there are 2 "red", and 1 "yellow" indicators. This month we saw a 15% increase in incident reports from our Security and Integrity team causing that metric to turn "red." While this is a metric the Team cannot directly control, it is clear that the increased concentration of patrols has helped to reduce and now to stabilize the overall number of monthly reports.

Another one of our stretch goals for the Water Resource Recovery Facility is to maintain our effluent phosphorus concentrations at or below 80% of State permitted numbers. This goal which is already a stretch becomes exceedingly difficult in the months of October – March when the State permitted limit is reduced by 40%. Although this metric turned "yellow" this month, GLWA was well within permitted limits and remains in full compliance for the month and for the year.

Our Information Technology Group has the stretch goal of maintaining 100% connectivity. While this metric has remained "yellow" last month we had one of our highest connectivity percentages at 99.77%. This month we have seen a small decline in connectivity to 99.23% which has turned this metric "red."

Finally, I would like to highlight the fact that our Information Technology customer service measurement of number of incident reports has turned "Green" for the first time. Last month, 82.8% of customer incident reports closed within 48 hours. This represents approximately a third more incident reports being closed within 48 hours than the prior month.

Red or Yellow Indicators:

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

EUM Attribute	Measure	Significance	Criteria	Status
Enterprise Resiliency	Effluent phosphorus concentration will be at least 20% below Permit levels	Wastewater regulatory compliance	*Green= below 80% of Permit Levels* *Yellow = between 80 and 100% of Permit levels* *Red = exceeds Permit levels*	**YELLOW**

Explanation and Responsive Actions: GLWA has established an internal goal of having less than 80% of the state permitted phosphorus levels in its effluent. During the months of October through March the State permitted levels are reduced by 40%. In October GLWA's effluent was approximately 18% less than the permitted levels. While GLWA continues to surpass its regulatory compliance standard in this area, this internal metric turned "yellow." GLWA does not believe that any additional responsive action is necessary to address this month's variance in performance.

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: The total number of reports generated by Security and Integrity Officers declined in October from September's numbers. However, despite this decline, October saw an increase in number investigative reports taken by Security and Integrity officers. While it appears that GLWA is reaching a point of balance in the overall number of monthly reports, 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 have proven effective.

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.	*Green = 100%* *Yellow >=99.50% and <100%* *Red <99.50%*	**RED**

<u>Explanation and Responsive Actions</u>: The above Information Technology metrics support communication ability necessary in supporting employee productivity, workflow optimization, and enterprise integration.

Network uptime declined slightly from 99.77% in September to 99.23% in October. The network experienced 14 incidents in October, 13 of these incidents were equipment related, and one was power related