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# MLGW Committee Cost Savings & Projects Report

May 19, 2020

# Operational

Operational Items	Metric	Baseline (as of Dec 2019)	2020 YTD Actual	2020 Target	Cumulative Five Year Actual	2024 Cumulative Target	% of Annual Target	% of Cumulative Target
Labor reductions	FTE's	0	29.5	20	29.5	375	147.5%	7.9%
Savings	Dollars in Thousands	\$0	\$2,830	\$1,600	\$2,830	\$91,700	176.9%	3.1%
Refill rate	% of requests to fill and filled	100%	45.2%	62.5%	45.2%	62.5%	72.3%	72.3%
Procurement	Contract approval timeline	220	145	215	145	215	67.4%	67.4%
Procurement	Inventory efficiency	0.627	0.640	0.750	0.640	0.750	85.3%	85.3%
Procurement	Bids/RFP	2.33	2.625	3	2.625	3	87.5%	87.5%
Fleet Management	Fleet Reduction	0	49	200	49	300	24.5%	16.3%



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Way Forward Metrics Report



- Labor Reductions: MLGW is ahead of schedule for Labor/Position Reductions with 29.5 FTE.
- Procurement Inventory: An inventory turnover report has been completed for use in tracking this metric. The report was used to establish the 2019 baseline and the 2020 YTD April value as illustrated above at 0.64. With this metric, the higher the number the better utilization of inventory.

# Capital Projects & Tree Trimming

HDR Study Items	Metric	Baseline (as of Dec 2019)	2020 YTD Actual	2020 Target	Cumulative Five Year Actual	2024 Cumulative Target	% of Annual Target	% of Cumulative Target
<b>Electric Division</b>								
Tree trimming	Miles trimmed	800	207	1373	207	6865	15.1%	3.0%
Wood poles replaced	# of Poles	300	122	500	122	2600	24.4%	4.7%
Distribution Automation deployment	# of units installed (designed/installed)	24	6	67	6	1100	9.0%	0.5%
Substation Breaker replacements	# of units installed	5	4	12	4	60	33.3%	6.7%
Substation Transformer replacements	# of units installed	2	1	4	1	20	25.0%	5.0%
Underground cable replacements	Feet of cable (designed/installed)	25,000	5,450	41,800	5,450	392,400	13.0%	1.4%
<b>Gas Division</b>								
Cast iron retrofit	Miles completed	1.5	0.72	2.5	0.72	7	28.8%	10.3%
Steel tap replacements	# of units R/P	57	0	147	0	2050	0.0%	0.0%
Gas Transmission & Extra HP Pipelines	Miles completed	0	0	0.55	0	5	0.0%	0.0%
Regulator Stations	# of Stations	1		3		12	0.0%	0.0%
<b>Water Division</b>								
Production Wells	# of new wells	0		3		15	0.0%	0.0%
Station rehabilitation	% progress	<b>Development of Milestones in Progress</b>						
Lead service line replacements/removals	# of services installed	363	406	1000	406	5000	40.6%	8.1%
Digital Process Control Systems	# of units installed	0		2		7	0.0%	0.0%



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**Tree trimming:** Still behind schedule due to weather, contractor availability; major issues going forward with pandemic restraints, looking at alternatives to get back on schedule; currently working with 57 (was 45) crews and will need even more to meet the 2020 target.

**Wood Poles:** In process of obtaining bids on contracted work required. Bids are due back on 4/28. Bids have been received and are currently being evaluated.

**Distribution Automation:** 26 Devices have been released to construction; 14 more devices are active in Engineering for design.

**Substation Breaker Replacements:** 1589 transmission breaker at Sub 1 – complete; 4257 bank breaker at Sub 4 – complete; 4181 breaker at Sub 24 – complete; 6655 bank breaker at Sub 26 – complete; 1151 sectionalizing breaker at Sub 21(90% complete); 42207 feeder breaker at Sub 42(60% complete); 48345 bank breaker at Sub 48(63% complete); 79351 sectionalizing breaker at Sub 79(47% complete)

**Substation Transformer Replacements:** 4557 transformer at Sub 4 – complete; 1157 transformer at Sub 21(85% complete); 4155 transformer at Sub 24(40% complete)

**Underground cable:** Will see large increases in feet replaced once current jobs are completed. Also working on new contract to achieve targets over the five-year period. The contract request has been submitted by the area to the Contracts Management department to begin the process of bringing in more crew resources.

**Gas Transmission Pipelines:** All jobs in design. For 3/4 jobs we are in the process of purchasing 12" steel pipe. Goal is to have the pipe procurement recommendation at the 5/20 MLGW Board meeting and have PO issued in late June. On the 4th job - we are still waiting on an agreement between MLGW and the railroad (Covington Pike) in legal. This 4th job impacts two large industrial customers so we will need to work with their schedules and give them proper notice of the job once we have that agreement.

**Gas Regulator Stations:** All jobs still in design.

**Water Production Wells:** Well 307A (Lichterman) has been completed by contractor and the pump has been set. Work to begin on foundations, discharge piping. Engineering has begun on electric service to the well and the collecting main is in design. Contract change order for additional funding was approved at the 4/15 board meeting and is with City Council. Well 410 (Davis) – Contractor is currently drilling this well. MLGW has begun working on electrical and water designs.

**Water Pumping Station Rehabilitation:** Holistic station rehab project plan has been developed, forecasting need of 3 contractors, one each for evaluation, design and construction; RFP specs for evaluation have been submitted. Contract for the evaluation phase has been advertised to engineering firms for response. Qualifications for this contract are due by 6/5/20.

**Water Digital Process Controls:** Seven filters complete at Sheahan, moving to the pump building soon. MLGW Telecom is installing the required fiber between the filter building and the pump building at Sheahan.

# Capital Projects & Tree Trimming (cont.)

HDR Study Items	Metric	Baseline (as of Dec 2019)	2020 YTD Actual	2020 Target	Cumulative Five Year Actual	2024 Cumulative Target	% of Annual Target	% of Cumulative Target
<b>Electric Division</b>								
Tree trimming	Dollars (in thousands)	\$13,377	\$2,062	\$18,548	\$2,062	\$98,474	11.1%	2.1%
Wood poles replaced	Dollars (in thousands)	\$1,500	\$567	\$3,000	\$567	\$15,000	18.9%	3.8%
Distribution Automation deployment	Dollars (in thousands)	\$2,100	\$222	\$6,000	\$222	\$130,000	3.7%	0.2%
Substation Breaker replacements	Dollars (in thousands)	\$1,129	\$1,459	\$2,600	\$1,459	\$15,700	56.1%	9.3%
Substation Transformer replacements	Dollars (in thousands)	\$2,803	\$2,192	\$8,500	\$2,192	\$39,000	25.8%	5.6%
Underground cable replacements	Dollars (in thousands)	\$2,386	\$342	\$6,800	\$342	\$54,000	5.0%	0.6%
<b>Gas Division</b>								
Cast iron retrofit	Dollars (in thousands)	\$4,013	\$1,769	\$4,000	\$1,769	\$7,000	44.2%	25.3%
Steel tap replacements	Dollars (in thousands)	\$74	\$0	\$400	\$0	\$17,000	0.0%	0.0%
Gas Transmission & Extra HP Pipelines	Dollars (in thousands)	\$117	\$5	\$2,500	\$5	\$21,018	0.2%	0.0%
Regulator Stations	Dollars (in thousands)	\$154	\$9	\$1,000	\$9	\$5,400	0.9%	0.2%
<b>Water Division</b>								
Production Wells	Dollars (in thousands)	\$0	\$752	\$4,323	\$752	\$28,603	17.4%	2.6%
Station rehabilitation	Dollars (in thousands)	\$0	\$97	\$1,650	\$97	\$59,350	5.9%	0.2%
Lead service line replacements	Dollars (in thousands)	\$496	\$186	\$2,500	\$186	\$12,500	7.4%	1.5%
Digital Process Control Systems	Dollars (in thousands)	\$0	\$97	\$950	\$97	\$4,755	10.2%	2.0%



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Way Forward Metrics Report



Actual 2020 YTD Dollars exclude overhead burdening cost for months after January. The overhead burdening costs will be added as the months are closed.



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# Questions?