

## Memorandum

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**To:** HONORABLE BOARD OF DIRECTORS

**From:** Sue McCormick, CEO

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

**Date:** April 9, 2021

**RE: EXPLANATION OF CEO April 2021 KPIs – “RED, YELLOW, GREEN” REPORT**

OVERVIEW Last month there were two “yellow” indicators. This month there is one “yellow” and one “red” indicator.

Our first “red” indicator is the measure of the ratio of operable valves to valves assessed remains yellow. The goal for this metric is 100% of GLWA valves are operational. Last month we reported that 72.2 % of GLWA valves assessed were operational, this month that percentage has declined to 71.1%

Our second “yellow” measure is the ratio of preventative maintenance projects completed as a percentage of total projects for our wastewater operations group. Last month the measure ratio is 86% and this month the ratio is 87%, still only 2 percent higher than the maximum 85% for the metric to be “green.” GLWA continues to monitor this metric to determine if the high ratio of preventative maintenance projects is temporary, structural, or arithmetic. If this trend continues, GLWA will review to determine if our defined preventative measures appropriately capture activities that support asset life and operations.

**SPECIFIC RED AND YELLOW MEASURES ON FOLLOWING PAGE:**

<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	<b>Green = 90-100%</b> <b>Yellow = 80 - 90%</b> <b>Red = &lt;80%</b>	<b>Red</b>

Explanation and Responsive Actions: As expected, our valve assessment project metric remains “yellow.” 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. As previously indicated, the fact that the metric remains “yellow” suggests a continued need for focused valve assessment, rehabilitation, and repair throughout the system.

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

Explanation and Responsive Actions: The ratio of preventative maintenance projects completed as a percentage of total projects remains “yellow” for a second month. This month the measure ratio is 87%, 2 percent higher than the maximum 85% for the metric to be “green.” If the percentage is significantly higher than the target (yellow) it is a warning that PMs can be reduced, and resources can be better directed to other system needs.

GLWA does not currently believe that either the two-month duration or this month’s 2% variance warrant operational modifications. However, GLWA will continue to monitor this metric to determine if the high ratio of preventative maintenance projects is temporary, structural, or arithmetic. GLWA will continue to monitor this trend to determine if our defined preventative maintenance measures appropriately capture activities that support asset life and operations or require revision.