Memorandum

To: HONORABLE BOARD OF DIRECTORS

From: Sue McCormick, CEO

CC: William M. Wolfson, CACO

Date: November 8, 2018

RE: EXPLANATION OF CEO November 2018 KPIs – "RED, YELLOW, GREEN REPORT

OVERVIEW: This month we have added a new KPI reflecting our progress on the valve exercising and rehabilitation project previously discussed with the Board. Now that we are establishing a baseline, in the next month we will be reviewing this data to determine what, if any, "red", "yellow", and "green" measures might be appropriate for this effort.

Last month we added additional KPIs in the Financial Viability attribute area. This month, we have added "red", "yellow", and "green" measures for the Financial Viability slide reflecting the number of days between receipt of a vendor invoice and payment of that invoice; "red" equals a period of over 48 days, "yellow" equals a payment period between 43 and 48 days, and "green" equals a payment period of 43 days of less. We have also added "red", "yellow", and "green" measures for the Financial Viability area slide measuring our spending on capital projects against projections for the Fiscal Year. For this measure red" equals a spending rate below 70% of that planned, "yellow" equals a spending rate between 70% and 80% of that planned, and "green" equals a spending rate at or above 80% of that planned.

Last month there were no "red", one "white", and three "yellow" indicators. This month there are one "red" and one "yellow" indicator. This month, our Wide Area Network connectivity was at 99.96%. While we have made significant progress towards meeting our Wide Area Network connectivity goal and our connectivity has been consistently well over 99% for some months, the metric remains "yellow." In our Security and Integrity area we saw a slight 10% increase in incident reports from 69 to 77 reports causing this measure to be "red." While the number of patrols may have increased our "value measure" in this area measuring ration of reports to patrols remained firmly "green."

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.	*Green = 100%* *Yellow* *>=99.50% and <100%* *Red <99.50%*	**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 October 2018, we had a connectivity rate of 99.96% with 38 of 42 sites 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.

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: GLWA has established a goal reducing the number of incidents reports it generates each month. In October, the number of incident reports increased by approximately 10% from the previous month. While we will continue to monitor the situation, operational changes are not contemplated at this time.