

## Memorandum

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**To:** HONORABLE BOARD OF DIRECTORS

**From:** Sue McCormick, CEO

**CC:** William M. Wolfson, CACO

**Date:** May 3, 2019

**RE: EXPLANATION OF CEO May 2019 KPIs – “RED, YELLOW, GREEN REPORT”**

OVERVIEW This month there are two “red” and one “yellow” indicator. However, before reviewing this month’s “red” and “yellow” measures, I do want to point out that for the first time all our Information Technology metrics are “green” for the month. Congratulations to the Informational Technology Group on an outstanding job meeting the high standards of these metrics.

The “red” and “yellow” metrics are discussed below:

| <b>EUM Attribute</b>                           | <b>Measure</b>  | <b>Significance</b>                                  | <b>Criteria</b>                               | <b>Status</b> |
|--|---|--|---|---------------|
| <b>Infrastructure Strategy and Performance</b> | Water - Preventative maintenance projects completed as a percentage of total projects | Reduced risk of unplanned downtime or inefficiencies | Green = 75-85%<br>Yellow = >85%<br>Red = <75% | <b>RED</b>    |

Explanation and Responsive Actions: This is a relatively new measure for our water services group. This month the metric was “red” as the Team focused on identifying and prioritizing corrective maintenance in preparation for the peak water production season. In the short term, this change is not a cause for concern but is one GLWA will continue to monitor

| <b>EUM Attribute</b> | <b>Measure</b> | <b>Significance</b> | <b>Criteria</b> | <b>Status</b> |
|----------------------|----------------|---------------------|-----------------|---------------|
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| <b>EUM Attribute</b>                           | <b>Measure</b>  | <b>Significance</b>   | <b>Criteria</b>                                     | <b>Status</b> |
|--|---|---|---|---------------|
| <b>Infrastructure Strategy and Performance</b> | Water - 100% of GLWA valves assessed are operational. | Reduced risk of unplanned downtime and service interruption | Green = 90-100%<br>Yellow = 80 - ,90%<br>Red = <80% | <b>RED</b>    |

Explanation and Responsive Actions: Although this measure remains “red”, it remains “yellow” at 79.5% operability. Under this project, valves are currently defined in one of three categories – minor repair, rehabilitation or replacement. Where the valve ultimately ends up is determined at the end of the contract which means that a valve can go from minor repair to rehabilitated during the contract and may be operational by the end of the contract period.

| <b>EUM Attribute</b>         | <b>Measure</b>   | <b>Significance</b> | <b>Criteria</b>   | <b>Status</b> |
|------------------------------|--|---------------------|---|---------------|
| <b>Enterprise Resiliency</b> | GLWA security patrols will produce an average of 2 security reports (incident and facility inspection) per patrol. | Risk prevention     | <b>Green = 1.9 - 2.7 average reports per patrol</b><br><b>Yellow = 1.5 - &lt;1.9 or ,&gt;2.7 - 2.9 average reports per patrol</b><br><b>Red = &lt;1.5 or &gt;2.9 average reports per patrol</b> | <b>YELLOW</b> |

Explanation and Responsive Actions: It appears that there are two causes for this “Red’ measure. First, we have noticed a slight drop in the number of incidents reported over the past few months with the past month being the lowest level recorded. Second, during the past month we also notice a decline in our facility inspection reports. The Security and Integrity group will continue to monitor this metric and, should it remain “yellow” will make appropriate adjustments.