

January 27, 2021

TO: Chairman and Members of the Board of Directors

FROM: James D. Herberg, General Manager 

SUBJECT: **General Manager's Fiscal Year 2020-2021 Work Plan Mid-Year Update**

I am pleased to present the mid-year update for my Fiscal Year 2020-21 Work Plan. The Work Plan has 17 individual goals organized under four Strategic Planning categories: Business Principles, Environmental Stewardship, Wastewater Management, and Workplace Environment. At the mid-year point, five of the 17 goals have been completed and the remainder are in progress for completion by the end of the fiscal year.

1. **Business Principles**

- **Budget Control and Fiscal Discipline** – Provide the Administration Committee with an analysis of options, including an IRS Section 115 Trust for funding the Sanitation District's pension obligations by October 31, 2020.

UPDATE: Complete. Options were presented to the Administration Committee in September. The Committee directed staff to create and issue a Request for Proposal (RFP) for Section 115 Trust Services. The RFP was issued on January 11, 2021.

- **Asset Management** – Update the Asset Management Plan by December 31, 2020 including an inventory of critical assets for each process area and the collection system; an evaluation of their condition and performance; and an updated implementation plan to maintain, rehabilitate, and replace these assets to meet the required levels of service at the lowest life cycle cost and at an acceptable level of risk.

UPDATE: Complete. The Asset Management Plan was completed and presented to the Operations Committee and Board of Directors in December.

Serving:

Anaheim
Brea
Buena Park
Cypress
Fountain Valley
Fullerton
Garden Grove
Huntington Beach
Irvine
La Habra
La Palma
Los Alamitos
Newport Beach
Orange
Placentia
Santa Ana
Seal Beach
Stanton
Tustin
Villa Park
County of Orange
Costa Mesa Sanitary District
Midway City Sanitary District
Irvine Ranch Water District
Yorba Linda Water District

- **Headquarters Project** – Complete site preparation for the new Headquarters facility, Project P1-128C, by June 30, 2021.

UPDATE: Complete. Demolition of the four buildings on the site is complete. Site preparation will be completed by early 2021.

- **Cybersecurity/Safety** – Develop and conduct two emergency response and recovery drills for our interplant digester gas line and a cybersecurity breach by June 30, 2021.

UPDATE: In Progress. Liberty Energy Services has been secured to assist with this goal. They will work directly with Risk Management to assist with development and evaluation of the interplant digester gas line exercise. The exercise is currently being planned by Risk Management with input from Operations and Liberty. The exercise is scheduled for April 28, 2021.

- **Property Management** – Inspect real property, easements, and rights-of-way for encroachments and encumbrances which limit access or impede proper use of the right by December 31, 2020. Develop action plans by June 30, 2021 that restore long-term use for identified encroachments or encumbrances.

UPDATE: In progress. Real property, easements, and rights-of-way have been verified and entered into the Land Record Information System. Inspection for encroachments that impede, or limit OC San access or use are currently underway. Action plans will be complete by June 30, 2021.

2. Environmental Stewardship

- **Energy Independence** – Overhaul two Central Generation Engines to begin the second 25-year operations cycle for the Central Generation Facilities by June 30, 2021.

UPDATE: In progress. The first engine overhaul has encountered problems. The vendor completed their work on two separate occasions and testing on both occasions resulted in major component failure (wrist pins, pistons, rings, and cylinders). OC San is working with the vendor and third-party specialty inspectors to verify the failure modes and assure a quality rebuild. The second engine will not be released to the current vendor until such time as the first engine is working and an acceptable quality assurance program is demonstrated.

- **Climate and Catastrophic Event Resilience** – Execute a contingency biosolids disposal agreement with Orange County Waste and Recycling (OCWR) to formally establish a local emergency failsafe biosolids disposal option by March 31, 2021.

UPDATE: In progress. Staff have been in discussion with OCWR and Orange County Health Care Agency (OCHCA) to negotiate access to local landfills for emergency failsafe biosolids disposal. OCWR and OCHCA provided guidance to OC San on obtaining access, and staff are working to memorialize these protocols in an agreement to ensure access.

- **Food Waste Treatment** – Complete market assessment for food waste feedstock co-digestion at OC San. Solicit bids to construct the Interim Food Waste Facility at Plant No. 2, Project P2-124, by December 31, 2020.

UPDATE: Complete. A market assessment (Request for Information) was completed as of October 22, 2020. Draft contracts were issued to three food waste haulers in November 2020. Solicitation for bids to construct the Interim Food Waste Facility at Plant No. 2 advertised on December 1, 2020. Construction is anticipated to be completed by fall 2022.

- **Water Reuse – Complete.** Study alternatives to reduce the use of City Water in its operations by October 31, 2020 and implement water saving measures by June 30, 2021.

UPDATE: Staff presented a plan to the Operations Committee in September to significantly reduce City Water use by substituting plant water for City Water in select chemical make down systems and by reducing irrigation usage. A more comprehensive, longer term engineering study is scheduled to reassess the City water, reclaimed water, and plant water systems at both treatment plants.

- **Environmental Water Quality, Stormwater Management and Urban Runoff**– Complete business process mapping for source control permit management, compliance data management, and Environmental Protection Agency compliant reporting to evaluate the current system and alternatives for enhancing the system. Complete final report and recommendations by March 31, 2021.

UPDATE: In progress. The IT Department has taken the lead to select an external vendor to perform the business process mapping and produce over 40

Standard Operating Procedures to support source control permitting and enforcement data management and compliance with the United States Environmental Protection Agency's Cross-Media Electronic Reporting Rule (CROMERR) requirements. Due to resource constraints and the ongoing pandemic, the final report and recommendation are expected by March 31, 2022. A progress update will be provided to the Board by June 30, 2021.

3. Wastewater Management

- **Chemical Sustainability** – OC San will develop a plan to maintain at least two suppliers for Iron based coagulants at all times with a final report out to the Board of Directors by June 30, 2021.

UPDATE: In progress. OC San continues to survey the ferric chloride market for additional suppliers. Currently OC San contracts with two independent suppliers, Kemira and Pencco. Each supplier has the capacity to fulfill the agency's entire current ferric chloride demand. Based on current contracts, OC San has the option to renew with Kemira and Pencco for the next three years. A final report will be presented to the Board by June 30, 2021.

- **Biosolids Management** – Conduct an annual review of the regulatory aspects of the OC San Biosolids Management Plan to adjust for evolving regulations for contaminants of emerging concern and update contingency options as needed. Provide an informational update to the Board of Directors by June 30, 2021.

UPDATE: In progress. Staff provided an update on contingency options for biosolids management to the Operations and Administration Committees in November 2020. A programmatic information update will be provided to the Board of Directors by June 30, 2021.

- **Constituents of Emerging Concern** – Continue OC San's leadership role in developing analytical capability, advocating for sound science and regulations, and identification of significant sources in constituents of emerging concerns such as per- and polyfluoroalkyl (PFAS) and microplastics. Provide an informational briefing to the Board of Directors by June 30, 2021. Provide preliminary results from the California State Water Resources Control Board investigative order for PFAS by June 30, 2021.

UPDATE: In progress. An information briefing was provided to the Operations Committee in October 2020. OC San has hired CDM Smith to assist with the

PFAS sampling and analysis required by the State Water Resource Control Board's Investigative Order, and the first set of sampling is scheduled to commence in early 2021. OC San is on track to meet the time schedule and requirements of the Investigative Order.

4. Workplace Environment

- **COVID-19 Pandemic Response and Recovery** – Continue to respond to the COVID-19 pandemic with operations remaining in full permit compliance while providing a safe workplace and complying with the Center for Disease Control and Prevention health official guidance, and applicable employment and labor laws. Develop a “reopening plan” and present it to the Board of Directors by September 30, 2020.

UPDATE: In progress. OC San has remained in full compliance during the pandemic. Plans, policies, and procedures have been established and followed ensuring a safe workplace and compliance with health official’s guidance and labor laws. These plans and regular updates have been shared with the Board of Directors on a weekly basis. OC San completed an update of the COVID-19 Pandemic Response Program to address the new Cal/OSHA COVID-19 Prevention Regulation in January 2021.

- **Safety and Physical Security** – Complete implementation of an Industrial Hygiene Program and a Job Safety Analysis program to meet the Voluntary Protection Program requirements by June 30, 2021.

UPDATE: In progress. On November 2, 2020, Standard Operating Procedures were implemented for OC San's Industrial Hygiene and Hazard Assessment and Risk Control programs, which are needed to meet Cal/OSHA's Voluntary Protection Program (VPP) requirements. Staff has developed plans to conduct annual quantitative assessments for the Industrial Hygiene program, and a database which will be operational by June 2021. Additionally, staff are creating employee training on hazard identification to address Job Safety Analysis program requirements.

- **Classification and Compensation Study** – Begin preparations for an agency-wide Classification and Compensation Study by completing a Request for Proposal for a specialized vendor and accessing, discussing, and meeting and conferring regarding the 17 survey agencies by June 30, 2021.

UPDATE: In progress. An overview presentation on Classification and Compensation was provided to the Steering Committee in October 2020 in preparation for the upcoming agency-wide Classification and Compensation Study. Human Resources is preparing the scope of work for the Request for Proposals (RFP) process, which is targeted to begin in February 2021. The RFP process will yield a specialized vendor for the comprehensive study that ultimately will update job descriptions, analyze salary market position against survey agencies, review internal equity, etc. OC San plans to meet and confer with the bargaining units regarding survey agencies early in the process once a vendor is selected.

- **Succession Planning** – Conduct two specialized training classes for supervisors, managers, and executive management team members and provide organizational awareness coursework via OCSD University for all employees with a final report out on June 30, 2021.

UPDATE: In progress. Two specialized training classes were provided to supervisors, managers, and executive management team members as part of Human Resources' Back to Basics training program, designed to provide the tools and resources needed to navigate the core functions of OC San. Navigating Public Sector Employment Law, was provided virtually on June 16 and focused on employment relations/labor relations, employment related laws, and the roles of supervisors, managements, HR, and legal counsel. The second training offered on September 22, covered performance management fundamentals and tools available to ensure a successful working relationship.

Through OCSD University, employees can access organizational awareness content by attending live virtual presentations or viewing pre-recorded video content. Since the launch of OCSD University in September, several introductory-level live sessions have been offered to employees: Purchasing, Microsoft Teams, COVID-19 Sewage Surveillance, and Capital Improvement Program. All the live sessions are recorded so that employees with various shifts can view the content at their convenience. Additionally, the following organizational awareness videos are available for employees to view on demand: Joint Virtual Tour with OC San and OCWD, Environmental Services (Compliance), Wastewater Treatment Introduction, and Basic Wastewater Math. A final report out will be provided to the Board of Directors by June 30, 2021.