

Memorandum

To: HONORABLE BOARD OF DIRECTORS

From: Sue McCormick, CEO

CC: William M. Wolfson, CACO

Date: March 5, 2018

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

OVERVIEW: Last month there was one “yellow” indicator. This month there are no “red” and four “yellow” indicators. As previously discussed, this month we have added seven new Key Performance Indicators (KPIs). Three of the four “yellow” indicators are new KPIs.

Our Information Technology Group which continues to challenge itself with KPIs reflecting stretch goals and this effort has led to positive results. For example, our Service Desk incident response time which was originally below the service sector standard of 68% of service requests resolved within 24 hours, is now well above that standard with an 80.7% resolution rate for the past month.

I am proud to note that this month marks the first time that we have included key performance metrics generated using business intelligence software (BI) as a part of our report to you. (Slide 8 reflects the use of BI to produce maintenance management data for water and wastewater operations, while slide 9 was produced by hand by Water Operations and reflects the transition to BI in this area.)

With this month’s report, we no longer include the performance metric regarding General Counsel’s contract creation and review. As you recall, at the time this metric was created, the work volume in this area had effectively doubled and the metric was designed to determine whether this was a phenomenon associated with GLWA’s start up demands or a structural change. As General Counsel has worked towards its goal of placing all GLWA vendors on GLWA contracts, the work in this area has stabilized. Although General Counsel will continue to monitor performance in this area, it has been removed from the key metrics report.

Red or Yellow Indicators are on the following page:

EUM Attribute	Measure	Significance	Criteria	Status
Product Quality	Effluent phosphorus concentration will be at least 20% below Permit levels	Wastewater regulatory compliance	Green= <80% of Permit Levels Yellow = 80 to 100% of Permit levels Red = exceeds Permit levels	YELLOW

Explanation and Responsive Actions: GLWA has established a goal of maintaining a phosphorus effluent concentration at no more than 80% of permitted levels. This past month, the Fiscal year-to-date discharge was just slightly ahead of GLWA's 80% goal but well within permitted limits. While we continue to monitor the situation, operational changes are not contemplated at this time.

EUM Attribute	Measure	Significance	Criteria	Status
Infrastructure Strategy and Performance	Wastewater Preventative maintenance projects completed as planned	Reduced risk of unplanned downtime or inefficiencies	<i>Green = 80-100%</i> <i>Yellow = 60- <80%</i> <i>Red = >60%</i>	YELLOW

Explanation and Responsive Actions: This month marks two major changes in GLWA's handling of this metric: 1) The standard for accepted performance has been raised from 75% to 80% of work orders completed on time and GLWA has stopped producing this metric by hand and begun producing it using BI. GLWA is still investigating the cause for the performance decline in this area. We do not believe the decline is solely due to improved data resulting from the switch to BI. We will continue to monitor performance in this area and should the trend continue, will formulate an appropriate corrective action plan.

EUM Attribute	Measure	Significance	Criteria	Status
Enterprise Resiliency	GLWA will meet the service standard by resolving at least 68% of service requests reported to the Service Desk within 5 days of receipt.	Rapid Service Request response promotes Employee Productivity	<i>Green = 68% Yellow = 55% to <68% Red = <55%</i>	YELLOW

Explanation and Responsive Actions: An **Incident** is a technology issue that is preventing an employee from performing some part of their job duties. GLWA currently tracks incident resolution and the metric is “green” and well above service sector standards this month. In contrast, a **Service Request** is a request for IT work that is not preventing an employee from performing their work. This is a new measure designed to track final resolution of Service Requests reported to the Service Desk. This measure compliments the Incident resolution metric previously included in this report and builds upon the progress in that area. The metric is currently “yellow” at 67%, slightly below service sector average. GLWA believes that with the same focus used to address the backlog of Incident resolutions, it can improve performance in this area.

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.

While network uptime declined slightly from 99.7% in February 2018 to 99.62 in March 2018. All the outages were power related. To improve the relevancy of this metric, GLWA

is exploring ways to tract duration of this outages as a further measure to explore their impact. Although data is currently available, reports would have to be manually created. It is estimated that the creation of such reports would annually consume more than 140 hours of staff time. GLWA does not believes its current ability to determine outage impacts does not currently justify this additional resource commitment, however, we are attempting to determine if we can use BI to produce this information in an organizationally efficient manner.

EUM Attribute	Measure	Significance	Criteria	Status
Enterprise Resiliency	At least 75% of GLWA team members will complete the most recent monthly cyber-security training within one month of issuance.	Cyber risk prevention	Green = 75 - 100% completion Yellow = 60 - <75% completion Red <60% completion	YELLOW

Explanation and Responsive Actions: GLWA provides cyber- security training to its team members through Security Mentor. This training increases team member knowledge of potential cyber-risks, helping to mitigate end-user cyber-risk for the organization. This is a new measure focused on the penetration level of that training. The measure is currently “yellow” As an initial corrective strategy, GLWA will make personal contact with team members who have yet to complete the current training and remind them of the importance of this training and the need to complete the training in a timely manner.