


January 26, 2022

TO: Chairman and Members of the Board of Directors

FROM: James D. Herberg, General Manager 

SUBJECT: **General Manager's Fiscal Year 2021-2022 Work Plan Mid-Year Update**

I am pleased to present the mid-year update for my Fiscal Year 2021-22 Work Plan. The Work Plan has 23 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 23 goals have been completed and the remainder are in progress for completion by the end of the fiscal year.

1. Business Principles

- **PAPERLESS OFFICE** – Incorporate the trusted system and implement a fully digital process to reduce the use of paper by June 30, 2022.

UPDATE: In progress. The system installation and repository structure are near completion. Currently, work is underway to migrate documents into the new Laserfiche system.

- **CYBER SECURITY POLICY** – Complete the Cyber Security Incident Response Program playbooks and incorporate the playbooks into the OC San Integrated Emergency Response Plan by June 30, 2022.

UPDATE: Complete. The Cyber Security Incident Response Program playbooks were integrated into the OC San Integrated Emergency Response Plan in October 2021.

- **WAREHOUSE MODERNIZATION** – Implement remote warehousing at Plant No. 2 to allow for the demolition of the current warehouse facility for construction of new digesters. Present an implementation plan and budget for review and approval in June 2022.

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

UPDATE: In progress. Budget development and identification of key project elements is underway. The movement of inventory from Plant No. 2 to Plant No. 1 has begun and will continue through the life of the project. The project is currently on schedule to meet the June 2022 date for review and approval of the implementation plan and budget.

- **PROPERTY MANAGEMENT** – (Continued from FY 2020/21) – Complete action plans for OC San's real property, easement, and rights-of-way for encroachments and encumbrances which limit access or impede proper use of OC San's rights by December 31, 2021, that will restore long-term use for identified encroachments or encumbrances.

UPDATE: In progress. The organization and compilation of the easement and right of way information is complete. An update on the progress was presented to the Executive Management Team (EMT) in December 2021. Administrative Services and Collections Divisions are working on a rating system for the encroachments and encumbrances, along with an action plan to restore and maintain long-term use. This will be complete in spring 2022.

- **PERMIT AND REPORTING MANAGEMENT SYSTEM** – (Continued from FY 2020/21) Implement the business process mapping for source control permit management, compliance data management, and Environmental Protection Agency compliance reporting system by June 30, 2022.

UPDATE: In progress. A consultant has been selected through the Request for Proposal process. Interviews with Resource Protection staff are underway, and OC San has received the first draft of several of the business processes for review.

- **ORGANIZATIONAL ADVOCACY AND OUTREACH** - Develop a new Organizational Advocacy & Outreach policy consistent with the Strategic Plan as adopted by the Board of Directors by November 30, 2021.

UPDATE: Complete. New policy area added to the 2021 Strategic Plan which was adopted by the Board on November 17, 2021.

2. Environmental Stewardship

- **ENERGY INDEPENDENCE** – (Continued from FY 2020/21) – Overhaul one Central Generation Engine and issue a request for proposal for a study of long-term alternatives for treatment plant energy recovery by December 31, 2021.

UPDATE: In progress. Work continues on the overhaul of the Central Generation Engine at Plant No. 1. There have been some delays due to quality issues of parts, but testing is anticipated by February 2022. A scope of work for the long-term alternatives for treatment plant energy recovery is complete; proposals will be solicited in the spring 2022.

- **CLIMATE AND CATASTROPHIC EVENT RESILIENCE POLICY** – Complete the preliminary design for perimeter wall along the southwest portion of Plant No. 2 as part of the TPAD Digester Facility at Plant No. 2, Project No. P2-128, by June 30, 2022.

UPDATE: Complete. The draft Preliminary Design Report was submitted in November 2021. The Preliminary Design Report findings were approved on January 6, 2022.

- **FOOD WASTE TREATMENT POLICY** – Establish a feedstock agreement and initiate the bid process within three months of agreement finalization to accept up to 150 tons per day of food waste slurry for co-digestion. Provide an information update to the Board of Directors by December 31, 2021.

UPDATE: In progress. OC San has been meeting with two of the four solid waste management firms monthly which have recently been rescheduled to quarterly meetings. The firms no longer meeting with OC San have expressed that they cannot meet our food waste specification and requested that meetings cease. They have indicated that they will find other food waste management alternatives. The other two firms are currently working on feasibility studies to determine the type of food waste process technology and siting logistics. An information update was provided to the Board of Directors in December 2021.

- **INTERAGENCY REGIONAL WASTEWATER CAPACITY AND WATER QUALITY SOLUTIONS** – Develop the scope and objectives for interagency study among OC San, Orange County Water District, and Orange County Watersheds on feasibility of accepting additional dry weather urban runoff and potential stormwater harvesting and present to the Board of Directors by December 31, 2021.

UPDATE: Complete. Staff presented the scope and objectives of the Regional Urban Runoff Diversion Optimization Study at the December Operations Committee. Staff will be working with Orange County Water District and Orange County Public Works in the upcoming months to develop the final scope of work.

- **WASTEWATER SURVEILLANCE** – Collaborate with the Centers for Disease Control (CDC)/California Department of Public Health (CDPH) to continue developing a Wastewater Surveillance program for COVID-19 and beyond. Provide an information update to the Board of Directors by June 30, 2022.

UPDATE: In progress. OC San continues to actively work with CDPH as a partner in California's efforts to support CDC's National Wastewater Surveillance System program. Staff provides weekly and monthly updates to the EMT and will present an update to the Board of Directors by June 2022.

3. **Wastewater Management**

- **CHEMICAL SUSTAINABILITY POLICY** – Create a plan to optimize chemical usage in the treatment plants and create a plan to guide operations in the event of a sudden loss of chemical supply. Complete plans by June 30, 2022.

UPDATE: In progress. The Chemical Sustainability Study is underway. The baseline conditions and contingency planning are complete and test plans are being developed. Staff are on-track to meet the June 30 deadline.

- **BIOSOLIDS MANAGEMENT POLICY – SUPER CRITICAL OXYGENATION** Work with 374Water to initiate a research project to scale up a super critical water oxidation system to six tons per day production levels. Investigate the treatment of raw sludge, biosolids, food waste, and other organic waste stream. If practical, seek Board approval for a research project by October 31, 2021. If approved, start processing waste streams by June 30, 2022.

UPDATE: In progress. A research project and contract to 374Water was approved by the Board of Directors in December 2021. It is anticipated that commissioning of the system can begin in October of 2022. Some delays were experienced complying with the public works requirements of the project.

- **CONSTITUENTS OF EMERGING CONCERN POLICY** – Formalize a Constituents of Emerging Concern (CEC) Management Framework that emphasizes controlling PFAS and other CECs at the source. Continue to work with industry partners to

explore technologies that measure, reduce, sequester, or destroy PFAS. Provide a report with recommendations to the Board of Directors by June 30, 2022.

UPDATE: In progress. Based on monitoring results under the State Water Board's Investigative Order and other data, we are constructing the PFAS framework to control PFAS discharges from all sectors; industrial/commercial, domestic, and other agencies. We are collaborating with other agencies and technology leaders on options for PFAS management (e.g., supercritical oxidation). We have an in-house analytical method for PFAS and are tracking EPA's efforts on the wastewater and biosolids matrices. Staff will submit an update to the Board in June 2022 with recommendations.

- **INTERAGENCY EMERGENCY PREPAREDNESS AND CONTINGENCY COORDINATION** – Review contracting agencies' (e.g., SAWPA and IRWD) emergency preparedness and contingency plans to ensure compatibility with OC San's operational and regulatory constraints. Provide an information update to the Board of Directors by June 30, 2022.

UPDATE: In progress. In August 2021, OC San provided a presentation on the current and regulatory requirements for ocean discharge to the SAWPA Joint Policy Committee. Staff are continuing to assist SAWPA to update its waste discharge ordinance to incorporate emergency responses (e.g., definition, notifications, preparedness) and contingency plans to ensure alignment with OC San ordinance and regulatory mandates.

- **SUPPLEMENTAL ENGINEERING SERVICES CONTRACTS** – Procure new agreements for Supplemental Engineering Services to replace the existing Supplemental Engineering Services and Staff Support Services. Advertise the Request for Proposals by October 31, 2021.

UPDATE: Complete. Requests for Proposals were advertised on September 21, 2021. Proposals were received on November 17, 2021, and interviews conducted on December 16, 2021. Staff intends to recommend award of two new agreements in March 2022.

4. **Workplace Environment**

- **SAFETY AND PHYSICAL SECURITY** – Conduct security assessment for Plant No. 2 to determine layout and design of entry/exit points via siting study (i.e. cameras, traffic flow, reject lane, security zones) and install access card readers in all occupied buildings by June 30, 2022.

UPDATE: In progress. Risk Management staff is preparing a scope of work for a consultant to perform a Plant No. 2 security assessment. Additionally, equipment and materials have been ordered for the installation of access card readers at the Plant No. 2 Construction Management Trailers. Staff anticipates completion by June 2022.

- **VOLUNTARY PROTECTION PROGRAM** – Continue to assess and maintain all programs and training relative to a Voluntary Protection Program (VPP). Implement a Wildfire Smoke Exposure Management Program by December 31, 2021 and conduct an annual third-party review of the safety program by June 30, 2022.

UPDATE: In progress. As part of our standard process and our pursuit of the California Voluntary Protection Program (Cal/VPP) recognition, OC San continues to assess and maintain its safety and health programs, focusing on quick close out of audit findings and best practice implementation. OC San has also finalized a Wildfire Smoke Exposure Management Program, with program implementation occurring in December 2021. Staff will be trained on the Wildfire Smoke Program just before the fire season in April 2022. The third-party audit is in progress and will be completed by June 30, 2022.

- **EMERGENCY RESPONSE** – Conduct an annual exercise on Tsunami response by June 30, 2022.

UPDATE: In progress. In June 2022, OC San will conduct a Tabletop Exercise on our Tsunami Response Plan. Risk Management staff will develop the exercise utilizing reference material from the Pacific Tsunami Warning Exercise conducted by the National Oceanic and Atmospheric Administration to help formulate the scenario and source material. Staff will also incorporate Operational Area operating procedures to simulate real time reporting and communications.

- **OC SAN U** – Expand OC San U offerings to outside agencies by June 30, 2022 and continue to offer one employee training session per month that pertains to organizational awareness, leadership, communications, technology, or partnerships for the future.

UPDATE: In progress. OC San U, an employee development program managed by Human Resources with support from employee volunteers, continues to offer employees one training session per month that pertains to organizational awareness, leadership, communication, technology, and partnerships for the future. The OC San U Team anticipates expanding the program to include participation by outside agencies and is in the process of working out the logistics and developing the course content. The initial training opportunity that will be offered to outside agencies is targeted for April 2022 on the topic of leadership.

- **CENTRALIZED TRAINING PROGRAM** – Evaluate and determine agency needs for a centralized training program with defined budget, and goals with management housed under one division by December 31, 2021, in time for budget consideration for Fiscal Year 2022/2023.

UDPATE: In progress. Human Resources conducted an audit to determine if OC San's employee training program is meeting the agency's training needs effectively and is in compliance with applicable laws and regulations. The analysis included an evaluation of training topics and resources utilized (staff time and training budget). In December 2021, HR staff provided a presentation to the EMT outlining areas of opportunity and an implementation plan to move toward a centralized training program. Meetings with individual departments to further assess training needs are underway, and presentations to the EMT and Manager's group will be held in January 2022 to further refine the training program goals and budgetary considerations.

- **LABOR NEGOTIATIONS** – Facilitate Board and Board Chairman in hiring Chief Negotiator prior to December 31, 2021 and engage in contract negotiations with all unions prior to the expiration of current contracts on June 30, 2022.

UDPATE: In progress. In November 2021, OC San approved the contract with Laura Kalty of Liebert Cassidy Whitmore, who will serve as Chief Negotiator in the upcoming contract negotiations. Human Resources is on track to engage with all unions prior to the expiration of the current contracts in June 2022. Ms. Kalty will work closely with the Steering Committee, the Board, and HR to negotiate and execute tentative agreements consistent with authority granted

by the Board of Directors. HR anticipates an initial meeting with the Board in January 2022 to introduce Ms. Kalty and the HR labor team.

- **CLASSIFICATION & COMPENSATION STUDY** – Conduct an agencywide Classification and Compensation study complete analysis and Board presentations by March 31, 2022.

UPDATE: In progress. OC San's comprehensive Classification and Compensation Study to update its job descriptions and benchmark against other organizations' job and pay structures continues. Job descriptions are under revision by consultant Koff & Associates based on input gathered from employees, management, and Human Resources, with stakeholder review to follow. The compensation phase will begin in early 2022 to collect market data and benchmark OC San's classifications and pay against its comparison agencies for presentation to the Board of Directors in March 2022.