

Memorandum

To: HONORABLE BOARD OF DIRECTORS

From: Sue McCormick, CEO

CC: William M. Wolfson, CACO

Date: August 7, 2019

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

OVERVIEW This month there are one “red” and three “yellow” indicators. While two of the three “yellow” indicators are for metrics associated with our Information Technology Group. When considering this performance, it is important to notice that the standards for these measures have changed this month.

I also want to note that our measure of valve operability has moved from “red” to “yellow” this month, while not a final measure this change is reflective of the progress we have made in our valve operability initiative.

One of the most difficult goals for IT to achieve is the goal of 100% connectivity. Previously the target for this measure to turn “green” was 100%. Although IT achieved this goal on various occasions the measure was most often “yellow.” This month we have changed the measure for “green” to align with the standards for tier three data centers. This means that the range for a “green” measurement is now 99.82% - 100% instead of simply 100%. While the new measure debuts at “yellow” we believe this revised measure will encourage Information Technology’s efforts towards the 100% goal.

As the Board will recall, we established targets for our Information Technology Service Desk of closing 68% of reported incidents within 24 and 68% of service requests within five days. These 68% targets were based upon service sector standards. Initially we struggled to meet these targets, however, I am pleased to advise you that based upon our improved performance, we are now raising our completion targets for incidents and service requests from 68% to 78%. With these new standards in place our performance goal is no longer to meet service sector standards but to regularly exceed those standards.

Finally, I want to highlight our progress in cybersecurity training. Each month we provide cybersecurity training modules to our team members. When we initially began measuring our progress we set a goal of having 70% of our team members to timely complete each month’s lesson for a “green” rating. We later raised the “green” standard from 70% to 80%

and this month we are raising the standard to 85% for a “green” rating. I am also proud to note that this month GLWA had its best performance on this measure: We had a utility-wide timely completion rate of 96% with all Areas and Groups reporting above 90%. Given the importance of cyber security, we will do our best to maintain this level of performance!

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

Explanation and Responsive Actions: This measure remains “red.” We are continuing to monitor this metric to determine its cause.

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

Explanation and Responsive Actions: This measure has moved from “red”, to “yellow” for the first time this month. 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 project 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.

EUM Attribute	Measure	Significance	Criteria	Status
Enterprise Resiliency	GLWA will exceed the 68 % service sector standard by resolving at least 78% of Incidents reported to the Service Desk within 24 hours of receipt.	Rapid Incident response promotes Employee Productivity	Green = 78-100% Yellow = 68% to <78% Red = <68 %	YELLOW

Explanation and Responsive Actions: This month, GLWA raised its performance standards for this measure from 68% to 78% for a “green rating” This month 74,2% of reported incidents were closed within 24 hours. Previously, this level of performance would have caused the metric to be “green” but with our new higher standards the metric is “yellow.” We believe that the performance this month was hindered to some extent but issues with our tracking software.

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 = 99.982 - 100% Yellow >=99.50% and <99.982% Red <99.50%	YELLOW

Explanation and Responsive Actions: During the past month our network connectivity was 99.86%. This month we have revised the “green” metric from 100% to a range of 99.982 – 100%. While this will set a high bar for success it may provide greater motivation for improvement as a “green” metric will be more achievable.