

**BOARD AGENDA SUMMARY SHEET**

<b>Committee or Board:</b> Board	<b>Date:</b> December 6, 2019	<b>Board Meeting Date:</b> December 18, 2019
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**For All Board Voting Items:**

**Title of Agenda Item:** Approval of the Annual Report on the Board’s Policy on Safety

**Consent Agenda:** Yes No

**Accompanying Presentation:** Yes No

**Recommendation from Committee:** N/A  F&A;  GP&P;  Oversight & REV

**LIPA Presenter:** Rick Shansky (Presentation at Oversight & REV)

**PSEG Long Island Presenter:** Greg Player (Presentation at Oversight & REV)

**For Policy Reports Only:**

**Type of Policy / Report:**  Operating;  Governance;  Compliance;  Mission

**Date of Last Report:** November 14, 2018

**Compliance Since Last Report:** Yes No

**Proposed Changes to Policy:**  Yes No

<b>Requested Action:</b>	The Board of Trustees is requested to adopt a resolution finding that the Long Island Power Authority and its subsidiary, LIPA, have complied with the Board Policy on Safety for the period since the last annual review, and approving the annual report for the Policy.
<b>Summary: (include proposed amendments to Board Policies, if applicable)</b>	By Resolution No. 1379, dated September 27, 2017, the Board adopted the Policy. The Policy sets objectives to ensure a safe environment for the dedicated workforce of its service provider and the public. The Policy also establishes regular performance reporting by Staff to enable the Board to assess the adequacy of the service provider’s policies, procedures, and practices for safety; compliance with applicable health and safety laws and regulations; safety performance, including comparisons to peer electric utilities; and initiatives to improve safety of the service provider’s operations. The Policy was last reviewed by the Board in November 2018.  Staff recommends that the Board find that the Authority has complied with the objectives of the Policy for the period since the last annual review.

**FOR CONSIDERATION**

December 18, 2019

**TO:** The Board of Trustees

**FROM:** Thomas Falcone

**SUBJECT:** Approval of the Annual Report to the Board Policy on Safety

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**Requested Action**

The Board of Trustees of the Long Island Power Authority (the “Board”) is requested to adopt a resolution finding that the Long Island Power Authority and its subsidiary, LIPA (collectively the “Authority”), have complied with the Board Policy on Safety (the “Policy”) for the period since the last annual review, and approving the annual report for the Policy, which resolution is attached hereto as **Exhibit “A”**.

**Background**

By Resolution No. 1379, dated September 27, 2017, the Board adopted the Policy. The Policy sets objectives to ensure a safe environment for the dedicated workforce of its service provider and the public. The Policy also establishes regular performance reporting by Staff to enable the Board to assess the adequacy of the service provider’s policies, procedures, and practices for safety; compliance with applicable health and safety laws and regulations; safety performance, including comparisons to peer electric utilities; and initiatives to improve safety of the service provider’s operations. The Policy was last reviewed by the Board in November 2018.

**Compliance with the Policy**

Staff recommends that the Board find that the Authority has complied with the objectives of the Policy for the period since the last annual review for the reasons set forth below.

The Policy provides the following:

“Reviewing on a periodic basis no less than every three years the policies, procedures, and practices of the Authority’s service provider.”

- In 2017, the Authority hired Schumaker & Company (“Schumaker”) to complete a Safety Assessment of PSEG Long Island. Schumaker’s report concluded that PSEG Long Island “has an effective safety organization” and a “positive safety culture” in which safety is a top priority. The Schumaker report also contained nine recommendations aimed at improving safety performance in such areas as staffing, training, performance metrics, material storage racks, and disposal of obsolete tools and equipment. Since 2017, PSEG Long Island has made substantial progress toward implementing these recommendations.
- The next in-depth assessment and review of the policies, procedures and practices of the Authority’s service provider is scheduled for 2020, in compliance with the Board’s Policy of a review “no less than every three years.”

“Benchmarking the safety performance of the service provider to the top 25 percent of peer utilities, as measured by OSHA Recordable Incidence Rate and OSHA Days Away Rate.”

- PSEG Long Island benchmarks its safety performance against a nationwide panel of electric utilities. That benchmarking is used by LIPA and PSEG Long Island to set Safety Targets for the Operations Services Agreement and results are reported to the Board as part of PSEG Long Island’s Scorecard at each Board meeting.

“Assessing the operational factors that contribute to injuries, motor vehicle accidents and red-light violations and the efforts to improve performance, where necessary.”

- PSEG Long Island has an ongoing process for assessing the factors that drive safety performance. PSEG Long Island has identified several areas that merit close tracking and has established programs to reduce safety risks, including: removal of work hazards, and reducing musculoskeletal injuries through improved work techniques.
- Motor vehicle safety is an area of focus and was added as a Tier 1 performance metric in 2019. The addition of the automated vehicle location system, which monitors factors such as speeding, rapid acceleration and hard breaking, along with culture change, has been credited with reducing both motor vehicle accidents and red-light violations.

Further details on PSEG Long Island’s Safety Program are contained in the attached presentation as **Exhibit “B”**.

### **Annual Review of the Policy**

Staff recommends no changes to the Policy.

### **Recommendation**

Based upon the foregoing, I recommend approval of the above requested action by adoption of a resolution in the form attached hereto.

### **Attachments**

**Exhibit “A”** Resolution

**Exhibit “B”** Presentation Report to the Board of Trustees

**RESOLUTION APPROVING THE REPORT TO THE BOARD OF TRUSTEES ON THE BOARD POLICY ON SAFETY**

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**WHEREAS**, the Board Policy on Safety (the “Policy”) was originally approved by the Board of Trustees Resolution No. 1739, dated September 27, 2017;

**WHEREAS**, the Board has conducted an annual review of the Policy and affirms that the Policy has been complied with.

**NOW, THEREFORE, BE IT RESOLVED**, that consistent with the accompanying memorandum, the Board hereby finds that the Authority has complied with the Policy for the period since the last annual review and approves the annual report to the Board.

Dated: December 18, 2019

# Annual Report on the Board's Policy on Safety

December 18, 2019

# Topics For Discussion

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- Compliance with Applicable Health and Safety Laws and Regulations
- Benchmarking, Measuring and Verifying Safety Performance
- Key 2019 PSEG Long Island Safety Initiatives
- Schumaker & Company Safety Assessment Management Actions
- Continuous Improvement Initiatives

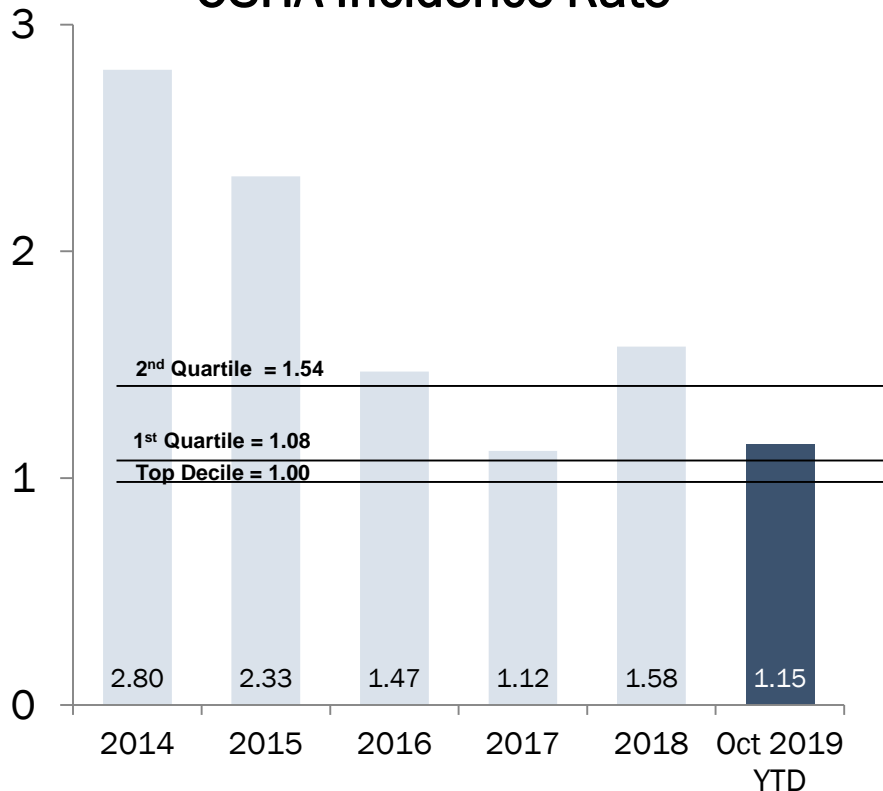
# Annual Assessment of PSEG EH&S Program Guide

- The **PSEG Environment, Health and Safety (EHS) Policy** and **PSEG Practice 575-1, EHS Program Guide** are the high level EHS governance documents for PSEG Long Island.
  - The PSEG annual assessment of the implementation of the EHS Program Guide found that systems, procedures and practices in place satisfactorily address the objectives contained in the PSEG EHS Program Guide.
  - There is a consistent understanding of acceptable actions and behaviors to responsibly conduct business in a manner that protects the environment, and the health of employees, contractors, customers, and the public.
  - Adequate controls are in place and functioning as intended.
- PSEG Long Island conducts its operations pursuant to the **PSEG Business Conduct Compliance Program**.

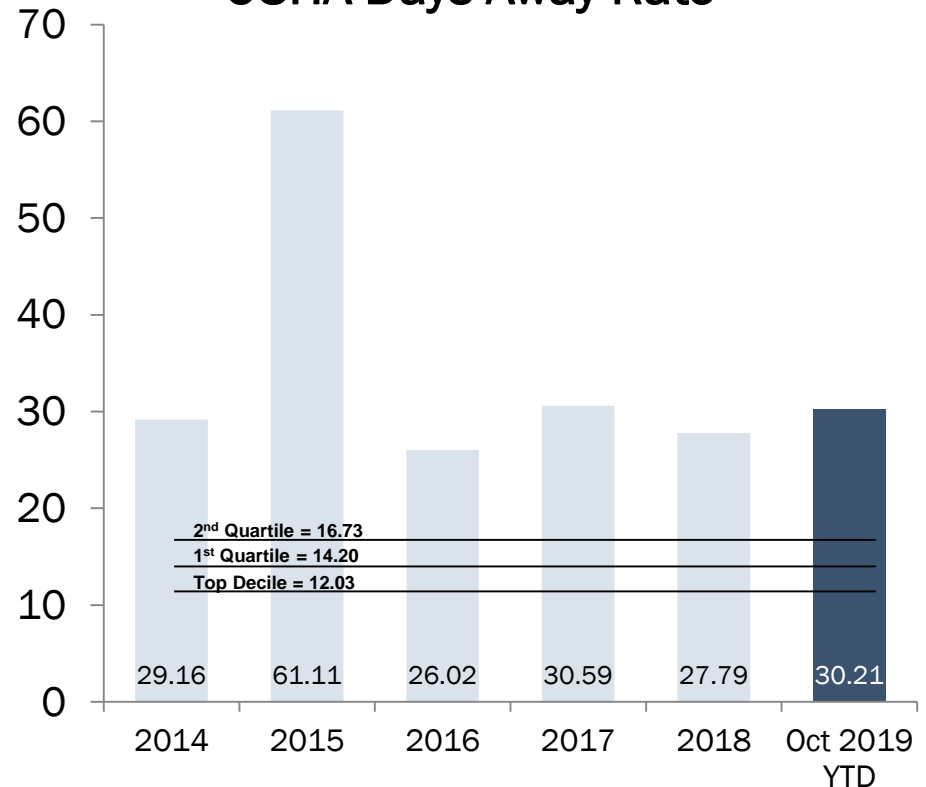
# Benchmarking, Measuring and Verifying Safety Performance

PSEG Long Island participates in an OSHA benchmarking process with utilities in the United States that is used by LIPA and PSEG Long Island to set Safety Targets for the OSA (Operations Services Agreement).

## OSHA Incidence Rate



## OSHA Days Away Rate

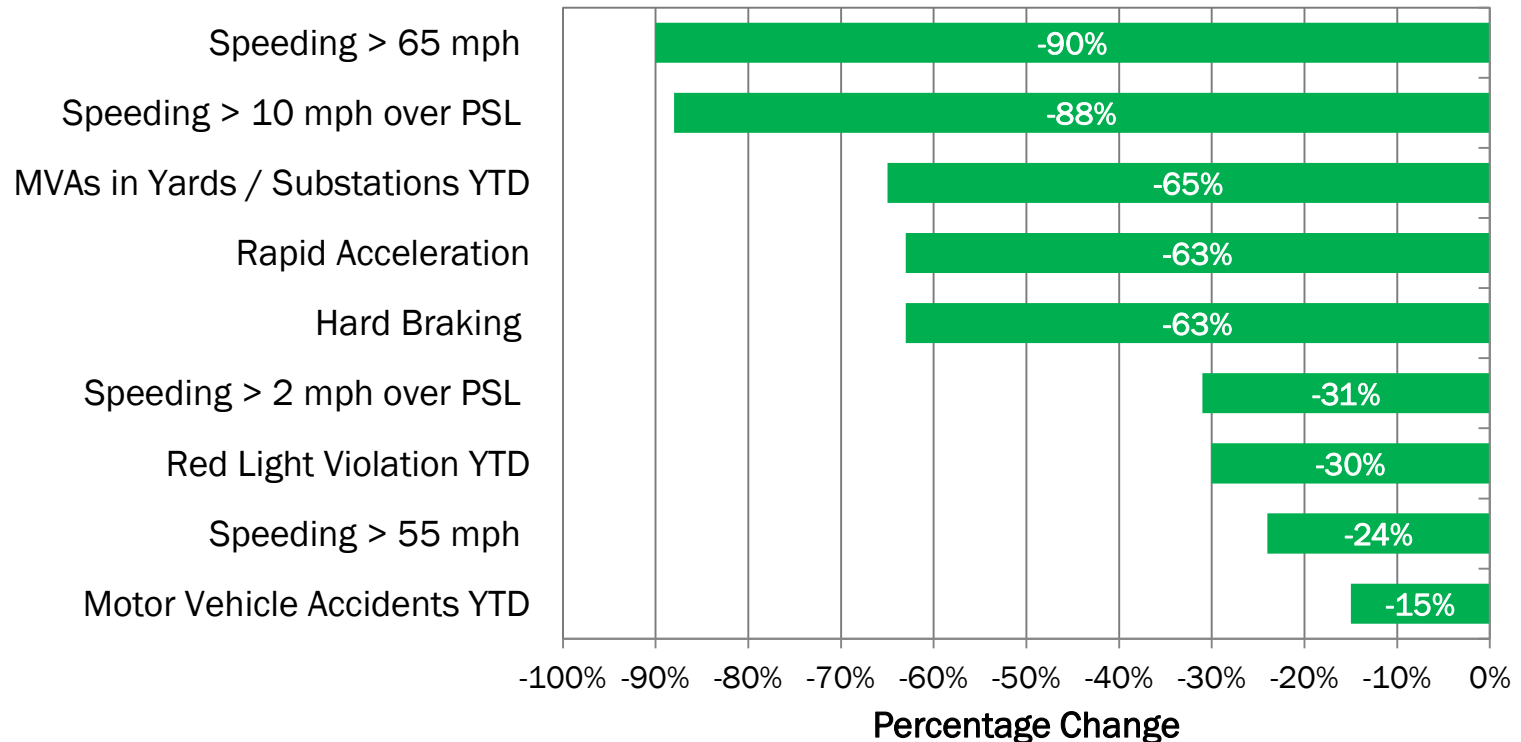




# Motor Vehicle Safety Performance

The addition of automated vehicle location system (AVLS) technology reinforced by a culture of accountability mindset is delivering desired results.

## Percentage Improvement in Driving Performance October 2019 YTD



# 2019 Key Safety Performance Initiatives



**Building a Culture of Accountability** using The Results Pyramid model by Partners in Leadership, a simple, memorable methodology for efficiently and effectively changing the way people think and act throughout the organization to ensure desired results are achieved.



**Embedding health and wellbeing into the DNA of the organization** through PSEG Be Well partners and programs designed to boost employee engagement in their overall well-being. Briotix Health provides ergonomic, injury prevention and physical therapy services to help employees to Be Well at Work.



**Managing, Monitoring, and Coaching Employees to be Professional Drivers** with GPS technology that provides a seamless connection with drivers to help ensure best practices in safety are put in place. A Professional Driver scorecard provides real time employee feedback to specific safety goals, i.e. amount of engine idling, high limit speeding (over a set MPH threshold), exceeding posted speed limits, hard braking, rapid acceleration.

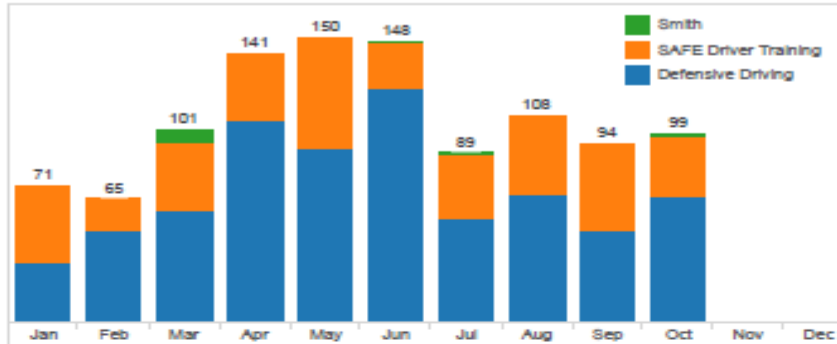


**Expanding the use of Safety Leading Indicators and a Tier II Dashboard** as recommended in the 2017 Schumaker & Company Safety Assessment in addition to addressing all other recommendations in the report.

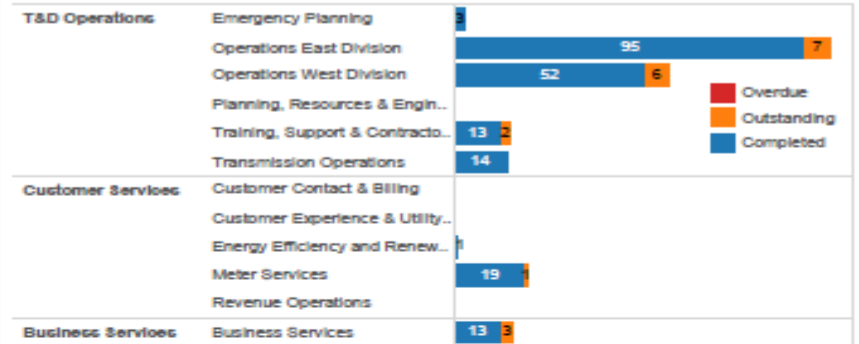
# Safety Leading Indicators Dashboard

## Safety Leading Indicators

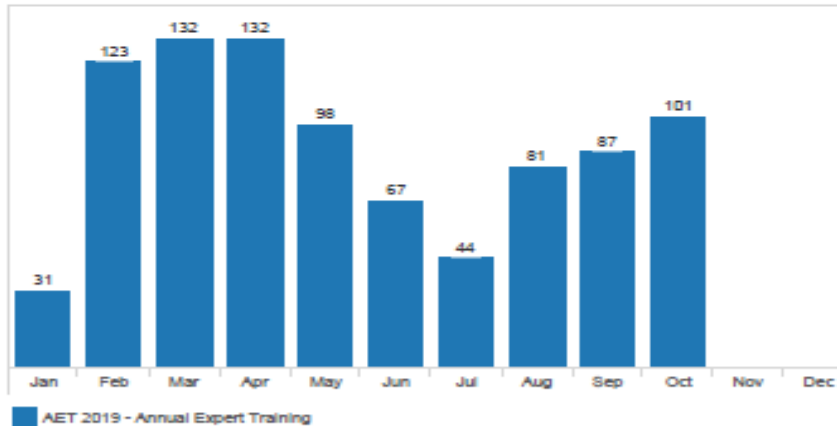
**Driver Training** (1,066 Employees)



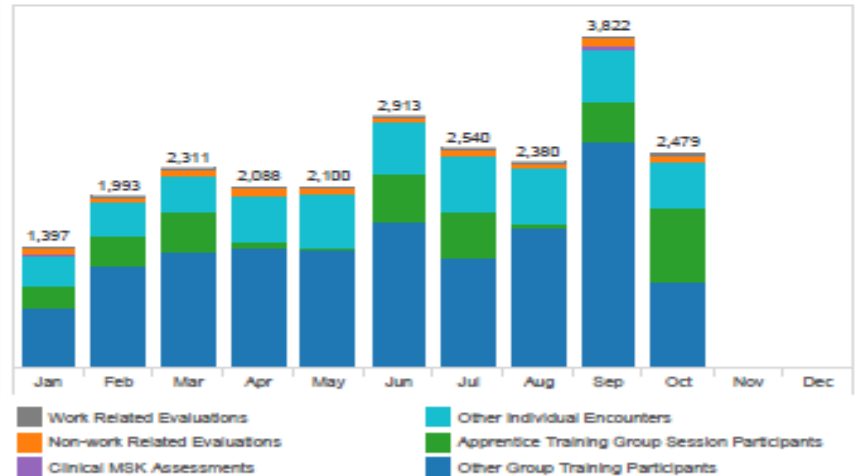
**IA Actions YTD Status by Division** (229 Actions)



**Employee Training** (896 Employees)



**Briotix** (24,023 Employee Encounters)



**Safety Assessments**



# Schumaker & Company Safety Assessment in Action

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## The 2017 Assessment revealed:

“PSEG LI has an effective safety organization...that has created an open safety culture within the company.”

“Employees believe PSEG LI demonstrated a commitment to safety and its improvement from the first day it assumed responsibility for the operation and maintenance of LIPA’s transmission and distribution assets.”

## Significant Progress made in 2019 addressing Schumaker recommendations:

- Continuously repairing and/or replacing damaged material storage racks in all operating yards.
- Improved securing and tagging of equipment removed from operations until disposal.
- Continuously improving the investment recovery practice to assure disposal of obsolete tools and equipment in a timely manner.
- Added one (1) FTE to the Health and Safety Compliance organization in addition to the use of internships for special projects.
- Increased use of the PSEG Long Island Learning Management System for tracking technical training.
- Increased training and safety support staffing to strengthen technical skills and safety based employee training.

# Continuous Improvement Initiatives

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- **Partners in Leadership – The Power of More** taking our culture of accountability to new heights
- **Enhanced self-assessments** focused on regular in-depth risk analysis and hazard prevention actions that improve cross collaboration and solve accountability gaps
- **Enhanced Incident Analysis** resulting in better recommendations and implementation of recommendations at the root cause
- **Employee Stretching** 100% prior to performing physical work
- **Cell Phone Disabling Technology** to protect employees against distracted mobile device use habits
- **Investing in Employee Development** with more frequent and tailored skills based training for craft workers and safety professionals to reduce the risk of OSHA violations and non-compliance with company practices