



# Board of Public Utilities

October 9, 2020

Facilitated by Humans Strategies, LLC



## Workshop Ground Rules

- Be an angel's advocate
- Free and open discussion
- There are no bad ideas
- Practice active listening
- Commit to agenda boundaries
- Practice laser messages

# What is a laser message?

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- Clear, concise, focused
  - Requires thinking before speaking
  - Non-repetitive
  - As told on a 3-story elevator ride
  - 60 seconds or less
- 





# Zoom Instructions



Remain in Mute mode  
unless you are speaking



When speaking, you can  
unmute OR just press your  
space bar while you speak



You can use the Chat  
feature to provide  
information to one person  
privately, or to all



Polling instructions will be  
given just before they are  
needed

# BPU Meeting Objectives

1. Review and set conservation objectives (50 min)
2. What did we learn from Zia and Baldrige (20 min)
3. Baldrige (Zia) alternatives (20 min)
4. Affirm MVV (20 min)
5. Input to and prioritization of FY2022 Focus Areas and Goals and Objectives(50 min)

# 1. Review and Set Conservation Objectives: 50 min

- Conservation Committee developed extensive set of initiatives, presented at the July 15<sup>th</sup> BPU meeting
  - Some initiatives are outside of DPU's control and require coordination and agreement with other LAC departments
- The Conservation Committee recommended 3 conservation goals for BPU's consideration
- BPU will now review the Conservation Committee goals and set BPU's conservation objectives with staff input  
(Jaime will record BPU goal decisions for prioritization activity later today.)



# Focus Area – Environmental Sustainability

- Having a Board approved Strategic Goal and Objectives for conservation are necessary at this time for staff to move forward with revisions to the Energy and Water Conservation Plan.
- Next, the Conservation Committee recommendations can be incorporated into the Energy and Water Conservation Plan using BPU's stated objectives to guide staff to evaluate budget and staff resources required, and research how best to achieve those objectives and implement conservation initiatives in a cost effective way.
- The Board reviews strategic goals and objectives annually and the Conservation Plan every five years. If actual costs of conservation initiatives are found to be cost prohibitive when weighed against the benefit, or if it is found that initial recommendations are not achievable, strategic objectives can be adjusted by the Board and the Conservation Plan can be revised. (FER Initiatives may also need to be reviewed and updated.)

# Conservation Committee Initiatives

| C  | COMM | EFFRT | INITIATIVE  | C                    | COMM | EFFRT | INITIATIVE  |
|--|------|-------|---|----------------------|------|-------|---|
| EDUCATION  | EGW  | A     | AMI data education  | PRTN                 | EGW  | A     | Coord. & support LAPS   |
|  | EG   | A     | Encourage programmable thermostats & controllers                    |                      | W    | X     | Free delivery of tumbled glass/mulch when replacing turf                      |
|  | EG   | A     | Publish Standards: thermostat setting & energy savings              | ORDINANCE            | W    | \$XT  | Granular tiered rates (100 gal.)  |
|  | EGW  | A     | " <u>Conserv.</u> happens" unit costs increase; early adopters save |                      | W    | \$XT  | Reduce outdoor water use, rates   |
|  | EG   | A     | General Energy Efficiency   |                      | EG   | \$XT  | Convert elec./gas monthly svc charges to minimum charges                      |
|  | W    | A     | Reduce outdoor water: xeriscape, rain harvesting                    |                      | W    | \$XT  | Eliminate monthly svc. charge for water                                       |
| CUS  | EGW  | \$X   | Add "Residential Avg" to bills for comparison                       |                      | E    | \$XT  | Accommodate customer PPA hybrid solar   |
| RESEARCH   | EGW  | XT    | Pursue grants for appliance rebates & publicize                     | NOT DPU JURISDICTION | EGW  | XT    | Waive permit fees <u>bldg</u> improvements that cut utility use (CDD/Council) |
|  | W    | \$XT  | Reduce outdoor water use incentives                                 |                      | E    | XT    | Eliminate most streetlights (PW/Council)                                      |
| C=Category<br>COMM=Commodity (E: Electric, G: Gas, W: Water)<br>PRTN=Partnership<br>CUST=Customize/Working w/vendor<br>EFFRT=Effort to Implement <ul style="list-style-type: none"><li>\$=Additional budget to implement;</li><li>X=Extra or Additional Staff Resources;</li><li>T=Time;</li><li>A=Adequate Staff and Budget to implement.</li></ul> |      |       |   |                      | E    | XT    | Eliminate fees to set up off-grid solar (State & CDD fees)                    |
|  |      |       |   |                      | E    | XT    | Solar-ready roofs and siting for new construction (CDD/Council)               |
|  |      |       |   |                      | G    | XT    | No natural gas hookups to new bldgs. (CDD/Council)                            |
|  |      |       |   |                      |      |       |   |



# Natural Gas Conservation Objective

- **FY2020 SP Objective** : Customer heating efficiency is improved to reduce gas usage by 3% by 2030
- **Committee Recommended Goal**: Eliminate use of natural gas.
- **DPU Recommended Objective**: Reduce natural gas usage by 5% per capita by 2030 using a 2020 calendar year-end baseline that is adjusted for the average heating degree day over the last ten years.

# Water Conservation Objective

- **FY2020 SP Objective:** Gallons per capita per day potable water use is reduced by 9% by 2030
- **Committee Recommended Goal:** Reduce water use by at least 1/3
- **DPU Recommended Objective:** Reduce potable water use by 12% per capita per day by 2030 using a 2020 calendar year-end baseline.

# Electric Conservation Objective

- **FY2020 SP Objective:** Electric efficiency is promoted through targeted electric conservation programs
- **Committee Recommended Goal:** Find ways to accommodate a massive increase in residential and local solar
- **DPU Recommended Objective:** Increase local solar production to 6 MW by 2040. (This is 30% of local solar produced based on LAC load of 18 MW)

## 2. What Have We Learn From the Zia Application Baldrige Process?



Why Baldrige? Past recipients have seen improvements in:

- Revenue
- Market Share
- Employee involvement and engagement
- Cost/waste/error reductions
- ROA, ROI and ROE
- Product Reliability

*"The [Baldrige] Criteria help you link your strategy, your human capital process, your leadership development process, all of your core operations together and help them focus on what your customers actually want."* ~ Scott McIntyre, Managing Partner, Price WaterHouse Coopers



## 2. What Did We Learn From the Baldrige Process? Benefits & Improvements - Jack Richardson



- **Providing a framework for a culture of continuous improvement.** Following the Baldrige methodology for performance excellence has helped us demonstrate our value of being an “organization that encourages continuous learning.”
- **Becoming a more data driven organization.** Dashboards and graphics were created to include Key Operating Performance Measures and to measure year-to-year and multi-year comparisons of efficiency, reliability, safety and effectiveness.
- **Improved transparency in planning, budgeting and rate setting.** The presentations of 10-year and 20-year projections for rates, budgets and CIPs were improved by incorporating better visual graphics and creating simple stories to share with leadership, stakeholders and the community.
- **Operating Procedures Committee.** We have a better appreciation for the importance of well documented, easily available and regularly maintained Standard Operating Procedures for the benefit of current staff, but more importantly, for successful staff transitions and succession.

## 2. What Did We Learn From the Baldrige Process? Benefits & Improvements – Julie Williams-Hill



- **Strategic Planning.** A 2009 OFI flagged an undefined method to plan the future. As such, an annual strategic planning process was developed to align the plans with our MVV and stakeholder feedback and communicate these plans to employees via all-hands meetings, strategic plan posters and quarterly exchange meetings.
- **Deployment, Integration and Learning.** Each feedback report flags new areas where we have developed a procedure but it has not been *deployed* to the employees, *integrated* into our business model and reviewed so that we can *learn and improve*. This ties into the Plan/Do/Study/Act (PDSA) process. For example, we learned that our procedure for maintaining standard operating procedures had been developed, but not yet successfully deployed or integrated.
- **Tracking the right measures.** A 2014 OFI identified that our LA SCORES (measures being tracked and reported to BPU and Council quarterly) did not align to our MVV and strategic objectives. Therefore, they didn't help us to make decisions on the health of our department. Many of the measures have been refined to address this.
- **Monopoly.** The most recent feedback from the 2019 QNM team was that DPU should not be complacent in its position as a monopoly. Customers do have choices (e.g., rooftop solar with batteries, gray water systems, water harvesting, etc.). This has helped us to understand that our business model needs to be flexible and able to adapt.
- **Safety Culture.** The department has implemented several successful safety initiatives as a result of the Baldrige process. These include the creation of a written Safety Culture Vision, the DPU Safety Committee, the Safety Employee of the Quarter program, and regular monthly reporting on accidents and the OSHA incident rates.

## 2. What Did We Learn From the Baldrige Process? Challenges with Implementation – James Alarid



- **Right fit for DPU?** In the 2019 QNM site visit debrief, the lead examiner said that given DPU's structure and governance, we will never meet the criteria in certain areas.
- **Minimal actionable recommendations.** My observation after presenting the feedback to the Board was, they felt there were minimal actionable recommendations, and they questioned the applicability of a quality management program that does not fit our organization. (Only Customer Service Issues tracking software was budgeted.)
- **Staff effort.** The level of staff time and effort required to continuously track performance against the Baldrige criteria and then apply for recognition is huge. I believe using a consultant to prepare the application is a necessity.
- **Competing priorities.** As contributing member to three applications and supervisor of the DPU QNM lead for ten years, I have observed the needs of our daily work/schedule and quality management initiatives compete.
- **Need QNM Examiners.** To make our best effort on a future QNM application, we should have staff participating as QNM Examiners.
- **Low scores that are difficult to understand.** I felt that the 2019 Zia application was much better than the evaluation team's assessment of 30%-40% out of the 100% in all categories.
- **Management audit Charter requirement.** The next management audit will be due in four years and we need to pick a path now to work towards over the next four years. Recommend deciding now if QNM/Baldrige feedback report satisfies the management audit requirement.

### 3. Baldrige Alternatives - Philo



- Consider Hiring a Consultant to Perform a Management Audit
  - Charter identifies “at least every five years thereafter, the BPU shall employ a qualified consultant to review, comment and make recommendations as to the operation and condition of the County Utilities.”
  - The Baldrige Zia Application reviewed operations but did not review the condition of the Utilities
  - The last comprehensive condition assessment performed by a qualified consultant was performed in 2000.
  - This Fiscal Year \$50,000 was budgeted in each fund for a total of \$200,000 to perform a condition assessment by a qualified consultant.
  - A Comprehensive Management Audit by a qualified consultant to review, comment and make recommendations as to the operation and condition of the County Utilities would cost between \$300,000 to \$400,000.



### 3. Baldrige Alternatives - Philo



#### **J.D. Powers Customer Service Survey**

- Includes Utility benchmarking, performance improvement, and certifications and answers the following questions:
  - [1. How does your customer service organization stand up against others?](#)
  - [2. How are you performing in specific service channels?](#)
  - [3. What can you do to improve?](#)
  - [4. What are top performing call centers doing to excel?](#)
  - [5. What does it take to have a certified customer service program?](#)
- **2020 Utilities Climate Leadership Program and Benchmarks**
- **Customer Service Survey is Budgeted for \$50,000 this Fiscal Year**

### 3. Baldrige Alternatives - Philo



#### **APWA Accreditation Program (Every Four Years)**

- Create impetus for organization self-improvement and stimulate general raising of standards
- Offer a voluntary evaluation and education program rather than government-regulated activity
- Recognize good performance and provide motivation to maintain and improve performance
- Improve performance and the provision of services
- Increase professionalism
- Instill pride among agency staff, elected officials and the local community
- Cost is between \$10,000 and \$15,000 plus staff preparation time over two years on average and comes with a Management Practices Manual to use.

### 3. Baldrige Alternatives - Dawn



- Shingo
  - +Work culture, improvement, sustainability, focused on behaviors
  - No expertise in NM
    - Tuition \$45,000, consulting \$100k + /year; similar in length to Baldrige
- ISO
  - +World-wide standards, better products and services, productivity
  - More process than enterprise & culture oriented
    - \$60-80k/year; at least 3-4 year effort
- Human Strategies Alternative Assessment
  - +Tailored Baldrige-based assessments, significantly less than Zia in cost and effort
  - No true score or award
    - \$25k-50k

## 4. Affirm Mission, Vision, Values: 20 min

- **Mission**

- Provide safe & reliable utility services in an economically & environmentally sustainable fashion

- **Vision**

- Be a high performing utility matched to our community, contributing to its future with diversified & innovative utility solutions

**+ What do you LIKE?**

**Δ What would you CHANGE?**

- **We Value:**

- Customers by being service oriented & fiscally responsible
- Employees and partners by being safe, ethical & professional organization that encourages continuous learning
- Natural resources (BPU: Environment) through innovation & progressive solutions
- Community by being communicative, organized & transparent



## 5. FY2022 Focus Areas and Goals: 50 min

- Last year we refined Focus Areas & Goals and then prioritized them
- Philo then used your priorities to set and guide daily work at DPU
- We are going to repeat that activity virtually this year
  - Review and update
  - Multivote (Zoom instructions to follow)

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|--|--|
|  | <b>FOCUS AREA - OPERATIONS &amp; PERFORMANCE</b>   |
|  | GOAL - 1.0 Provide safe and reliable utility services.   |
|  | 1.1 OBJECTIVE - WATER (WP/NP/DW) - Efficiently deliver safe and reliable water utility services.   |
|  | 1.2 OBJECTIVE - GAS - Efficiently deliver safe and reliable gas utility services.  |
|  | 1.3 OBJECTIVE - SEWER (WC & WT) - Efficiently deliver safe and reliable sewer utility services.  |
|  | 1.4 OBJECTIVE - ELECTRIC (EP) - Efficiently deliver safe and reliable electric production utility services.                              |
|  | 1.5 OBJECTIVE - ELECTRIC (ED) - Efficiently deliver safe and reliable electric distribution utility services.                            |
|  | 1.6 OBJECTIVE - BUSINESS SYSTEMS - Efficiently implement and maintain secure and reliable business systems.                              |
|  | 1.7 OBJECTIVE - Utility control and mapping systems and processes are accurate, safe and secure.   |
|  | 1.8 OBJECTIVE - Develop a culture of continuous improvement.   |
|  | <b>FOCUS AREA - FINANCIAL PERFORMANCE</b>  |
|  | GOAL - 2.0 Achieve and maintain excellence in financial performance.   |
|  | 2.1 OBJECTIVE - Utilize revenues to provide a high-level of service while keeping rates competitive with similar utilities.              |
|  | 2.2 OBJECTIVE - Conduct cost of service studies for each utility at least every 5 years.   |
|  | 2.3 OBJECTIVE - Meet financial plan targets by 2025 <i>(stretch out rate increase)</i>   |
|  | 2.4 OBJECTIVE - Achieve workplans while operating within budget.   |
|  | <b>FOCUS AREA - CUSTOMERS &amp; COMMUNITY</b>  |
|  | GOAL - 3.0 Be a customer service oriented organization that is communicative, efficient, and transparent.                                |
|  | 3.1 OBJECTIVE - Customer service processes and systems are efficient and user-friendly <i>Secure</i>                                     |
|  | 3.2 OBJECTIVE - Stakeholders are engaged in and informed about Utilities operations affecting the community.                             |
|  | <b>FOCUS AREA - WORKFORCE</b>  |
|  | GOAL - 4.0 Sustain a capable, satisfied, engaged, ethical and safe workforce focused on customer service.                                |
|  | 4.1 OBJECTIVE - Leaders invest in employee training and professional development.  |
|  | 4.2 OBJECTIVE - Employees promote a culture of safe and ethical behavior.  |
|  | 4.3 OBJECTIVE - Employees are engaged, satisfied and fairly compensated.   |
|  | <b>FOCUS AREA - ENVIRONMENTAL SUSTAINABILITY</b>   |
|  | GOAL - 5.0 Achieve environmental sustainability by 2040.   |
|  | 5.1 OBJECTIVE - ELECTRIC (EP & ED) Be a carbon neutral electric provider by 2040.  |
|  | 5.2 OBJECTIVE - ELECTRIC (ED) - Electrical efficiency is promoted through targeted energy conservation programs. <i>per 2020 EC plan</i> |
|  | 5.3 OBJECTIVE - WATER (DW) - Gallons per capita per day (GPCD) potable water use is reduced by 8% by 2030. <i>per 2020 EC plan</i>       |
|  | 5.4 OBJECTIVE - GAS - Customer heating efficiency is improved to reduce gas usage by 3% by 2030. <i>Gas efficiency per 2030 5.0 plan</i> |
|  | 5.5 OBJECTIVE - SEWER (WT) - Class 1A effluent water is provided in White Rock.  |
|  | <b>FOCUS AREA - PARTNERSHIPS</b>   |
|  | GOAL - 6.0 Develop and strengthen partnerships with stakeholders.  |
|  | 6.1 OBJECTIVE - Communicate with stakeholders to strengthen existing partnerships and identify new potential mutually beneficial         |

## **FOCUS AREA - OPERATIONS & PERFORMANCE**

### **GOAL - 1.0 Provide safe and reliable utility services.**

- |   |
|---|
| 1.1 OBJECTIVE - WATER (WP/NP/DW) - Efficiently deliver safe and reliable water utility services.              |
| 1.2 OBJECTIVE - GAS - Efficiently deliver safe and reliable gas utility services.                             |
| 1.3 OBJECTIVE - SEWER (WC & WT) - Efficiently deliver safe and reliable sewer utility services.               |
| 1.4 OBJECTIVE - ELECTRIC (EP) - Efficiently deliver safe and reliable electric production utility services.   |
| 1.5 OBJECTIVE - ELECTRIC (ED) - Efficiently deliver safe and reliable electric distribution utility services. |
| 1.6 OBJECTIVE - BUSINESS SYSTEMS - Efficiently implement and maintain secure and reliable business systems.   |
| 1.7 OBJECTIVE - Utility control and mapping systems and processes are accurate, safe and secure.              |
| 1.8 OBJECTIVE - Develop a culture of continuous improvement.  |

## **FOCUS AREA - FINANCIAL PERFORMANCE**

### **GOAL - 2.0 Achieve and maintain excellence in financial performance.**

2.1 OBJECTIVE - Utilize revenues to provide a high-level of service while keeping rates competitive with similar utilities.

2.2 OBJECTIVE - Conduct cost of service studies for each utility at least every 5 years.

2.3 OBJECTIVE - Meet financial plan targets by 2025, water by 2028.

2.4 OBJECTIVE – Achieve workplans while operating within budget.

## **FOCUS AREA - CUSTOMERS & COMMUNITY**

**GOAL - 3.0 Be a customer service-oriented organization that is communicative, efficient, and transparent**

3.1 OBJECTIVE - Customer service processes and systems are efficient, secure and user-friendly.

3.2 OBJECTIVE - Stakeholders are engaged in and informed about Utilities operations affecting the community.



## **FOCUS AREA - WORKFORCE**

**GOAL - 4.0 Sustain a capable, satisfied, engaged, ethical and safe workforce focused on customer service.**

|   |
|---|
| 4.1 OBJECTIVE - Leaders invest in employee training and professional development. |
| 4.2 OBJECTIVE - Employees promote a culture of safe and ethical behavior.         |
| 4.3 OBJECTIVE - Employees are engaged, satisfied and fairly compensated.          |

# **FOCUS AREA - ENVIRONMENTAL SUSTAINABILITY**

## **GOAL - 5.0 Achieve environmental sustainability.**

|  |
|--|
| 5.1 OBJECTIVE - ELECTRIC (EP & ED) Be a carbon neutral electric provider by 2040.  |
| 5.2 OBJECTIVE – Achieve Electric Distribution conservation goals to be defined per the 2020 DPU Conservation Plan revision, after considering recommendations from the Conservation Committee. |
| 5.3 OBJECTIVE - WATER (DW) —Achieve Water conservation goals to be defined per the 2020 DPU Conservation Plan revision, after considering recommendations from the Conservation Committee.     |
| 5.4 OBJECTIVE - GAS —Achieve Gas conservation goals to be defined per the 2020 DPU Conservation Plan revision, after considering recommendations from the Conservation Committee.              |
| 5.5 OBJECTIVE - SEWER (WT) - Class 1A effluent water is provided in White Rock.  |

## **FOCUS AREA - PARTNERSHIPS**

**GOAL - 6.0 Develop and strengthen partnerships with stakeholders.**

6.1 OBJECTIVE - Communicate with stakeholders to strengthen existing partnerships and identify new potential mutually beneficial partnering opportunities.

# Instructions

- Step 1: Look at the top of your monitor. Select “View Options” next to the green bar.
- Step 2: A dropdown box will open. Select “Annotate”
- Step 3: The Annotate menu bar will open. Select “Stamp”
- Step 4: Select the symbol that you’ve been assigned.

## STAMP ASSIGNMENTS:

McLin – Arrow →

Stromberg – Check ✓

Tobin – X Mark ✕

Walker – Star ★

Wright - Heart ♥



**Step 1**

You are viewing Jaime Kephart's screen

View Options ▾

**Step 2**

You are viewing Jaime Kephart's screen

View Options ▾

- Zoom Ratio Fit to Window >
- Hide Video Panel
- Request Remote Control
- Annotate
- Exit Full Screen
- Side-by-side mode

**Step 3**

Mouse Text Draw Stamp Arrow Eraser Format Undo Redo Clear Save

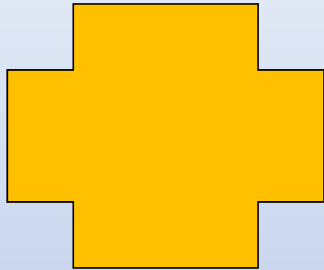
**Step 4**

Mouse Text Draw Stamp Arrow Eraser Format Undo Redo Clear Save

→ ✓ ✕

★ ♥ ?

# Plus/Delta



**Plus: state what you liked about today**

**Delta: state what you would change about today**

