

Wyoming Department of Environmental Quality – Air Quality Division
New Source Review Internal Business Process Review
Briefing Paper

Objective

The Wyoming Department of Environmental Quality received funding from the legislature to implement a new agency-wide Information Technology (IT) system. A completely new system, it will be implemented in phases as environmental programs are integrated one-by-one into the system. The Air Quality Division’s New Source Review (NSR) program is one of two programs selected for the first phase of implementation. Minor source oil and gas permitting is the first Air Quality business process targeted for implementation into the new IT system. Recognizing the rare opportunity of establishing new electronic business processes afforded by building a brand new IT system, NSR is undertaking an internal review of the existing business processes associated with minor source oil and gas permitting. NSR is contracting with Guidon, a Lean Management (Lean) business process review facilitator experienced in air quality environmental management, to guide the internal review from concept to completion. Results from the internal review will guide the IT implementation efforts for the oil and gas minor source permitting process and reduce the number of non-value added activities integrated into the agency-wide electronic system.

Why Lean?

Lean is traditionally a business tool of the manufacturing industry to eliminate waste (non-value added activity) in the building of a product or delivery of a service. Pioneering states like Delaware and Iowa successfully refined their air quality permitting processes using Lean to achieve significant, tangible results. Delaware was able to reduce the total time to issue a minor air construction permit to 76 days. Iowa reduced the time to issue a minor source air permit, not including statutory time frames, from 62 days to 6 days (see *Working Smart for Environmental Protection Improving State Agency Processes with Lean and Six Sigma*, available on EPA’s website at <http://www.epa.gov/lean/>). Impressive as these results are, it is even more important to note that Lean changes are sustainable, by design. Using the Kaizen Event process, a Lean tool, NSR and affected stakeholders will determine whether each step in the current permitting process adds value to the process or not. Non-value added activity will be removed from the oil and gas minor source permitting process. Additional steps may be introduced in the Kaizen Event to reduce waste in the permitting process. At the end of the 5-day Kaizen Event, a detailed plan to streamline the current permitting process will be presented by the Kaizen Team for immediate implementation.

Real Results in 5 Days?

While there are 1-2 days of preparatory work, including training for the Kaizen Event participants, the focus of the 5-day Kaizen Event is to make small, achievable, long-term changes to the process. Kaizen is not about loosening environmental regulations or the agency’s commitment to environmental protection, but rather it identifies regulations as requirements that must be met through the business process. Proposed changes from the Kaizen Event center on workflow, paper processing, number of steps in our process, etc. Changes resulting from a Kaizen Event may expose existing regulations that limit the agency’s ability to further reduce the time it takes to issue a permit, but these will be addressed through strategic planning and continual process improvement.

<p><u>Kaizen</u>- Japanese term that means continuous improvement.</p>
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Criteria for Participation in the Kaizen Event

Using a general rule of thirds, Air Quality Management created a preliminary list of approximately 17 individuals who are either (1) directly involved in day-to-day operations; (2) touch the process but do work on it on a regular basis; or (3) are external stakeholders directly affected by the process. The preliminary participant list is provided below.

Individuals who choose to voluntarily participate on the Kaizen Event team must be entirely committed to the success of this event. This includes participating in all pre-event, event, and post-event meetings. Meetings will be held in Cheyenne, Wyoming. Air Quality staff will be reimbursed for travel expenses associated with the Kaizen Event, however team members not working for the State of Wyoming will cover travel costs out-of-pocket. Meetings will operate under guidelines that will be established in the Pre-event meeting. To remove unnecessary distractions, cell phones, pagers, and personal digital assistants (PDAs) will be turned off during the meeting. There will be scheduled breaks to allow participants to check their digital devices, but returning to the office is prohibited. This applies to Air Quality staff as well.

DEQ Director, Deputy Director, and AQD Administrator Participation

Top management plays a vital role in communicating the importance of building an organizational culture accepting of continual improvement and innovation. Management’s clear commitment can help dispel employees’ job security concerns and the counter productive attitudes that this effort is only the “flavor of the month” business improvement project. Recognizing the importance of clear communication with top-level management, daily briefings will be held after the Kaizen Event to inform management of the team’s progress. Management is encouraged to observe the Kaizen Event as scheduling allows.

Participant List (18)

<u>Air Quality (5)</u>	<u>Impacted People (7)</u>	<u>Industry Stakeholders (6)</u>
Chad Schlichtemeier Cynthia Madison Mark Smith Gail Eckert Andrew Keyfauver	Darla Potter (AQD) Jennifer Frazier (AQD) Chris Hanify (AQD) Erin Peterson (AQD) Cole Anderson (AQD) Stewart Griner (AQD) Leah Krafft (WQD)	David Stewart, Encana Jim Sewell, Shell Ron LePlatt, Questar Jennifer Knowlton, Yates Phillip Schlagel, Anadarko Chris Smith, BP

Kaizen Event Schedule

Pre-event and Kaizen event meetings will be hosted in Cheyenne. DEQ will provide basic facility accommodations and materials for the meetings. Morning snacks, lunch, and afternoon snacks will be provided. The 30-day and 60-day post-event meetings will also be held in Cheyenne. Subsequent meetings may be teleconferenced. Again, attendance in all post-event meetings is mandatory for members of the Kaizen Team.

Meetings	Date	Approximate Meeting Length
Pre-event	May 31 st	2-4 hours
Kaizen	June 18 th -22 nd	5 days
Follow-Ups	30, 60, 90 days after Kaizen	2-4 hours
Audits	6 months and 1 year after Kaizen	2-4 hours

If you have questions please contact Cole Anderson, Air Quality Engineer, with the New Source Review program.

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