

June 24, 2026

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

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



**SUBJECT: General Manager's FY 2025-2026 Work Plan Year-End Report**

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I am pleased to present the year-end report for my Fiscal Year 2025-2026 Work Plan. The Work Plan had 21 individual goals organized into four Strategic Planning categories: Business Principles, Environmental Stewardship, Wastewater Management, and Workplace Environment. Nineteen of the 21 goals have been completed. One goal related to the Pretreatment Information Management System will continue into the next fiscal year. The Supercritical Water Oxidization goal will be removed from the GM Work Plan due to its success, contingent upon the performance of the third-party vendor.

### **1. Business Principles**

- **CIP Staffing Plan** – Create a Capital Improvement Program (CIP) staffing plan by December 31, 2025, to minimize Supplemental Engineering Services, improve succession planning, and streamline the project delivery process.

**Update: Complete.** The staffing plan was completed and presented at the October Operations and Administration Committees.

- **Customer Service Portal** – Complete the project Scope of Work, conduct a Request for Proposal, and award a contract to create a customer service portal by June 30, 2026. The portal will allow external stakeholders to access information, manage accounts, and interact with OC San's services to improve convenience and service efficiency.

**Update: Complete.** The Customer Service Portal on the ServiceNow platform is active. The first portal service area is the Easement Disposition. Additional services have been identified and will be added.

- **Small and Replacement Projects Funding Process Improvement** – Develop a new process for funding small replacement and repair projects to create more transparency, efficiency, and budget control by December 31, 2025.

**Update: Complete.** Finance and Engineering collaboratively developed the new process for small project funding. The process meets the needs of OC San and provides more transparency and budget control.

- **Operational AI Opportunities** – Identify and prioritize opportunities to optimize OC San administrative, operational and treatment processes through the application of Artificial Intelligence (AI). This may include leveraging historical SCADA data, CMMS data, LIMs data, and potentially visual information for an AI system that can prompt operators by June 30, 2026.

**Update: Complete.** O&M, IT and Engineering collaboratively identified relevant operational AI opportunities. Staff has prioritized the initiatives for feasibility of implementation.

- **Cybersecurity** – Conduct a cyber penetration test and red team assessment of the process control systems by June 30, 2026.

**Update: Complete.** A vendor has been selected and planning for the testing is underway. The penetration test / red team assessment was completed in May.

- **Delinquent Fee Policies for Discharge Permits** – Update OC San ordinances and policies regarding delinquent fees and penalties for discharge permits by March 31, 2026.

**Update: Complete.** Finance, Environmental Services, and General Counsel have reviewed existing ordinances and policies, and identified areas of improvement. Policies and procedures have been updated.

- **Digital Asset Management** – Receive final technical memos for proposed asset database improvements and risk framework for major, critical assets by June 30, 2026.

**Update: Complete.** The final risk framework technical memorandum remains on track for completion by June 30, 2026.

- **Debt Financing** – Identify and pursue debt refunding opportunities that reduce costs for OC San and its ratepayers. If refunding criteria are met, complete the transaction by March 31, 2026.

**Update: Complete.** Working with our financial advisor, we successfully refunded the 2016A debt issue saving OC San and its ratepayers approximately \$14 million over the life of the debt.

## 2. Environmental Stewardship

- **Vehicle Mobility Study** – Conduct a study to right-size OC San's transportation fleet and support compliance with clean air standards by June 30, 2026.

**Update: Complete.** The study has been completed, and the report is being drafted.

- **Fats, Oil, and Grease (FOG) Outreach** – Develop updated Fats, Oils and Grease outreach and compliance materials for food service establishments within OC San service area by June 30, 2026.

**Update: Complete.** An updated FOG binder is now available for distribution to food service establishments in OC San's service area. The binder includes material in written form as well as graphical illustrations to help deliver the messages.

- **Pretreatment Information Management System** – Develop a Scope for Work (SOW) for a Pretreatment Information Management System to replace the existing system by June 30, 2026.

**Update: Carry Over.** Staff are continuing to conduct pretreatment business process analyses, comparable platforms, and scoping workshops to ensure alignment with ordinances and operating protocols.

- **Industrial Waste Survey** – Update the Industrial Waste Survey program to utilize information management tools to gather business licensing information to more effectively identify sewer users that are required to have discharge permits by June 30, 2026.

**Update: Complete.** The Industrial Waste Survey Program has been updated, and the preliminary list of potential permittees has been sorted to prioritize enrollment of the federal categorical dischargers into OC San's permitting system.

## 3. Wastewater Management

- **Plant No. 1 Distributed Control System Human Machine Interface** – *(Carried over from FY 24/25)* Transition Plant No. 1 to the ABB Distributed Control System under project J-120 by March 31, 2026.

**Update: Complete.** All of Plant No. 1 CRISP (process and electrical) are now running in ABB. Operations staff are now primarily relying on ABB Distribution

Control System at Plant No.1, with the CRISP control system maintained as a backup. We are targeting July 1, 2026 to decommission CRISP at Plant No. 1.

- **Property Management** – Conduct surveys of properties with identified encroachments or access limitations to OC San's property rights by June 30, 2026.

**Update: Complete.** The assessment of OC San easements is complete, and surveys are ongoing.

- **Supercritical Water Oxidization** – *(Carried over from FY 24/25)* Complete the six-month vendor demonstration of the six-ton Supercritical Water Oxidation unit by March 31, 2026.

**Update: Closed.** 374Water Inc. has continued development of its AirSCWO Nix6 Supercritical Water Oxidation system and successfully demonstrated 48-hour factory runtime testing at a reduced capacity of 3.5 tons per day. Based on the progress achieved to date and the successful advancement of the technology, this goal is recommended for removal from the GM Work Plan. Future vendor development and acceptance testing activities will continue to be monitored through normal project management processes.

- **Biosolids Deep Well Injection** – (1) Initiate Phase 1 biosolids deep well injection permitting process by October 31, 2025, and (2) develop the outreach Scope of Work for Phase 1 of the biosolids deep well injection program by June 30, 2026.

**Update:** (1) **Complete.** Initiated the permitting process. (2) **Complete.** The Request for Proposal was completed, and a firm has been selected. The contract is scheduled for award at the June Administration Committee/Board meeting.

- **High Flow Exercise** – Develop and conduct a comprehensive high flow exercise by June 30, 2026, to evaluate Emergency Operation Center performance, processes, and operational efficiency. This exercise will simulate high influent wastewater emergencies and ruptures affecting the Santa Ana River Interceptor (SARI) trunkline to ensure preparedness and coordination among all relevant departments and agencies.

**Update: Complete.** In May 2026, OC San conducted a comprehensive tabletop exercise for the High Flow Emergency Operations Plan (EOP), facilitated by a third-party consultant. The exercise simulated high influent wastewater emergencies and SARI trunkline rupture scenarios to evaluate the effectiveness of emergency response protocols, strengthen cross-functional

coordination, and enhance Emergency Operations Center decision-making and communications capabilities.

#### 4. Workplace Environment

- **Physical Security Master Plan** – Develop a physical security master plan based on findings from past audits and surveys with a focus on mitigating risk, compliance with applicable regulations and standards, and enhancing security measures in OC San facilities and operations by June 30, 2026.

**Update: Complete.** Development of the Physical Security Master Plan remains on track for completion by June 30, 2026. The project deliverables included field threat assessments of key facilities, a review of historical audit reports and security surveys, and interviews with designated OC San staff and security personnel to validate operational needs and priorities. The report will include prioritized recommendations and risk mitigation strategies addressing identified gaps and vulnerabilities, and proposed security enhancements to support long-term facility protection and operational resilience.

- **Operator Certification Support** – Develop and implement a wastewater laboratory and data science training curriculum to support wastewater operator certification by June 30, 2026.

**Update: Complete.** The training modules have been developed and are under final review by O&M managers.

- **Vocational Training** – Investigate partnership opportunities with vocational training institutions to enhance workforce sourcing efforts, with a focus on addressing hard-to-fill positions by June 30, 2026.

**Update: Complete.** Staff expanded engagement with local vocational and educational institutions by participating in advisory councils and building partnerships with Long Beach City College, Summit College, Southern California Institute of Technology (SCIT), Irvine Valley College, and the School of P.E. These efforts are supporting the development of sustainable talent pipelines for hard-to-fill positions in instrumentation, electrical trades, and professional engineering. Additionally, in September 2025 and April 2026, OC San hosted and made available to employees and the public, wastewater operator certification test preparation courses for Grade III and Grades IV/V licensing levels. This effort helped prepare current employees for advancement opportunities while also attracting external talent for hard-to-fill specialized positions.