

June 21, 2023

**TO:** Chairman and Members of the Board of Directors

**FROM:** Robert C. Thompson, General Manager

**SUBJECT: General Manager's FY 2022-2023 Work Plan Year-End Report**

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I am pleased to present the year-end report for the Fiscal Year 2022-2023 Work Plan. The Work Plan has 17 individual goals organized under four Strategic Planning categories: Business Principles, Environmental Stewardship, Wastewater Management, and Workplace Environment. The Work Plan was reviewed and approved by the Steering Committee and Board of Directors in June 2022 and a mid-year update was provided in January 2023. Fourteen items in the work plan have been completed and three will carry over into fiscal year 2023-2024.

### 1. Business Principles

- **Rate Study** – In preparation for establishing a new five-year rate program, conduct a five-year rate study to determine customers' fair and equitable share of collection, treatment, and disposal costs. Develop an accurate rate model which ensures full cost recovery and provides support to the Proposition 218 notifications. This comprehensive rate study allocates costs to flow, biochemical oxygen demand, total suspended solids for the purpose of billing different customer classes including high flow and high strength dischargers and will be applicable to all fees and charges including annexation fees and urban runoff fees. Study to be completed by Dec. 31, 2022.

**UPDATE: Complete.** The 2022 Wastewater Rates, Fees, and Charges Study was completed and submitted to the Board of Directors on December 15, 2022, for acceptance.

- **Asset Management Plan** – Create an annual Asset Management Plan documenting the condition of the collection system, treatment plants, and upcoming maintenance or capital projects by December 31, 2022.

**UPDATE: Complete.** The Asset Management Plan was completed and adopted at the December 15, 2022, Board Meeting.

- **Interagency Agreements for Wastewater Service** – Conduct an analysis of consolidated agreements set to expire to determine affected agencies, potential risks, opportunities, and a path moving forward by June 30, 2023.

**UPDATE: Complete.** Conducted an analysis of consolidated agreements set to expire to determine affected agencies, potential risks, opportunities, and developed a path moving forward.

## 2. Environmental Stewardship

- **Food Waste Treatment** – Continue to meet on a quarterly basis with potential food waste pre-processors on the feasibility of potential food waste process technology and siting logistics. Collaborate with CASA to draft uniform standards for food waste slurry with an update to the Board of Directors by December 31, 2022.

**UPDATE: Complete.** In April and May, OC San held successful discussions with representatives from Moulton Niguel Water District, Santa Margarita Water District, South Orange County Wastewater Authority, and Irvine Ranch Water District. Each agency expressed interest in the opportunity to collaborate with OC San and Orange County Waste & Recycling (OCWR) to develop a unified set of specifications for food waste slurry and the possibility of accepting food waste into their existing or future digesters. The standards have been drafted utilizing Los Angeles County Sanitation District's specifications with modifications based on Orange County's needs. OC San will be scheduling a meeting with OCWR this month to discuss next steps on OCWR's future planning efforts to construct a regional food waste processing facility.

- **Urban Runoff Optimization Study** – Advertise for a Request for Proposal for an interagency study among OC San, Orange County Water District, and Orange County Watersheds to study the feasibility of accepting additional dry weather urban runoff and potential stormwater harvesting by October 31, 2022.

**UPDATE: Complete.** The Urban Runoff Optimization Study, PS 21-06, advertised on September 15, 2022.

- **Energy Resilience** – Investigate energy storage options to build resilience and offer potential cost savings. Work with the consultant as part of the Energy Master Plan Study and report to the Board of Directors by June 30, 2023.

**UPDATE: Continuing.** The consultant on the Energy and Digester Gas Master Plan, PS21-04, is looking at energy storage options as part of their Energy Resiliency and Independence Technical Memorandum. The draft is scheduled to be complete by the end of June 30, 2023. The final will be complete by the end of September 30, 2023. A report will be provided to the Board of Directors by October 31, 2023.

- **Fleet long-term strategy** – The current fleet of vehicles are aging and will be subject to new regulations that will require a change in the way they are fueled and will require significant new infrastructure facility changes. Staff will prepare a study based on probable adopted requirements outlining fleet procurements and infrastructure changes necessary to meet the new requirements by December 31, 2022.

**UPDATE: Complete.** Staff has prepared a Fleet Management Strategy based on the most probable adopted regulations and new compliance rules that potentially will require infrastructure facility changes.

- **Headquarters Educational Display** – Develop an educational display for the headquarters building to illustrate OC San's reuse and recycling efforts in support of the environment and public health. Have plan approved and in production by June 30, 2023, for installation by December 2023.

**UPDATE: Complete.** Design of the educational displays are in progress and on track to be approved by the project team by June 30, 2023 for production and install by December 2023. An update on the educational display was presented to the January Steering Committee. Based on direction of the Steering Committee, a future hands-on, educational design expansion will be added to the outdoor patio area.

- **Member Agency Outreach Program** – Develop an outreach program for member agencies regarding inflow and infiltration, FOG, and saltwater issues within their sewer systems. The program will aim to educate, inform, and reduce these elements affecting the local and regional sewer system by June 2023.

**UPDATE: Complete.** Reconvened regional Sanitary Sewer Waste Discharge Requirements (WDR) workgroup in November 2022 to revamp governance, workgroup mission, and review 2022 State Water Resources Control Board Sanitary Sewer WDR. OC San will resume a prominent leadership role in the renamed OC WDR workgroup in 2023 and beyond. In addition, a Fats, Oils and Grease (FOG) Member Outreach Toolkit was created and shared with member agencies in October 2022 for distribution to the public within our service area via their distribution channels including website, social media, newsletters, and bill inserts. A letter to agency personnel was also distributed November 2022 with general instructions on how to address infiltration issues.

- **Industrial Users Award Program** – Develop an award program with the qualifying criteria for an Industrial Users Award Program for consideration by the Board of Directors by December 31, 2022.

**UPDATE: Complete.** The OC San Pretreatment Honor Roll Program was successfully launched in December 2022. Staff collaborated to develop program elements and outreach material for industrial dischargers, board of directors, and the public. Thirty-seven businesses were recognized at the 2022 State of OC San as the inaugural class of OC San's Pretreatment Honor Roll Program of 2022.

### 3. Wastewater Management

- **Supercritical Water Oxidization** – Complete the commissioning of and begin demonstration of the pilot project by June 30, 2023, subject to regulatory permitting.

**UPDATE: Continuing.** The pilot unit is undergoing factory testing and will be shipped to Plant No. 1 this summer. The site at Plant No. 1 is under construction to support delivery of the containers. South Coast Air Quality Management District sent a draft research operation permit in June 2023. It is anticipated that a final permit will be issued in summer of 2023. Staff anticipate a fall 2023 startup.

- **Chemical Sustainability Policy** – Utilize the recently produced Chemical Sustainability Study to perform testing for dosage reduction or chemical substitution and report back to the Board of Directors by June 30, 2023.

**UPDATE: Complete.** As reported in various chemical agenda items, OC San has finalized the Chemical Sustainability Study. A list of alternative chemicals has been identified, and additionally, implementation and testing requirements have been developed. The current chemicals in use are the most cost effective for our process requirements. In the event of a long-term supply disruption of chemicals, OC San will utilize the identified alternative chemical(s) and associated test plans to maintain process parameters in accordance with permit requirements.

- **GWRS Final Expansion** – Headworks Modifications at Plant No. 2 for GWRS Final Expansion will be substantially completed by January 2023. OC San will host a commemorative event for the achievement of reusing 100 percent of the reclaimable flow upon completion of the Groundwater Replenishment System's Final Expansion. Celebrate the milestone and acknowledge the accomplishment with staff and stakeholders by June 2023.

**UPDATE: Complete.** Headworks Modifications at Plant No. 2 for GWRS Final Expansion were substantially completed on December 6, 2022. OC San celebrated the achievement of reusing 100 percent of the reclaimable flow and

the GWRS final expansion with commemorative glasses to the employees and Board of Directors, celebratory and appreciation messages throughout internal and external communications and a celebratory event for the final expansion of GWRS with more than 350 attendees.

#### 4. Workplace Environment

- **Scanning & Paper Reduction** – Continue implementation of the trusted system in the Contracts, Purchasing and Finance divisions while incorporating fully digital processes to reduce the use of paper by June 30, 2023.

**UPDATE: Continuing.** Gathering requirements for Phase II of the implementation of the trusted system in the Contracts, Purchasing and Finance divisions. Going out for RFP first quarter of Fiscal Year 2023-2024.

- **Emergency Management** – Support countywide emergency preparedness, response, and recovery efforts by partnering with entities, such as the Water Emergency Response Organization of Orange County, Orange County Sheriff's Department, and local fire departments to plan and continue to conduct two emergency preparedness exercises by June 30, 2023.

**UPDATE: Complete.** OC San planned two emergency response exercises for the fiscal year, including a simulated cyber-attack and a simulated Tsunami response exercise in May. The cyber exercise was developed with support from the Cybersecurity and Infrastructure Security Agency, an operational component of the Department of Homeland Security, to evaluate both IT response and manual operation of the treatment plants. The simulated Tsunami exercise was a multi-agency effort, managed by the Orange County Emergency Management Organization (OCEMO). OC San's Emergency Operations Center was activated, a tabletop exercise developed by both OC San's Risk Management team and the OCEMO was performed, and Plant No. 2 and Collections staff conducted a shelter-in-place drill.

- **Warehouse Modernization** – Implement remote warehousing at Plant No. 2 to allow for the demolition of the current warehouse facility for construction of new digesters. Relocate Plant No. 2 Warehouse staff and inventory to Plant No. 1 by June 2023. Advertise Warehouse Stations and Demolition at Plant No. 2, FE21-05, for construction bids by March 31, 2023.

**UPDATE: Complete.** Remote warehousing was implemented at Plant No. 2 to allow for the demolition of the current warehouse facility for construction of new digesters. Plant No. 2 Warehouse staff and inventory were relocated to Plant

No. 1. The Collections Yard Relocation and Warehouse Demolition at Plant No. 2, J-127, was advertised on March 2, 2023.

- **Centralized Training Program** – Develop a Centralized Training Program with levels of service to be implemented by June 30, 2023.

**UPDATE: Complete.** Human Resources (HR) has gathered and analyzed data from all departments regarding training needs, requests, and budgets to formulate a plan to transition training responsibilities from individual departments to HR over the next two years. On July 1, 2023, OC San will begin to formally transition to a centralized training program with HR having the responsibility for planning, developing, implementing, and evaluating all employee training. The updated program will include training profiles that are based on individual classifications and work groups and be responsive to the needs of the organization, and in alignment with OC San's core values, strategic plan, levels of service and the general manager's work plan. Centralization will provide greater consistency in training delivery, mitigate risk, ensure legal compliance, facilitate recordkeeping, and help us achieve economies of scale.

RCT:jc