

## Memorandum

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**To:** HONORABLE BOARD OF DIRECTORS

**From:** Suzanne R. Coffey, PE, ICEO

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

**Date:** October 6, 2021

**RE: EXPLANATION OF ICEO October 2021 KPIs – “RED, YELLOW, GREEN” REPORT**

OVERVIEW Last month there were three “yellow” indicators. This month there are three “yellow” and one “red” indicator.

Our “red” indicator relates to service desk incident reports closed within 24 hours. Last month this measure was “green”. For this measure to be “green”, at least 78% of incident reports must be resolved within 24 hours of reporting. This is higher than the IT service sector standard of a 68% closure rate. This month the measure was “red” with 66.7% of incidents closed. GLWA believes this change is due to a learning curve associated with the new Cherwell service desk system that was launched during the month and we do not plan additional response at this time.

Our first “yellow” measure relates to the reliability of wholesale water and sewer revenue projection. Last month this measure was “green”. For this measure to remain “green” Water system wholesale billed revenues will equal at least 100% of the budgeted amount. This month we are reporting data from July 2021 and the measure has turned “yellow” with billed revenues for the first month FY 2022 starting at 89.0% of budgeted charge revenue. GLWA believes that this underperformance is due to the continued wet weather experienced in July. Our preliminary analysis shows some improvements anticipated for August and September in this area.

Our second “yellow” indicator is the measure of the ratio of operable valves to valves assessed. Last month this measure was also “yellow”. The goal for this metric is 100% of GLWA valves are operational. Last month we reported that 83.8 % of GLWA valves assessed were operational. We continue to see progress on this measure and this month the percentage of operational valves has improved to 86.8%. As previously indicated, while we continue to progress it is not unreasonable to expect this measure to remain “yellow” for the foreseeable future underscoring the value of this project.

Our third “yellow” indicator relates to GLWA’s total CIP spend. Last month this measure was also “yellow”. For this measure to be “green” GLWAs must expend at least 80% of its approved capital spending plan. Last month we reported data from July 2021, the first month of our current fiscal year. The metric was “yellow” at 75%. This month the metric remains “yellow”, but the performance has declined to just above 70%. In August, GLWA’s spending on water capital projects was 80% of the approved capital spending plan but for wastewater the spending ratio remained at 56%. We continue to believe that the cause of this underperformance is related to project delays associated with the frequent wet weather events experienced this summer but will continue to monitor the performance in this area.

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

<b>EUM Attribute</b>	<b>Measure</b>	<b>Significance</b>	<b>Criteria</b>	<b>Status</b>
<b>Financial Viability</b>	Water system wholesale billed revenues will meet or exceed budgeted amount	Method for establishing revenue projections are reliable	<b>Green=100%</b> <b>Yellow= 85-99%</b> <b>Red = &lt;85%</b>	<b>Yellow</b>

Explanation and Responsive Actions: This measure relates to the reliability of wholesale water and sewer revenue projection. For this measure to remain “green” Water system wholesale billed revenues will equal at least 100% of the budgeted amount. This month we are reporting data from July 2021 and the measure has turned “yellow” with billed revenues for the first month FY 2022 starting at 89.0% of budgeted charge revenue. GLWA believes that this underperformance is due to the continued wet weather experienced in July. GLWA’s August and September forecasts suggest improvement to 98%. Of budget Nonetheless, we continue to monitor this data closely.

<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 measure remains “yellow” this month. Although remaining within the “yellow” range, the performance on this measure continues to improve. As the Board is aware, 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>Enterprise Resiliency</b>	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 and network security	<b>Green = 78-100%</b> <b>Yellow = 68% to &lt;78%</b> <b>Red = &lt;68 %</b>	<b>Red</b>

**Explanation and Responsive Actions:** This month the measure was “red” with 66.7% of incidents closed within 24hours of receipt. GLWA believes this change is due to the learning curve associated with the new Cherwell system that was launched in September and does not plan additional response at this time.

<b>EUM Attribute</b>	<b>Measure</b>	<b>Significance</b>	<b>Criteria</b>	<b>Status</b>
<b>Enterprise Resiliency</b>	FY 2021 Total CIP Spend	Method for establishing spending is aligned with budgeted revenue	<b>Green= &gt;80%</b> <b>Yellow= 70-80%</b> <b>Red = &lt; 70%</b>	<b>Yellow</b>

**Explanation and Responsive Actions:** For this measure to be “green” GLWA’s capital spending must be 80% or greater of the approved spending plan. This month the CIP spend metric was “yellow” at 71% of spending plan. The underperformance was primarily driven by underperformance on sewer capital projects (56%). GLWA believes this underperformance was due to the frequency and duration of wet weather events. GLWA will continue to monitor this performance to determine if further corrective actions are necessary.