

## Memorandum

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**To:** HONORABLE BOARD OF DIRECTORS

**From:** Sue McCormick, CEO

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

**Date:** August 5, 2021

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

OVERVIEW Last month there were two “yellow” indicators. This month there are one “red” and five “yellow” indicators.

Our “red” indicator relates to our monthly solids inventory. The indicator turned “red” because our average solids inventory exceeded 750 Dry Tons. Although the indicator turned “red” there is not a violation of our NPDES (National Pollutant Discharge Elimination System) Permit because we experienced more than five days of wet weather in June. Despite the extra volume of solids associated with the extraordinary wet weather, GLWA was able to maintain its solids processing plan with 70.2% of solids processed at the BDF, 28.5% incinerated, and only 1.35% of solids disposed of through the Central Offloading Facility. Because the change in this indicator is associated with the extraordinary rain events, GLWA does not believe operational changes are necessary at this time.

Our first “yellow” indicator is the percentage of wastewater preventative maintenance projects completed as a percentage of total projects. This month 87% of the projects completed were preventative maintenance causing the indicator to turn “yellow.” The dividing line between a “green” and a “yellow” indicator is 85%. Although GLWA will continue to monitor this measure, we do not see a need for an immediate adjustment to our preventative maintenance work orders or practice.

Our second “yellow” indicator is the measure of the ratio of operable valves to valves assessed. The goal for this metric is 100% of GLWA valves are operational. Last month we reported that 80.8 % of GLWA valves assessed were operational, this month that percentage has continued to improve to 82.2% causing the measure to remain “yellow.” As previously indicated, we continue to review the data we are receiving to determine if the operability levels for the “red”, “yellow” and “green” measures are still appropriate.

Our third “yellow” indicator relates to the number of information request received by General Counsel which hit its maximum benchmark in July reflecting an increase of information requests related to the June and July rain events. GLWA believes that this increase is a reflection of the magnitude of those events but will continue to monitor the indicated to determine if future changes are required.

Our fourth “yellow” indicator relates to our network up-time percentage. Last month our network was up 99.9% of the time causing the metric to remain “yellow.” This month our network was up 99.68% of the time, a slight decline in network up-time. During this period GLWA experienced downtime due to storms and external power disruptions at multiple locations. The IT Group is evaluating affected locations to determine what, if anything is needed to improve performance.

Our fifth “yellow” indicator relates to GLWA’s goal of having 99% of its system back-ups performed successfully on the first attempt. For July 2021 the percentage of successful back-ups on the first attempt was 96.8% which is “yellow.” The decrease in this indicator relates to challenges with network outage associated with the operation of switches during a network upgrade. Although the immediate issue was addressed and GLWA was able to manually start backups when the network was restored, we are still evaluating if further long-term corrective measures are necessary.

#### **SPECIFIC RED AND YELLOW MEASURES FOLLOW:**

<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 and service interruption	<b>Green = 75-85%</b> <b>Yellow = &gt;85%</b> <b>Red = &lt;75%</b>	<b>Yellow</b>

Explanation and Responsive Actions: This month 87% of the projects completed were preventative maintenance causing the indicator to turn “yellow.” The dividing line between a “green” and a “yellow” indicator is 85%. Although GLWA will continue to monitor this measure, we do not see a need for an immediate adjustment to our preventative maintenance work orders or practice.

<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>Yellow</b>

Explanation and Responsive Actions: Our valve assessment project metric improved from “red” to “yellow” last month. Although still within the “yellow” range the performance on this measure continued to improve. 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.

<b>EUM Attribute</b>	<b>Measure</b>	<b>Significance</b>	<b>Criteria</b>	<b>Status</b>
<b>Operational Optimization</b>	Monthly Average Solids Inventory Below 750 Dry Tons	Wastewater regulatory compliance	<b>Green= Average below 725 Dry Tons</b> <b>Yellow = Average between 725 and 750 Dry Tons</b> <b>Red = Average above 750 Dry Tons</b>	<b>Red</b>

Explanation and Responsive Actions: GLWA remained in regulatory compliance with its NPDES Permit due to more than five days of wet weather in June. In addition, GLWA followed its solids disposal protocols. However, given the increased flow received resulting from the extraordinary rain events, this indicator turned “red.” GLWA does not believe operational changes are necessary at this time but continues to monitor and take necessary actions to remain in compliance with its NPDES Permit.

<b>EUM Attribute</b>	<b>Measure</b>	<b>Significance</b>	<b>Criteria</b>	<b>Status</b>
<b>Enterprise Resiliency</b>	General Counsel will receive 15 or less information requests each month	Employee safety and risk mitigation	<b>Green = lower</b> <b>Yellow = Benchmark</b> <b>Red = Higher</b>	<b>Yellow</b>

Explanation and Responsive Actions: In July 2021, the number of information requests received by General Counsel hit its maximum benchmark reflecting an increase of information requests related to the June and July rain events. GLWA believes that this increase reflects the magnitude of those events but will continue to monitor the indicator to determine if future changes are required.

<b>EUM Attribute</b>	<b>Measure</b>	<b>Significance</b>	<b>Criteria</b>	<b>Status</b>
<b>Enterprise Resiliency</b>	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	<b>Green = 99.98 - 100%</b> <b>Yellow &gt;=99.50% and &lt;99.98%</b> <b>Red &lt;99.50%</b>	<b>Yellow</b>

**Explanation and Responsive Actions:** This month our network was up 99.68% of the time, a slight decline in network up-time. During this period GLWA experienced downtime due to storms and external power disruptions at multiple locations. The IT Group is evaluating affected locations to determine what, if anything is needed to improve performance.

<b>EUM Attribute</b>	<b>Measure</b>	<b>Significance</b>	<b>Criteria</b>	<b>Status</b>
<b>Enterprise Resiliency</b>	At least 99% of GLWA system data back-ups will be successful on the first attempt.	Network Connectivity promotes Employee Productivity	<b>Green = 95 - 100% first attempt success</b> <b>Yellow =90 - &lt;95% first attempt success</b> <b>Red &lt;90% first attempt success</b>	<b>Yellow</b>

**Explanation and Responsive Actions:** For July 2021 the percentage of successful back-ups on the first attempt was 96.8% which is “yellow.” The decrease in this indicator relates to challenges with network outage associated with the operation of switches during a network upgrade. Although the immediate issue was addressed and GLWA was able to manually start backups when the network was restored, we are still evaluating if further long-term corrective measures are necessary or if this was a “one-time” occurrence.