



**SPECIAL NOTICE**  
**PUBLIC ATTENDANCE & PARTICIPATION AT PUBLIC MEETINGS**  
***Steering Committee Meeting***  
***Wednesday, June 28, 2023***  
***5:00 p.m.***

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Your participation is always welcome. OC San offers several ways in which to interact during meetings. You will find information as to these opportunities below.

**IN-PERSON MEETING ATTENDANCE**

You may attend the meeting in-person at the following location:

Orange County Sanitation District  
Administration Building  
10844 Ellis Avenue  
Fountain Valley, CA 92708

**ONLINE MEETING PARTICIPATION**

You may join the meeting live via Teams on your computer or similar device or web browser by using the link below:

[Click here to join the meeting](#)

We suggest testing joining a Teams meeting on your device prior to the commencement of the meeting. For recommendations, general guidance on using Teams, and instructions on joining a Teams meeting, [please click here](#).

Please mute yourself upon entry to the meeting. Please raise your hand if you wish to speak during the public comment section of the meeting. The Clerk of the Board will call upon you by using the name you joined with.

Meeting attendees are not provided the ability to make a presentation during the meeting. Please contact the Clerk of the Board at least 48 hours prior to the meeting if you wish to present any items. Additionally, camera feeds may be controlled by the meeting moderator to avoid inappropriate content.

## **HOW TO PARTICIPATE IN THE MEETING BY TELEPHONE**

To join the meeting from your phone: Dial (213) 279-1455  
When prompted, enter the Phone Conference ID: 791 421 181#

All meeting participants may be muted during the meeting to alleviate background noise. If you are muted, please use \*6 to unmute. You may also mute yourself on your device.

Please raise your hand to speak by use \*5, during the public comment section of the meeting. The Clerk of the Board will call upon you by using the last 4 digits of your phone number as identification.

**NOTE: All attendees will be disconnected from the meeting at the beginning of Closed Session. If you would like to return to the Open Session portion of the meeting, please login or dial-in to the Teams meeting again and wait in the Lobby for admittance.**

## **WATCH THE MEETING ONLINE**

The meeting will be available for online viewing at:

<https://ocsd.legistar.com/Calendar.aspx>

## **SUBMIT A COMMENT**

You may submit your comments and questions in writing for consideration in advance of the meeting by using the eComment feature available online at: <https://ocsd.legistar.com/Calendar.aspx> or sending them to [OCSanClerk@ocsan.gov](mailto:OCSanClerk@ocsan.gov) with the subject line "PUBLIC COMMENT ITEM # (insert the item number relevant to your comment)" or "PUBLIC COMMENT NON-AGENDA ITEM".

You may also submit comments and questions for consideration during the meeting by using the eComment feature available online at: <https://ocsd.legistar.com/Calendar.aspx>. The eComment feature will be available for the duration of the meeting.

All written public comments will be provided to the legislative body and may be read into the record or compiled as part of the record.

*For any questions and/or concerns, please contact the Clerk of the Board's office at 714-593-7433. Thank you for your interest in OC San!*

June 21, 2023

**NOTICE OF REGULAR MEETING**

**STEERING COMMITTEE  
ORANGE COUNTY SANITATION DISTRICT**

**Wednesday, June 28, 2023 – 5:00 P.M.**

Administration Building  
10844 Ellis Avenue  
Fountain Valley, CA 92708

**ACCESSIBILITY FOR THE GENERAL PUBLIC**

Your participation is always welcome. Specific information as to how to participate in this meeting is detailed on the Special Notice attached to this agenda. In general, OC San offers several ways in which to interact during this meeting: you may participate in person, join the meeting live via Teams on your computer or similar device or web browser, join the meeting live via telephone, view the meeting online, and/or submit comments for consideration before or during the meeting.

The Regular Meeting of the Steering Committee of the Orange County Sanitation District will be held at the above location and in the manner indicated on Wednesday, June 28, 2023 at 5:00 p.m.

  
\_\_\_\_\_  
Clerk of the Board

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

**STEERING COMMITTEE & BOARD MEETING DATES**

July 26, 2023

August 23, 2023

September 27, 2023

October 25, 2023

***November 15, 2023 \****

***December 14, 2023 \*\****

January 24, 2024

February 28, 2024

March 27, 2024

April 24, 2024

May 22, 2024

June 26, 2024

***\* Meeting will be held on the third Wednesday of the month***  
***\*\* Meeting will be held on the second Thursday of the month***



**ROLL CALL  
STEERING COMMITTEE**

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Meeting Date: June 28, 2023

Time: 5:00 p.m.

Adjourn: \_\_\_\_\_

**COMMITTEE MEMBERS (7)**

Chad Wanke, Board Chair	
Ryan Gallagher, Board Vice-Chair	
Marshall Goodman, Operations Committee Chair	
Christine Marick, Administration Committee Chair	
Pat Burns, Member-At-Large	
Jon Dumitru, Member-At-Large	
John Withers, Member-At-Large	

**OTHERS**

Brad Hogin, General Counsel	
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**STAFF**

Rob Thompson, General Manager	
Lorenzo Tyner, Assistant General Manager	
Mike Dorman, Director of Engineering	
Lan Wiborg, Director of Environmental Services	
Wally Ritchie, Director of Finance	
Laura Maravilla, Director of Human Resources	
Riaz Moinuddin, Director of Operations & Maintenance	
Kelly Lore, Clerk of the Board	

**ORANGE COUNTY SANITATION DISTRICT**  
**BOARD OF DIRECTORS**  
**Complete Roster**

Effective 03/13/2023

<b>AGENCY/CITIES</b>	<b>ACTIVE DIRECTOR</b>	<b>ALTERNATE DIRECTOR</b>
Anaheim	Stephen Faessel	Natalie Meeks
Brea	Christine Marick	Cecilia Hupp
Buena Park	Susan Sonne	Art Brown
Cypress	Scott Minikus	Bonnie Peat
Fountain Valley	Glenn Grandis	Ted Bui
Fullerton	Bruce Whitaker	Nick Dunlap
Garden Grove	Steve Jones	John O'Neill
Huntington Beach	Pat Burns	Gracey Van Der Mark
Irvine	Farrah N. Khan	Tammy Kim
La Habra	Rose Espinoza	Jose Medrano
La Palma	Marshall Goodman	Debbie Baker
Los Alamitos	Jordan Nefulda	Emily Hibard
Newport Beach	Brad Avery	Erik Weigand
Orange	Jon Dumitru	John Gyllenhammer
Placentia	Chad Wanke	Ward Smith
Santa Ana	Johnathan Ryan Hernandez	Benjamin Vazquez
Seal Beach	Schelly Sustarsic	Nathan Steele
Stanton	David Shawver	Carol Warren
Tustin	Ryan Gallagher	Austin Lumbard
Villa Park	Robbie Pitts	Jordan Wu
<b>Sanitary/Water Districts</b>		
Costa Mesa Sanitary District	Bob Ooten	Art Perry
Midway City Sanitary District	Andrew Nguyen	Mark Nguyen
Irvine Ranch Water District	John Withers	Douglas Reinhart
Yorba Linda Water District	Phil Hawkins	Tom Lindsey
<b>County Areas</b>		
Board of Supervisors	Doug Chaffee	Donald P. Wagner



**STEERING COMMITTEE**  
**Regular Meeting Agenda**  
**Wednesday, June 28, 2023 - 5:00 PM**  
**Conference Room A**  
**Administration Building**  
**10844 Ellis Avenue**  
**Fountain Valley, CA 92708**  
**(714) 593-7433**

**ACCOMMODATIONS FOR THE DISABLED:** If you require any special disability related accommodations, please contact the Orange County Sanitation District (OC San) Clerk of the Board's office at (714) 593-7433 at least 72 hours prior to the scheduled meeting. Requests must specify the nature of the disability and the type of accommodation requested.

**AGENDA POSTING:** In accordance with the requirements of California Government Code Section 54954.2, this agenda has been posted outside the main gate of the OC San's Administration Building located at 10844 Ellis Avenue, Fountain Valley, California, and on the OC San's website at [www.ocsan.gov](http://www.ocsan.gov) not less than 72 hours prior to the meeting date and time above. All public records relating to each agenda item, including any public records distributed less than 72 hours prior to the meeting to all, or a majority of the Board of Directors, are available for public inspection in the office of the Clerk of the Board.

**AGENDA DESCRIPTION:** The agenda provides a brief general description of each item of business to be considered or discussed. The recommended action does not indicate what action will be taken. The Board of Directors may take any action which is deemed appropriate.

**MEETING RECORDING:** A recording of this meeting is available within 24 hours after adjournment of the meeting at <https://ocsd.legistar.com/Calendar.aspx> or by contacting the Clerk of the Board at (714) 593-7433.

**NOTICE TO DIRECTORS:** To place items on the agenda for a Committee or Board Meeting, the item must be submitted in writing to the Clerk of the Board: Kelly A. Lore, MMC, (714) 593-7433 / [klore@ocsan.gov](mailto:klore@ocsan.gov) at least 14 days before the meeting.

**FOR ANY QUESTIONS ON THE AGENDA, BOARD MEMBERS MAY CONTACT STAFF AT:**

General Manager: Rob Thompson, [rthompson@ocsan.gov](mailto:rthompson@ocsan.gov) / (714) 593-7110  
Asst. General Manager: Lorenzo Tyner, [ltyner@ocsan.gov](mailto:ltyner@ocsan.gov) / (714) 593-7550  
Director of Engineering: Mike Dorman, [mdorman@ocsan.gov](mailto:mdorman@ocsan.gov) / (714) 593-7014  
Director of Environmental Services: Lan Wiborg, [lwiborg@ocsan.gov](mailto:lwiborg@ocsan.gov) / (714) 593-7450  
Director of Finance: Wally Ritchie, [writchie@ocsan.gov](mailto:writchie@ocsan.gov) / (714) 593-7570  
Director of Human Resources: Laura Maravilla, [lmavilla@ocsan.gov](mailto:lmavilla@ocsan.gov) / (714) 593-7007  
Director of Operations & Maintenance: Riaz Moinuddin, [rmoinuddin@ocsan.gov](mailto:rmoinuddin@ocsan.gov) / (714) 593-7269

**CALL TO ORDER****ROLL CALL AND DECLARATION OF QUORUM:**

Clerk of the Board

**PUBLIC COMMENTS:**

*Your participation is always welcome. Specific information as to how to participate in a meeting is detailed in the Special Notice attached to this agenda. In general, OC San offers several ways in which to interact during meetings: you may participate in person, join the meeting live via Teams on your computer or similar device or web browser, join the meeting live via telephone, view the meeting online, and/or submit comments for consideration before or during the meeting.*

**REPORTS:**

*The Board Chairperson and the General Manager may present verbal reports on miscellaneous matters of general interest to the Directors. These reports are for information only and require no action by the Directors.*

**CONSENT CALENDAR:**

*Consent Calendar Items are considered to be routine and will be enacted, by the Committee, after one motion, without discussion. Any items withdrawn from the Consent Calendar for separate discussion will be considered in the regular order of business.*

**1. APPROVAL OF MINUTES [2023-3047](#)****RECOMMENDATION:**

Approve minutes of the Special meeting of the Steering Committee held May 24, 2023.

**Originator:** Kelly Lore

**Attachments:** [Agenda Report](#)  
[05-24-2023 Steering Committee Minutes](#)

**2. LEGISLATIVE AFFAIRS UPDATE FOR THE MONTH OF MAY 2023 [2023-3041](#)**

**RECOMMENDATION:** Recommend to the Board of Directors to:

Receive and file the Legislative Affairs Update for the month of May 2023.

**Originator:** Rob Thompson

**Attachments:** [Agenda Report](#)  
[Federal Legislative Update](#)  
[Federal Legislative Matrix](#)  
[State Legislative Update](#)  
[State Legislative Matrix](#)

**3. PUBLIC AFFAIRS UPDATE FOR THE MONTH OF MAY 2023 [2023-3049](#)**

RECOMMENDATION: Recommend to the Board of Directors to:

Receive and file the Public Affairs Update for the month of May 2023.

**Originator:** Rob Thompson

**Attachments:** [Agenda Report](#)  
[Outreach & Media Report - May 2023](#)

**NON-CONSENT:****4. PUBLIC AFFAIRS STRATEGIC PLAN FOR FISCAL YEARS 2022-2024 YEAR-END REPORT [2023-3064](#)**

RECOMMENDATION: Recommend to the Board of Directors to:

Receive and file the Public Affairs Strategic Plan for Fiscal Years 2022-2024 Year-End Report.

**Originator:** Rob Thompson

**Attachments:** [Agenda Report](#)  
[Public Affairs Strategic Plan FY 2022-2024](#)  
[Presentation - PAO Strat Plan FY 22-24 Year-end Report](#)

**5. GENERAL MANAGER'S FISCAL YEAR 2022-2023 WORK PLAN YEAR-END REPORT [2023-2942](#)**

RECOMMENDATION: Recommend to the Board of Directors to:

Receive and file the General Manager's Fiscal Year 2022-2023 Work Plan Year-End Report.

**Originator:** Rob Thompson

**Attachments:** [Agenda Report](#)  
[GM FY 2022-2023 Work Plan Year-End Report](#)

**6. GENERAL MANAGER'S FISCAL YEAR 2023-2024 PROPOSED WORK PLAN [2023-2940](#)**

RECOMMENDATION:

Receive and file the General Manager's Fiscal Year 2023-2024 Proposed Work Plan.

**Originator:** Rob Thompson

**Attachments:** [Agenda Report](#)  
[GM FY 2023-2024 Proposed Work Plan](#)  
[Strategic Plan 2021](#)

**7. AMENDMENT TO JOINT AGREEMENT WITH ORANGE COUNTY WATER DISTRICT FOR GWRS [2023-3050](#)**

RECOMMENDATION: Recommend to the Board of Directors to:

Approve the Third Amendment to the Second Amended and Restated Joint Exercise of Powers Agreement for the Development, Operation, and Maintenance of the Groundwater Replenishment System and Green Acres Project between Orange County Sanitation District and Orange County Water District, in a form approved by General Counsel.

**Originator:** Lorenzo Tyner

**Attachments:** [Agenda Report](#)  
[Proposed Third Amendment to Second Agreement re GWRS](#)  
[Second Amendment to 2nd Amended and Restated Agreement for GWRS](#)  
[First Amendment to 2nd Amended and Restated Agreement for GWRS](#)  
[2nd Amended and Restated Agreement for GWRS-Green Acres Project](#)

**INFORMATION ITEMS:**

None.

**DEPARTMENT HEAD REPORTS:**

**CLOSED SESSION:**

*During the course of conducting the business set forth on this agenda as a regular meeting of the Board, the Chairperson may convene the Board in closed session to consider matters of pending real estate negotiations, pending or potential litigation, or personnel matters, pursuant to Government Code Sections 54956.8, 54956.9, 54957 or 54957.6, as noted.*

*Reports relating to (a) purchase and sale of real property; (b) matters of pending or potential litigation; (c) employment actions or negotiations with employee representatives; or which are exempt from public disclosure under the California Public Records Act, may be reviewed by the Board during a permitted closed session and are not available for public inspection. At such time the Board takes final action on any of these subjects, the minutes will reflect all required disclosures of information.*

**CONVENE IN CLOSED SESSION.**

**CS-1 PUBLIC EMPLOYEE PERFORMANCE EVALUATION 54957(b)(1)**[2023-2941](#)

RECOMMENDATION: Convene in Closed Session:

Public Employee Performance Evaluation

Number of Employees: 1

- General Manager

**Originator:** Laura Maravilla

**Attachments:** [Agenda Report](#)  
[Steering CS Memo re General Manager Evaluation 6-28-23](#)

**CS-2 CONFERENCE WITH LEGAL COUNSEL RE EXISTING LITIGATION -  
GOVERNMENT CODE SECTION 54956.9(d)(1)**[2023-3048](#)

RECOMMENDATION: Convene in Closed Session:

Number of Cases: 1

Jose O. Cruz v. Orange County Sanitation District Financing Corporation, a California corporation; and Does 1-50, inclusive, Superior Court of California, County of Orange, Case No. 30-2019-01100180-CU-WT-CJC.

**Attachments:** [Agenda Report](#)  
[Steering CS Memo re Jose Cruz Litigation 6-28-23](#)

**RECONVENE IN REGULAR SESSION.**

**CONSIDERATION OF ACTION, IF ANY, ON MATTERS CONSIDERED IN CLOSED SESSION:**

**OTHER BUSINESS AND COMMUNICATIONS OR SUPPLEMENTAL AGENDA ITEMS, IF ANY:**

**BOARD OF DIRECTORS INITIATED ITEMS FOR A FUTURE MEETING:**

At this time Directors may request staff to place an item on a future agenda.

**ADJOURNMENT:**

Adjourn the meeting until the Regular Meeting of the Steering Committee on July 26, 2023 at 5:00 p.m.



# STEERING COMMITTEE

## Agenda Report

Administration Building  
10844 Ellis Avenue  
Fountain Valley, CA 92708  
(714) 593-7433

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**File #:** 2023-3047

**Agenda Date:** 6/28/2023

**Agenda Item No:** 1.

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**FROM:** Robert Thompson, General Manager  
Originator: Kelly A. Lore, Clerk of the Board

**SUBJECT:**

**APPROVAL OF MINUTES**

**GENERAL MANAGER'S RECOMMENDATION**

RECOMMENDATION:

Approve minutes of the Special meeting of the Steering Committee held May 24, 2023.

**BACKGROUND**

In accordance with the Board of Directors Rules of Procedure, an accurate record of each meeting will be provided to the Directors for subsequent approval at the following meeting.

**RELEVANT STANDARDS**

- Resolution No. OC SAN 22-37

**ATTACHMENT**

*The following attachment(s) may be viewed on-line at the OC San website ([www.ocsan.gov](http://www.ocsan.gov)) with the complete agenda package:*

- May 24, 2023 Steering Committee meeting minutes





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**SPECIAL MEETING - EARLY START TIME**

**CALL TO ORDER**

A special meeting of the Steering Committee of the Orange County Sanitation District was called to order by Board Vice-Chairman Ryan Gallagher on Wednesday, May 24, 2023 at 4:34 p.m. in the Administration Building of the Orange County Sanitation District.

**ROLL CALL AND DECLARATION OF QUORUM:**

The Clerk of the Board declared a quorum present as follows:

**PRESENT:** Ryan Gallagher, Pat Burns, Christine Marick, John Withers, Jon Dumitru and Robert Ooten  
**ABSENT:** Chad Wanke

**STAFF PRESENT:** Rob Thompson, General Manager; Lorenzo Tyner, Assistant General Manager; Michael Dorman, Director of Engineering; Laura Maravilla, Director of Human Resources; Riaz Moinuddin, Director of Operations and Maintenance; Wally Ritchie, Director Finance; Lan Wiborg, Director of Environmental Services; Kelly Lore, Clerk of the Board; Jennifer Cabral; Mortimer Caparas; Tanya Chong; Daisy Covarrubias; Thys DeVries; Al Garcia; Rebecca Long; Perla Rodriguez; and Ruth Zintzun were present in Conference Room A. Mo Abiodun; Tina Knapp; Rob Michaels; and Valerie Ratto were present telephonically.

**OTHERS PRESENT:** Brad Hogin, General Counsel, and Dan Fears, Special Counsel, were present in Conference Room A. Eric Sapirstein, ENS Resources, and Eric O'Donnell, Townsend & Associates, were present telephonically.

**PUBLIC COMMENTS:**

None.

**REPORTS:**

Vice-Chairman Gallagher did not provide a report.

General Manager Rob Thompson reported that, at the request of Board Chairman Chad Wanke, OC San sent introduction letters to our member agencies and, as a result, have presented and/or provided tours to the cities of Newport Beach, Villa Park, Los Alamitos, Garden Grove, and Fountain Valley.

**CONSENT CALENDAR:****1. APPROVAL OF MINUTES**[2023-2948](#)**Originator:** Kelly Lore

MOVED, SECONDED, AND DULY CARRIED TO:

Approve minutes of the Regular meeting of the Steering Committee held April 26, 2023.

**AYES:** Ryan Gallagher, Pat Burns, Christine Marick and Robert Ooten**NOES:** None**ABSENT:** Chad Wanke, John Withers and Jon Dumitru**ABSTENTIONS:** None**2. 2023-2026 CONTRIBUTION TO THE CENTER FOR DEMOGRAPHIC RESEARCH**[2023-2925](#)**Originator:** Mike Dorman

MOVED, SECONDED, AND DULY CARRIED TO: Recommend to the Board of Directors to:

Approve and authorize the General Manager to execute a three-year Memorandum of Understanding with California State University Fullerton Auxiliary Services Corporation for the continued operation of the Center for Demographic Research for the period July 1, 2023 through June 30, 2026, for a total amount not to exceed \$207,872.

**AYES:** Ryan Gallagher, Pat Burns, Christine Marick and Robert Ooten**NOES:** None**ABSENT:** Chad Wanke, John Withers and Jon Dumitru**ABSTENTIONS:** None**3. LETTER OF OPPOSITION TO AB 1216**[2023-2983](#)**Originator:** Rob Thompson

MOVED, SECONDED, AND DULY CARRIED TO:

Approve a Letter of Opposition to Assembly Bill 1216 (Muratsuchi).

**AYES:** Ryan Gallagher, Pat Burns, Christine Marick and Robert Ooten**NOES:** None**ABSENT:** Chad Wanke, John Withers and Jon Dumitru**ABSTENTIONS:** None

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**4. LEGISLATIVE AFFAIRS UPDATE FOR THE MONTH OF APRIL 2023** [2023-2984](#)

**Originator:** Rob Thompson

MOVED, SECONDED, AND DULY CARRIED TO: Recommend to the Board of Directors to:

Receive and file the Legislative Affairs Update for the month of April 2023.

**AYES:** Ryan Gallagher, Pat Burns, Christine Marick and Robert Ooten

**NOES:** None

**ABSENT:** Chad Wanke, John Withers and Jon Dumitru

**ABSTENTIONS:** None

**5. PUBLIC AFFAIRS UPDATE FOR THE MONTH OF APRIL 2023** [2023-2989](#)

**Originator:** Rob Thompson

MOVED, SECONDED, AND DULY CARRIED TO: Recommend to the Board of Directors to:

Receive and file the Public Affairs Update for the month of April 2023.

**AYES:** Ryan Gallagher, Pat Burns, Christine Marick and Robert Ooten

**NOES:** None

**ABSENT:** Chad Wanke, John Withers and Jon Dumitru

**ABSTENTIONS:** None

**NON-CONSENT:**

At the request of Vice-Chair Gallagher, Item Nos. 7 & 8 were heard prior to Item No. 6.

**7. PROPOSED ORDINANCE NO. OC SAN-58A AMENDING ORDINANCE NO. OC SAN-58 TO CORRECT AN ERROR IN THE TABLE OF SECTION 2.03(B)(1)** [2023-2982](#)

**Originator:** Wally Ritchie

Director of Finance Wally Ritchie provided a brief description of the correction needed on Ordinance No. OC SAN-58 for which this item was created.

MOVED, SECONDED, AND DULY CARRIED TO: Recommend to the Board of Directors to:

- A. Motion to read Ordinance No. OC SAN-58A by title only and waive first reading of said entire Ordinance;
- B. Introduce Ordinance No. OC SAN-58A, entitled: "An Ordinance of the Board of Directors of Orange County Sanitation District, Amending Ordinance No. OC SAN-58 to correct an error in the table of Section 2.03(B)(1)";
- C. Set June 28, 2023 as the date for the second reading of Ordinance No. OC SAN-58A"; and
- D. Direct the Clerk of the Board to publish summaries of the Ordinance as required by law.

**AYES:** Ryan Gallagher, Pat Burns, Christine Marick and Robert Ooten

**NOES:** None

**ABSENT:** Chad Wanke, John Withers and Jon Dumitru

**ABSTENTIONS:** None

*Directors John Withers and Jon Dumitru arrived at the meeting at 4:45 p.m.*

**8. FURNITURE, FIXTURES, AND EQUIPMENT PURCHASE UPDATED [2023-2998](#)  
APPROVAL FOR HEADQUARTERS COMPLEX AT PLANT NO. 1,  
PROJECT NO. P1-128A**

**Originator:** Mike Dorman

Director of Engineering Mike Dorman provided a PowerPoint presentation regarding the Furnishings, Fixtures, and Equipment (FFE) purchases for the new Headquarters Building which included: interior and loose site furniture/equipment, purchasing and delivery schedules, identified pricing error in initial bidding process, and the additional funding requested.

**MOVED, SECONDED, AND DULY CARRIED TO:** Recommend to the Board of Directors to:

- A. Rescind approval of a Purchase Order Contract to GM Business Interiors (GMBI) for the purchase of furniture for the Headquarters Complex at Plant No. 1, Project No. P1-128A, utilizing the County of Orange Regional Cooperative Agreement No. RCA-017-22010154 for a total amount not to exceed \$3,907,183 including freight and sales tax and a contingency of \$39,072 (1%); and
- B. Approve a Purchase Order Contract to PeopleSpace, Inc. for the purchase of furniture for the Headquarters Complex at Plant No. 1, Project No. P1-128A, utilizing the cooperative contract with the County of Orange Regional Cooperative Agreement No. RCA-017-22010154, the National Cooperative Purchasing Alliance (NCPA) Agreement Nos. 07-43 and 07-84, and OMNIA Contract No. R191803 for a total amount not to exceed \$4,995,819 including freight and sales tax.

**AYES:** Ryan Gallagher, Pat Burns, Christine Marick, John Withers, Jon Dumitru and Robert Ooten

**NOES:** None

**ABSENT:** Chad Wanke

**ABSTENTIONS:** None

**6. SELECTION OF HONOR WALK BRICK RECIPIENTS AND EMPLOYEE DEDICATIONS**

[2023-2928](#)

**Originator:** Rob Thompson

Vice-Chair Gallagher provided a brief introduction to the item and explained the Honor Walk Program. The Directors considered all former Board members who were nominated for recognition and came to a conclusion.

**MOVED, SECONDED, AND DULY CARRIED TO:** Recommend to the Board of Directors to:

- A. Approve nominated former employees Marc Dubois and Jack Ellis as Honor Walk brick recipients for the year 2023;
- B. Approve former Board Members Carolyn Cavecche, Larry Crandall, Jim Ferryman, and Greg Sebourn as Honor Walk brick recipients for the year 2023; and
- C. Approve Brian Bingman and Linda Losurdo for tunnel dedications.

**INFORMATION ITEMS:**

None.

**DEPARTMENT HEAD REPORTS:**

None.

**CLOSED SESSION:****CONVENED IN CLOSED SESSION PURSUANT TO GOVERNMENT CODE SECTION 54956.9(d)(1).**

The Committee convened in closed session at 4:55 p.m. Confidential minutes of the Closed Sessions have been prepared in accordance with the above Government Code Section and are maintained by the Clerk of the Board in the Official Book of Confidential Minutes of Board and Committee Closed Session meetings.

**CS-1 CONFERENCE WITH LEGAL COUNSEL RE EXISTING LITIGATION - [2023-2981](#)  
GOVERNMENT CODE SECTION 54956.9(d)(1)**

CONVENED IN CLOSED SESSION:

Number of Cases: 2

- A. Arlin Blazevic v. Orange County Sanitation District; Natasha Dubrovski; Lorenzo Tyner; and Does 1-100, inclusive, Superior Court of California, County of Orange, Case No. 30-2020-01149812-CU-WT-CJC; and
- B. Raul Palazuelos v. Orange County Sanitation District, a government entity; Richard Kwiecien, an individual; and Does 1 through 100, inclusive. Superior Court of California, County of Orange, Case No. 30-2021-01217839-CU-OE-CJC.

**RECONVENED IN REGULAR SESSION.**

The Committee reconvened in regular session at 5:25 p.m.

**CONSIDERATION OF ACTION, IF ANY, ON MATTERS CONSIDERED IN CLOSED SESSION:**

General Counsel Brad Hogin did not provide a report.

**OTHER BUSINESS AND COMMUNICATIONS OR SUPPLEMENTAL AGENDA ITEMS, IF ANY:**

None.

**BOARD OF DIRECTORS INITIATED ITEMS FOR A FUTURE MEETING:**

None.

**ADJOURNMENT:**

Vice-Chairman Gallagher declared the meeting adjourned at 5:26 p.m. to the Regular Steering Committee meeting to be held on Wednesday, June 28, 2023 at 5:00 p.m.

Submitted by:

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Kelly A. Lore, MMC  
Clerk of the Board



# STEERING COMMITTEE

## Agenda Report

Administration Building  
10844 Ellis Avenue  
Fountain Valley, CA 92708  
(714) 593-7433

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**File #:** 2023-3041

**Agenda Date:** 6/28/2023

**Agenda Item No:** 2.

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**FROM:** Robert Thompson, General Manager

**SUBJECT:**

**LEGISLATIVE AFFAIRS UPDATE FOR THE MONTH OF MAY 2023**

**GENERAL MANAGER'S RECOMMENDATION**

RECOMMENDATION: Recommend to the Board of Directors to:

Receive and file the Legislative Affairs Update for the month of May 2023.

**BACKGROUND**

The Orange County Sanitation District's (OC San) legislative affairs program includes advocating for OC San's legislative interests; sponsoring legislation (where appropriate); and seeking Local, State, and Federal funding for projects and programs.

**RELEVANT STANDARDS**

- Maintain influential legislative advocacy and a public outreach program
- Build brand, trust, and support with policy makers and community leaders
- Maintain collaborative and cooperative relationships with regulators, stakeholders, and neighboring communities

**PROBLEM**

Without a strong advocacy program, elected officials may not be aware of OC San's mission, programs, and projects and how they could be impacted by proposed legislation.

**PROPOSED SOLUTION**

Continue to work with Local, State, and Federal officials to advocate for OC San's legislative interests. Help to create/monitor legislation and grants that would benefit OC San, the wastewater industry, and the community. To assist in relationship building efforts, OC San will continue to reach out to elected officials providing facility tours, one-on-one meetings, and trips to Washington D.C. and Sacramento.



## **RAMIFICATIONS OF NOT TAKING ACTION**

If OC San does not work with Local, State, and Federal elected officials, legislation could be passed that negatively affects OC San and the wastewater industry. Additionally, a lack of engagement may result in missed funding opportunities.

## **ADDITIONAL INFORMATION**

### **Federal Update:**

#### Debt Ceiling Agreement:

After several budget related discussions, Congress passed, and the President signed into law, the Fiscal Responsibility Act (H.R. 3764). This Act suspends the debt limit until January 2025. It limits future Federal spending growth to 1%. After six years, the Act is estimated to reduce the rate of federal spending by an estimated \$1 trillion dollars. As part of the Act, Congress must pass all spending bills by October 1 to avoid an automatic year-long Continuing Resolution accompanied by a 1% budget cut. This provides an incentive for Congress to pass all spending bills by October 1. For Fiscal Year 2024, Congress has until January 1, 2025, in recognition that the appropriations process was delayed due to the debt limit negotiations. What this means for OC San is continued opportunities to request Community Project Assistance in the coming budget cycles.

### **State Update:**

#### State Budget Update:

On May 12, Governor Newsom released the May Revision of his budget proposal for the 2023-2024 fiscal year. The "May Revise" edition of the budget framework reflects revised revenue and expenditure estimates for both the current and budget years and allows the Administration and the Legislature to reconcile and reconfigure spending plans appropriately. In total, the May spending plan includes \$224 billion in General Fund spending, with a projected \$31.5 billion budget shortfall. Since January, the budget shortfall has increased by approximately \$9 billion, which is within the range the Administration was expecting. This means that there are limited funding opportunities for OC San through the Governor's budget with a focus on funding from potential bonds.

## **ATTACHMENT**

*The following attachment(s) may be viewed on-line at the OC San website ([www.ocsan.gov](http://www.ocsan.gov)) with the complete agenda package:*

- Federal Legislative Update
- Federal Legislative Matrix
- State Legislative Update
- State Legislative Matrix



TO: Rebecca Long

FROM: Eric Sapirstein

DATE: June 4, 2023

SUBJECT: Washington Update

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With enactment of the Fiscal Responsibility Act, Congress is now turning attention to Fiscal Year 2024 spending bills with added urgency now that a budget agreement is in place. Additionally, the Senate Committee on Environment and Public Works' staff continued to work on a Per- and polyfluoroalkyl substances (PFAS) bill that might be released for stakeholder review in the next few weeks. Lastly, the U.S. Environmental Protection Agency (USEPA) held a meeting with national water sector organizations to discuss the development of agency guidance that would set out how agency officials would pursue PFAS cleanup enforcement actions against potentially responsible parties. The following discusses these issues as they relate to OC San.

- ***Debt Ceiling Agreement Sets Stage for Appropriations***  
After several weeks of discussions and negotiations, Speaker McCarthy and the White House reached an overall budget and debt ceiling agreement known as The Fiscal Responsibility Act (H.R. 3764). It suspends the debt limit until January 2025. It scales back future federal spending growth. While not as ambitious as the House-passed budget bill, the agreement will, after six years, reduce the rate of federal spending by an estimated \$1 trillion dollars. The key provision for OC San involves an incentive for Congress to pass all spending bills by October 1. For Fiscal Year 2024, Congress has until January 1, 2025 in recognition that the appropriations process was delayed due to the debt limit negotiations. Failure to meet the deadline would trigger a continuing resolution that would reduce federal spending by 1 percent across-the-board and eliminate the ability to fund congressionally directed project spending. Assuming that the deadline is met each year, funding of key wastewater infrastructure programs should remain robust.

The agreement maintains a budgetary baseline for funding of domestic programs. Most domestic programs would not suffer any real spending reductions as a result. Additionally, the agreement calls for limiting any federal funding growth to not more than one percent annually in the years beyond Fiscal Year 2024. However, the budget caps are only mandatory for the next two fiscal years. The following four years are discretionary.

The agreement imposes a “pay go” provision related to rulemakings. Under the agreement, if an agency proposes to issue rules that would increase costs, it will need to offset such increases with program spending cuts. Any administrative action that would increase mandatory spending would require the agency to submit a proposal to the Office of Management and Budget for review and provide an explanation on how it plans to reduce spending by an equal or greater amount in another program. If the cuts did not occur, then the proposed actions would be prohibited. Consistent with other regulatory development guidelines, the pay go feature would not impact rulemakings that cost less than \$1 billion over 10 years or \$100 million in any given year during the 10-year period. Statutory mandates would be exempted from the new requirement. This new mandate expires on December 31, 2024.

### ***Importance to OC San***

The debt ceiling agreement and the budget provisions means that OC San will be able to continue to seek community project assistance over the next two budget cycles at a minimum. Additionally, the agreement not to reduce funding under the Infrastructure Investment and Jobs Act means that, irrespective of annual spending decisions on clean water infrastructure, federal support for wastewater infrastructure assistance will remain robust. This could lead to project assistance related to upgrades and PFAS treatment needs.

- ***PFAS Legislation Continues to Take Shape***

The effort to address PFAS issues of concern continues in the Senate, the Committee on Environment and Public Works staff have spent the past several weeks working to develop a proposal. They plan to address PFAS Research & Development and technology demonstration program needs that might benefit OC San through future legislation. In discussions with committee staff, they indicated that the priority continues to be the development of a bipartisan agreement that the committee could consider. Staff have informed us that OC San (and other stakeholders) will be asked to submit comments on the proposal prior to the finalization of any draft bill that the committee would consider as early as mid-June.

As the Senate staff consider PFAS legislation, committee member Senator Cynthia Lummis (R-WY) and seven cosponsors introduced legislation, S. 1430. The proposed legislation provides an explicit Comprehensive Emergency Response, Compensation and Liability Act (CERCLA) PFAS liability exemption for the water/wastewater sector. The committee is unlikely to consider S. 1430 as a standalone measure. Instead, it expects that if and when the committee considers its PFAS legislative package that CERCLA liability issues will be debated. Nonetheless, S. 1430 is considered to a starting point that will focus on the need to address potential wastewater agency liability as part of any legislation the committee could consider.

#### ***Why the Effort is Important to OC San***

The committee's priority to secure stakeholder input on any PFAS legislation means that OC San will be able to communicate, along with other passive receivers, the importance of a CERCLA liability exemption. This ensures that OC San can convey its priority that it will not be burdened with potential third-party litigation to recover cleanup costs associated with PFAS in effluent discharges or biosolids that cannot be controlled given the ubiquitous nature of the chemical and for which OC San did not create the threat. This input will provide the committee staff with the demonstrated demand for such a policy as the committee membership develops and acts on PFAS legislation.

#### ***U.S. Environmental Protection Agency CERCLA Staff Finalizing Guidance on CERCLA PFAS Enforcement***

As Congress considers legislative options to address the PFAS passive receivers' issue, USEPA's CERCLA office staff convened a listening session with national wastewater, water reuse and drinking water organizations to address PFAS liability concerns as they relate to the water/wastewater sector. According to agency staff, a proposed guidance to govern how USEPA will enforce cleanup mandates related to PFAS contamination should be available in the coming months. Under the nonbinding guidance document, the agency will direct its regional offices as well as headquarters staff to pursue PFAS enforcement actions against potentially responsible parties but avoid capturing public and private water sector agencies. USEPA is developing this guidance to formalize its public statements that it will use its discretionary authority not to enforce against passive receivers such as the water sector. However, the agency acknowledged that the policy would not affect private parties initiating litigation to secure cleanup assistance from public agencies. Additionally, because the agency is only issuing guidance, a regional office could decide to pursue a public agency if it decided that such actions are justified.

#### ***Why the Enforcement Guidance is Important to OC San***

Once the guidance is issued, it will establish a federal policy that public agencies, like OC San, should not be subject to enforcement actions related to PFAS cleanups. This guidance only addresses federal enforcement, but it does point to a decision by the agency to rely upon effluent discharge standards and source control mandates for purposes of clean water agencies' responsibilities.

# Federal Legislative Report - May 2023

Last Updated: June 05, 2023

## Bills by Issue

Priority: High (3)

Bill Number	Last Action	Status	Position	Priority
HR 1181	Referred To The Subcommittee On Water Resources And Environment 2023 02 27	In House	Monitor	High
<p><b>Title</b> To amend the Federal Water Pollution Control Act with respect to permitting terms, and for other purposes.</p> <p><b>Description</b> This bill extends the maximum term for certain permits issued under the National Pollutant Discharge Elimination System (NPDES) program. Specifically, the bill extends the maximum term for NPDES permits issued to states or municipalities from 5 to 10 years. Under the program, the Environmental Protection Agency issues permits to discharge pollutants from point sources, such as pipes, into waters of the United States.</p> <p><b>Primary Sponsors</b> John Garamendi</p>		<p><b>Bill Summary:</b> Last edited by Eric Sapirstein at Mar 22, 2023, 4:55 PM H.R. 1181 would provide state permitting authorities to issue ten year NPDES permits to publicly owned wastewater treatment agencies. The authority would not extend to privately owned treatment facilities such as industrial dischargers.</p> <p><b>Introduction Date:</b> 2023-02-24</p>		
HR 2964	Referred To The House Committee On Energy And Commerce 2023 04 27	In House	None	High
<p><b>Title</b> WIPPES Act</p> <p><b>Primary Sponsors</b> Lisa McClain</p>		<p><b>Bill Summary:</b> Last edited by Sarah Sapirstein at May 2, 2023, 5:00 PM Directs the Federal Trade Commission, in consultation with the Environmental Protection Agency, Commissioner of Food and Drugs, and the Consumer Product Safety Commission (as appropriate depending on the type of covered product involved) to issue regulations on "Do Not Flush" labeling requirements for nonflushable wipe, including baby wipes, household wipes, disinfecting wipes and personal care wipes. Requirements mirrors CA's labeling law. Companion Senate bill (S. 1350).</p> <p><b>Introduction Date:</b> 2023-04-27</p>		

Bill Number	Last Action	Status	Position	Priority
S 1350	Read Twice And Referred To The Committee On Commerce Science And Transportation 2023 04 27	In Senate	None	High
<b>Title</b> WIPPES Act  <b>Primary Sponsors</b> Jeff Merkley		<b>Bill Summary:</b> Last edited by Sarah Sapirstein at May 2, 2023, 5:00 PM Directs the Federal Trade Commission, in consultation with the Environmental Protection Agency, Commissioner of Food and Drugs, and the Consumer Product Safety Commission (as appropriate depending on the type of covered product involved) to issue regulations on "Do Not Flush" labeling requirements for nonflushable wipe, including baby wipes, household wipes, disinfecting wipes and personal care wipes. Requirements mirrors CA's labeling law. Companion house bill (H.R. 2964).  <b>Introduction Date:</b> 2023-04-27		

### Priority: Medium (1)

Bill Number	Last Action	Status	Position	Priority
HR 250	Referred To The Subcommittee On Water Resources And Environment 2023 02 01	In House	Monitor	Medium
<b>Title</b> Clean Water SRF Parity Act  <b>Description</b> Clean Water SRF Parity Act This bill expands the state revolving fund established under the Clean Water Act, including by allowing low-interest loans to be given to privately owned treatment works to address wastewater. Currently, loans are given to wastewater systems that are publicly owned.  <b>Primary Sponsors</b> John Garamendi		<b>Bill Summary:</b> Last edited by David French at Jan 23, 2023, 3:54 PM Amends eligibility provisions for the Federal Water Pollution Control Act's Clean Water State Revolving Fund so that all wastewater customers have the ability to benefit from the program's low-interest loans. Supported by NAWCA Also introduce in 117th Congress - No Action  <b>Introduction Date:</b> 2023-01-10		

### Priority: None (5)

Bill Number	Last Action	Status	Position	Priority
HR 1729	Referred To The Subcommittee On Commodity Markets Digital Assets And Rural Development 2023 04 25	In House	None	None
<b>Title</b> Water Affordability, Transparency, Equity, and Reliability Act of 2023  <b>Primary Sponsors</b> Bonnie Watson Coleman		<b>Introduction Date:</b> 2023-03-22		

Bill Number	Last Action	Status	Position	Priority
HR 1837	Referred To The House Committee On Ways And Means 2023 03 28	In House	None	None

#### Title

Investing in Our Communities Act

#### Description

Investing in Our Communities Act This bill reinstates the exclusion from gross income for interest on certain bonds issued to advance the refunding of a prior bond issue. The exclusion was repealed for bonds issued after 2017.

#### Primary Sponsors

David Kustoff

**Bill Summary:** Last edited by Sarah Sapirstein at Apr 5, 2023, 4:08 PM  
Legislation restores tax-exempt advance refunding for municipal bonds to allow states and local governments to more efficiently invest in projects.

**Introduction Date:** 2023-03-28

Bill Number	Last Action	Status	Position	Priority
S 115	Read Twice And Referred To The Committee On Environment And Public Works 2023 01 26	In Senate	None	None

#### Title

Clean Water Allotment Modernization Act of 2023

#### Description

Clean Water Allotment Modernization Act of 2023 This bill revises the formula the Environmental Protection Agency (EPA) uses to determine how to distribute funds from the Clean Water State Revolving Fund (SRF) program. Under the program, the EPA allocates funding to states for water quality infrastructure projects, such as wastewater systems and stormwater management projects. In FY2024-FY2028, the EPA must provide an initial allotment to each state that is equal to the amount the state received in FY2023. The EPA must also provide an additional allotment to each state that is based on its share of the U.S. population. In FY2029 and each subsequent fiscal year, the EPA must use an updated allotment formula, which is based on the needs of states as identified in the most recently available clean watersheds needs survey. Beginning in FY2024, the formula must also provide allotments for Indian tribes and territories. In addition, the formula must provide an allotment for EPA's oversight of SRF projects to ensure they use American iron and steel.

#### Primary Sponsors

Marco Rubio

**Bill Summary:** Last edited by Eric Sapirstein at Apr 29, 2023, 9:02 PM  
Provides for a set aside from Clean Water SRF appropriations to conduct Buy America oversight compliance, establishes that each state's allotment must be at the same level as FY 23 during FY 24-28 and additional allotments based on percent of state population to the nation. FY 29 and beyond allotments to be determined by new formula based upon Clean Water Needs Survey.

**Introduction Date:** 2023-01-26

Bill Number	Last Action	Status	Position	Priority
S 938	Read Twice And Referred To The Committee On Finance 2023 03 22	In Senate	None	None

**Title**  
Water Affordability, Transparency, Equity, and Reliability Act of 2023

**Primary Sponsors**  
Bernie Sanders

**Bill Summary:** Last edited by Sarah Sapirstein at Apr 5, 2023, 4:45 PM  
S. 938 would establish a \$35 billion trust fund to support the construction of water and wastewater treatment systems. Funding would be derived from an increase in the corporate tax rate. The bill also imposes requirements for Department of Justice and USEPA to carryout activities to determine whether water and wastewater operators discriminate in the provision of services. USEPA must also investigate the impact of rates on service cut-offs. Additional provisions would address use of assistance to promote regionalization of systems and limitations on the use of federal assistance to support projects that address growth. The bill enjoys 500 NGO organizational support. It has five cosponsors. House companion bill, H.R. 1729 is cosponsored by Lee, DeSaulnier and Huffman along with 69 other House Democrats.

**Introduction Date:** 2023-03-22

Bill Number	Last Action	Status	Position	Priority
S 1430	Read Twice And Referred To The Committee On Environment And Public Works 2023 05 03	In Senate	None	None

**Title**  
Water Systems PFAS Liability Protection Act

**Primary Sponsors**  
Cynthia Lummis

**Bill Summary:** Last edited by Eric Sapirstein at May 30, 2023, 2:55 PM  
S. 1430 would provide a limited CERCLA liability (section 107) exemption for PFAS family of chemicals for water and wastewater agencies. S. 1430 would not exempt an agency from liability in cases of gross negligence. The legislation is not expected to be approved by the Senate Committee on Environment and Public Works. Instead, its policy direction could be incorporated into a committee bill addressing PFAS R&D.

**Introduction Date:** 2023-05-03



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**MEMORANDUM**

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**To:** Orange County Sanitation District  
**From:** Townsend Public Affairs  
**Date:** June 6, 2023  
**Subject:** Monthly Legislative Report

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**State Legislative Update**

The month of May saw the rapid approach of the State budget and first house bill deadlines as lawmakers worked to pass legislation out of their respective house of origin before June 2 and agree on a budget framework before June 15. In addition to movement on the budget and legislative fronts, May also featured notable legal action related to the implementation of campaign finance reforms, executive action on infrastructure project streamlining, and assessments on the effectiveness of the State’s organic waste recycling regulations. Below is an overview of pertinent state actions from the month of May.

**State Budget**

On May 12, Governor Newsom released the May Revision of his budget proposal for the 2023-2024 fiscal year. The “May Revise” edition of the budget framework reflects revised revenue and expenditure estimates for both the current and budget years and allows the Administration and the Legislature to reconcile and reconfigure spending plans appropriately. The May Revise maintains portions of the water recycling funding that was allocated in previous fiscal years while proposing shifts of some water recycling funding away from General Fund spending to pending legislative bond proposals. The May Revise does not include any new sources of funding for OC San to access.

In total, the May spending plan includes \$224 billion in General Fund spending, with a projected \$31.5 billion budget shortfall. Since January, the budget shortfall has increased by approximately \$9 billion, which is within the range the Administration was expecting.

To address the increase in the budget deficit, the May Revises proposes:

- \$3.7 billion in borrowing (for a total of \$4.9 billion when combined with the Governor’s January Budget proposal)
- \$3.3 billion in fund shifts (for a total of \$7.5 billion)
- \$1.1 billion in unspent fund reductions (for a total of \$6.7 billion)
- \$695 million in funding delays (for a total of \$8.1 billion over multiple years)
- \$450 million safety net reserve withdrawal
- The May Revise proposes no new trigger reductions but maintains the \$3.9 billion in triggered reductions from the January Budget proposal

Despite the budget uncertainties and the need for careful spending practices, the Governor emphasized that his Administration is not modeling for an impending recession but taking into account the potential for a “mild recession” in the coming years, which could further impact the budget to the tune of an additional \$40 billion shortfall. He stressed the need to maintain and expand reserve resources, which now stand at \$37.2 billion total – a \$1.6 billion increase from January’s budget framework proposal.

Concerning spending cuts and deferrals, the May Revision proposes maintaining spending cuts by pulling back on unallocated one-time spending funds, shifting to future bonds, and instituting funding delays. A notable takeaway from the proposal includes an emphasis on bonds. During his presentation, the Governor noted his behind-the-scenes work and support for a multi-billion dollar climate investment bond including Assembly Member Garcia’s legislative proposal [AB 1567](#), along with a [bond](#) to reform the State’s behavioral health system and build more mental health housing.

Governor Newsom iterated that despite the uncertainty and projected revenue losses, his Administration is committed to stabilizing investments in education, homelessness, housing, healthcare/mental health, climate, public safety, and jobs.

**Climate:** The May Revision maintains \$2.7 billion in a multi-year wildfire and forest resilience package and adds \$290 million for a flood risk reduction package to reduce flood risk and enhance flood system resilience. The Administration also continues to engage the Legislature in pursuing a climate bond over the coming months. As a result of lower revenue projections and a resulting increase in the budget problem, the May Revision includes an additional \$1.1 billion in General Fund shifts across climate resilience programs that would be bond eligible, including pots of funding previously allocated for water recycling. This could potentially harm OC San if funds that were previously included for water recycling and zero emission vehicles are shifted away from the Budget and toward pending legislative bond proposals, as bonds are not guaranteed to pass the voters of California.

The Governor’s May Revision to the January budget proposal traditionally catalyzes more intense spending negotiations with the Legislature. Lawmakers have until June 15<sup>th</sup> to pass a budget for the next fiscal year. In response to the May Revision proposal, legislative leaders noted their support for careful spending practices and the hopeful passage of bonds to fund climate and capital investments but noted their dedication to programs omitted from the proposal, such as transportation and childcare investments.

Following the release of the May Revision, the Legislative Analyst’s Office (LAO) issued a [report](#) on the implications and feasibility of enacting the Governor’s revised 2023-24 State budget. LAO serves as the State’s nonpartisan analyst for all things related to the budget. The office describes itself as the “eyes and ears” of the Legislature to ensure that the executive branch is implementing legislative policy in a cost-efficient and effective manner. In its assessment of the Governor’s proposal, the LAO provided some key assessments including:

- It estimates that the budget deficit is actually \$34.5 billion – which is greater than the \$31.5 billion estimate provided by the Administration.
- It notes that there is less than a one-in-six chance the State can afford the May Revision spending level across the five-year period, given projections that the State faces operating deficits throughout the multiyear window.
- It encourages the use of reduced one-time spending and reserve funds to extend budget capacity for the state to sustain core, ongoing programs.

These insights and recommendations are likely to influence budget negotiations between the Legislature and the Administration. Lawmakers held a series of budget informational hearings in the final weeks of May to discuss and recommend changes to various spending programs proposed by the Administration. The Legislature’s budget framework is set to be internally completed in early June, which will kick off further discussions on how to reconcile differences.

### State Legislature

The month of May featured two major legislative deadlines bills must pass in order to advance to the second house: the Appropriations Suspense File hearings, and the House of Origin deadline.

On May 18, both the Senate and Assembly Appropriations Committees held their “suspense file” hearings, wherein hundreds of bills were held under submission and will not move forward for the remainder of the Legislative Session. The appropriations suspense process was borne out of a desire for fiscal prudence and essentially serves as a filter for the hundreds of bills introduced each year that are deemed to have a significant fiscal impact on the State’s finite resources.

Bills may be held under submission for a number of reasons - their structure may be duplicative to existing budget spending proposals, bill authors may have identified other bills within their portfolio as having a greater priority, or a bill may be deemed politically unfeasible for several reasons. Given the budget constraints this year with an anticipated deficit, legislators were more inclined to halt the progression of bills with big price tags.

Suspense file hearings are done in rapid speed, with Appropriations Chairs reading the outcomes of hundreds of bills. This year, the Assembly Appropriations Suspense file featured 755 bills, of which 221 were held under submission (29 percent). The Senate Appropriations Suspense file featured 416 bills, of which 90 bills were held under submission (22 percent).

Because May’s suspense file hearings mark the first iteration of two, more bills tend to pass out of their house of origin’s suspense file than the suspense file hearing in the second house. This can be somewhat attributed to the political favorability of bills authored by colleagues within the same house.

Following the outcomes of the suspense file hearings, the last week of May featured another major legislative hurdle for bills – the House of Origin deadline. The House of Origin deadline marks the last day for any bill introduced in the Senate or Assembly to pass off the floor and into the second house for consideration. Both houses considered hundreds of bills throughout the week. Below is a summary of various priority bill outcomes, organized by issue area:

#### *Proposed Statewide Bonds*

- [AB 1567](#) (Garcia) enacts the Safe Drinking Water, Wildfire Prevention, Drought Preparation, Flood Protection, Extreme Heat Mitigation, Clean Energy, and Workforce Development Bond Act of 2024, which if approved by the voters, would authorize the issuance of bonds in the amount of \$15,995,000,000. This bill authorizes \$5.255 billion for safe drinking water, drought preparation and response, and flood protection, which includes money for water recycling, which could possibly benefit future OC San projects.

***OC San has a watch position.***

***This measure passed off of the Assembly Floor on 5/31 on a 63-0 vote.***

- [SB 638](#) (Eggman) enacts the Climate Resiliency and Flood Control Bond Act of 2024, which places a \$6 billion general obligation bond before voters in the November 2024 general election to finance flood control efforts. SB 638's enactment is contingent upon the passage of another bond measure, SB 867 (Allen). Of these funds, \$100 million is allocated for multiple benefit flood management projects in urban coastal watersheds, which could potentially benefit OC San's infrastructure on the coast.  
***This measure passed off of the Senate Floor on 5/31 on a 36-2 vote.***
- [SB 867](#) (Allen) enacts the Drought, Flood, and Water Resilience, Wildfire and Forest Resilience, Coastal Resilience, Extreme Heat Mitigation, Biodiversity and Nature-Based Climate Solutions, Climate Smart Agriculture, Park Creation, and Outdoor Access, and Clean Energy Bond Act of 2024, which, if approved by the voters, would authorize the issuance of bonds in the amount of \$15,500,000,000. SB 867's enactment is contingent upon the passage of another bond measure, SB 638 (Eggman). Authorizes, of the \$5.2 billion for drought, flood, and water resilience programs, \$300 million for water recycling.  
***OC San has a watch position.***  
***This measure passed off of the Senate Floor on 5/31 on a 33-5 vote.***

#### *Water and Sanitation*

- [AB 246](#) (Papan) would prohibit any person from manufacturing, distributing, selling, or offering for sale in the state any menstrual products that contain regulated PFAS.  
***OC San has a support position.***  
***This measure passed off of the Assembly Floor on 5/15 on a 70-0 vote.***
- [AB 727](#) (Weber) would prohibit a person from manufacturing, selling, delivering, distributing, holding, or offering for sale in the state a cleaning product that contains regulated PFAS.  
***OC San has a watch position.***  
***This measure passed off of the Assembly Floor on 5/15 on a 62-2 vote.***
- [SB 23](#) (Caballero) requires various State Agencies to take final action on water quality certifications issued under the federal Clean Water Act and issue permits in specific timeframes for water supply and flood risk reduction projects.  
***This is a two-year bill and currently OC San has a watch position.***  
***This measure failed to pass the Senate Appropriations Committee and is now a two-year bill.***

#### *Brown Act Reform/Open Meetings*

- [AB 557](#) (Hart) eliminates the sunset date on provisions of law allowing local agencies to use teleconferencing without complying with specified Ralph. M Brown Act (Brown Act) requirements during a proclaimed state of emergency.  
***OC San has a watch position.***  
***This measure passed off of the Assembly Floor on 5/15 on a 78-0 vote.***
- [AB 817](#) (Pacheco) allows a subsidiary body of a local government to use teleconferencing, with certain requirements.  
***OC San does not currently have a position on this bill as it has failed to pass.***

***This measure failed to pass the Assembly Local Government Committee and is now a two-year bill***

#### *Governance and Transparency*

- [AB 1637](#) (Irwin) requires local governments to switch to a .gov domain. The measure took amendments to push out the timeline for compliance from 2025 to 2026.

***This bill does not affect OC San as we already have a .gov domain.***

***This measure passed off of the Assembly Floor on 5/30 on a 56-4 vote.***

#### Court Upholds Campaign Contribution Limit Law Imposed on Local Officials

In late May, a Superior Court rejected a lawsuit challenging the constitutionality of a new law prohibiting local elected officials from voting on matters involving the people and organizations who contribute to their campaigns.

SB 1439 (Glazer, Statutes of 2022) went into effect earlier this year. The new law requires local elected officials to recuse themselves from votes and discussions involving anyone who has contributed more than \$250 to their campaigns. The prohibition covers contributions made 12 months before and after the vote. A similar requirement already existed for officials appointed to local and state boards, but SB 1439 expanded California's Political Reform Act to include most elected officials as well. The FPPC subsequently issued clarifying actions to prohibit the measure from applying retroactively, before its enactment.

#### Governor Newsom Unveils Sweeping Plan to Speed Up Infrastructure Projects

On May 19, Governor Newsom announced plans to unveil a sweeping package of legislation and an executive order to make it easier to build transportation, clean energy, water, and other infrastructure across California. The package is designed to capitalize on federal funds passed by the Biden Administration to boost climate-minded construction projects. The State is estimated to receive \$180 billion in state and federal funds for infrastructure in California over the next decade. The legislative package could help major OC San projects in the future from being tied up in environmental litigation or lengthy permitting processes at the State.

As the first step in the process, Governor Newsom signed an executive order that will instruct various government agencies to work together and create an infrastructure strike team, which in theory will target projects that need to be completed and make sure they get across the finish line.

The remaining 11-bill package is designed to shorten the contracting process for infrastructure and water projects, limit timelines for CEQA and other environmental litigation to no more than nine months and simplify permitting processes for complicated projects like the Sacramento-San Joaquin River Delta tunnel project to deliver water to Southern California. The Governor noted that these processes are already in place for expedited permitting and construction for NBA arenas as well as other megadevelopments across the state.

However, with history as a guide, this package will likely be pushed through with the expeditiousness exercised during last year, wherein the Governor pushed through a major climate change mitigation package with extreme urgency in the final weeks of the Legislative Session.

**OC San  
State  
Bills of Interest**

BILL	AUTHOR	SUMMARY	LATEST ACTION	OC SAN POSITION	LEGISLATIVE PLAN	OTHER POSITIONS
<b>Proposed Legislation 2023</b>						
<b>High Priority</b>						
<b>AB 234</b>	<b>Bauer-Kahan [D]</b>	The Microbeads Nuisance Prevention Law prohibits a person from selling or offering for promotional purposes in the state any personal care products containing plastic microbeads that are used to exfoliate or cleanse in a rinse-off product, including, but not limited to, toothpaste. This bill would express the intent of the Legislature to enact subsequent legislation that would prohibit the sale in this state of rinse-off cosmetics, detergents, waxes, and polishes that contain intentionally added synthetic polymer microparticles, including products identified in the synthetic polymer microparticle Registration, Evaluation, Authorization and Restriction of Chemicals (REACH) restrictions adopted by the European Union (EU).	Two Year Bill	Support	<b>State Priorities:</b> Support legislation or regulations that restrict the use of microplastics and chemicals of emerging concern in any product that is disposed of through the sewer system.	ACC-OC - NYC LOCC - NYC CASA - Support in Concept CSDA - Watch ACWA - NYC
<b>AB 246</b>	<b>Papan [D]</b>	Could, beginning January 1, 2025, prohibit any person from manufacturing, distributing, selling, or offering for sale in the state any menstrual products that contain regulated PFAS, and requires a manufacturer to use the least toxic alternative when removing regulated PFAS in menstrual products to comply with these provisions. The bill would require a manufacturer of a menstrual product to provide persons that offer the product for sale or distribution in the state with a certificate of compliance stating that the menstrual product is in compliance with these provisions and does not contain any regulated PFAS.	Referred to the Senate Environmental Quality Committee and the Senate Judiciary Committee	Support	<b>State Priorities:</b> Monitor state legislation as well as State Water Resources Control Board (SWRCB) regulatory activity related to PFAS.	ACC-OC - NYC LOCC - NYC CASA - Support CSDA - Watch ACWA - NYC
<b>AB 281</b>	<b>Grayson [D]</b>	Would require a special district that receives an application from a housing development project for service from a special district or an application from a housing development project for a post entitlement phase permit, as specified, to provide written notice to the applicant of next steps in the review process, including, but not limited to, any additional information that may be required to begin to review the application for service or approval. The bill would require the special district to provide this notice within 30 business days of receipt of the application for a housing development with 25 units or fewer, and within 60 business days for a housing development with 26 units or more. The bill would define various terms for these purposes. By imposing additional duties on special districts, the bill would impose a state-mandated local program.	Currently in the Senate Governance and Finance Committee	Watch	<b>Legislative and Regulatory Policies: Special Districts -</b> Oppose further state regulations that adversely impact special district financing, operations, and administration.	ACC-OC - NYC LOCC - NYC CASA - NYC CSDA - Neutral ACWA - Watch
<b>AB 334</b>	<b>Rubio [D]</b>	Seeks to clarify the State's conflict of interest law, California Government Code 1090. This bill would establish that an independent contractor, who meets specified requirements, is not an officer for purposes of being subject to the prohibition on being financially interested in a contract.	Currently in the Senate Elections and Constitutional Amendments Committee	Support	<b>Legislative and Regulatory Policies: Special Districts -</b> Oppose further state regulations that adversely impact special district financing, operations, and administration.	ACC-OC - NYC LOCC - Support CASA - Support CSDA - Support ACWA - Favor



**OC San  
State  
Bills of Interest**

BILL	AUTHOR	SUMMARY	LATEST ACTION	OC SAN POSITION	LEGISLATIVE PLAN	OTHER POSITIONS
AB 340	Fong [R]	The California Environmental Quality Act (CEQA) prohibits an action or proceeding from being brought in a court to challenge the approval of a project by a public agency unless the alleged grounds for noncompliance are presented to the public agency orally or in writing by a person during the public comment period provided by CEQA or before the close of the public hearing on the project before the issuance of the notice of determination. This bill would require the alleged grounds for noncompliance with CEQA presented to the public agency in writing be presented at least 10 days before the public hearing on the project before the issuance of the notice of determination. The bill would prohibit the inclusion of written comments presented to the public agency after that time period in the record of proceedings and would prohibit those documents from serving as basis on which an action or proceeding may be brought.	Two Year Bill	Watch	<b>Legislative and Regulatory Policies: Environment/Climate Resiliency</b> - Support efforts to reform the California Environmental Quality Act (CEQA) to streamline current procedures and regulations for projects to refurbish or replace existing infrastructure facilities.	ACC-OC - NYC LOCC - NYC CASA - NYC CSDA - Watch ACWA - NYC
AB 516	Ramos [D]	The Mitigation Fee Act imposes certain requirements on a local agency that imposes a fee as a condition of approval of a development project that is imposed to provide for an improvement to be constructed to serve the development project, or a fee for public improvements, as specified. In this regard, the Mitigation Fee Act requires the local agency to deposit the fee in a separate capital facilities account or fund, and to make certain information about the account or fund public annually, as specified. The Mitigation Fee Act requires that information to include an identification of an approximate date by which the construction of the public improvement will commence if the local agency determines that sufficient funds have been collected to complete financing on an incomplete public improvement, as specified. The Mitigation Fee Act also requires that information to include the amount of refunds made to the owners of the lots or units of the development project, as specified. This bill would require the report to include an identification of each public improvement identified in a previous report, whether construction began on the approximate date noted in the previous report, the reason for the delay, if any, and a revised approximate date that the local agency will commence construction, if applicable.	Referred to the Senate Governance and Finance Committee	Watch	<b>Legislative and Regulatory Policies: Special Districts</b> - Oppose further state regulations that adversely impact special district financing, operations, and administration.	ACC-OC - NYC LOCC - NYC CASA - NYC CSDA - Watch ACWA - NYC
AB 557	Hart [D]	Current law, until January 1, 2024, authorizes a local agency to use teleconferencing without complying with specified teleconferencing requirements in specified circumstances when a declared state of emergency is in effect, or in other situations related to public health, as specified. Current law prohibits a legislative body that holds a teleconferenced meeting under these abbreviated teleconferencing procedures from requiring public comments to be submitted in advance of the meeting and would specify that the legislative body must provide an opportunity for the public to address the legislative body and offer comment in real time. This bill would extend the above-described abbreviated teleconferencing provisions when a declared state of emergency is in effect, or in other situations related to public health, as specified, indefinitely.	Referred to the Senate Governance and Finance Committee and the Senate Judiciary Committee	Watch	<b>Legislative and Regulatory Policies: Special Districts</b> - Oppose further state regulations that adversely impact special district financing, operations, and administration.	ACC-OC - NYC LOCC - Sponsor CASA - Support CSDA - Sponsor ACWA - Favor

**OC San  
State  
Bills of Interest**

BILL	AUTHOR	SUMMARY	LATEST ACTION	OC SAN POSITION	LEGISLATIVE PLAN	OTHER POSITIONS
AB 727	Weber	Seeks to ensure that additional perfluoroalkyl and polyfluoroalkyl substances (PFAS) are kept out of our environment. AB 727 focuses on prohibiting manufacturing, selling, delivering, distributing, holding, or offering for sale in the state, a cleaning product that contains regulated PFAS.	Currently in the Senate Environmental Quality Committee	Support	<b>State Priorities:</b> Monitor state legislation as well as State Water Resources Control Board (SWRCB) regulatory activity related to PFAS.	ACC-OC - NYC LOCC - NYC CASA - Sponsor CSDA - Watch ACWA - NYC
AB 759	Grayson [D]	Current law authorizes a sanitary district to acquire, plan, construct, reconstruct, alter, enlarge, lay, renew, replace, maintain, and operate garbage dumpsites and garbage collection and disposal systems, sewers, drains, septic tanks, and sewerage collection, outfall, treatment works and other sanitary disposal systems, and storm water drains and storm water collection, outfall and disposal systems, and water recycling and distribution systems, as the deemed necessary and proper by the governing board of the district. Current law generally authorizes the district to expend money only upon written order of the board. This bill would instead authorize funds to be expended in a manner prescribed by the board.	Referred to the Senate Governance and Finance Committee	Watch	<b>Legislative and Regulatory Policies: Special Districts -</b> Oppose further state regulations that adversely impact special district financing, operations, and administration.	ACC-OC - NYC LOCC - NYC CASA - Sponsor CSDA - Support ACWA - Favor
AB 1152	Patterson [R]	Would exempt from the California Environmental Quality Act (CEQA) a project to construct or expand a recycled water pipeline for the purpose of mitigating drought conditions for which a state of emergency was proclaimed by the Governor if the project meets specified criteria. Because a lead agency would be required to determine if a project qualifies for this exemption, this bill would impose a state-mandated local program. The bill would also exempt from CEQA the development and approval of building standards by state agencies for recycled water systems.	Two Year Bill	Watch	<b>Legislative and Regulatory Policies: Environment/Climate Resiliency -</b> Support efforts to reform the California Environmental Quality Act (CEQA) to streamline current procedures and regulations for projects to refurbish or replace existing infrastructure facilities.	ACC-OC - NYC LOCC - NYC CASA - NYC CSDA - Watch ACWA - NYC
AB 1196	Villapadua [D]	The Water Quality, Supply, and Infrastructure Improvement Act of 2014, a bond act approved by the voters as Proposition 1 at the November 4, 2014, statewide general election, authorizes the issuance of general obligation bonds to finance a water quality, supply, and infrastructure improvement program, as specified. Under the bond act, \$520,000,000 is available, upon appropriation by the Legislature, for expenditures, grants, and loans for projects that improve water quality or help provide clean, safe, and reliable drinking water to all Californians. Current law requires projects eligible for this funding to help improve water quality for a beneficial use. This bill would make a nonsubstantive change to the latter provision.	Two Year Bill	Watch	<b>Guiding Priorities:</b> Obtain financial assistance for OC San projects through grants, loans, and legislative directed funding.	ACC-OC - NYC LOCC - NYC CASA - Support if Amended CSDA - Watch ACWA - NYC



**OC San  
State  
Bills of Interest**

BILL	AUTHOR	SUMMARY	LATEST ACTION	OC SAN POSITION	LEGISLATIVE PLAN	OTHER POSITIONS
AB 1216	Muratsuchi [D]	Would require, on or before January 1, 2025, the owner or operator of a wastewater treatment facility that is located within 1,500 feet of a residential area and has an original design capacity of 425,000,000 gallons or more per day to develop, install, operate, and maintain a wastewater treatment-related fence-line monitoring system in accordance with guidance developed by the appropriate air quality management district. The bill would require the wastewater treatment-related fence-line monitoring system to include equipment capable of measuring pollutants of concern, including hydrogen sulfide, nitrogen oxides, and volatile organic compounds emitted to the atmosphere from wastewater treatment or reclamation processes that the appropriate district deems appropriate for monitoring. The bill would also require the owner or operator of a wastewater treatment facility to collect real-time data from the wastewater treatment-related fence-line monitoring system, to maintain records of that data, and to transmit the data to the appropriate air quality management district in accordance with the district's guidance. In addition, the bill would require, to the extent feasible, the data generated by these systems to be provided to the public as quickly as possible in a publicly accessible format.	Currently in the Assembly Appropriations Committee	Oppose	<b>Legislative and Regulatory Policies: Air Quality -</b> Oppose redundant and unreasonable requirements, such as potentially double reporting requirements, with respect to emissions reporting associated with AB 617.	ACC-OC - NYC LOCC - NYC CASA - Oppose CSDA - Watch ACWA - NYC
AB 1423	Schiavo [D]	Would, commencing January 1, 2024, require a manufacturer or installer of a covered surface, defined as artificial turf or a synthetic surface that resembles grass, proposing to design, sell, or install a field with a covered surface to any party to notify the party at the earliest possible date that the covered surface contains regulated PFAS, as defined. The bill would also prohibit, commencing January 1, 2024, a public entity, including a charter city, charter county, city, or county, any public or private school serving pupils in kindergarten or any of grades 1 to 12, inclusive, a public institution of higher education, other than the University of California, or a private institution of higher education from purchasing or installing a covered surface containing regulated PFAS, as provided.	Currently in the Senate Rules Committee	Watch	<b>State Priorities:</b> Monitor state legislation as well as State Water Resources Control Board (SWRCB) regulatory activity related to PFAS.	ACC-OC - NYC LOCC - NYC CASA - NYC CSDA -Watch ACWA - NYC
AB 1567	E. Garcia [D]	Would enact the Safe Drinking Water, Wildfire Prevention, Drought Preparation, Flood Protection, Extreme Heat Mitigation, Clean Energy, and Workforce Development Bond Act of 2024, which, if approved by the voters, would authorize the issuance of bonds in the amount of \$15,995,000,000 pursuant to the State General Obligation Bond Law to finance projects for safe drinking water, wildfire prevention, drought preparation, flood protection, extreme heat mitigation, clean energy, and workforce development programs.	Currently in the Senate Rules Committee	Watch	<b>Guiding Priorities:</b> Obtain financial assistance for OC San projects through grants, loans, and legislative directed funding.	ACC-OC - NYC LOCC - Support if Amended CASA - Support if Amended CSDA -Support if Amended ACWA - Support if Amended

**OC San  
State  
Bills of Interest**

BILL	AUTHOR	SUMMARY	LATEST ACTION	OC SAN POSITION	LEGISLATIVE PLAN	OTHER POSITIONS
AB 1594	E. Garcia [D]	This bill would require any state regulation that seeks to require, or otherwise compel, the procurement of medium- and heavy-duty zero-emission vehicles by a public agency utility to ensure that those vehicles can support a public agency utility's ability to maintain reliable water and electric services, respond to disasters in an emergency capacity, and provide mutual aid assistance statewide and nationwide, among other requirements. The bill would define a public agency utility to include a local publicly owned electric utility, a community water system, and a wastewater treatment provider, as specified.	Currently in the Senate Rules Committee	Support	<b>Legislative and Regulatory Policies: Air Quality</b> - Oppose redundant and unreasonable requirements, such as potentially double reporting requirements, with respect to emissions reporting associated with AB 617.	ACC-OC - NYC LOCC - NYC CASA - Support CSDA - Watch ACWA - Favor
AB 1660	Ta [R]	Existing law requires the State Air Resources Board to adopt regulations to achieve the maximum feasible reduction in volatile organic compounds emitted by consumer products, as defined, if the state board determines adequate data exist to establish the regulations are necessary to attain state and federal ambient air quality standards and the regulations are commercially and technologically feasible and necessary. This bill would authorize the state board to exempt an intentionally added PFAS from that prohibition if the state board determines that the intentionally added PFAS has characteristics that are beneficial for the environmental goals of the State of California and is not identified as persistent, bioaccumulative, and toxic to the environment. This bill contains other existing laws.	Two Year Bill	Watch	<b>State Priorities:</b> Monitor state legislation as well as State Water Resources Control Board (SWRCB) regulatory activity related to PFAS.	ACC-OC - NYC LOCC - NYC CASA - Oppose CSDA - Watch ACWA - NYC
ACA 2	Alanis [R]	Would establish the Water and Wildfire Resiliency Fund within the State Treasury, and would require the Treasurer to annually transfer an amount equal to 3% of all state revenues that may be appropriated as described from the General Fund to the Water and Wildfire Resiliency Fund. The measure would require the moneys in the fund to be appropriated by the Legislature and would require that 50% of the moneys in the fund be used for water projects, as specified, and that the other 50% of the moneys in the fund be used for forest maintenance and health projects, as specified.	Referred to the Assembly Water, Parks, and Wildfire Committee and the Assembly Natural Resources Committee	Watch	<b>Guiding Priorities:</b> Obtain financial assistance for OC San projects through grants, loans, and legislative directed funding.	ACC-OC - NYC LOCC - NYC CASA - NYC CSDA - Watch ACWA - NYC
SB 23	Caballero [D]	This bill would require, if an applicant requests a preapplication consultation, the state board or regional boards to adhere to specified procedures and timelines in reviewing the application before issuing project certification. The bill would authorize a project proponent to petition the state board to reconsider its determination of application completeness, or to appeal to the state board any regional board's determination of application completeness. This bill would authorize a state agency, defined to mean any agency, board, or commission, including the state board or the regional boards, with the power to issue a permit that would authorize a water supply project or authorize a flood risk reduction project, to take specified actions in order to complete permit review and approval in an expeditious manner. The bill would make findings and declarations related to the need to expedite water supply projects and flood risk reduction projects to better address climate change impacts while protecting the environment.	Two Year Bill	Watch	<b>Legislative and Regulatory Policies: Special Districts</b> - Oppose further state regulations that adversely impact special district financing, operations, and administration.	ACC-OC - NYC LOCC - NYC CASA - NYC CSDA - Support ACWA - Sponsor

**OC San  
State  
Bills of Interest**

BILL	AUTHOR	SUMMARY	LATEST ACTION	OC SAN POSITION	LEGISLATIVE PLAN	OTHER POSITIONS
SB 34	Umberg [D]	Would, until January 1, 2030, would require the County of Orange, or any city located within Orange County, if notified by the Department of Housing and Community Development that its planned sale or lease of surplus land is in violation of existing law, to cure or correct the alleged violation within 60 days, as prescribed. The bill would prohibit an Orange County jurisdiction that has not cured or corrected any alleged violation from disposing of the parcel until the department determines that it has complied with existing law or deems the alleged violation not to be a violation.	Referred to the Assembly Local Government Committee and the Assembly Housing and Community Development Committee	Oppose Unless Amended	<b>Legislative and Regulatory Policies: Special Districts -</b> Oppose further state regulations that adversely impact special district financing, operations, and administration.	ACC-OC - NYC LOCC - NYC CASA - NYC CSDA - Oppose Unless Amended ACWA - NYC
SB 229	Umberg [D]	Current law, among other enforcement provisions, makes a local agency that disposes of land in violation of these disposal provisions, after receiving notification of violation from the department, liable for a penalty of 30% of the final sale price of the land sold in violation for a first violation and 50% for any subsequent violation. Under current law, except as specified, a local agency has 60 days to cure or correct an alleged violation before an enforcement action may be brought. This bill would require a local agency that has received a notification of violation from the department to hold an open and public session to review and consider the substance of the notice of violation. The bill would require the local agency's governing body to provide prescribed notice no later than 14 days before the public session.	Referred to the Assembly Local Government Committee and the Assembly Housing and Community Development Committee	Oppose Unless Amended	<b>Legislative and Regulatory Policies: Special Districts -</b> Oppose further state regulations that adversely impact special district financing, operations, and administration.	ACC-OC - NYC LOCC - NYC CASA - NYC CSDA - Oppose Unless Amended ACWA - NYC
SB 411	Portantino [D]	This bill, until January 1, 2028, would authorize an eligible legislative body to use alternate teleconferencing provisions related to notice, agenda, and public participation, as prescribed, if the city council has adopted an authorizing resolution and 2/3 of an eligible legislative body votes to use the alternate teleconferencing provisions. The bill would define "eligible legislative body" for this purpose to mean a neighborhood council that is an advisory body with the purpose to promote more citizen participation in government and make government more responsive to local needs that is established pursuant to the charter of a city with a population of more than 3,000,000 people that is subject to the act.	Currently in the Assembly Local Government Committee	Watch	<b>Legislative and Regulatory Policies: Special Districts -</b> Oppose further state regulations that adversely impact special district financing, operations, and administration.	ACC-OC - NYC LOCC - Support CASA - NYC CSDA - Watch ACWA - NYC

**OC San  
State  
Bills of Interest**

BILL	AUTHOR	SUMMARY	LATEST ACTION	OC SAN POSITION	LEGISLATIVE PLAN	OTHER POSITIONS
<b>SB 659</b>	<b>Ashby [D]</b>	Would establish the California Water Supply Solutions Act of 2023 to, among other things, achieve an increase of 10,000,000 acre-feet of annual groundwater recharge by December 31, 2035, in order to increase the state's groundwater supply. The bill would require, on or before January 1, 2025, the department, in consultation with the water boards, as defined, to prepare and approve a groundwater recharge action plan to be included in the next update to the California Water Plan. The bill would require the groundwater recharge action plan to identify and make recommendations on immediate opportunities and potential long-term solutions to increase the state's groundwater supply, as specified. The bill would require specified actions with regards to the groundwater recharge action plan, including, among other things, requiring the department and water boards to update the groundwater recharge action plan at the same time that they prepare updates to the California Water Plan. The bill would require, by December 31, 2035, the department and water boards to implement the recommendations identified in the groundwater recharge action plan that result in new infrastructure and institutional mechanisms in place that provide for the ability to create an additional average annual groundwater recharge amount of 10,000,000 acre-feet.	Currently at the Assembly Desk	Watch	<b>Guiding Priorities:</b> Obtain financial assistance for OC San projects through grants, loans, and legislative directed funding.	ACC-OC - NYC LOCC - NYC CASA - NYC CSDA - Watch ACWA - Favor
<b>SB 745</b>	<b>Cortese [D]</b>	Would require the California Building Standards Commission to research, develop, adopt, approve, codify, and publish voluntary and mandatory building standards to reduce potable water use in new residential and nonresidential buildings, as specified. The bill would require the commission to perform a review of voluntary and mandatory water efficiency and water reuse standards in the California Buildings Standards Code every 3 years, commencing with the next triennial edition, and update as needed.	Referred to the Assembly Environmental Safety and Toxic Materials Committee and the Assembly Housing and Community Development Committee	Watch	<b>Legislative and Regulatory Policies: Special Districts -</b> Oppose further state regulations that adversely impact special district financing, operations, and administration.	ACC-OC - NYC LOCC - NYC CASA - NYC CSDA - Oppose Unless Amended ACWA - Not Favor Unless Amended
<b>SB 867</b>	<b>Allen [D]</b>	Would enact the Drought, Flood, and Water Resilience, Wildfire and Forest Resilience, Coastal Resilience, Extreme Heat Mitigation, Biodiversity and Nature-Based Climate Solutions, Climate Smart Agriculture, Park Creation and Outdoor Access, and Clean Energy Bond Act of 2024, which, if approved by the voters, would authorize the issuance of bonds in the amount of \$15,500,000,000 pursuant to the State General Obligation Bond Law to finance projects for drought, flood, and water resilience, wildfire and forest resilience, coastal resilience, extreme heat mitigation, biodiversity and nature-based climate solutions, climate smart agriculture, park creation and outdoor access, and clean energy programs.	Currently at the Assembly Desk	Watch	<b>Guiding Priorities:</b> Obtain financial assistance for OC San projects through grants, loans, and legislative directed funding.	ACC-OC - NYC LOCC - Support if Amended CASA - Support if Amended CSDA - Support if Amended ACWA - Support if Amended

**Legend:**

ACC-OC - Association of California Cities, Orange County

LOCC - League of California Cities

NYC - Not Yet Considered

CASA - California Association of Sanitation Agencies

ACWA - Association of California Water Agencies

CSDA - California Special Districts Association



# STEERING COMMITTEE

## Agenda Report

Administration Building  
10844 Ellis Avenue  
Fountain Valley, CA 92708  
(714) 593-7433

**File #:** 2023-3049

**Agenda Date:** 6/28/2023

**Agenda Item No:** 3.

**FROM:** Robert Thompson, General Manager

**SUBJECT:**

**PUBLIC AFFAIRS UPDATE FOR THE MONTH OF MAY 2023**

**GENERAL MANAGER'S RECOMMENDATION**

RECOMMENDATION: Recommend to the Board of Directors to:

Receive and file the Public Affairs Update for the month of May 2023.

**BACKGROUND**

Included in this report are recent activities of interest managed by the Public Affairs Office for the month of May 2023.

**RELEVANT STANDARDS**

- Maintain influential legislative advocacy and a public outreach program
- Maintain collaborative and cooperative relationships with regulators, stakeholders, and neighboring communities
- Listen to and seriously consider community input on environmental concerns

**PROBLEM**

The Orange County Sanitation District (OC San) is well-recognized within the water/wastewater industry; however, within our service area, as we do not have direct communications through a billing method, there may be limited knowledge by our customers of the important work we do to protect public health and the environment. In general, the customers we serve may not realize that when they improperly dispose of waste into the sanitation system, it can negatively affect our sewer lines, our treatment plants, and the quality of water we supply for the GWRS.

**PROPOSED SOLUTION**

By providing tours, community outreach, education, and general communication via OC San's website, social media, and direct mailings, we can share information with the community, local agencies, and businesses on our messaging such as the What2Flush program, energy production, water recycling, biosolids, and OC San's source control program. This, in turn, helps improve the quality of wastewater that is recycled or released to the ocean and the knowledge and understanding of wastewater treatment.

## **RAMIFICATIONS OF NOT TAKING ACTION**

If OC San does not inform the community, local agencies, and area businesses about OC San, we may not have the support necessary to deliver our mission.

## **PRIOR COMMITTEE/BOARD ACTIONS**

July 2022 - Public Affairs Strategic Plan for Fiscal Year 2022-2024 approved.

## **ADDITIONAL INFORMATION**

### **Outreach Report**

An outreach report that includes tours, website and social media posts, construction notifications, speaker engagements, and more is attached to this Agenda Report.

### **Social Media**

OC San messaging, announcements, and program updates were posted across OC San's social media platforms in May and added 145 new followers. Our reach across the four platforms remains consistent month to month.

- Facebook: 21 posts reaching 2.7k people
- Twitter: 17 posts reaching 1.3k people
- Instagram: 32 posts reaching 5.1k people
- LinkedIn: 3 posts and reaching 5k people

### **Media Coverage**

In May, OC San was mentioned in several articles including *Water Finance Management* announcing Wally Ritchie as the new Director of Finance and in *Hazen All things Water* issue regarding the Supercritical Water Oxidation Project. These and other articles can be found in the Outreach Report.

### **Presentations**

In May, staff participated in six tours and five speaking engagements including the Water Environment Foundation Conference, Orange County Water District PFAS Webinar, and others. Details can be found in the Outreach Report.

### **Construction Outreach**

OC San construction outreach activities continue throughout the service area. Projects are ongoing in Fountain Valley, Seal Beach, Westminster, Buena Park, Anaheim, and within both of our treatment plants. Website updates, email text alerts, and direct notifications continue to be distributed as the projects progress. In May we reached approximately 1,500 people in Seal Beach, Los Alamitos, Rossmoor, Fountain Valley, and Anaheim.

### **Internal Communication**

Internal communication is a key component of the Public Affairs Office. In May there were 165 posts on the employee intranet - *The San Box*, four weekly emails distributed on hot topics for the week, and the employee newsletter - *The Pipeline Newsletter* will be published at the end of June.



**Awards**

The Platinum Peak Performance Award recognizes member agencies for achieving 100% water discharge permit compliance over a consecutive five-year period. This is the 6th year that OC San has received this award.

**Five Minutes Per Month Email**

On a monthly basis, an email is sent to OC San's policy influencers and stakeholders on topics of importance to OC San and the wastewater industry. This month's email focused on the Orange County Health Care Agency's water quality report regarding the reduction of beach closures related to sewer spills.

**Upcoming Activities for June:****Member Agency Outreach Toolkit**

On a quarterly basis, OC San prepares toolkits to share with our member agencies on topics of interest and general OC San messaging. The summer toolkit covers water quality and ocean monitoring efforts employed by OC San to protect the environment.

**Honor Walk Recognition**

The Honor Walk Recognition celebration will be held on Wednesday, June 28 at 3:30 p.m. at OC San's Plant No. 1 in Fountain Valley. As a reminder, the program honors former employees and Board members who made significant contributions to OC San.

**Neighborhood Connection Newsletter**

The summer issue of OC San's community newsletter is scheduled for distribution in June. The newsletter is distributed electronically to approximately 4,500 readers and shared on our social media platforms.

**Orange County Register California Water Insert**

OC San is once again included in the annual water supplemental educational insert of the *OC Register*. The piece highlights our efforts in protecting public health and the environment with a special feature our recent achievement of recycling 100% of our reclaimable flow and the recent completion of the GWRS.

**FINANCIAL CONSIDERATIONS**

All items mentioned are included in OC San's FY 2022-2024 Budget.

**ATTACHMENT**

*The following attachment(s) may be viewed on-line at the OC San website ([www.ocsan.gov](http://www.ocsan.gov)) with the complete agenda package:*

- Outreach & Media Report - May 2023

# Outreach and Media Summary



**May 2023**

OC San Public Affairs Office



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# Outreach Report May 2023

Date	Tours	Attendees	Tour Guide
5/2/23	OC POTWs - OC Food Waste	7	Rob Thompson
5/5/23	OC San Board member tour	2	Rob Thompson
5/17/23	City of Fountain Valley Executive Staff	6	Rob Thompson
5/22/23	Cal/OSHA - Voluntary Protection Program (VPP)	12	John Frattali
5/24/23	National Association of Realtors	3	Rebecca Long
5/31/23	OC Waste and Recycling – Food Waste	8	Rob Thompson
Date	Speaking Engagements/Events	Attendees	Presenter
5/01/23	VerdeExchange Conference Expo	35	Rob Thompson
5/18/23	Water Environment Foundation Conference – Topic?	75	Brian Reed/ Jeff Brown
5/18/23	Virtual Water Resources User Group on OC San’s Facility Atlas and Drone Program	99	Rob Michaels
5/25/23	Orange County Water District PFAS Webinar	190	Vanh Phonsiri
5/21/23	Environmental Laboratory Accreditation Program Conference	340	Sam Choi
Project Area	Outreach Notifications	# of People Reached	Website Posts and Text Alerts
Anaheim/ Buena Park	Orange Western Sewer - project update	350	1 website posts/ 1 text alerts
Fountain Valley	Headquarters Building	10	1 website post
Los Alamitos/ Seal Beach	Los Alamitos Sewer - project update	670	1 website posts/ 1 text alert
External Communications	Distribution	# of People Reached	
5 Minutes Per Month	One	216	
Board Member Talking Points	One	50	
Website Posts	10 posts	3.1 k views	Website
Facebook	21 posts	2.7k reached	Social Media
Twitter	17 tweets	1.3k reached	Social Media
Instagram	32 posts	5.1 k reached	Social Media

LinkedIn	3 posts	5 k reached	Social Media
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## Post performance - Facebook Pages

Data from 01 May, 2023 to 31 May, 2023

### Sources

Orange County Sanitation District

DATE	POST	ENGAGEMENT RATE	IMPRESSIONS	REACH
May 31, 16:01	Time for some Wastewater Wisdom this Wednesday.	5.36%	61	56
May 29, 14:01	Let us not forget those who gave their lives for our freedom. In observance of Memorial Day, the OC San admin offices will be closed. #Memorial Day	6.4%	136	125
May 27, 16:00	Hey there, ocean explorers! When dinglehoppers and other trash end up in the ocean, they can pollute the water and make it dirty. This can cause harm to Ariel and all her marine life friends, even making it hard to swim and breathe...	10.67%	83	75
May 26, 18:47	Mr. Bernstein was a valued member of the OC San Board of Directors for seven years. His contributions were many as a member of the Operations Committee and Vice Chair of the Legislative and Public Affairs Committee. Our deepest...	7.05%	242	227
May 25, 17:16	We've been busy celebrating #PublicWorksWeek at OC San to post about it. Every single member of the OC San team is dedicated and committed to helping keep the OC San mission of protecting public health and the...	12.2%	133	123
May 25, 12:58	FOUNDA...	8.06%	68	62
May 22, 22:51	Don't miss the Steering Committee Meeting (4:30 p.m.) and the Board of Directors Meeting (6 p.m.) both happening this Wednesday, May 24. Click here to view the agendas:	4.17%	82	72
May 20, 16:00	Here's a sanitation joke to lighten the load when unloading! Anyone else have a joke book in the bathroom?	4.55%	126	110
May 19, 17:12	Construction Alert in the City of Seal Beach. Bike lane paving on Westminster Blvd. west of Bolsa Chica Rd. starts Monday, May 22. Details at <a href="http://www.ocsan.gov/westminster">www.ocsan.gov/westminster</a> .	0%	75	63
May 18, 18:00	Happy #ThrowbackThursday! Our sampling program has been around since 1974 because our dedication to protecting the environment has been a core piece of who we are as an agency. #OCSanAtWork #CareersInWastewater	11.28%	148	133
May 16, 16:42	And the walls came falling down... Actually, not at OC San. One of our main priorities is to upkeep and maintain our infrastructure so that no walls fall down. Happy #InfrastructureWeek. To learn more about our Capital Improvement...	2.82%	84	71
May 16, 14:01	Happy #NationalBuildingSafetyMonth! Even the younger generation knows how important safety is. Check out some of the illustrations we have received for our safety calendar over the years.	7.14%	110	98
May 14, 17:00	This Mother's Day, recite this poem for all to hear! Courtesy of OC San.	7.37%	236	217
May 11, 22:23	Can the Winners come up? American Society of Civil Engineers, Orange County Branch awarded OC San and Orange County Water District with the Project of the Year award and the Outstanding Wastewater Treatment Project of the Yea...	23.62%	141	127
May 09, 21:38	Before compost and after compost! The choice is clear. After using OC San compost! We make our own Biosolids which are treated organic matter recovered through the treatment of wastewater. Find out more at <a href="http://ocsan.gov/bi...">ocsan.gov/bi...</a>	9.82%	135	112
May 08, 22:33	The Administration Committee Meeting will be happening this Wednesday at 5 p.m. Click here to view the agenda:	5.26%	73	57
May 08, 22:25	10 days left for high school and college students to enter our contest and win up to \$500! Full details at <a href="http://ocsan.gov/vide...">ocsan.gov/vide...</a>	2.56%	172	156
May 07, 20:55	Help us congratulate Mike Dorman, OC San's new Director of Engineering. Visit <a href="http://ocsan.gov">ocsan.gov</a> to learn why his qualifications make him the best person to lead the Engineering Division.	13.57%	485	479
May 05, 16:01	It's all fun and games until those tacos make you wish you were on your throne. When you get there, remember toilet paper can be flushed but wipes can't. #HappyCinco	4.08%	159	147
May 03, 17:30	Know what other big fashion event is happening this week? Construction Safety Week. How? Not only is PPE essential when out in a construction site, it's a statement piece AND it can keep you safe. The same might be said about Jare...	16.76%	239	173
May 02, 15:36	The Operations Committee Meeting will be happening this Wednesday, May 3 at 5 p.m. Click here to view the agenda:	8.86%	93	79

## Post performance - Twitter

Data from 01 May, 2023 to 31 May, 2023

### Sources

@OCSanDistrict

DATE	POST	ENGAGEMENT RATE	ENGAGEMENTS	IMPRESSIONS
May 31, 16:03	Time for some Wastewater Wisdom this Wednesday. <a href="https://twitter.com/OCSanDistrict/status/1663939271420436480/photo/1">https://twitter.com/OCSanDistrict/status/1663939271420436480/photo/1</a>	4.17%	2	48
May 29, 14:04	Let us not forget those who gave their lives for our freedom. In observance of Memorial Day, the OC San admin offices will be closed. #Memorial Day <a href="https://twitter.com/OCSanDistrict/status/1663184492234776578/photo/1">https://twitter.com/OCSanDistrict/status/1663184492234776578/photo/1</a>	0%	0	42
May 27, 16:01	Hey there, ocean explorers! When dinglehoppers & other trash end up in the ocean, they pollute the water & make it dirty. This can cause harm to Ariel & all her marine life friends, even making it hard to swim & breathe! Let's do our par...	1.59%	1	63
May 25, 17:17	We've been too busy celebrating #PublicWorksWeek to post about it. Every member of our team is dedicated & committed to helping keep our mission of protecting public health & the environment. All while keeping things fun,...	15.66%	13	83
May 20, 16:01	Here's a sanitation joke to lighten the load when unloading! Anyone else have a joke book in the bathroom? <a href="https://twitter.com/OCSanDistrict/status/1659952550534053890/photo/1">https://twitter.com/OCSanDistrict/status/1659952550534053890/photo/1</a>	3.72%	7	188
May 19, 17:12	Construction Alert in the City of Seal Beach. Bike lane paving on Westminster Blvd. west of Bolsa Chica Rd. starts Monday, May 22. Details at <a href="http://www.ocsan.gov/westminster">http://www.ocsan.gov/westminster</a> . <a href="https://twitter.com/OCSanDistrict/status/1659608017850...">https://twitter.com/OCSanDistrict/status/1659608017850...</a>	0%	0	52
May 18, 18:02	Happy #ThrowbackThursday! Our sampling program has been around since 1974 because our dedication to protecting the environment has been a core piece of who we are as an agency. #OCSanAtWork #CareersInWastewater <a href="http://...">http...</a>	11.76%	6	51
May 16, 16:42	And the walls came falling down... Actually, not at OC San. One of our main priorities is to upkeep and maintain our infrastructure so that no walls fall down. Happy #InfrastructureWeek. To learn more about our Capital Improvement...	0%	0	56
May 16, 14:03	Happy #NationalBuildingSafetyMonth! Even the younger generation knows how important safety is. Check out some of the illustrations we have received for our safety calendar over the years. <a href="https://twitter.com/OCSanDistrict/status/1658...">https://twitter.com/OCSanDistrict/status/1658...</a>	2.56%	1	39
May 15, 18:53	Happy #ThrowbackThursday! Our sampling program has been around since 1974 because our dedication to protecting the environment has been a core piece of who we are as an agency. #OCSanAtWork #CareersInWastewater <a href="http://...">http...</a>	0%	0	0
May 14, 17:01	This Mother's Day, recite this poem for all to hear! Courtesy of OC San. <a href="https://twitter.com/OCSanDistrict/status/1657793184070549505/photo/1">https://twitter.com/OCSanDistrict/status/1657793184070549505/photo/1</a>	11.27%	8	71
May 11, 22:23	Can the Winners come up? @ASCEoc awarded OC San & @OCWDWaterNews with the Project of the Year award & the Outstanding Wastewater Treatment Project of the Year for the final completion of the Groundwater Replenishment...	1.82%	1	55
May 09, 21:38	Before compost and after compost! The choice is clear. After using OC San compost! We make our own Biosolids which are treated organic matter recovered through the treatment of wastewater. Find out more at <a href="http://ocsan...">http://ocsan...</a>	1.52%	1	66
May 08, 22:24	10 days left for high school and college students to enter our contest and win up to \$500! Full details at <a href="http://ocsan.gov/video">http://ocsan.gov/video</a> <a href="https://twitter.com/ocсандistrict/status/1649115603188293633">https://twitter.com/ocсандistrict/status/1649115603188293633</a>	0.97%	1	103
May 07, 20:55	Help us congratulate Mike Dorman, OC San's new Director of Engineering. Visit <a href="http://ocsan.gov">http://ocsan.gov</a> to learn why his qualifications make him the best person to lead the Engineering Division. <a href="https://twitter.com/OCSanDistrict/status/165531536...">https://twitter.com/OCSanDistrict/status/165531536...</a>	6.17%	5	81
May 05, 16:03	It's all fun and games until those tacos make you wish you were on your throne. When you get there, remember toilet paper can be flushed but wipes can't. #HappyCinco <a href="https://twitter.com/OCSanDistrict/status/16545170666390691...">https://twitter.com/OCSanDistrict/status/16545170666390691...</a>	3.95%	9	228
May 03, 17:30	Know what other big fashion event is happening this week? Construction Safety Week. How? Not only is PPE essential when out in a construction site, it's a statement piece, & it can keep you safe. The same might be said about...	2.26%	3	133



## Post performance - Instagram Business

Data from 01 May, 2023 to 31 May, 2023

### Sources


ocsandistrict






DATE ▼	POST	ENGAGEMENT RATE	IMPRESSIONS	LIKES	REACH
ocsandistrict May 31, 16:01	Time for some Wastewater Wisdom this Wednesday.	3.85%	108	4	104
ocsandistrict May 30, 15:16	(No description)	0%	169	0	169
ocsandistrict May 29, 14:01	Let us not forget those who gave their lives for our freedom. In observance of Memorial Day, the OC San admin offices will be closed. #Memorial Day	7.92%	105	8	101
ocsandistrict May 27, 16:00	Hey there, ocean explorers! When dinglehoppers and other trash end up in the ocean, they can pollute the water and make it dirty. This can cause harm to Ariel and all her marine life friends, even making it hard to swim and breathe...	4.88%	217	9	205
ocsandistrict May 25, 17:32	We've been too busy celebrating #PublicWorksWeek to post about it. Every member of our team is dedicated & committed to helping keep our mission of protecting public health & the environment. All while keeping things fun...	8.25%	0	18	291
ocsandistrict May 25, 17:07	(No description)	0%	104	0	104
ocsandistrict May 25, 15:56	Our friendly neighborhood squirrel	0%	127	0	126
ocsandistrict May 24, 23:19	Check out those lines!	0%	163	0	158
ocsandistrict May 22, 18:33	There is still time to register! Link below!	0%	117	0	115
ocsandistrict May 22, 18:27	Tell all high school and college students! 60 sec or less could win you up to \$500	0%	122	0	120
ocsandistrict May 22, 18:26	Deadline extended to this Friday!!! Submit for a chance to win!	0%	126	0	125
ocsandistrict May 22, 18:05	Another Day Another Construction Pic	0%	139	0	139
ocsandistrict May 22, 18:05	Another Day Another Construction Pic	0%	150	0	149
ocsandistrict May 20, 16:00	Here's a sanitation joke to lighten the load when unloading! Anyone else have a joke book in the bathroom?	4.04%	294	9	272
ocsandistrict May 19, 17:12	Construction Alert in the City of Seal Beach. Bike lane paving on Westminster Blvd. west of Bolsa Chica Rd. starts Monday, May 22. Details at <a href="http://www.ocsan.gov/westminster">www.ocsan.gov/westminster</a> .	3.29%	155	5	152
ocsandistrict May 19, 15:41	The dead line is today! Submit your videos for a chance to win a prize.	0%	69	0	69
ocsandistrict May 19, 15:40	The deadline is today! Submit your videos for a chance to win a prize.	0%	82	0	82
ocsandistrict May 18, 22:08	(No description)	0%	123	0	122
ocsandistrict May 18, 19:43	(No description)	0%	156	0	151
ocsandistrict May 18, 18:08	Happy #ThrowbackThursday! Our sampling program has been around since 1974 because our dedication to protecting the environment has been a core piece of who we are as an agency. #OCSanAtWork #CareersInWastewater	8.29%	253	16	205
ocsandistrict May 16, 16:42	And the walls came falling down... Actually, not at OC San. One of our main priorities is to upkeep and maintain our infrastructure so that no walls fall down. Happy #InfrastructureWeek. To learn more about our Capital Improvement...	5.33%	170	7	150
ocsandistrict May 16, 14:01	Happy #NationalBuildingSafetyMonth! Even the younger generation knows how important safety is. Check out some of the illustrations we have received for our safety calendar over the years.	4.96%	132	5	121
ocsandistrict May 15, 18:30	(No description)	0%	119	0	119
ocsandistrict May 15, 18:30	(No description)	0%	130	0	130
ocsandistrict May 11, 22:23	Can the Winners come up? @ASCEOC awarded OC San and @OCWD with the Project of the Year award and the Outstanding Wastewater Treatment Project of the Year for the final completion of the Groundwater Replenishment System....	10.04%	271	23	239
ocsandistrict May 09, 21:38	Before compost and after compost! The choice is clear. After using OC San compost! We make our own Biosolids which are treated organic matter recovered through the treatment of wastewater. Find out more at <a href="http://ocsan.gov/hj">ocsan.gov/hj</a> ...	5.91%	263	10	203
ocsandistrict May 08, 21:27	Only 10 days left to enter! For full details:	0%	109	0	108
ocsandistrict May 07, 20:55	Help us congratulate Mike Dorman, OC San's new Director of Engineering. Visit <a href="http://ocsan.gov">ocsan.gov</a> to learn why his qualifications make him the best person to lead the Engineering Division.	10.33%	431	38	397
ocsandistrict May 05, 16:01	It's all fun and games until those tacos make you wish you were on your throne. When you get there, remember toilet paper can be flushed but wipes can't. #HappyCinco	6.4%	212	10	203
ocsandistrict May 04, 17:10	(No description)	0%	131	0	130
ocsandistrict May 03, 17:31	Know what other big fashion event is happening this week? Construction Safety Week. How? Not only is PPE essential when out in a construction site, it's a statement piece AND it can keep you safe. The same might be said about...	7.45%	351	21	322
ocsandistrict May 03, 00:55	(No description)	0%	101	0	101

## Post performance - LinkedIn Pages

Data from 01 May, 2023 to 31 May, 2023

### Sources

 Orange County Sanitation District

DATE ▼	POST	ENGAGEMENT RATE	IMPRESSIONS	REACTIONS	SHARES
 <b>Orange County Sanitation District</b> May 11, 22:23	 Can the Winners come up? American Society of Civil Engineers awarded OC San and Orange County Water District with the Project of the Year award and the Outstanding Wastewater Treatment Project of the Year for the final completio...	10.51%	1,722	51	0
 <b>Orange County Sanitation District</b> May 08, 22:27	10 days left for high school and college students to enter our contest and win up to \$500! Full details at <a href="https://ocsan.gov/video">ocsan.gov/video</a>	3.82%	497	2	0
 <b>Orange County Sanitation District</b> May 07, 20:55	 Help us congratulate Mike Dorman, OC San's new Director of Engineering. Visit <a href="https://ocsan.gov">ocsan.gov</a> to learn why his qualifications make him the best person to lead the Engineering Division.	9.19%	2,905	92	1

## May Media News Articles

Cutting Cost and Waste with Rinsewater Recycling	5/1/2023	Chemical Engineering	<a href="https://www.chemengonline.com/cutting-cost-and-waste-with-rinsewater-recycling/">https://www.chemengonline.com/cutting-cost-and-waste-with-rinsewater-recycling/</a>
OC San names new director of finance	5/1/2023	Water Finance Management	<a href="https://waterfm.com/oc-san-names-new-director-of-finance/">https://waterfm.com/oc-san-names-new-director-of-finance/</a>
World's largest water recycling facility now complete	5/11/2023	Global Spec	<a href="https://insights.globalspec.com/article/20364/world-s-largest-water-recycling-facility-now-complete">https://insights.globalspec.com/article/20364/world-s-largest-water-recycling-facility-now-complete</a>
This Machine Could Solve the Biggest Problems in Biosolids	5/18/2023	Hazen All Things Water	<a href="https://www.hazenandsawyer.com/horizons/t-his-machine-could-solve-the-biggest-problems-in-biosolids">https://www.hazenandsawyer.com/horizons/t-his-machine-could-solve-the-biggest-problems-in-biosolids</a>
A Tradition of Water System Innovation	5/23/2023	Municiple Sewer and Water	<a href="https://www.mswmag.com/editorial/2023/06/a-tradition-of-water-system-innovation">https://www.mswmag.com/editorial/2023/06/a-tradition-of-water-system-innovation</a>
Sewage spills last year far below average, Orange County health report shows	5/31/2023	OC Register	<a href="https://www.ocsan.gov/home/showdocument?id=33954&amp;t=638212013591333240">https://www.ocsan.gov/home/showdocument?id=33954&amp;t=638212013591333240</a>





# STEERING COMMITTEE

## Agenda Report

Administration Building  
10844 Ellis Avenue  
Fountain Valley, CA 92708  
(714) 593-7433

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**File #:** 2023-3064

**Agenda Date:** 6/28/2023

**Agenda Item No:** 4.

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**FROM:** Robert Thompson, General Manager

**SUBJECT:**

**PUBLIC AFFAIRS STRATEGIC PLAN FOR FISCAL YEARS 2022-2024 YEAR-END REPORT**

**GENERAL MANAGER'S RECOMMENDATION**

RECOMMENDATION: Recommend to the Board of Directors to:

Receive and file the Public Affairs Strategic Plan for Fiscal Years 2022-2024 Year-End Report.

### **BACKGROUND**

The Orange County Sanitation District's (OC San) Public Affairs Office is responsible for creating, organizing, and disseminating all internal and external communication. The primary objective of the Public Affairs team is to deliver messages that are accurate, transparent, and designed to foster trust and confidence. An integrated Public Affairs Strategic Plan is essential to effectively manage the variety of audiences served.

### **RELEVANT STANDARDS**

- Build brand, trust, and support with policy makers and community leaders
- Maintain collaborative and cooperative relationships with regulators, stakeholders, and neighboring communities
- Make it easy for people to understand OC San's roles and value to the community
- Maintain influential legislative advocacy and a public outreach program

### **PROBLEM**

There are various initiatives and messages that the Public Affairs Office must share with internal and external stakeholders for continued operation and efficiency of OC San. The messaging must be consistent, concise, and thoroughly planned to be efficient and effective.

### **PROPOSED SOLUTION**

The current Public Affairs Strategic Plan includes goals, objectives, strategies, and tactics to execute the various messages and efforts set forth by OC San. The two-year plan will be in place until June 2024, with updates provided to the Steering Committee every six months.

## TIMING CONCERNS

N/A

## RAMIFICATIONS OF NOT TAKING ACTION

N/A

## PRIOR COMMITTEE/BOARD ACTIONS

July 2022 - Public Affairs Strategic Plan for Fiscal Years 2022-2024 received and filed.

## ADDITIONAL INFORMATION

OC San's Public Affairs Office Strategic Plan for Fiscal Years 2022-2024 was developed based upon the principles of OC San's Mission of protecting public health and the environment and to support the implementation of OC San's Strategic Plan. The Public Affairs Strategic Plan offers a vision to unify OC San's communication efforts and focus resources to achieve the greatest impact and results. The Public Affairs Strategic Plan consists of 11 categories. Below is a recap of the first year of the plan:

### 1. Employee Communications

Goal: Optimize communication with our internal audience including those operating in the field.

- 790 The San Box Posts (Intranet)
- 6 Digester publications (Monthly bulletin - discontinued in December 2022)
- 52 Three Things to Know Emails (Weekly email)
- 6 Pipeline issues - Including a Special Yearbook Edition (Newsletter)

### 2. Industry Experts

Goal: Establish and solidify OC San's reputation as infrastructure leaders in the wastewater and resource recovery industry.

- 13 agency awards received
- 24 Speaking Engagements reaching over 1,500 people

### 3. Media Relations

Goal: Cultivate relationships with traditional and social media journalists and influencers.

- 11 press releases issued
- 41 news article mentions
- 719 social media posts across four platforms with average reach of 5,300 per month
- 960 new followers
- OC Register Water insert

**4. Agency Branding and Messaging**

Goal: Enhance OC San's image and branding by utilizing proper messaging in external communication pieces such as OC San's website, presentations, digital media, advertising, which includes maintaining a positive experience for OC San visitors.

- Four issues of Neighborhood Newsletter reaching an average of 4,500 per issue
- Website Redesign Request for Proposal
- Educational display for new Headquarters Building
- OC Register Water Insert
- Launched permittee award program

**5. Educational Outreach**

Goal: Identify and implement avenues for education and outreach within OC San's service area to promote OC San's mission and vision.

- 46 tours reaching 550 people
- Hosted Wastewater 101 Citizens Academy with 30 graduates
- Continue partnership with the Heritage Museum of Orange County with their virtual and in-person teachings
  - Industry award received for partnership
- Participated in seven community events reaching over 5,000 people

**6. Capital and Maintenance Outreach**

Goal: Develop and implement outreach programs that will engage the communities affected by OC San construction and maintenance activities.

- 24 notifications distributed reaching over 70,000 people
- Two virtual Vendor Outreach Workshops hosted
- Three City Council presentations

**7. Legislative Affairs**

Goal: Proactive engagement in legislative advocacy efforts that could impact OC San and the wastewater industry.

- Created annual Legislative Plan
- Issued seven State position letters and 20 Federal position letters
- Hosted Congressman visit and tour

**8. Grant Coordination**

Goal: Monitor, track, and apply for grants available to OC San.

- Secured for \$3.45 million in community project funding

**9. Local Government Affairs**

Goal: Ensure that local elected officials, member agencies, stakeholders, and OC San Board Members are actively engaged in the work of OC San.

- Board Member Speaking Points issued monthly
- Developed OC San's Annual Report
- Hosted State of OC San with 150 virtual participants
- 12 -Five Minutes Per Month published
- Four member agency outreach toolkits distributed
- Developed outreach program for inflow and infiltration issues within sewer service area

#### 10. Crisis Management

Goal: Ensure the PAO serves as the primary spokesperson for OC San during normal business and crisis scenarios and facilitates the dissemination of information.

- Updated Integrated Emergency Response Plan areas pertaining to PAO
- Updated PAO's Continuity of Operations Plan

#### 11. General Manager Support

Goal: Ensure the General Manager and Assistant General Managers are supported with information necessary to communicate to the varied OC San audiences.

- 12 General Manager Monthly Reports
- Monthly talking points preparation
- Preparation of GM Work Plan Update
- Developed material for speaking engagements and presentations
- Strategic Plan support and development

### **CEQA**

N/A

### **FINANCIAL CONSIDERATIONS**

All items included in the Public Affairs Strategic Plan FY 2022-2024 are budgeted in the FY 2022-2024 Budget.

### **ATTACHMENT**

*The following attachment(s) may be viewed on-line at the OC San website ([www.ocsan.gov](http://www.ocsan.gov)) with the complete agenda package:*

- Public Affairs Strategic Plan FY 2022-2024
- Presentation

**PUBLIC AFFAIRS**  
**STRATEGIC PLAN**

---

**2022-2024**



# Public Affairs Strategic Plan FY 2022–2024

## Introduction

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The Orange County Sanitation District's (OC San) Public Affairs Office (PAO) is responsible for creating, organizing, and disseminating all internal and external communication. The primary objective of the PAO is to deliver messages that are accurate, transparent, and designed to foster public trust and confidence. An integrated Public Affairs Strategic Plan is essential to deal effectively with the variety of audiences we serve.

The PAO staff provides services and tools and implements programs to meet the communication needs of several audiences for OC San. This includes planning and implementing media relations; website and intranet site content; construction outreach; elected officials and government relations; internal communications, education, and outreach; and graphic development.

The PAO has created a Strategic Plan for Fiscal Years 2022 - 2024. This Plan is developed based upon the principles of OC San's Mission of protecting public health and the environment and will support the implementation of OC San's Strategic Plan. This Plan offers a vision to unify our communication efforts and focus resources to achieve the greatest impact and greatest results. This plan was created as we are in the process of recovering and moving into our new normal post the COVID-19 pandemic. At the creation of the previous PAO Strategic Plan, it was impossible to project the length of time that COVID-19 would impact our lives and operations, as such some items are carrying over to this new plan. Because much of what is planned and created by this group is based on external factors and therefore outside of our control, flexibility and fluidity is integrated into the plan. The PAO will follow the guidance set forth by management and the Board of Directors to carry out OC San's messaging and support our member agencies.

## Background Information

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OC San represents 20 cities, 4 special districts and a portion of the unincorporated County of

Orange. This area represents a community of 2.6 million people with approximately 550,000 customer accounts.

Unlike most public agencies where there is direct contact with customers, at OC San, billing occurs through the County of Orange property tax bills. Therefore, OC San must work through other means to communicate with the public and the rate payers. We have a 25-member Board of Directors, and over 600 employees within six departments with various goals and objectives. While these groups work independently on a variety of projects, the goal of the PAO is to provide support and messaging that is consistent throughout the agency so that we are one voice, representing the same overall goals, and portraying the same brand.

While there are many challenges with serving such a large and diverse customer base, there are also great opportunities working through the strategies laid out in this Plan.

## Public Affairs Team

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The division is staffed with six full-time employees and overseen by a manager.

- **Jennifer Cabral**, Administration Manager
- **Daisy Covarrubias**, Principal Public Affairs Specialist
- **Rebecca Long**, Senior Public Affairs Specialist
- **Kelly Newell**, Public Affairs Specialist
- **Belen Carrillo**, Public Affairs Specialist
- **Gregg Deterding**, Graphics Designer
- **Cheryl Scott**, Administrative Assistant

Each of these team members carry out specific functions to meet the communication goals and objectives laid out in this Plan.

## Situation Analysis

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- The world is attempting to recover from a pandemic and return to a sense of normalcy, though identifying what - that remains to be seen. However, OC San has been able to continue with its operations and meet the mission of protecting public health and the environment.
- While operations continue for OC San, the business functions have been modified to meet the health and safety guidelines established.
- To ensure the safety of our critical on-site staff, approximately 50 percent of staff have been working remotely for the last two years. As stability with the health crisis is reached, telecommuting staff is beginning to return on-site. Communication methods have and will continue to address the varied audiences, work schedules and work environments to maintain open and transparent communications.
- OC San is concluding a five-year rate program, with a rate study about to begin. Public communication must factor in the financial impacts to the OC San rate payers as decisions and communication is made regarding proposed fees for the next five years.
- OC San has seen a high number of retirements this year resulting in significant personnel movement and new hires. Communicating OC San's culture and reinforcing the importance in relationships are essential to the effectiveness and functionality of the agency.
- OC San experienced high turnover in the Board of Directors in 2021. Continuous engagement with the Board Members is critical for the success of this agency.
- As an essential service, OC San has continued to execute the Capital Improvement Program (CIP) to keep the regional projects on schedule that are enhancing the regional sewer system throughout the service area. In the next two fiscal years, OC San plans to award 28 construction contracts worth a total of \$400 million.
- In partnership with the Orange County Water District, OC San is constructing facilities to complete the final expansion of the Groundwater Replenishment System (GWRS). Once completed, OC San will be able to recycle 100 percent of the reclaimable flow and allow GWRS to produce enough water for 1 million people.
- OC San is constructing a new administrative headquarters building in the City of Fountain Valley across the street from Plant No.1. The project will allow OC San to consolidate administrative staff into one building thus creating additional space for process facilities in the plant. The building is designed to be welcoming and inviting to the public. The main entry plaza will feature educational exhibits highlighting OC San's mission of protecting public health and environment.

## Mission

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The Public Affairs Office is committed to communicating information about OC San in a timely, accurate and accessible way to the employees, the Board of Directors, our member agencies, the public, and the news media.

- We are committed to open, honest, clear, and respectful two-way communication with our audiences.
- We are dedicated to informing others about how OC San serves the public and protects the environment.
- We are committed to outstanding customer service by responding to requests quickly and efficiently.
- We are dedicated to teamwork and collaboration as well as being creative and taking the initiative to be out in front of issues.

## Audiences

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This Public Affairs Plan focuses largely on four primary audiences.

- **Internal**

- Board of Directors
- Executive Management Team
- Employees
- Retirees

- **The Public**

- Ratepayers
- Member Agencies
- Residents, Businesses, Commuters Impacted by OC San Construction and Maintenance
- OC San Neighbors near our facilities (plants and pump stations)
- Schools and Students
- Tour Groups

- **Industry**

- Water/Wastewater Agencies
- Trade Organizations
- Trade Media

- **Influential Public**

- Local, State, and Federal Elected Officials
- Environmental Groups
- Local Media

- OC San is dedicated to exceeding wastewater quality standards used for resource recovery.
- OC San is committed to proper planning to ensure that the public's money is wisely spent.
- OC San's assets are monitored and evaluated regularly to ensure top performance and timely replacement.
- OC San values communicating our mission and strategies with those we serve and all other stakeholders.
- Providing reliable, responsive, and affordable services in line with our customer needs and expectations is a top priority for OC San.
- OC San focuses on creating the best possible workforce where safety, productivity, customer service, and training are a top priority.
- OC San has worked very hard to create an integrated planning environment which begins with the expectations of its Board of Directors and flows down to the work product of each employee. We have worked hard to assure our staff members are communicating and providing transparent services to each other in support of the plan.
- OC San has developed an integrated Planning/Asset Management system that allows for intentional, thoughtful decision making to maintain current operations while adding resilience and meeting new challenges.
- OC San has an organizational structure with informal relationships between employees that allow for collaboration toward common goals.

## Agency Key Messages

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- OC San is committed to protecting public health and the environment by providing effective wastewater collection, treatment, and recycling.
- OC San is more than a wastewater treatment facility; we are a resource recovery facility making use of all our byproducts.



## Public Affairs' Goals for Fiscal Year 2022/23 and 2023/24

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1. Optimize communication with our internal audience including those operating in the field.
2. Continue to build OC San's reputation as infrastructure leaders in the wastewater and resource recovery industry.
3. Cultivate relationships with traditional and social media journalists and influencers to promote OC San's programs and initiatives.
4. Enhance OC San's image and branding by utilizing proper messaging in external communication pieces such as OC San's website, presentation, digital media, and advertising. Maintain a positive experience and image for our visitors.
5. Identify and implement avenues for education and outreach within OC San's service area to further promote OC San as a resource recovery agency, promote OC San's mission and promote career opportunities within the wastewater industry.
6. Develop and implement outreach programs that will engage the communities affected by OC San's construction projects.
7. Ensure proactive engagement in legislative advocacy efforts that could impact OC San and the wastewater industry.
8. Monitor, track, and apply for grants available and that make business sense to OC San.
9. Ensure that local elected officials, member agencies, stakeholders, and OC San Board Members are actively engaged in the work of OC San.
10. Ensure the Public Affairs Office serves as the primary spokesperson for OC San during normal business and crisis scenarios and facilitates the dissemination of information.

To achieve these goals, the PAO presents the following strategies and tactics, along with the primary staff assigned to that area. While individual staff members are the key contacts for each of the goals, the team works collectively and collaboratively, reflecting our core values. Our staff recognizes the key role we play at OC San, not only communicating information, but also teaching and consulting others and serving as a resource to our Board of Directors, employees, the wastewater industry, and our member agencies.

As we navigate through the pandemic recovery efforts, the team will follow this plan, and make necessary modifications to effectively communicate OC San's strategic direction. Flexibility is implemented into this plan to deal with the dynamic situation we are all in.

# Public Affairs Strategies and Tactics

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## 1. Category: Employee Communication

**Program Manager:** Rebecca Long

**Program Coordinator/Support:** Kelly Newell, Belen Carrillo, Gregg Deterding, and Cheryl Scott

**Goal (what):** Optimize communication with our internal audience including those operating in the field.

**Objective (measure):** Create employee engagement by utilizing the identified communication methods to share agency wide messages.

**Strategy (why):** We value open and honest communication with our employees. PAO is committed to various efforts aimed at keeping OC San employees informed about important topics, increasing the overall quality of communications to our employees while tying the business aspects of the agency with the human-interest side.

### Tactics (how):

- Keep information on The San Box homepage current, relevant, and useful for OC San employees by working with the various departments to gather information that should be shared.
- On a regular basis, staff will continue to support various departments with their communication and outreach needs.
- PAO will produce six Pipeline newsletters per year with a goal of circulation by the third week of the publication month.
- PAO will track Volunteer Incentive Program (VIP) points for all participating employees and coordinate the VIP appreciation celebration.
- Create employee recognition and celebratory events throughout the year that comply with health guidelines, this may include small in-person gatherings and virtual events. To include but not limited to the Annual Holiday Lunch, the Harvest Festival, and VIP Celebration, etc.
- Commemorate OC San's 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.
- Continue with the Honor Walk program which acknowledges retired staff and past Board Members for their contribution to OC San. The recognition event will be hosted every other year starting in 2023.
- Write and coordinate the 3 Things to Know email blast to be distributed to all staff each Monday.
- Produce monthly Digester bulletin.
- Support and promote OC San "U", OC San's training program.

## 2. Category: Industry Experts

**Program Manager:** Daisy Covarrubias

**Program Coordinator/Support:** Kelly Newell, Gregg Deterding, and Cheryl Scott

**Goal (what):** Establish and solidify OC San's reputation as infrastructure leaders in the wastewater and resource recovery industry.

**Objective (measurable):** Increase participation in strategic organizations through conferences, networking activities and awards by five percent.

**Strategy (why):** To build positive public perception and confidence among our various audiences.

### Tactics (how):

- Encourage participation and presentation in conferences
- Encourage and support award application submittals
- Publicize and coordinate award acceptance logistics
- Track all awards won by OC San by keeping a master list
- Track and promote staff abstracts, and publications

## 3. Category: Media Relations

**Program Managers:** Daisy Covarrubias and Rebecca Long

**Program Coordinators:** Kelly Newell, Belen Carrillo, Gregg Deterding, and Cheryl Scott

**Goal (what):** Cultivate relationships with traditional and social media journalists and influencers.

**Objective (measurement):** Increase media coverage with positive stories about OC San.

**Strategy (why):** While a presence in the community is important to putting a face to our agency, media (traditional and social) is equally important with a broader reach and a more direct line of communication.

## Tactics (how):

- Annually update media list to stay current and fresh.
- Develop a press kit to be online and interactive.
- Build a calendar of news release topics of interest to the public and stakeholders
- Invite media for a facility tour (virtual or small group). – Rolling over to new plan as unable to complete due to COVID—19 restrictions.
- Develop media strategies for important events, decisions, or actions. e.g. CIP Campaign (see details in Category 6: Capital and Maintenance Outreach.
- Conduct media training for Board leadership, EMT and key staff members. - Rolling over to new plan as unable to complete due to COVID—19 restrictions.
- Weekly (3-5 times) social media posts about the happenings at OC San with focus on OC San's accomplishments and mission.
- Continue with social media campaigns #OCSanAtWork, #What2Flush, and those currently supporting ongoing efforts.

## 4. Category: Agency Branding and Messaging

**Program Manager:** Daisy Covarrubias

**Program Coordinators/Support:** Gregg Deterding, Kelly Newell, and Cheryl Scott

**Goal (what):** Enhance OC San's image and branding by utilizing proper messaging in external communication pieces such as OC San's website, presentations, digital media, advertising, which includes maintaining a positive experience for OC San visitors.

**Objective (measure):** Continue with OC San's branding campaign including updating collateral material, signage, and promotional material as appropriate and as it is used. Maintain the lobby(s) current and informative with relevant information, i.e., displays, awards case, etc.

**Strategy (why):** A cohesive voice, message, look, and feel are critical to the public perception that an organization holds with its community. A positive and pleasant in-person experience reinforces OC San's culture and core values as well as showcasing OC San as industry leaders, and a well-run organization, leaving behind the stigma of typical government agencies.

## Tactics (how):

- Develop new website to better meet the information needs of our visitors while meeting accessibility standards.
- Maintain website accuracy, relevancy and timeliness with new stories posted weekly.
- Provide presentations, consultation, and advice on the branding and image of OC San.
- Develop new collateral materials around the key messages.
- Explore advertising options to inform the public of agency efforts and role in enhancing the local economy.
- Fulfill all requests for graphics, photos, and logos.
- Continue with online community newsletter. Increase reach and distribution list.
- Develop a branding plan for the new Headquarters Building.
- Develop an educational display in the headquarters building to illustrate OC San's reuse and recycling efforts in support of the environment and public health. Display to be revealed when new building is unveiled.
- Maintain the lobby wall in the administration building at Plant No. 1 and the Operations Center at Plant No. 2 with OC San's current branding and messaging.

- Rotate flags on light poles at Plant No. 1 and at Plant No. 2 on a biennial basis.
- Keep the award display cabinet up to date by rotating awards.
- Keep the retiree display in the Administration Building hallway up to date. On an annual basis collect the names of the retirees and update the display board.
- Maintain and coordinate the installation of Honor Walk bricks on a biennial basis.
- Display collateral material in a neatly and organized manner displayed with current and relevant information.
- Develop a video library of OC San programs to utilize as educational and promotional tools.
- Promote the development and implementation of OC San's permittee awards program that recognizes industries for improving their adherence to excellent standards.
- Support and promote the development of an awards program for biosolids truck drivers.
- Develop a campaign to showcase OC San's diversity to be launched internally and externally.

## 5. Category: Educational Outreach

**Program Manager:** Rebecca Long

**Program Coordinators/Support:** Kelly Newell, Belen Carrillo, Gregg Deterding, and Cheryl Scott

**Goal (what):** Identify and implement avenues for education and outreach within OC San's service area to promote OC San's mission and vision.

**Objective (measurement):** Create and identify new educational opportunities including virtual events and webinars to promote and educate the community on OC San's work and the essential service provided. Incorporate the GWRS messaging to increase awareness of the benefits to our service area.

**Strategies (why):** To further promote OC San as a resource recovery agency, promote OC San's mission and promote career opportunities within the wastewater industry.

### Tactics (how):

- Execute the Inside the Outdoors contract for Fiscal Year 2022-2023 to continue the educational partnership that includes the Sewer Science program to 500 students within Orange County and introduce them to OC San's virtual tour program.
- Reinstate physical plant tours and continue offering the virtual tour to increase the reach of OC San's tour program.
- Identify 10-12 community event opportunities for OC San to participate in to inform and educate the community on the important role OC San plays in public health and the environment.
- Continue to encourage and promote the Volunteer Incentive Program to have a pool of staff that volunteer for events and speaking engagements that OC San participates in.
- Expand OC San's speaker's bureau to provide a wider set of speakers available.
- Public Service Announcement (PSA) Contest – work with high schools in our service area to create a promotional PSA for OC San on a biennial basis. Obtain a minimum of 20 individual and/or group entries.
- Continue hosting Wastewater 101 Citizen Academy for our ratepayers, and influential public to showcase OC San operations and initiatives. Host a minimum of four (4) series per year.
- Support the Heritage Museum of Orange County's educational efforts by supplying material to be used for virtual and in-person teaching of OC San's key messages.

## 6. Category: Capital and Maintenance Outreach

**Program Managers:** Daisy Covarrubias and Tanya Chong from Engineering,

**Program Coordinators/Support:** Belen Carrillo, Kelly Newell, Gregg Deterding, Cheryl Scott, and Jennifer Wein from Engineering

**Goal (what):** Develop and implement outreach programs that will engage the communities affected by OC San construction and maintenance activities.

**Objective (measurement):** Develop, implement, and provide outreach support for over 15 capital projects scheduled to break ground in fiscal years 2022/2023 and 2023/2024 in more than 10 cities.

**Strategy (why):** Form a positive presence in the community prior to the start of construction projects or maintenance activities that is personal and proactive. Provide impacted community with information ahead of construction activities. Inform them of the benefits and need for the project to gain support and understanding of the necessary construction.

### Tactics (how):

- Proactively offer briefings and community meetings to impacted neighborhoods, civic groups, businesses, schools, churches, and other institutions within the project area on an as needed basis.
- Explore the option of placing advertising pieces in communities/areas impacted by construction.
- Respond to inquiries within a 24-hour period.
- Provide project description and notifications to impacted residents at least two weeks before construction begins.
- Update collateral materials, fact sheets and website with current construction information on an as needed basis.
- Maintain ongoing communications with city staff and Board Members on current and upcoming construction outreach projects in affected cities.
- Maintain ongoing communications with impacted residents within the project area through collateral material (e.g., flyers, door hangers, emails, text alerts, social media posts, etc.).
- Measure customer satisfaction through a construction outreach survey to be distributed at the close of construction programs.
- Support the Vendor Outreach Program to promote OC San business opportunities with local businesses.

## 7. Category: Legislative Affairs

**Program Manager:** Rebecca Long

**Program Coordinator/Support:** Kelly Newell, Gregg Deterding, and Cheryl Scott

**Goal (what):** Proactive engagement in legislative advocacy efforts that could impact OC San and the wastewater industry.

**Objective (measure):** Continue positive relationships with local, state, and federal officials through facility tours, meetings, and bill tracking as stated in the Legislative Plan.

**Strategy (why):** Legislative advocacy is an important aspect of our business. Having relationships and being actively involved, providing input and OC San's perspective on potential legislature can and does directly affect OC San and our business.

The PAO is responsible for executing the Board approved Legislative Plan, which is updated on an annual basis. In addition, staff is responsible for tracking state and federal legislation, managing OC San's legislative advocates, and seeking appropriations and grants.

### Tactics (how):

- Develop and implement Annual Legislative Plan in the second quarter of each fiscal year.
- Track bills and maintain a priority list of key legislation.
- Provide regular updates to the Legislative and Public Affairs Committee on state and federal matters.
- Host legislative tours.
- Engage in Advocacy Days in Sacramento and Washington DC once a year.
- Take positions on bills that could affect OC San or the industry.
- Work with industry organizations on state and federal issues to ensure OC San's positions are communicated.
- Partner with industry organizations to co-host virtual events and activities.
- Manage the legislative advocates' contracts and facilitate regular communication between lobbyists, staff, and the Board of Directors.

## 8. Category: Grants Coordination

**Program Manager:** Rebecca Long

**Program Coordinator/Support:** Kelly Newell, Gregg Deterding, and Cheryl Scott

**Goal (what):** Monitor, track, and apply for grants available to OC San.

**Objective (measure):** Apply and obtain grants for qualified OC San projects and programs.

**Strategy (why):** Outside funding is important in moving OC San projects and programs forward. With ongoing attention to government spending, it is vital for OC San to apply for and secure grants to offset costs when available.



## Tactics (how):

- Apply for two grants a year based on availability.
- Ensure Grant Policy is updated and current.
- Research grant opportunities and report out to the Legislative and Public Affairs Committee.
- Seek out available grant funding opportunities for OC San and its various divisions.
- Secure letters of support.
- Publicize grant awards received.
- Create and measure outcomes.

## 9. Category: Local Government Affairs

**Program Manager:** Daisy Covarrubias

**Program Coordinators/Support:** All PAO staff

**Goal (what):** Ensure that local elected officials, member agencies, stakeholders, and OC San Board Members are actively engaged in the work of OC San.

**Objective (measure):** Provide at least two communication tools per month

**Strategy (why):** Keeping OC San's influential public engaged in OC San's projects and accomplishments are critical to the support and success of our agency.

## Tactics (how):

- Provide Board of Directors with speaking points following every OC San board meeting that can be used when reporting back to their respective councils and community groups.
- Support an orientation (as needed) for new Board members.
- Develop and keep a current list of monthly informational presentations.
- Maintain an informational presentation video library for the Board of Directors on key agency topics.
- Provide regular reports to the Legislative and Public Affairs Committee.
- Develop OC San's Annual Report.
- Publish a Five Minutes Per Month, each month.
- Participate in government affairs committees.
- Invite new council and board members within OC San's service area to take a tour of OC San and offer presentations to their respective agencies on OC San programs and efforts.
- Create and distribute quarterly outreach tool kits for member agency PIOs to help them easily share and disseminate information about OC San.
- Host a "State of the District" event for influential leaders throughout the infrastructure and water/wastewater industry, including virtual option.
- Develop an outreach program for member agencies regarding inflow and infiltration issues within their sewer systems. The program will aim to educate, inform, and reduce inflow and infiltration affecting the local and regional sewer system.



## 10. Category: Crisis Management

**Program Manager:** Rebecca Long

**Program Coordinators/Support:** All PAO Staff

**Goal (what):** Ensure the PAO serves as the primary spokesperson for OC San during normal business and crisis scenarios and facilitates the dissemination of information.

**Objective (measure):** Ensure that the PIOs in the PAO can respond in a crisis. Provide the necessary tools and material to follow established protocols and support the situation as needed.

**Strategy (why):** It is imperative during a crisis that OC San be proactive and provide clear and effective messaging to employees, public, and the media.

### Tactics (how):

- Maintain an updated crisis communication plan including regular briefings with staff to identify possible issues and responses.
- Maintain and update PAO's Continuity of Operations Plan (COOP).
- Work with Risk and Safety Management on Public Affairs' role in an emergency, including our role via the Integrated Emergency Response Plan.
- Ensure proper procedures are in place for Board, employees, and public notification.
- Maintain updated contact lists for resource, member, and partnering agencies to coordinate and assist during crisis.
- Develop protocols on everyday PAO tasks to facilitate the operations of the group in a time of crisis.

## 11. Category: General Manager Support

**Program Manager:** Daisy Covarrubias

**Program Coordinators/Support:** All PAO Staff

**Goal (what):** Ensure the General Manager and Assistant General Managers are supported with information necessary to communicate to the varied OC San audiences.

**Objective (measure):** Develop monthly communication pieces on behalf of the General Manager. Ensure General Manager (or designee) is participating and involved in promoting OC San's initiatives.

**Strategy (why):** Collaborate with the General Manager to prepare communication and messaging that reflects the mission and vision of OC San.

## **Tactics (how):**

- Assist the General Manager and the Assistant General Managers with keeping the Board Members informed and up to date with OC San activities.
- Assist in the development of the General Manager's Monthly Report.
- Develop talking points for Board and Committee meetings.
- Develop material and speaking points for presentations and speaking engagements.
- Support the development of the OC San Strategic Plan.
- Assist in the development of the General Managers Annual Work Plan, including mid-year and end of year reports.
- Manage Ask the GM questions submitted.
- Coordinate and support VIP tours guided by General Manager and Assistant General Managers.
- Coordinate and produce two Town Hall meetings (live and/or pre-recorded) to keep employees informed and engaged.

## **Closing Comments**

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This plan is a broad outline of the Public Affairs Office program. As new issues arise, new functions and duties will evolve as well. The role of the Public Affairs Office is to stay ahead of issues, be responsive and flexible to meet the needs of the agency. We will adjust our program accordingly.

## **New Tactics Introduced**

- Vendor Outreach Program
- Inflow/Infiltration Member Outreach Campaign
- OC San New Website
- Biosolids Driver Rewards Program
- Permittee Awards
- Diversity Campaign
- Heritage Museum Educational Program
- Video Library



**Public Affairs Division**  
10844 Ellis Avenue  
Fountain Valley, CA 92708

# Public Affairs Year-End Report

## FY 2022 - 2024

*Presented by:*

*Jennifer Cabral,  
Administration  
Manager*

*Daisy Covarrubias,  
Pr. Public Affairs Spec.*

*Steering Committee*

*June 28, 2023*



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## Public Affairs Staff

Jennifer Cabral, Administration Manager

- Daisy Covarrubias, Principal Public Affairs Specialist
- Rebecca Long, Senior Public Affairs Specialist
- Kelly Newell, Public Affairs Specialist
- Belen Carrillo, Public Affairs Specialist
- Gregg Deterding, Graphic Designer
- Cheryl Scott, Administrative Assistant
- Interns

Extension of Our Team

- Tanya Chong, Principal Staff Analyst (Engineering)
- VIPs

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## Current Situation

- OC San Culture
- Operations
- Community
- Supercritical Water Oxidation Project
- Capital Improvement Program
- Board Members

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## PAO Strategic Plan

**EMPLOYEES**



- Over 790 internal communication pieces
- Yearbook -Special Pipeline Issue

**EXPERTS**



- 24 speaking engagements
- 13 awards received

**MEDIA**



- Over 700 social media posts
- 960 new followers
- 11 press releases
- 41 news articles mentioned
- OC Register Insert

**BRANDING**



- Website RFP
- 4 issues of Neighborhood Newsletter
- Permittee awards program
- HQ Educ. Display

**EDUCATION**



- 46 tours
- WW 101 Academy
- 8 community events
- Heritage Museum

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# PAO Strategic Plan

CONSTRUCTION	LEGISLATIVE	GRANTS	GOVT AFFAIRS	CRISIS	GM SUPPORT
					
<ul style="list-style-type: none"> <li>• 24 alerts</li> <li>• 3 vendor workshops</li> <li>• 3 city council presentations</li> </ul>	<ul style="list-style-type: none"> <li>• 27 position letters</li> <li>• Leg Plan</li> </ul>	<ul style="list-style-type: none"> <li>• Approved for \$3.35M</li> </ul>	<ul style="list-style-type: none"> <li>• State of OC San Board Member speaking points</li> <li>• Annual Report</li> <li>• Outreach Toolkits</li> <li>• 5 min per month</li> <li>• Inflow/infiltration outreach</li> </ul>	<ul style="list-style-type: none"> <li>• Updates IERP</li> <li>• COOP</li> </ul>	<ul style="list-style-type: none"> <li>• GM Monthly Reports</li> <li>• GM Workplan</li> <li>• Talking points/ presentations</li> <li>• Strategic Plan</li> </ul>

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Next Year

- Community Outreach
  - Events
  - Tours
  - Speaking Engagements
- Employee Engagement
- Headquarters
- Easement Efforts
- Construction Outreach
- Headquarters Move-in

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**Next Steps**

- Receive and File the Public Affairs Strategic Plan for Fiscal Years 2022- 2024 Year-End Report

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**Questions**



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# STEERING COMMITTEE

## Agenda Report

Administration Building  
10844 Ellis Avenue  
Fountain Valley, CA 92708  
(714) 593-7433

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**File #:** 2023-2942

**Agenda Date:** 6/28/2023

**Agenda Item No:** 5.

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**FROM:** Robert Thompson, General Manager

**SUBJECT:**

**GENERAL MANAGER'S FISCAL YEAR 2022-2023 WORK PLAN YEAR-END REPORT**

**GENERAL MANAGER'S RECOMMENDATION**

RECOMMENDATION: Recommend to the Board of Directors to:

Receive and file the General Manager's Fiscal Year 2022-2023 Work Plan Year-End Report.

### **BACKGROUND**

Each year, the General Manager prepares a work plan of activities supporting Orange County Sanitation District's (OC San) strategic goals and initiatives to be accomplished during the fiscal year. Attached is the year-end report for the General Manager's FY 2022-2023 work plan.

### **RELEVANT STANDARDS**

- Maintain a culture of improving efficiency to reduce the cost to provide the current service level or standard
- Plan for and execute succession, minimizing vacant position times
- Cultivate a highly qualified, well-trained, and diverse workforce
- Maintain and adhere to appropriate internal planning documents (Biosolids, Odor, and Energy Master Plans)
- Use all practical and effective means for resource recovery

### **PRIOR COMMITTEE/BOARD ACTIONS**

January 2023 - Steering Committee and Board of Directors received and filed the General Manager's Fiscal Year 2022-2023 Work Plan Mid-Year Update.

June 2022 - Steering Committee and Board of Directors approved the General Manager's Fiscal Year 2022-2023 Work Plan.

May 2022 - Steering Committee received and filed the General Manager's Fiscal Year 2022-2023 Proposed Work Plan.



**ADDITIONAL INFORMATION**

The General Manager's FY 2022-2023 Work Plan included 17 goals for the fiscal year. 14 items in the work plan have been completed and three will carry over into fiscal year 2023-2024.

**FINANCIAL CONSIDERATIONS**

All items included in the General Manager's Work Plan were budgeted in the FY 2022-2023 Budget.

**ATTACHMENT**

*The following attachment(s) may be viewed on-line at the OC San website ([www.ocsan.gov](http://www.ocsan.gov)) with the complete agenda package:*

- General Manager's Fiscal Year 2022-2023 Work Plan Year-End Report

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



# STEERING COMMITTEE

## Agenda Report

Administration Building  
10844 Ellis Avenue  
Fountain Valley, CA 92708  
(714) 593-7433

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**File #:** 2023-2940

**Agenda Date:** 6/28/2023

**Agenda Item No:** 6.

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**FROM:** Robert Thompson, General Manager

**SUBJECT:**

**GENERAL MANAGER'S FISCAL YEAR 2023-2024 PROPOSED WORK PLAN**

**GENERAL MANAGER'S RECOMMENDATION**

RECOMMENDATION:

Receive and file the General Manager's Fiscal Year 2023-2024 Proposed Work Plan.

### **BACKGROUND**

Each year, the General Manager prepares a work plan of activities supporting the Orange County Sanitation District's (OC San) strategic goals and initiatives to be accomplished during the fiscal year. The proposed work plan is being submitted to the Steering Committee for review and input. A final work plan incorporating Board Member input will be submitted to the Steering Committee and Board of Directors for approval on July 26, 2023.

### **RELEVANT STANDARDS**

- Sustain 1, 5, 20-year planning horizons
- 24/7/365 treatment plant reliability
- Negotiate fair and equitable labor agreements
- Commitment to safety & reducing risk in all operations
- Meet volume and water quality needs for the GWRS
- Maintain a culture of improving efficiency to reduce the cost to provide the current service level or standard

### **PRIOR COMMITTEE/BOARD ACTIONS**

N/A

### **ADDITIONAL INFORMATION**

The General Manager's work plan includes goals for the 2023-2024 Fiscal Year. This plan has been developed based on the 2021 Strategic Plan adopted by the Board of Directors on November 17, 2021 and is organized under the four Strategic Planning categories: Business Principles, Environmental Stewardship, Wastewater Management, and Workplace Environment.



## **FINANCIAL CONSIDERATIONS**

All items included in the General Manager's work plan are included in the FY 2023-2024 Budget and are in alignment with the policy set forth by the Board of Directors in the 2021 Strategic Plan.

## **ATTACHMENT**

*The following attachment(s) may be viewed on-line at the OC San website ([www.ocsan.gov](http://www.ocsan.gov)) with the complete agenda package:*

- General Manager's Fiscal Year 2023-2024 Proposed Work Plan
- Strategic Plan 2021

June 21, 2023

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

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

**SUBJECT: General Manager's FY 2023-2024 Proposed Work Plan**

---

I am pleased to present my proposed Work Plan for Fiscal Year 2023-2024. The plan has been developed to support the Strategic Plan and is organized under four Strategic Planning categories: Business Principles, Environmental Stewardship, Wastewater Management, and Workplace Environment. The 21 goals proposed for next year include three goals from the previous year as well as new goals that will ensure our operations are safe and efficient. In addition, we will continue leading the way in innovation, financial management, and work force while maintaining the level of service we have committed to.

### 1. Business Principles

- **Asset Management Plan** – Identify critical plant and collections assets that are currently in service and under construction that have long lead times for parts and replacement. Develop an approach to mitigate procurement risks and impacts to plant and collections resiliency under current market conditions by March 31, 2024. Develop an approach to evaluate procurement times, market pricing, and bidding risks for projects in the design phase and adjust construction cost estimates and schedules accordingly by December 31, 2023.
- **Permit Outreach and Restructuring** – Conduct an analysis of member agency services, encroachment permits, and requirements to better understand and evaluate if a regional approach and harmonized fee structure is needed with a determination by June 30, 2024.
- **Interagency Agreements for Wastewater Service** – Expand on coordination opportunities with the Irvine Ranch Water District in anticipation of the expiration of agreements in 2026.
- **Pretreatment Management** - Work with member agencies to update waste discharge and pretreatment ordinance by June 30, 2024.
- **Organizational Advocacy and Outreach** – Implement an integrated outreach strategy that will include industry and media coverage for the Supercritical Water Oxidation project.

## **2. Environmental Stewardship**

- **Food Waste Treatment** – Continue with a county-centric approach. Finalize the unified food waste specifications and collaborate with Orange County Waste & Recycling to support the construction and utilization of a regional food waste processing facility by June 30, 2024.
- **Urban Runoff Optimization Study** – Identify opportunities within Orange County Water District, County of Orange, and OC San's respective water, stormwater, and wastewater systems for additional dry weather urban runoff diversion under a controlled discharge scenario by June 30, 2024
- **Energy Resilience** – (*Carried over from FY 22/23*) Investigate energy storage options to build resilience and offer potential cost savings. Work with the consultant as part of the Energy and Digester Gas Master Plan Study and report to the Board of Directors by October 31, 2023. Complete the Study by June 30, 2024.
- **Fleet Long-Term Strategy** – Review and update the fleet procurement strategy based on recently adopted regulations. Regulatory compliance will work with air quality consultants to analyze California Air Resources Board's Advanced Clean Fleet Regulations and develop recommendations for fleet replacement by December 31, 2023.
- **Headquarters Educational Display** – Develop a Board approved design for the hands-on educational display for the outdoor patio by June 30, 2024.
- **Member Agency Outreach Program** – Develop outreach material for member agencies to educate, inform, and reduce impacts affecting the local and regional sewer system by December 31, 2023.
- **Industrial Users Award Program** – Identify opportunities to expand OC San Pretreatment Honor Roll Program beyond Significant Industrial Users by June 30, 2024.
- **Plant No. 2 Process Facilities Seismic Resilience** – Evaluate the seismic vulnerabilities of Plant No. 2 flow processes (primary clarifiers, activated sludge facility, and ocean outfall piping) within the plant. Determine the required improvements to maintain dry weather flow capacity after a seismic event. Incorporate necessary upgrades into future capital improvement projects. Advertise for a Request for Proposal by June 30, 2024.

### 3. Wastewater Management

- **Supercritical Water Oxidization** – (*Carried over from FY 22/23*) Complete the commissioning and begin demonstration of the pilot project by June 30, 2024, subject to regulatory permitting.
- **Wastewater Characterization Study** – In collaboration with the Orange County Water District and regulatory agencies, conduct research to characterize changes in OC San's final effluent following completion of the Groundwater Replenishment System. Complete initial chemical and toxicological evaluation by June 30, 2024.
- **Biosolids Management** – Refresh both short- and long-term hauling and management options to ensure reliability and availability of failsafe options, promote local biosolids management options, and enable compliance with Advanced Clean Fleet and Greenhouse Gas reduction regulations by June 30, 2024.
- **Property Management** – Ensure compliance with easement requirements and maintain unobstructed access to OC San's regional sewer line within the Miller-Holder alignment in Huntington Beach. Begin outreach and coordination efforts by December 31, 2023.

### 4. Workplace Environment

- **Scanning & Paper Reduction** – (*Carried over from FY 22/23*) Complete Scope of Work for Phase II, issue Request for Proposal and award the contract for implementation of the trusted system in a phased approach by December 31, 2023. Complete Phase II by June 30, 2024.
- **Emergency Preparedness** – Develop and conduct an earthquake emergency response drill, which includes evacuation of buildings, assembly and accountability of employees, deployment of the damage assessment team, and medical team response by June 30, 2024. Conduct National Incident Management System (NIMS) training for employees that are involved in emergency planning, and response or recovery efforts by June 30, 2024. NIMS training is determined based on assignment within OC San's Emergency Operations Center (EOC). Additionally, employees will receive training on how to use the Incident Command System (ICS) forms specific to their role within the EOC.

- **Centralized Training Program** – OC San's employee training programs and activities will be transitioned from individual departments to Human Resources over a two-year period. The centralized approach will provide greater consistency, transparency, and access for all employees, and ensure that OC San's training is responsive to the needs of the organization and in alignment with the Strategic Plan and General Manager's Work Plan. One new full-time employee will be dedicated to the program and will be recruited for by December 30, 2023. Human Resources will develop training profiles based on roles, classifications, and work groups and fully transition the compliance and essential training elements by June 30, 2024.
- **Employee Relations Legal Services** – Solicit, interview, and recommend a licensed law firm to provide as-needed legal services to support Human Resources in employment related cases by December 31, 2023.

RCT:jc

ORANGE COUNTY SANITATION DISTRICT

# Strategic Plan '21







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## Board of Directors

### CITIES

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

### AGENCIES

Costa Mesa Sanitary District  
Midway City Sanitary District  
Irvine Ranch Water District  
Yorba Linda Water District  
Member of the Board  
of Supervisors

### ACTIVE DIRECTOR

Stephen Faessel  
Glenn Parker  
Art Brown  
Paulo Morales  
Patrick Harper  
Jesus J. Silva  
Steve Jones  
Kim Carr  
Anthony Kuo  
Rose Espinoza  
Marshall Goodman  
Mark Chirco  
Brad Avery  
Kim Nichols  
Chad Wanke  
Johnathan Ryan Hernandez  
Sandra Massa-Lavitt  
David Shawver  
Ryan Gallagher  
Chad Zimmerman

Robert Ooten  
Andrew Nguyen  
John Withers  
Brooke Jones  
  
Doug Chaffee

### ALTERNATE DIRECTOR

Jose Diaz  
Steven Vargas  
Connor Traut  
Anne Hertz  
Glenn Grandis  
Nick Dunlap  
John O'Neill  
Dan Kalmick  
Farrah N. Khan  
Jose Medrano  
Nitesh Patel  
Ron Bates  
Joy Brenner  
Chip Monaco  
Ward Smith  
Nelida Mendoza  
Schelly Sustarsic  
Carol Warren  
Austin Lumbard  
Robert Collacott

Art Perry  
Sergio Contreras  
Douglas Reinhart  
Phil Hawkins  
  
Donald P. Wagner

## Message from the GM

The Orange County Sanitation District's (OC San) resilience and preparedness have been clearly demonstrated over the past year and a half as we continued to deliver our mission to protect public health and the environment, while also planning for the future.

Working through the COVID-19 pandemic, we continued to move forward, making progress on the strategies set by our Board of Directors in our previous Strategic Plans. We even adopted a new logo and name that is reflective of our innovation and culture, changing from OCSD to OC San.

This Strategic Plan, which sets the course for our agency for the next few years, is the result of a Board of Directors-driven planning process. The plan is reviewed and updated every two years to verify and validate whether the issues, policies, and initiatives are still relevant and appropriate. This year's update coincided with the addition of eleven new Board Members.

While it may have seemed like inopportune timing to update a plan of this nature, it was actually a great opportunity. The process allowed the new members to become engaged in the important strategic issues facing OC San. This fresh set of eyes created greater clarity and validated the issues and topics being addressed. The Board's direct input into the Strategic Plan has also created organizational alignment ensuring that staff's efforts are in line with the Board's priorities.

I would like to thank our former Board Members for their vision and guidance that set the course we are on today, and our current Board for their trust and confidence giving us the opportunity to grow and excel as we strive to provide industry leading service.

Sincerely,



James D. Herberg  
General Manager



## Strategic Plan Executive Summary

The Orange County Sanitation District (OC San) is a resource recovery agency focused on providing reliable and cost-effective public services. OC San uses a two-year, four-step management process that creates and maintains vision alignment between the Board of Directors, staff, and the public we serve. It all begins with a Strategic Plan developed by the Board and staff that provides guidance and direction for long-term financial, capital, and operational efforts.

Strategic planning is the first step to define OC San’s ability to have people and assets in place to meet its agreed upon mission. The second step is budget development. The budget document lays out the tactical

planning and resource allocation based on the adopted Strategic Plan. The third step is budget execution which is the day in and day out delivery of services to the public we serve. The final step is reporting on our level of service delivery and goal attainment.

These four steps are repeated every two years to maintain alignment and adjust based on Board Member input, legal and regulatory changes, and the needs of the communities we serve. This management system is intended to carry on over the course of transitioning Board Members and staff to deliver resilient daily services and morph our facilities and systems over time to meet new challenges facing Orange County.



The policy areas from the 2019 Strategic Plan were evaluated and determined to be relevant today, slight modifications were made to address new findings or continue to advance the original goal with new initiatives. We are continuing with four broad categories with 15 policy areas that define our role in the wastewater environment for Orange County.

**The areas are:**

**Business Principles**

- Budget Control and Fiscal Discipline
- Asset Management
- Cybersecurity
- Property Management
- Organizational Advocacy and Outreach

**Environmental Stewardship**

- Energy Independence
- Climate and Catastrophic Event Resiliency
- Food Waste Treatment
- Water Reuse
- Environmental Water Quality, Stormwater Management and Urban Runoff

**Wastewater Management**

- Chemical Sustainability
- Biosolids Management
- Constituents of Emerging Concern

**Workplace Environment**

- Resilient Staffing
- Safety and Physical Security

Three workshops were held with the Board of Directors from February to April to introduce and present each area and the corresponding initiatives. Feedback and recommendations were made by the Board leading to revisions of some of the proposed initiatives for each area.

During these workshops, a fifteenth topic was introduced to reinforce the importance of

transparency and communication with our public. Organizational Advocacy and Outreach was added under the category of Business Principles. While OC San already has active communication efforts and programs in place, including it in the Strategic Plan emphasizes to our stakeholders the importance we place on keeping our community informed and involved.

Based on direction from the Board, the Strategic Plan policy papers were finalized and included in the appendix of this report. Each paper includes a policy statement, background information, the current situation, and initiatives to reach the policy goal.

The topics covered in this report will trickle down to supporting documents such as the Budget and General Manager's Work Plan. The work plan is where we will note measurable results on each goal and the supporting initiatives.

As part of the Strategic Plan, the agency's Core Values, and Levels of Service (LOS) were also updated to be reflective of the current status of OC San. The Core Values are intended to reflect and guide the culture practiced at OC San. Our LOS are our commitment to our various stakeholders; that includes the public, regulators, our Board, and our employees. As regulations change, technology advances, expectations change, so must our service to the public. Our LOS were updated to more closely align with the Strategic Plan. They reflect our promise to the public to protect public health and the environment by providing them with state-of-the-art service. OC San's Risk Register was also reviewed and updated to capture the appropriate areas of concern as well as our action plan to mitigate those risks.



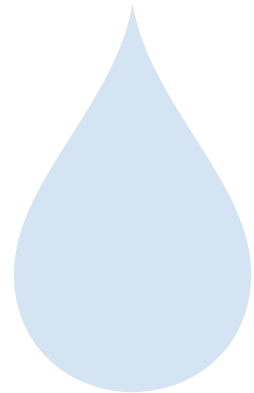
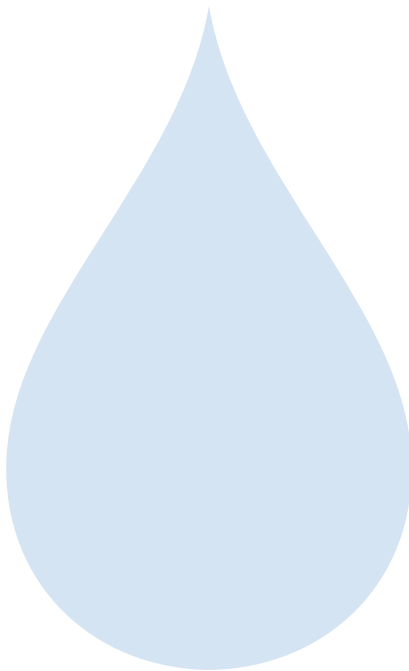
## Our Mission

*“To protect public health and the environment by providing effective wastewater collection, treatment, and recycling.”*

## Our Vision

### **ORANGE COUNTY SANITATION DISTRICT WILL BE A LEADER IN:**

- Providing reliable, responsive, and affordable services in line with customer needs and expectations.
- Protecting public health and the environment utilizing all practical and effective means for wastewater, energy, and solids resource recovery.
- Continually seeking efficiencies to ensure that the public’s money is wisely spent.
- Communicating our mission and strategies with those we serve and all other stakeholders.
- Partnering with others to benefit our customers, this region, and our industry.
- Creating the best possible workforce in terms of safety, productivity, customer service, and training.



## Core Values

OC San's Core Values support the Mission and Vision Statements by expressing the values, beliefs, and philosophy that guides the agency's daily actions. They help form the framework of the organization and reinforce a professional work ethic. The Core Values were updated this year as part of the overall Strategic Plan update to reflect the agency and workforce we are today. These Core Values more accurately express the philosophy and practice of OC San's workforce.

### **Integrity, Inclusion, Honesty, and Respect**

We aspire to the highest degree of integrity, inclusion, honesty, and respect in our interaction with each other, our suppliers, our customers, and our community. We strive to demonstrate these values in our actions, commitments, and service.

### **Leadership, Teamwork, and Problem Solving**

We lead by example, acknowledging the value of our resources and using them wisely to achieve our mission. We strive to reach OC San goals through cooperative efforts and collaboration with each other and our constituencies. We work to solve problems in a creative, cost-effective, and safe manner, and we acknowledge team and individual efforts.

### **Customer Service, Transparency, and Accountability**

We are committed to acting in a timely, accurate, accessible, and transparent manner through excellent customer service. We are committed to act in the best interest of our internal and external stakeholders.

### **Resiliency, Innovation, and Learning**

We continuously develop ourselves, enhancing our talents, skills, and abilities. We recognize that only through personal growth and development will we progress as an agency and as individuals.

### **Safety**

We are committed to providing a safe work environment. We will demonstrate leadership, promote individual accountability, and participate actively in the advancement of our health and safety practices.









## Levels of Service

OC San's Levels of Service (LOS) are the commitment made to our rate payers, regulators, employees, and the Board of Directors on our operational efforts. The LOS have been updated from last year to better align with the Strategic Plan and showcase how the initiatives are being implemented and monitored.

ENVIRONMENTAL STEWARDSHIP	LEVELS OF SERVICE
<b>OC San will protect public health and the environment.</b>	
• Compliance with Ocean Discharge Permit	100%
• Dry weather urban runoff collected and treated	Up to 10 MGD
• Major non-conformance audit findings	<5 per permit per audit
• Respond to corrective actions within regulatory timeline for air, solids, and water compliance audits	100%
• Comply with Fleet Air Emission Regulations	100%
• Number of odor complaints under normal operations	< 5 events per treatment plant < 12 events for collection system
• Sanitary Sewer Spills per 100 miles	<2.1
• Compliance with core industrial pretreatment requirements	100%
<b>OC San's effluent, solids and biogas will be recycled.</b>	
• Provide specification effluent to Groundwater Replenishment System	100%
• Beneficially reuse biosolids during normal operations	100%
WASTEWATER MANAGEMENT	
<b>OC San will be a good neighbor and will be responsive to its customers.</b>	
• Respond to collection system spills within one hour of notification	100%
• Respond to odor complaints	Within 1 hour in plants Within 24 hours in collection system
• Respond to public complaints or inquiries regarding construction within 24 hours	100%
• Respond to biosolids contractor violations within one week of violation notice	100%
• Respond to Public Records Act requests within the statutory requirements	Within 10 days
• Dig alert response within 48 hours	100%

<b>OC San will manage its assets to ensure reliability and security.</b>	
• Cybersecurity event monitoring and incident handling, percent successful	>87%
• Annual real property assessments/inspections	25% of properties
• Annual Inspection, documentation, and evaluation of collection system	70 miles of sewers 880 manholes
<b>BUSINESS PRINCIPLES</b>	
<b>OC San will exercise sound financial management.</b>	
• Annual user fees sufficient to cover 100% of O&M Budget	100%
• Collection, treatment, and disposal costs per million gallons	Within 10% of budget
• Maintain Credit Rating* (Moody's, Fitch, S&P)	AAA
<b>WORKPLACE ENVIRONMENT</b>	
<b>OC San will provide a safe, productive workplace.</b>	
• Employee injury incident rate per 100 employees	<4.4
• Annual days away from work, restricted activity, or job transfer resulting from a work-related injury	<2.5
• Annual training hours per employee	45 hours

\*As of 2021

## Risk Register

The Risk Register is a biennial report that is prepared for management to use as a reference in the daily activities of OC San and in the preparation and support of the Strategic Plan and General Manager's Work Plan. It provides an overview, from an internal perspective, of OC San's risks as identified by the Executive Management Team and Managers.

The 2021 Risk Register was developed by conducting two types of analysis:

- Strengths, Weaknesses, Opportunities, and Threats (SWOT) Analysis focusing on internal areas that OC San actions can directly impact.
- Political, Economic, Social, and Technology (PEST) Analysis recognizing outside influences that OC San needs to be aware of and may affect OC San operations.

The results from the analysis were further explored to identify possible solutions and level of priority and concern. Due to the nature of the information, specific details are limited to reduce OC San risk.

The risks fell across the board with many of the top concerns having to do with staffing and succession management, cybersecurity, supply chain issues, and operating concerns.

The opportunities included asset management, staffing and succession management, working with other agencies, and technology.

The information included in the 2021 Risk Register is a resource for management. It is part of an effort to maintain and improve the operation and status of OC San going forward.



## Policy Areas

The Strategic Plan is broken down into four categories with 15 topic areas. Below are the policy statements and corresponding initiatives to achieve the goals of the plan. The complete policy papers can be found in the appendix.

### **BUSINESS PRINCIPLES**

#### **Budget Control and Fiscal Discipline POLICY STATEMENT**

OC San will prudently manage the public funds that it collects. It will take a long-term planning approach to its facilities and rate setting that provides a stable setting program, prudent reserves, and pay-as-you-go philosophy for operating and replacement capital expenses.

#### **Initiatives**

- Maintain a stable and fiscally responsible financial plan that is based on long-term planning which supports stable rate setting and a pay-as-you-go philosophy for operating and replacement capital expenses.
- Maintain the current investment policy that prioritizes safety, liquidity and return on investment, in that order.
- Maintain a long-term debt program that will pay off all existing debt issuances by 2044 and avoid new debt to support existing facilities.
- Maintain all Post Employment Benefit funding levels between 95% and 105% while minimizing and/or eliminating Unfunded Actuarially Accrued Liabilities.

#### **Asset Management POLICY STATEMENT**

OC San will assess and manage the collection system and treatment plant systems and assets to improve resilience and reliability while lowering lifecycle costs. This will be accomplished through adaptive operation, coordinated maintenance and condition assessment, and planned capital

investment. Staff will balance maintenance, refurbishment, and replacement strategies to maximize useful life, system availability and efficiency.

#### **Initiatives**

- Create an annual Asset Management Plan documenting the condition of the collection system and treatment plants, and upcoming maintenance or capital projects.
- Coordinate the efforts of operations, collections, mechanical maintenance, electrical maintenance, instrument maintenance and engineering through process teams to assure OC San's resources are focused on the high priority work functions.
- Maintain a 20-year forecast of all CIP projects needed to maintain or upgrade OC San's nearly \$11 billion in assets on a prioritized risk basis to establish rate structures.

#### **Cybersecurity POLICY STATEMENT**

OC San must maintain adequate cybersecurity (information technology security) techniques that protect computer assets, networks, programs, data, and industrial control equipment from unauthorized access or attacks that are aimed for exploitation.

#### **Initiatives**

- Conduct various tabletop exercises to determine the organization's ability to respond to a targeted cyberattack and to improve the quality of the response, should an attack occur.
- Evaluate, enhance, and monitor network security including activities to protect the usability, reliability, integrity, and safety of the network by developing Security Operations Center capabilities that support continuous monitoring and is responsible for the continuous threat protection process.

- Conduct a comprehensive third-party cybersecurity operations assessment (Red Team). A thorough Red Team engagement will expose vulnerabilities and risks regarding:

**Technology** — Networks, applications, routers, switches, appliances, etc.

**People** — Staff, independent contractors, departments, business partners, etc.

**Physical** — Offices, warehouses, substations, data centers, buildings, etc.

### **Property Management POLICY STATEMENT**

OC San owns and operates assets throughout its service area located in property owned in fee, through easements, and in the public right-of-way. OC San will identify and protect all of its property rights to assure assets are not encumbered or encroached upon so that the facilities may be properly operated, maintained, upgraded, and replaced.

#### **Initiatives**

- Review property rights to identify encroachments or encumbrances that restrict operation, maintenance, inspection, or emergency repair access.
- Work with identified parties to remove encroachments or encumbrances.
- Consolidate real estate and property management activities to maximize its resources and effectiveness.
- Augment OC San resources with contracted specialized real estate services to limit the need for additional staffing.

### **Organizational Advocacy and Outreach POLICY STATEMENT**

OC San will create and disseminate information to our stakeholders with an end goal to educate, inform, and garner support for the services provided thus allowing us to operate in a more efficient and effective manner. OC San will deliver messages that are accurate, transparent, and designed to foster

public trust and confidence. Additionally, following legislative oversight will ensure OC San’s interests are explained and protected.

#### **Initiatives**

- Relaunch the Vendor Outreach Program with a focus on Orange County firms to enhance the competitive bidding opportunities for OC San. This effort will increase the number of vendor and contractors soliciting OC San projects thus expanding the pool and providing a greater variety of partners.
- Develop an outreach program for member agencies regarding inflow and infiltration issues within their sewer system. The program will aim to educate, inform, and reduce inflow and infiltration affecting the local and regional sewer system.
- Develop an educational display in the Headquarters building to illustrate OC San’s reuse and recycling efforts in support of the environment and public health. Display to be revealed when new building is unveiled.
- Commemorate OC San’s 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.
- Actively monitor and engage regulatory and legislative activity across California and Washington, D.C. And take appropriate action in support of or opposition to, legislative and regulatory initiatives affecting OC San and the wastewater industry. This includes using Monitoring and Analysis, Advocacy Days, Position letters and Funding Requests (as deemed suitable).

## **ENVIRONMENTAL STEWARDSHIP**

### ***Energy Independence*** **POLICY STATEMENT**

OC San will strive to be a net energy exporter. Electrical, thermal, and methane gas generation will be maximized. Energy utilization will be minimized using sound engineering and financial principles.

#### **Initiatives**

- Maximize the anaerobic digestion conversion of organics to methane through receipt of food waste and operational techniques.
- Investigate and install energy storage and photovoltaic systems where practical to achieve energy independence/resilience.
- Continue to support the conversion of biomethane into electricity and heat for process use. Improve systems as necessary to comply with air regulations.
- Pursue technology innovation to reduce energy use, reduce transportation energy impacts, and reduce greenhouse gas impacts.

### ***Climate and Catastrophic Event Resilience Policy*** **POLICY STATEMENT**

OC San aims to design, maintain, and operate valuable wastewater assets that withstand or adapt to adverse conditions in a reasonable manner that is both cost-effective and sustainable for present and future generations. These adverse conditions include drought, heavy rains, flooding, sea level rise, earthquakes, tsunamis, extreme heat, wildfires, pandemic, and electrical grid interruptions.

#### **Initiatives**

- Complete an engineering study of the seismic vulnerabilities of the treatment plants. Incorporate necessary upgrades into future capital improvement projects.
- Complete the biannual high flow exercise to assure readiness for a high flow event.

Maintain a higher level of readiness October 15 through March 15 and in advance of predicted significant rain events.

### ***Food Waste Treatment*** **POLICY STATEMENT**

The State of California limits the volume of organic waste that may be diverted to landfills. OC San will collaborate with the County of Orange, other local agencies, and waste haulers to find ways to beneficially reuse food waste, a type of organic waste, to assist cities in our service area in meeting their diversion requirements while increasing OC San's energy production.

#### **Initiatives**

- OC San will accept a preprocessed food waste slurry from contracted waste haulers that will be fed to existing anaerobic digesters. OC San will charge a tipping fee to offset its costs for capital construction, operations, handling, maintenance, and biosolids disposal.
- Design, build, and operate a food waste receiving station. Create a specification for food waste slurry and contract with solid waste haulers to receive and process food waste.

### ***Water Reuse*** **POLICY STATEMENT**

OC San will seek to beneficially reuse all reclaimable water for potable, industrial, irrigation, and environmental uses.

#### **Initiatives**

- Support the completion of the final phase of the Groundwater Replenishment System and maximize reclaimable wastewater availability to the Orange County Water District.
- Support Green Acres project water production to provide reclaimed water for industrial and irrigation uses.



## ***Environmental Water Quality, Stormwater Management and Urban Runoff*** **POLICY STATEMENT**

OC San will collaborate with regional stakeholders to accept up to ten million gallons per day of dry weather urban runoff at no cost to the dischargers through its permit-based Dry Weather Urban Runoff Diversion Program (DWURD Program). The primary objective of the DWURD Program is to improve water quality in streams, rivers, and beaches in OC San's service area without adversely impacting OC San's occupational safety, collection and treatment systems, reuse initiatives, or permit compliance. Unauthorized discharge of urban runoff to OC San is strictly prohibited.

### **Initiatives**

- Issue dry weather urban runoff connection permits to accept up to a total of ten million gallons per day of controlled discharge of dry weather urban runoff where existing conveyance capacity exists,

and the constituents within the flow will not adversely impact OC San.

- Safeguard OC San's sanitary sewer system against uncontrolled and unregulated discharge by supporting responsible industry practices for flow management and urban runoff pollutant reduction at the source. Utilize OC San's pretreatment expertise to support effective urban runoff best management practices and special purpose discharge requests among OC San's regional stakeholders.
- Conduct a comprehensive study of the feasible opportunities for cooperative projects for urban runoff diversions to OC San to improve water quality and increase water recycling by maximizing the useful capacity of local collection systems, OC San treatment systems, and OCWD recycling and recharge systems.
- Support responsible and practicable urban runoff management and reuse legislations and regulations.



## **WASTEWATER MANAGEMENT**

### ***Chemical Sustainability*** **POLICY STATEMENT**

OC San has a need to use chemicals in its treatment process to improve plant performance, reduce odor and corrosion potential, and meet its regulatory requirements. These commodity chemicals are provided by outside vendors through the purchasing process. Some of these chemicals are subject to price swings due to market condition changes such as energy cost impacts, raw material cost changes, commercial competition changes, and transportation cost volatility. OC San will identify chemicals key to its operation, investigate the market risks for those chemicals and devise strategies to mitigate identified risks to availability and pricing.

#### **Initiative**

- Reduce the exclusive reliance on particular chemicals and individual vendors to establish flexibility to utilize other chemicals/processes to accomplish operational objectives.

### ***Biosolids Management*** **POLICY STATEMENT**

OC San will remain committed to a sustainable biosolids program and will beneficially reuse biosolids in accordance with Resolution No. OC San 13-03 and the 2017 Biosolids Master Plan.

#### **Initiatives**

- Proceed with implementation of new thermophilic biosolids facilities at Plant No. 2 to improve OC San's operational resiliency against seismic events while enhancing biosolids quality and marketability.
- Continue to explore biosolids thermal conversion technology for energy generation and destruction of persistent contaminants.
- Engage with local, state, and federal agencies to ensure that biosolids will continue to be safely and legally used as a soil amendment.
- Stay abreast of new biosolids management options, technologies, and biosolids recycling and renewable energy partnerships in Southern California, with





special emphasis on technologies that address the removal, sequestration, and destruction of contaminants of emerging concern.

### **Constituents of Emerging Concern POLICY STATEMENT**

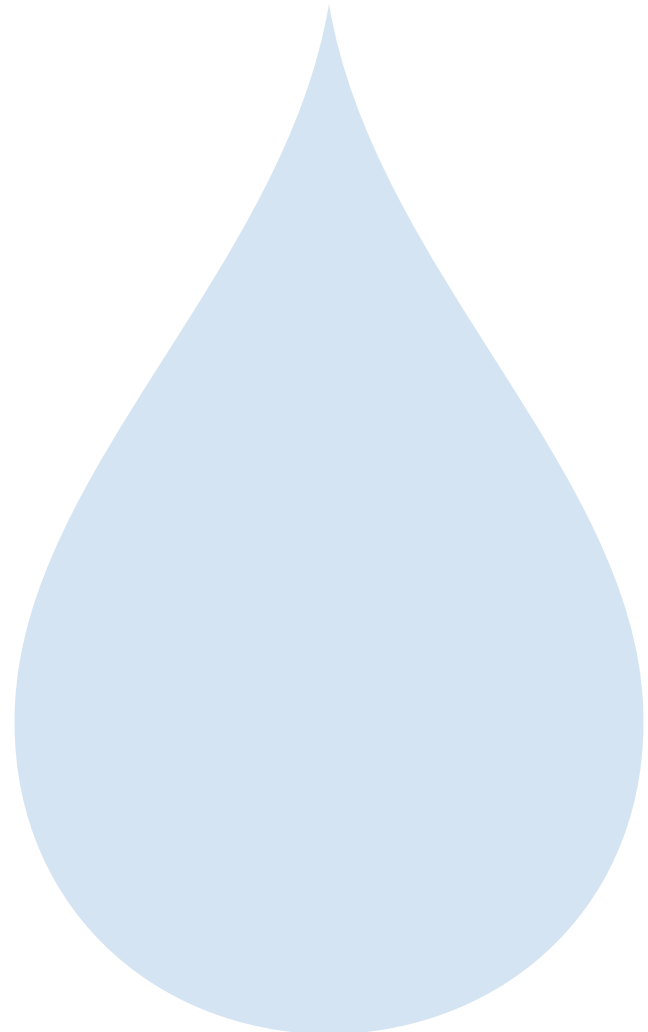
OC San will partner with other agencies, associations, and institutions to support the use of sound science to inform policy and regulatory decisions on constituents (or contaminants) of emerging concern (CECs) at the federal, state, and regional levels. Staff will obtain and maintain current knowledge on CECs under regulatory consideration, including occurrence, analytical methods, regulations, and treatment to support OC San's mission and regulatory compliance.

#### **Initiatives**

- Actively engage water and wastewater stakeholders to stay abreast of the scientific progress and any potential operational and financial impacts of CECs and provide timely briefings to OC San's Executive Management Team and Board of Directors to facilitate informed decision making.
- Develop capacity to identify, detect, quantify, and characterize CEC sources throughout the service area and treatment

process to promote source reduction, treatment effectiveness, communication of credible risks, and responsible reuse and disposal.

- Proactively establish internal expertise and develop laboratory capability to research the potential impact of CECs on beneficial reuse of water and biosolids. OC San will use science-based knowledge to help shape CEC legislation and regulations to protect the public health and environment.
- In the absence of promulgated regulatory limits for specific CECs, OC San will work with regulatory agencies to establish interim source control measures to safeguard its water and biosolids reuse initiatives and ocean discharge against potential adverse impacts.



## **WORKPLACE ENVIRONMENT**

### ***Resilient Staffing*** **POLICY STATEMENT**

OC San will attract and retain high-quality talent to support its mission and continue to be an industry leader. It will safeguard leadership continuity and support effective performance of the organization by proactively monitoring the changing work environment and requirements to ensure employee development programs are relevant and facilitate building a skilled bench of readily available successors for key leadership and mission-critical positions.

#### **Initiatives**

- Maintain and enhance current employee development programs that are in place to provide the direction to identify, develop and select the next generation of prepared, capable, and engaged leaders, which include:
  - Vocational/Professional Student Internship Programs
  - Employee Development Programs
  - Workforce Vulnerability Assessments
  - Talent Readiness Assessments
  - Orange County Sanitation District University (OC San “U”)
- Continue to build the OC San “U” program and evaluate various options to partner with member agencies to share content and interactive development opportunities.
- Continue to build on the employee development opportunities to enhance organizational awareness and strengthening knowledge, skills, and abilities in the areas of OC San business systems, leadership, technology, and communication. Additionally, Human Resources will partner with other member agencies to provide and host training and development programs to foster collaboration and innovation.
- Conduct a Classification & Compensation study to ensure job classifications accurately depict the work being performed, to set

compensation levels accordingly, and stay abreast of market benefit and salary data.

Human Resources and the Board-approved Consultant will work with stakeholders to complete an organization-wide Classification & Compensation Study. It will incorporate feedback on survey agencies solicited from the Board over the past year and union feedback through meet and confer in upcoming labor negotiations.

### ***Safety and Physical Security*** **POLICY STATEMENT**

OC San will ensure the safety and security of employees, contractors and visitors through standard practices, policies, and procedures that support a safe and secure environment, provide an appropriate level of security and safeguard OC San’s property and physical assets.

#### **Initiatives**

##### ***Safety***

- Complete outstanding safety projects, improvements, and corrective actions to apply and obtain Cal/OSHA Voluntary Protection Program (VPP) status; and continue to foster a culture where employees are accountable for their safety as well as the safety of others.

##### ***Emergency Management***

- Support facility and countywide emergency preparedness, response, and recovery efforts by partnering with entities, such as the Water Emergency Response Organization of Orange County (WEROC), Orange County Sheriff’s Department, and local fire departments to plan and continue to conduct disaster preparedness training and exercises.

##### ***Security***

- Continually identify and assess vulnerabilities and implement solutions through the Security Committee and third-party assessments. Prevent/mitigate security breaches using physical security systems such as video monitoring, access control, and armed security patrols.



## APPENDIX



# Business Principles

## Budget Control and Fiscal Discipline Policy

### Summary Policy Statement

The Orange County Sanitation District (OC San) will prudently manage the public funds that it collects. It will take a long-term planning approach to its facilities and rate setting that provides a stable setting program, prudent reserves, and pay-as-you-go philosophy for operating and replacement capital expenses.

### Background

OC San's annual budget is approximately \$500 million. These funds support OC San's Operating, Capital, and Debt expenditures. OC San focuses its fiscal policy around three distinct areas, (1) Revenues, (2) Portfolio Management and (3) Debt Management and these areas are described in the Budget, Investment Policy and Debt Policy, all of which are updated annually.

### Current Situation

#### 1) Revenues

Most of OC San's revenue is generated by user fees and charges. Currently, OC San fees are in the lower third of its comparison agencies.

OC San's revenues come from three general areas: Fees and Charges (74%), Property Taxes (21%) and other smaller revenue sources (5%).

**Fees and Charges:** User fees are ongoing fees for services paid by Single Family and Multifamily customers connected to the sewer system. Also included in this category are Permit Fees (User fees paid by large industrial and commercial business owners connected to the sewer system and Capital Facility Capacity Charges (CFCC) (a one-time charge imposed at the time a newly constructed building or structure is connected to the OC San system. The OC San policy has been to focus on cost recovery while keeping fees as low as possible.

**Property Taxes:** OC San receives a share of the basic property tax levy proportionate to what was received in the 1976 to 1978 period less \$3.5 million allocated to school districts. These funds are dedicated to the payment of debt service.

**Other Revenue:** Other Revenue includes Interest Earnings, Intra-District Transfers, and small revenue sources.

#### 2) Portfolio Management

The OC San Investment Policy is governed by three tenets:

- A. **Safety:** The safety and preservation of principal is the foremost objective of the investment program. Investments shall be selected in a manner that seeks to ensure the preservation of capital in the overall portfolio. This will be accomplished through a program of diversification and maturity limitations.
- B. **Liquidity:** The investment program will be administered in a manner that will ensure that sufficient funds are available for OC San to meet its reasonably anticipated operating expenditure needs.
- C. **Return on Investments:** OC San's investment portfolio will be structured and managed with the objective of achieving a rate of return throughout budgetary and economic cycles, commensurate with legal, safety, and liquidity considerations.

OC San's investments are separated into two distinct portfolios, Long-term and Short-term, with a primary focus on the Long-term portfolio.

The Long-term portfolio always focuses on four elements: duration, sector allocation, term structure, and security selection.

### **Duration**

- Typically, OC San keeps the duration of a portfolio 'close' to the benchmark duration as we feel the benchmark duration is consistent with the risk tolerance of the strategy.
- The investment policy of OC San stipulates the average duration must not exceed 60 months and be within 80-120% of the benchmark.
- Historically, the deviation of the long-term portfolio versus the benchmark is close to 5%. Large deviations in the duration of the portfolio compared to the benchmark are an anomaly.

### **Sector Allocation**

- OC San takes an active approach to asset allocation, differentiating our holdings versus the benchmark, with typically a modestly higher risk exposure compared to the benchmark.
- Some of the asset classes we find more attractive in the current investing environment include Corporate notes, Asset Backed Securities, and Treasury notes relative to the Agency and Supranational sectors.
- The sector allocation of the portfolio will evolve over time as our outlook for the various eligible investment options changes.

### **Term Structure**

- OC San manages the term structure of the portfolio by focusing on either a bullet, ladder, or barbell structure, relative to the benchmark.
- For most of 2019, the structure was gravitating towards more of a bullet structure in light of the change in the yield curve, with short-term interest rates moving higher at a greater velocity than longer maturity securities.
- Currently, with the yield curve very flat, we are migrating back towards more of a barbell structure, with new purchases focused at the short and long end of the eligible maturity distribution. We also find the middle of the maturity distribution, near the three-year maturity point, to be the most expensive from an absolute and relative value perspective, further supporting the barbell structure.

### **Security Selection**

- Within the Corporate and Asset Backed sector, the Chandler team focuses on adding stable to improving credits to be consistent with the overall investment objective of safety, liquidity, and return.
  - As a Corporate holding becomes more seasoned with a short maturity, it is often utilized as a 'source of funds' to facilitate new holdings in the portfolio.
  - Typically, Asset Backed securities are held to maturity, but in the event of a liquidity need and/or a deteriorating credit situation, we would look to reduce the exposure.

- OC San allocates to the Agency and Supranational asset classes when we find the spread over like maturity Treasury notes to be attractive.
  - Considering the lack of issuance in the Agency sector since the financial crisis, the relative value of the sector has become more challenging.
  - OC San has a core view that the Supranational Asset class should offer a modest spread concession to the Agency sector, and the team is typically active in the sector when the additional spread pick-up is compelling.
- Across all asset classes, OC San will remove exposure to a security that is faced with a deteriorating credit situation and/or trading at an irrational valuation where a swap into an alternative security will be beneficial to the portfolio over a reasonable investment time horizon.

### **3) Debt Management**

Due to the magnitude of the capital improvement program, OC San has utilized a combination of user fees, property taxes and debt to meet its total obligations and maintain generational equity.

It is OC San's policy not to issue any new additional debt for any existing obligations. However, OC San will actively review opportunities to refinance existing debt where possible, provided the new refinancing results in a lower total cost and/or shortens the length of the obligations.

The primary debt financing mechanism used is Certificates of Participation (COP). COPs are a repayment obligation based on lease or installment sale agreements. As of July 1, 2020, the total outstanding COP indebtedness was \$940 million with a blended interest rate of 3.05%. It is anticipated that the debt will be paid off by 2044.

#### **Initiatives to Support Progress Toward the Policy Goal**

- Maintain a stable and fiscally responsible financial plan that is based on long-term planning which supports stable rate setting and a "pay-as-you-go" philosophy for operating and replacement capital expenses.
- Maintain the current investment policy that prioritizes safety, liquidity and return on investment, in that order.
- Maintain a long-term debt program that will pay off all existing debt issuances by 2044 and avoid new debt to support existing facilities.
- Maintain all Post Employment Benefit funding levels between 95% and 105% while minimizing and/or eliminating and Unfunded Actuarially Accrued Liabilities.







## Asset Management Policy

### Summary Policy Statement

The Orange County Sanitation District (OC San) will assess and manage the collection system and treatment plant systems and assets to improve resilience and reliability while lowering lifecycle costs. This will be accomplished through adaptive operation, coordinated maintenance and condition assessment, and planned capital investment. Staff will balance maintenance, refurbishment, and replacement strategies to maximize useful life, system availability and efficiency.

### Background

OC San is a regional governmental agency principally chartered to protect the public health through collection and treatment of wastewater. The governing Board of Directors has defined this role to include the recovery and utilization of resources from wastewater for the public good as a part of that mission. The environmental impact mitigation of the human activity of 2.6 million people and the natural drainage of the 471 square miles OC San serves is our principal concern.

OC San owns and operates extensive facilities to achieve its mission. OC San estimates the replacement value of the civil, mechanical, and electrical assets in its collection system, Plant No. 1 in Fountain Valley, and Plant No. 2 in Huntington Beach to be nearly \$11 billion. OC San has been building the piping, pumping, and treatment infrastructure it utilizes for more than 65 years. It is necessary to expand, renew, replace, demolish, and rebuild components of the system to deal with wear and tear and meet new challenges.

The early years for OC San were characterized mostly by capacity expansion to meet the challenges of increased flows as the county grew. The late 1970s to the 2000s were more defined by improved levels of treatment. The last ten years have been focused on increasing the level of resource reuse. One of the key success factors for OC San has been the ability to upgrade and repurpose its operating facilities to accomplish high levels of treatment and reuse.

### Current Situation

OC San is a highly planned, forward-looking organization. The collection system and each of the treatment plants are broken down into granular functional parts. Each part is well defined and future requirements are estimated. OC San has a detailed understanding of what is owned, what condition it is in, and how it is capable of performing.

The collection system is made up of independent pipe networks that were installed by the former independent sanitation districts to deliver flow to the joint treatment works. Generally speaking, the natural watershed drainages in the service area are served by major trunk sewer systems. OC San has worked with member city and agency staff to understand future development plans, flow estimates, and has collected historical inflow and infiltration rates during wet weather events to assure adequate flow carrying capability exists in each trunk sewer system. OC San also factors in the effects of drought and lower domestic water usage rates to make sure the sewers operate properly at low-flow rates.

The treatment plants are broken down into the discrete process units that make up the whole. Each plant has a headworks unit that brings in flow and does preliminary treatment, a primary treatment unit which does gravity settling, multiple biological secondary treatment systems, solids handling and dewatering, power generation and distribution utilities, water and air

system utilities, and an outfall system to release treated water to the ocean. Each plant can treat 320 million gallons per day of wet weather flow, but only 185 million gallons total on average is treated. OC San must always maintain the ability to treat both the average flow and peak wet weather flow.

OC San understands that every asset has an expected life. Electrical systems are generally limited by component obsolescence to 20 years of life. Mechanical and coating systems are also generally limited by erosion, corrosion, and wear to 20 years of life. Civil structures and pipes are generally limited to 60 to 80 years of life if maintained on a regular basis.

With this in mind, OC San has created a Facilities Master Plan that plans to renew or replace facilities on this regular basis. Collection system projects are driven by growth projections or condition findings. Pipes are upsized or renewed based on flow projections, corrosion observation, coating system failure, or the ability to increase reclamation. The 15 regional pump stations are renewed on a more frequent basis due to the mechanical wear and tear and electrical component obsolescence needs, about every 25 years.

The master plan for the treatment plants is much more dynamic. In addition to the electrical, mechanical, and civil asset considerations, there is also the need to meet new requirements. The new requirements are driven by regulatory agencies or by the Board of Directors to change a discretionary level of service. Examples include: capacity demands (more water, more solids), lower discharge requirements (lower BOD/TSS to the outfall, lower nutrients to the ocean), more water for reclamation, better energy conversion of solids, and many more. The 2017 Facilities Master Plan took a snapshot in time looking at the anticipated needs and levels of service to lay out a detailed project plan to morph OC San infrastructure over time to meet the expectation. Renewal or replacement projects with costs and schedules were laid out for each individual unit of the treatment plants to address capacity, condition, level of service, and anticipated new regulatory drivers.

### **Future Policy Statement**

OC San will continue to invest in the infrastructure necessary to meet its mission. OC San will seek to provide its required level of service at the minimum lifecycle cost for its collection and treatment systems. The 2017 Master Plan was the snapshot basis of the Capital Improvement Plan, but the Asset Management Plan is the means to update and modify the Capital Improvement Plan to meet new requirements and conditions as time goes by.

OC San will understand in a transparent way: what it owns, the condition of those assets, the capacity of collections and treatment required, the level of service required by its regulators and Board of Directors and will anticipate new regulations that may require system improvement. This understanding will drive coherent operations, targeted maintenance, and capital investment strategies to assure resilient, lowest lifecycle cost compliance with the requirements.

Operations is committed to optimizing the operation of the systems to extend equipment life and minimize energy and chemical utilization, while meeting all regulatory and level-of-service requirement. Maintenance is committed to maintain the installed assets in a ready state for operations. Maintenance will seek to balance individual component preventive maintenance, repair, and renewal in harmony with the Capital Improvement Program. The Capital Improvement Program is based on the Master Plan, modified by the annual Asset Management Plan, and will execute the projects to install, renew, or replace trunk sewers or treatment plant units on a scheduled basis.

Asset Management at OC San is the living management of the operation strategies, maintenance plans, and implementation of the Capital Improvement Program. OC San will find creative ways to maximize asset life or meet new capacity or level of service goals through operations and maintenance. OC San will annually reassess its condition, capacity, level of service, and regulatory conditions to drive operations and maintenance practices and modify the Capital Improvement Program projects.

### **Initiatives to Support Progress Toward the Policy Goal**

- Create an annual Asset Management Plan documenting the condition of the collection system and treatment plants, and upcoming maintenance or capital projects.
- Coordinate the efforts of operations, collections, mechanical maintenance, electrical maintenance, instrument maintenance and engineering through process teams to assure OC San's resources are focused on the high priority work functions.
- Maintain a 20-year forecast of all CIP projects needed to maintain or upgrade OC San's nearly \$11 billion in assets on a prioritized risk basis to establish rate structures.



## Cybersecurity Policy

### Summary Policy Statement

The Orange County Sanitation District (OC San) must maintain adequate cybersecurity (information technology security) techniques that protect computer assets, networks, programs, data, and industrial control equipment from unauthorized access or attacks that are aimed for exploitation.

### Background

Developing an effective, sustainable cybersecurity program is a pressing challenge for organizations of all sizes. The reasons behind the scope of the challenge are many. Cyber risk continues to grow at an exponential rate with routine attacks from nation states, criminal elements, hacktivists, and insider threats. The bottom line is cybercrime pays. The booming cybercrime economy is productizing malware and making cybercrime as easy as shopping at Amazon. With this easy access to cybercriminal tools and services, enterprises are experiencing rapid increases in the volume, scale, and sophistication of cyberattacks. Complex and dynamic information security disciplines are subject to continuous changes in the business, technology, and threat environments. Many organizations will struggle to implement security programs that support continuous improvements in this challenging environment.

### Current Situation

OC San has evolved over recent years from dedicating less than half of a position towards cybersecurity, to one position, to currently two full-time positions. OC San's cybersecurity portfolio consists of strategic policy management, defense in depth practices, periodic risk assessments, ongoing awareness communication and operational (e.g., security monitoring and incident response, threat and vulnerability management, user provisioning) processes. For example:

- **Cybersecurity Awareness and Training Program** - OC San understands that our employees are our best line of defense in protecting and defending our enterprise from attack. We have built a comprehensive security awareness program by focusing on four critical functions: phishing attack simulations and reporting, quarterly education requirements, targeted training for IT developers and SCADA engineers, and pervasive communications utilizing internal communication tools.
- **Vulnerability Management** - IT staff subscribe to and monitor security advisories and threat bulletins from Microsoft, US-CERT, ICS-CERT, KnowBe4, Cisco, and other vendors to understand and manage new vulnerabilities. All internet accessible servers and applications are scanned weekly for vulnerabilities and remediated, as necessary. Microsoft operating system and application patches are deployed monthly while third party updates are deployed weekly. We use a vulnerability platform for continuous assessment of our security and compliance posture.
- **Intrusion Detection and Response** - We have implemented several security solutions to be able to detect, prevent and respond to malicious network activity. These include firewalls, intrusion prevent systems, web security gateway, and next-generation anti-malware. In addition, we also have user behavior analysis tools to identify insider threats and ransomware activity.
- **Privileged Access Management Program** - We use a privileged access management solution to remove and manage local administrative rights on workstations/servers to prevent lateral

movement. The solution is also used to protect, control, and monitor privileged access across files and systems.

- **Backup and Restore Capabilities** — IT practices a 3-2-1 backup strategy:

- 3 – Keep three copies of critical data
- 2 – Have your data on two types of media
- 1 – One copy must be offsite and offline

Restores are performed on at least a weekly basis in response to customer incidents. Disaster Recovery Testing is performed monthly by selecting a major system and testing restore capabilities of that system to our secondary treatment facility, as well as our remote site. We sandbox the restores and provide access to our application subject matter experts to conduct application specific testing. These tests are logged and kept for auditing and management purposes.

- **Security Incident Response** — A security incident response plan is an organized approach to handle a cyberattack. We have developed an incident response plan, playbooks, and procedures for various attacks as well as trained IT security staff. In addition, there are external contacts we can call for assistance including the FBI, Department of Homeland Security and organizations that specialize in incident response like Mandiant, Cylance, and Microsoft.
- **Security Assessments** — The purpose of a security assessment is to identify the current security posture of a system, network, or organization. The assessment provides recommendations to improve the security posture by mitigating identified risks. Our goal is to do one or two security assessments per year.

### **Future Policy Statement**

The main objective of our information security program is the establishment of a continuous, iterative regimen of planning, building, running, and governing security capabilities that are derived from business requirements. Our security program cannot be a static entity. It must be adapted and continuously refined to keep pace with the ever-changing threat environment and changes in how OC San adopts digital business practices. Cybersecurity incidents are inevitable. Mistakes and/or a lack of preparation in the response can have serious repercussions. The ability of an organization to respond effectively to a security incident is a direct result of the time spent preparing for such an eventuality. If you fail to prepare, then you effectively prepare to fail. OC San will be prepared. This will be accomplished by the following proposed initiatives.

### **Initiatives to Support Progress Toward the Policy Goal**

- Conduct various tabletop exercises to determine the organization's ability to respond to a targeted cyberattack and to improve the quality of the response, should an attack occur.
- Evaluate, enhance, and monitor network security including activities to protect the usability, reliability, integrity, and safety of the network by developing Security Operations Center capabilities that support continuous monitoring and is responsible for the continuous threat protection process.
- Conduct a comprehensive third-party cybersecurity operations assessment (Red Team). A thorough Red Team engagement will expose vulnerabilities and risks regarding:
  - Technology — Networks, applications, routers, switches, appliances, etc.
  - People — Staff, independent contractors, departments, business partners, etc.
  - Physical — Offices, warehouses, substations, data centers, buildings, etc.





## Property Management Policy

### Summary Policy Statement

The Orange County Sanitation District (OC San) owns and operates assets throughout our service area located in property owned in fee, through easements, and in the public right-of-way. OC San will identify and protect all of its property rights to assure that our assets are not encumbered or encroached upon so that the facilities may be properly operated, maintained, upgraded, and replaced.

### Background

OC San owns and operates more than \$11 billion in assets. A portion of those assets include buildings, easements, rights-of-way, and other encroachments. OC San has recently sold and purchased property to support its efforts. OC San does not maintain expertise in the real estate discipline. Since these transactions are limited and not core to OC San, it has been determined that it is more cost effective to augment OC San resources with contracted specialized real estate services.

### Current Situation

OC San manages its physical property and property rights. Additionally, it manages landscaping, building maintenance, security and building maintenance. OC San staff primarily manages these activities.

### Future Policy Statement

OC San will effectively manage its assets and proactively research and maintain all encroachments, encumbrances, and easements. Many of these activities are not core to OC San's mission. When prudent, OC San will augment resources with contracted specialized real estate and property management services. Although OC San is not in the business of managing property as a revenue enhancement or core activity, it does own and operate millions in physical property and property rights.

### Initiatives to Support Progress Toward the Policy Goal

- Review property rights to identify encroachments or encumbrances that restrict operation, maintenance, inspection, or emergency repair access.
- Work with identified parties to remove encroachments or encumbrances.
- Consolidate real estate and property management activities to maximize resources and effectiveness.
- Augment OC San resources with contracted specialized real estate services to limit the need for additional staffing.





## Organizational Advocacy and Outreach Policy

### Summary Policy Statement

The Orange County Sanitation District (OC San) will create and disseminate information to our stakeholders with an end goal to educate, inform, and garner support for the services provided, thus allowing us to operate in a more efficient and effective manner. OC San will deliver messages that are accurate, transparent, and designed to foster public trust and confidence. Additionally, following legislative activity will ensure OC San's interests are explained and considered.

### Background

OC San provides regional sewer service for 2.6 million people living, working, and commuting in central and northwest Orange County. The various stakeholders include over 600 employees, 50 local elected officials appointed to our Board of Directors, regulators, policy makers, and the public. It is critical for OC San to have a multi-pronged outreach program to reach the intended audiences and to gain support for OC San's mission.

OC San provides services and tools to effectively communicate about the various programs that help achieve its mission. These programs include:

- **Student Educational Outreach**

Promoting and educating the youth within our service area on OC San's mission and the essential services provided. Reaching out to students allows for future generations to be aware of the environmental impact we each make and what we can accomplish working together. This knowledge will help our future generations to take action and make positive changes. It also introduces them to an industry they may be unaware of as a career choice. We do this through programs such as Inside the Outdoors which goes directly into classrooms to teach the wastewater treatment process; school-based plant tours that give them an inside view into a treatment plant and how the system works; events such as the Youth Environmental Summit (YES) which provides an opportunity to reach thousands of local children in a short amount of time with clear and direct messaging; and contests such as the Public Service Announcement, which is an incentive for students to get involved in developing messages for environmental issues.

- **Infrastructure Outreach**

OC San has \$11 billion in infrastructure that must be designed, operated, maintained, replaced, and enhanced to continue providing the essential service of protecting public health and the environment. Forming a positive presence in the community prior to the start of construction projects or maintenance activities is imperative to build trust, understanding, and support for the necessary construction. This is done through an extensive outreach program that develops and implements communication tools, such as dedicated Community Liaisons, construction webpages, collateral material, and presentations, to engage the communities affected by OC San Construction projects. Over the next fiscal year about two dozen projects will be in construction with various degrees of public impacts.

- **Employee Engagement**

Open and honest communication with our employees creates a positive and trusting environment, thus resulting in a more engaged workforce and ambassadors for our

agency. OC San creates employee engagement by utilizing various communication methods to share agency-wide messages. A diverse toolkit of communication pieces allows messages to be delivered to over 600 staff with various professional backgrounds, work shifts, work locations, and access to online materials. This toolkit of communication pieces includes The San Box (intranet), *Pipeline* Newsletter, Digester (messaging piece), Three Things to Know email, etc.

- **Brand Recognition**

As an industry leader, OC San must ensure its brand and image are portrayed accurately and positively. A cohesive voice, message, look, and feel are critical to maintaining a positive public perception and the trust granted to us by the community we serve and the stakeholders we work with. To build and maintain a positive image, we engage in general outreach efforts such as plant tours; community newsletters; a Speakers Bureau Program (which allows us to go into the community and meet with various groups to inform them of who we are and what we do); an informative and educational website, an active social media presence; and the development of programs such as Wastewater 101 Academy which provides an opportunity to showcase OC San's operations and initiatives for our ratepayers, fellow agencies, and influential public.

- **Regulatory and Legislative Advocacy**

OC San also recognizes the need for an active regulatory and legislative advocacy program at the local, state, and federal levels to ensure that the interests of the rate payers and the Board of Directors are communicated, understood, and supported. Towards this end, the legislative and regulatory team actively monitors and engages officials across California and in Washington, D.C., and takes appropriate action in support of, or opposition to, legislative and regulatory initiatives.

## **Current Situation**

OC San is an industry leader involved in innovative and significant programs. However, it is most often seen as a silent utility due to its consistent attainment of its mission. News coverage for a wastewater resource recovery agency is most often about a mission failure. People tend not to think about their wastewater or where it goes until a beach is closed or a spill occurs.

In addition, OC San has no direct connection to its rate payers. User fees are paid via property tax bills thus eliminating an opportunity to reach our customers directly. This ultimately results in a limited understanding of OC San, what we do, and the important service provided to the community.

To that extent, OC San's outreach efforts are imperative to positively inform and educate the public we serve about the value we provide, including policy makers and regulators.

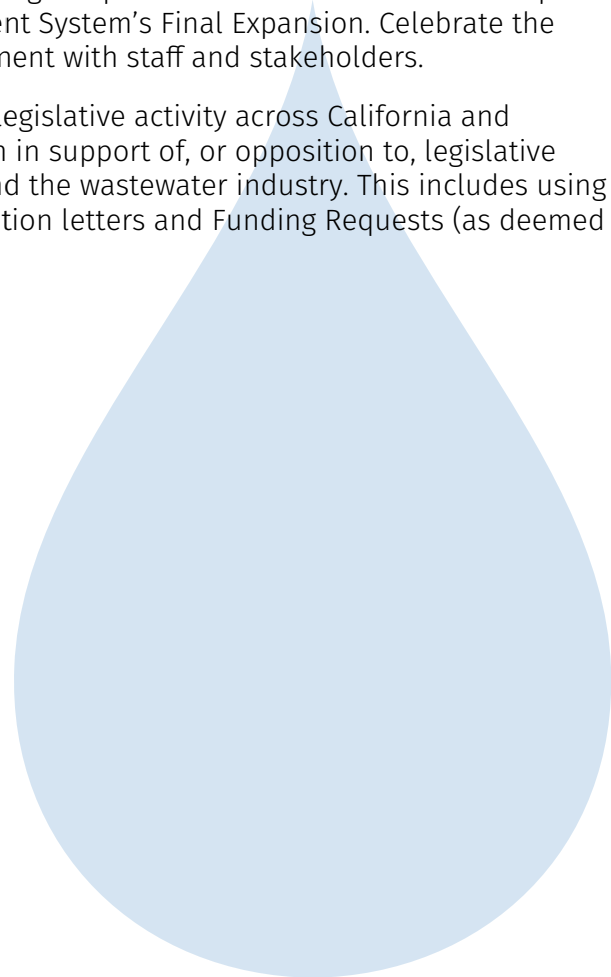
## **Future Policy Statement**

OC San will creatively and effectively develop communication tools and tactics to inform and educate our various stakeholders. As a silent utility, it is imperative that OC San connect with the public we serve in a clear and transparent way to create a bank of trust, and garner support for the programs that allow us to continue protecting the public health and the environment.

OC San will maintain an active legislative and regulatory outreach program to help inform and guide leaders to ensure the wastewater industry is able to protect the public health and environment in a cost-effective way.

### **Initiatives to Support Progress Toward the Policy Goal**

- Relaunch the Vendor Outreach Program with a focus on Orange County firms to enhance the competitive bidding opportunities for OC San. This effort will increase the number of vendors and contractors soliciting OC San projects, thus expanding the pool of service providers thus generating a greater variety of partners.
- Develop an outreach program for member agencies regarding inflow and infiltration issues within their sewer systems. The program will aim to educate, inform, and reduce inflow and infiltration affecting the local and regional sewer system.
- Develop an educational display in the Headquarters building to illustrate OC San's reuse and recycling efforts in support of the environment and public health. Display to be revealed when new building is unveiled.
- Commemorate OC San's 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.
- Actively monitor and engage regulatory and legislative activity across California and Washington, D.C., and take appropriate action in support of, or opposition to, legislative and regulatory initiatives affecting OC San and the wastewater industry. This includes using Monitoring and Analysis, Advocacy Days, Position letters and Funding Requests (as deemed suitable).







# Environmental Stewardship



## Energy Independence Policy

### Summary Policy Statement

The Orange County Sanitation District (OC San) will strive to be a net energy exporter. Electrical, thermal, and methane gas generation will be maximized. Energy utilization will be minimized using sound engineering and financial principles.

### Background

OC San must balance the impacts of its operation between land, air, and water. For example, as a water focused utility, OC San seeks to produce the cleanest water possible to minimize the impacts of human activity on the ocean, as well as to renew freshwater resources for further domestic and commercial use. A natural result of cleaning this water is the separation and concentration of constituent solid and gaseous materials. These solid and gaseous products can impact land and air. The balance of impact on land, air, and water are shifted by application or creation of energy through chemical, biological, or thermal conversion techniques.

OC San is also committed to being a good neighbor. As such, significant amounts of energy are spent capturing and converting odorous air and vapor streams. OC San has pursued a comprehensive program to cover and seal its liquid and solid processes. Air streams are ducted to large fans which move thousands of cubic feet of foul air per minute through chemical, biological, and activated carbon beds to scrub the air of odorants that are regulated or may be perceived as a nuisance by the community.

OC San has utilized an anaerobic digestion process that relies on biological conversion of solid organic material to methane and carbon dioxide gas or Biogas. The Biogas is converted to electrical and heat energy in power plants for internal use. OC San's secondary treatment system is another example of using energy to convert water impacts to air emissions. Approximately 23% of OC San's energy usage within the treatment process is devoted to aerating water so biological agents can convert soluble organic material to nitrogen and carbon dioxide. The generation of energy itself creates an impact on the environment in air and thermal emissions.

### Current Situation

The potential exists to further shift environmental impacts between land, air, and water through the utilization of energy. OC San is an environmental steward that seeks to balance and minimize overall impact by efficiently utilizing the energy inputs to its processes and maximizing the harvesting of energy available in the incoming wastewater.

On the energy use side of the ledger, OC San invests prudently in lifecycle energy efficiency to minimize the use of energy to achieve its mission. Pumping systems to lift water and move material are premium efficiency. Thermal energy is harvested from power production for use in the process and to heat and cool occupied buildings. Aeration compressors and diffusers are selected by overall efficiency. Lighting systems are upgraded over time to more efficient technologies and lighting levels are balanced between safety and security needs versus energy utilization and light pollution concerns. Facility designers and operators make careful choices regarding the utilization of every watt of electricity, British Thermal Unit of heat, and therm of gas consumed.

On the energy generation side of the ledger, OC San seeks to maximize the internal creation of energy. The primary source of energy creation is in Biogas. Organic solids collected and concentrated in the water treatment processes are converted biologically to Biogas composed of 65% methane, 34% carbon dioxide, and other trace constituents. OC San has been using this technology since the 1950s. Research has been ongoing since that time to maximize the production of digester gas. Some of the areas of research include improved mixing and

heating; improved feeding; chemical addition to limit trace pollutant production; introduction of food waste; injection of fats, oils, and grease; and cell lysing.

OC San cleans the Biogas and converts this Biogas into electricity, heat, and exhaust gas. The exhaust gas is regulated even more tightly for nitrogen compounds, carbon monoxide, particulates, and volatile organic compounds which require costly and performance degrading engine control technologies. This is another example of an air impact/energy trade off. These internal systems of energy harvesting provide roughly 66% of OC San's electrical demand and 92% of OC San's thermal demand in the treatment plants. OC San can shift the digester gas between treatment plants via an interplant pipeline and has roughly eight megawatts of additional generation capacity if more gas is produced.

In addition, OC San has installed electrical battery storage capacity. This system is primarily in place to lower operating cost by importing electricity for charging during low-cost nighttime hours and discharging that energy for process use during peak-cost hours. The slight energy loss due to system inefficiencies is outweighed by the cost savings and benefit to the region by lowering the peak demand of OC San by up to five megawatts.

### **Future Policy Statement**

OC San seeks to be energy independent by self-generating all the electrical and thermal energy necessary to sustain its operations. This will be accomplished by economically minimizing its utilization requirements and maximizing energy harvested from the wastewater it receives. Energy independence will improve OC San's environmental impact and improve its operational reliability and resiliency.

OC San will also study and use photovoltaic cells in non-process areas where it makes economic sense. For example, the new Administration Building will include photovoltaic panels linked to the treatment plant. Staff will also investigate the installation of photovoltaic arrays over OC San owned property between the treatment plants with additional battery storage systems.

OC San also plans to investigate the treatment and sale of Biogas to external users. The State of California has set goals for renewable energy utilization for electrical production and hydrogen transportation fuels. OC San's Biogas is viewed favorably in these industries to meet the State of California targets. OC San is working very diligently and creatively to maximize the production of gas and reduce its own energy needs, but energy independence is the first goal which has not yet been met.

Staff recommends that innovative research continue to maximize energy harvesting and to minimize energy usage to make OC San energy independent in the most basic mission of protecting the public health and the environment. Super Critical Water Oxidation and other biosolids thermal conversion technologies offer some exciting opportunities to cut power use, reduce diesel fueled transportation, and create useful energy.

### **Initiatives to Support Progress Toward the Policy Goal**

- Maximize the anaerobic digestion conversion of organics to methane through receipt of food waste and operational techniques.
- Investigate and install energy storage and photovoltaic systems where practical to achieve energy independence/resilience.
- Continue to support the conversion of biomethane into electricity and heat for process use. Improve systems as necessary to comply with air regulations.
- Pursue technology innovation to reduce energy use, reduce transportation energy impacts, and reduce greenhouse gas impacts.





## Climate and Catastrophic Event Resilience Policy

### Summary Policy Statement

The Orange County Sanitation District (OC San) aims to design, maintain, and operate valuable wastewater assets that withstand or adapt to adverse conditions in a reasonable manner that is both cost-effective and sustainable for present and future generations. These adverse conditions include drought, heavy rains, flooding, sea level rise, earthquakes, tsunamis, extreme heat, wildfires, pandemic, and electrical grid interruptions.

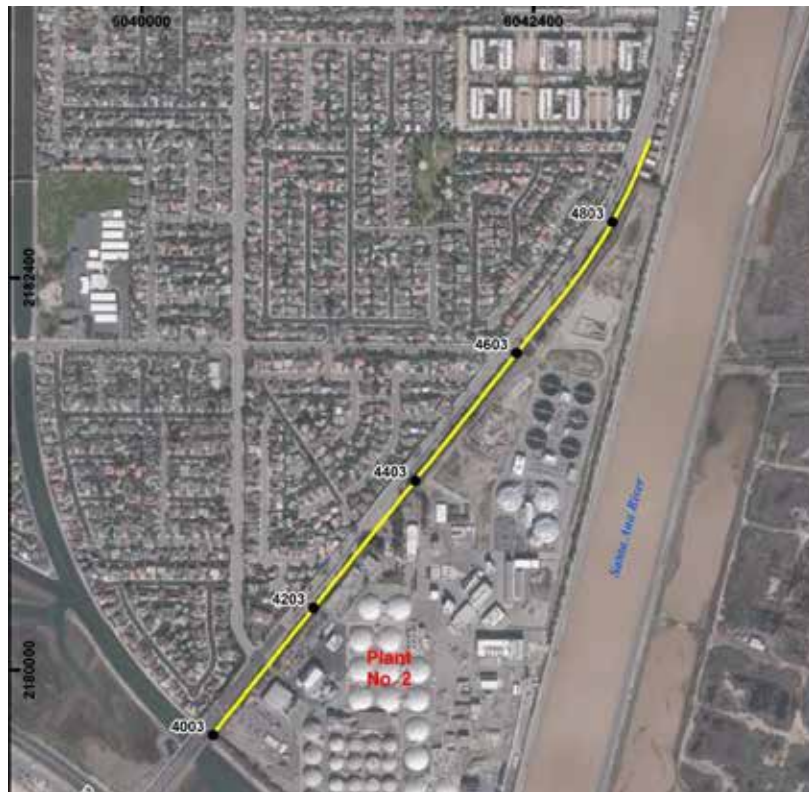
### Background

OC San owns and operates extensive wastewater collection and treatment facilities valued at nearly \$11 billion. The OC San service area faces special challenges because of the geographic location of its facilities. These challenges include: its position on and near seismic risk factors, its proximity to the Pacific Coast, adjacency of its treatment facilities to the Santa Ana River, and being served by increasingly fragile energy utilities.

OC San's facilities are situated on or near several seismic risk factors. Plant No. 2 is located directly on top of the Newport-Inglewood fault. Both plants and the collection system are influenced by many adjacent major and minor faults capable of delivering damaging energy. Both of our treatment plants and the majority of our collection system sit on top of silty, alluvial soils that can have the effect of amplifying the earth motion and risk liquefaction during a seismic event. OC San has invested significantly over the last 50 years to improve the soils, foundations, and structures to mitigate these seismic risks. As geotechnical and structural knowledge and building codes progress, upgrades and facility replacements will be necessary.

Another seismic risk associated with having a treatment plant and several pump stations located on the Pacific Coast is the risk of tsunami inundation. OC San has been working with and reviewing the plans of the City of Huntington Beach and the City of Newport Beach to understand and quantify this risk. The American Society of Civil Engineers (ASCE) has created a new standard, ASCE 7-16, to layout design parameters for lateral forces an inundation zone associated with potential tsunamis.

OC San understands that climactic factors we face change widely over time. OC San's systems must perform in extreme wet weather situations (atmospheric rivers), extreme dry weather conditions (drought), extreme tidal conditions (king tides, rising sea levels), as well





as high and low temperature extremes. OC San generally designs for historical and expected “average conditions” for optimal performance but must also assure operations for extreme weather events.

OC San serves a critical public health role. Its operations must be reliable 24-hours per day, 365 days a year. Electricity, and to a lesser extent natural gas, are necessary for pumping and treatment operations. Both electricity and natural gas supplies have become increasingly vulnerable to interruption. Electricity deliveries are more vulnerable due to wildfire outage criteria, loss of local generation assets, aging infrastructure, and extreme weather events. Natural gas supplies are more vulnerable due to the loss of local storage capacity, aging infrastructure, line corrosion, and more stringent regulatory requirements. OC San has significant capacity to self-supply critical energy requirement for extended periods.

### **Current Situation**

OC San has spent considerable effort quantifying its seismic, climate, and utility supply risks. Several key studies have been initiated and will be completed in the next two years. The most acute risk factor faced by OC San is seismic risk. Climate and utility supply risks are more accurately described as chronic risks.

Seismic risk factors include ground shaking, liquefaction, lateral spreading, and fault rupture. Both treatment plants are situated in a historic riverbed with poor soil conditions. The collection system is vulnerable to failures during seismic events. The state of the art for seismic design has changed greatly over OC San’s history and will continue to do so. Many of our critical structures were designed or installed prior to the advancements that occurred as a result of the various earthquakes of the 1990s. Significant effort has been expended to better characterize the soil conditions under our treatment plants and pump stations. Projects to refurbish or replace existing unit processes are, or soon will be, scoped and budgeted to provide enhanced seismic resilience. These measures include soil mixing to stiffen the soil, various foundation designs and building structure improvements.

Tsunami resilience and flooding protection can go hand in hand. To a great extent, these two risk factors can be mitigated in the same way. The Tsunami guidelines for inundation in ASCE 7-16 are a reasonable peer reviewed standard. By complying with this standard for Huntington Beach and Newport Beach, OC San will be reasonably prepared for flooding caused by extreme storm events and conservative sea level rise estimates at Plant No. 2 and pump stations in the City of Newport Beach.

OC San has also expended significant effort to prepare for the effects of weather extremes on its operations. Extreme wet weather impacts operations. Inflow and infiltration during intense storm activity have multiplied average dry weather flow rate by up to three times in recent years. OC San has significant wet weather capacity and will continue to maintain a 640 million gallon per day influent and outfall capacity which is roughly 3.5 times our average dry weather flow. Historically, high rains as seen in 1863 and 1938 will push our systems to the limit.

OC San has also adapted its systems to perform in extreme dry weather. OC San in cooperation with OCWD operates the largest potable water reuse system in the world. This is made possible by replumbing our treatment plants and adding new smaller pump stations to deal with extreme low outfall flow rates in the morning hours. OC San also continues to grow the ability to shift influent flow between its treatment plants which creates additional resilience for risk factors.

Finally, on the topic of utility supply, OC San built redundant supplies for its most critical needs: electricity, natural gas, and water. OC San has maintained three sources of electricity supply for more than 25 years. The treatment plants can be supplied with power from Southern California Edison, OC San's Central Generation Plants, or on-site diesel generation systems to maintain basic operation to protect public health. In terms of natural gas, OC San has been producing bio-methane through anaerobic digestion since the 1950s with enough capacity to provide electricity and necessary process heat.

### **Future Policy Statement**

OC San will continue to build and improve its facilities to meet the seismic, climate and energy infrastructure risks that it faces with a long-term, planned approach. Acute life-safety risks that are identified or facilities that are damaged or fail in a catastrophic event will be addressed very quickly. However, it is not practical to update \$11 billion in facilities every time a code is updated, or a new climate change estimate is released. OC San will stay abreast of code and climate change estimates as they occur and will implement improvements or replacements to facilities on a long-term basis in line with its asset management practices. OC San generally plans to refurbish or replace its mechanical and electrical assets every 20 to 25 years with an average capital improvement investment of \$250 million per year.

OC San facilities are designed to meet industry codes. As time goes on and codes are updated, it is not required to upgrade existing facilities to meet those latest codes unless there is a mandate to do so, or an unacceptable risk in not doing so is recognized. OC San will accept some incremental risk in having some facilities that are not necessarily compliant with the latest building codes until a project to rehabilitate or replace these facilities is developed. All of OC San's facilities have a planned life span with two to three refurbishment cycles. Identified seismic or flooding vulnerabilities may drive a replacement versus refurbishment decision in the normal capital planning process.

OC San will continue to aspire to energy independence which will help mitigate vulnerabilities to loss of electrical and gas utilities. In addition, OC San will continue to maintain third level, diesel generator, electrical supply capability for critical loads. On-site diesel storage will provide up to three days of power to run the plants. Pump stations diesel generation will be site specific in its design based on flow risks, hydraulic storage capacity, and site constraints. Either on-site generation or quickly deployable mobile generators will provide emergency power for up to several days at a time.

### **Initiatives to Support Progress Toward the Policy Goal**

- Complete an engineering study of the seismic vulnerabilities of the treatment plants. Incorporate necessary upgrades into future capital improvement projects.
- Complete the biannual high flow exercise to assure readiness for a high flow event. Maintain a higher level of readiness October 15 through March 15 and in advance of predicted significant rain events.







## Food Waste Treatment Policy

### Summary Policy Statement

The State of California limits the volume of organic waste that may be diverted to landfills. The Orange County Sanitation District (OC San) will collaborate with the County of Orange, other local agencies, and waste haulers to find ways to beneficially reuse food waste, a type of organic waste, to assist cities in our service area in meeting their diversion requirements while increasing OC San's energy production.

### Background

Whether supplying secondary treated wastewater for the Groundwater Replenishment System, creating renewable energy in the form of biogas from anaerobic digestion to produce electricity, or benefiting from the use of biosolids as a soil amendment, OC San is a resource recovery agency committed to providing resilient and reliable wastewater treatment service while protecting the public health and the environment.

In recent years, there has been a significant change in the regulatory landscape in California related to the diversion of organics such as food, green material, wood, paper, biosolids, digestate, and sludges from landfills. Currently, much of the state's diverted organics are being composted or used as alternative daily cover on landfills. With the phaseout of organics as alternative daily cover, the regulatory shift is creating an organics market for the wastewater sector to provide a solution to manage organics such as food waste by way of co-digestion. There is an opportunity for OC San to produce additional biogas, reducing the need to purchase electricity from the local utility.

Anaerobic digestion is currently at the nexus of important State of California mandates, namely: (1) organics diversion from landfills (AB 1826 and SB 1383), and (2) increased renewable energy and fuels generation (SB 32 and SB 100). The primary alternatives for organics management are anaerobic digestion and composting – of which anaerobic digestion is the only process offering energy recovery potential. Over the next few years, California's cities and counties, along with municipal solid waste haulers, material recovery facilities, and landfills will need to develop collection, processing, and energy recovery infrastructure to address new state legislation and goals. Existing wastewater treatment plants such as OC San are uniquely positioned to play a role in the new organics marketplace since solid waste management facilities do not typically have anaerobic digesters, the energy recovery infrastructure in place, or experience regarding the management of biosolids for beneficial use.

In 2017, OC San completed a comprehensive Biosolids Master Plan (Plan) that provides a roadmap and framework for sustainable and cost-effective biosolids management options and future capital facilities improvement over a 20-year planning horizon. Considering the timeliness of the regulatory mandates requiring organic diversion from landfills and increased renewable energy, the Plan evaluated the feasibility of implementing a high strength organic waste receiving program involving the co-digestion of preprocessed food waste.

While food waste digestion appears to be feasible, OC San's existing infrastructure isn't well suited for receiving, handling, or digesting green waste. Current digester feed, mixing, heating, dewatering and truck loading facilities aren't designed to deal with cellulosic products in green waste. The highly fibrous material doesn't readily break down and clogs the various systems optimized for sewage sludge treatment. In addition, there are legal hurdles specified in the California Health and Safety Code, Section 4700, that must be addressed before OC San could operate a refuse transfer facility.

## **Current Situation**

### **Project Viability**

OC San's Plan concluded that the costs to construct and operate a food waste receiving facility could be offset by tipping fees charged to food waste processors/haulers and by additional power generated from the increased digester gas production. The Plan recommended that OC San build an interim food waste receiving station immediately to take advantage of existing digestion and power generation capacity of approximately 150-250 wet tons per day at Plant No. 2. OC San will construct a more permanent facility in the future to coincide with the planned construction of new digesters at Plant No. 2, allowing additional capacity to co-digest approximately 500 wet tons per day of food waste. OC San also has at least six megawatts of installed electrical generation capacity that can convert the produced digester gas to electricity and heat.

Based on these recommendations, in 2018, OC San's Board approved a project (P2-124) to construct an interim (10-15 year service life) food waste facility to receive, store, and feed preprocessed food waste slurry to the digester complex at Plant No. 2 to generate additional digester gas. This project will be designed to accept approximately 150 wet tons per day of preprocessed food waste and will produce approximately 15 percent more methane gas for onsite energy production. This results in a greenhouse gas reduction of approximately 10,800 metric tons of carbon dioxide, which is equivalent to the annual greenhouse gases generated by approximately 2,000 passenger vehicles. This is consistent with OC San's Energy Independence Policy, which is to strive to be energy independent by minimizing energy utilization and maximizing useful energy recovery from the sewage it receives.

The final biosolids product currently produced by OC San is anticipated to be largely unaffected by the addition of food waste slurry. Pilot testing conducted by OC San indicates that there will be increased gas production due to mixing sewage sludge and food waste feed stock, but the final biosolids product will remain largely unchanged.

A draft Preliminary Design Report was issued in June 2019 for the interim receiving facility which included a viability evaluation concluding that the project is economically justifiable based on project costs and anticipated tipping fees. Final design of the interim food waste receiving station is complete and ready to bid for construction. The tipping fee and food slurry specifications are complete, and OC San is soliciting waste hauling partners to contract deliveries of material. When contracts for food waste deliveries are signed, OC San will commence bidding and construction to be in a position to receive material within two years.

There are three large municipal solid waste haulers that have expressed interest in collaborating with OC San to provide preprocessed food waste for digestion. Of these, two haulers are located within the county, and one is located outside the county. Another important partner for OC San is Orange County Waste and Recycling (OCWR). OC San has met with OCWR, and they have expressed interest in partnering with OC San to find local solutions to meet SB 1383's organics diversion mandate including in-county biosolids management, composting, food waste co-digestion, and biogas production.

### **Future Policy Statement**

#### **Food Waste Slurry**

OC San will only accept a preprocessed food waste slurry. We do not have available land or air permits to handle, sort, and process solid or green wastes. OC San will work with other public agencies and waste haulers to develop an industry standard for food waste slurry



that specifies water, organic, metal, plastic, and glass content requirements. A common specification for slurry will help all parties make investment decisions.

### **Food Waste Volume**

OC San has identified available capacity within its infrastructure at Plant No. 2 to accommodate food waste conversion to energy. The processes impacted by food waste conversion are digestion, gas cleaning, gas compression, generation, process heating, biosolid dewatering, and biosolids loading. Each of these impacted systems at Plant No. 2 in Huntington Beach have the capacity to accept 150 to 250 wet tons per day for the next ten years. Beyond ten years, OC San plans on upgrading its digestion, gas compression, and gas treatment systems. Based on the lessons learned from the interim system and the development of the food waste market, OC San plans to be able to accept up to 500 wet tons per day when the new digestion, gas compression, and gas treatment systems are completed.

OC San believes that the full implementation of the current regulations will create a food waste slurry market significantly greater than 500 wet tons per day in Southern California.

### **Tipping Fee Basis**

The acceptance of food waste has the opportunity to more fully utilize the system capacity that already exists for the benefit of OC San's rate payers.

OC San staff will develop a base tipping fee rate schedule for Board of Directors' approval that meets the following criteria:

- Recover all capital costs to construct facilities within ten years (this will allow OC San and waste haulers to properly invest in processing facilities);
- Recover all on-going costs including operating cost, maintenance cost, electricity usage, biosolids dewatering, and reuse costs;
- Food Waste will not be operated "for profit" but rather a cost recovered service with tipping fees offsetting costs to not impact OC San's wastewater service fee structure.

Food waste generated and processed within the service area will be charged the base rate and will be prioritized over food waste from outside the service area. This is justified by the fact that the underlying infrastructure of OC San is already owned by service area rate payers. OC San contracts with service area waste haulers must provide for a pass-through savings to OC San rate payers. That means waste haulers may charge for collection and processing of food waste but must disclose to their City or Special District franchise partner OC San's tipping fees and negotiate pricing adjustments as necessary with City or Special District franchise partners.

If additional capacity exists, but isn't utilized by in-service area users, then that capacity may be contracted by out-of-service area users at a premium to help offset the cost of the underlying infrastructure necessary to process the food waste.

OC San will pursue grant opportunities to the extent possible to reduce the overall capital and operating cost basis for the program to reduce the tipping fee base rate.

### **Initiatives to Support Progress Toward the Policy Goal**

- OC San will accept a preprocessed food waste slurry from contracted waste haulers that will be fed to existing anaerobic digesters. OC San will charge a tipping fee to offset its costs for capital construction, operations, handling, maintenance, and biosolids disposal.
- Design, build, and operate a food waste receiving station. Create a specification for food waste slurry and contract with solid waste haulers to receive and process food waste.





## Water Reuse Policy

### Summary Policy Statement

The Orange County Sanitation District (OC San) will seek to beneficially reuse all reclaimable water for potable, industrial, irrigation, and environmental uses.

### Background

For over 40 years, OC San and the Orange County Water District (OCWD) have partnered to beneficially reuse treated wastewater from OC San. OCWD, which serves roughly the same service area as OC San, manages and replenishes the groundwater basin in northern and central Orange County, ensures water reliability and quality, prevents seawater intrusion, and protects Orange County's rights to Santa Ana River water.

Beginning in 1975, OC San contributed treated wastewater from its Plant No. 1 to OCWD for the operation of Water Factory 21, which reclaimed the treated wastewater and injected it along with deep well water into the groundwater basin to prevent seawater intrusion. In the mid-1990s, OCWD needed to expand Water Factory 21. At the same time, OC San faced the challenge of having to build a second ocean outfall pipe to discharge treated wastewater into the Pacific Ocean. Both agencies collaborated to build an advanced water purification facility to resolve these challenges. This state-of-the-art facility, known as the Groundwater Replenishment System (GWRS), took the place of Water Factory 21, and began operation in 2008.

The GWRS treats secondary treated wastewater from OC San Plant No. 1 to drinking water standards and uses the purified water for both injection and percolation, through injection wells and recharge basins, as source water to replenish the groundwater basin's drinking water supplies. With approximately 75 percent of the water demand in northern and central Orange County cities coming from the groundwater basin, GWRS supplements existing water supplies by providing a new, reliable, high-quality source of water. OC San made a considerable investment to improve its level of treatment and source control to support the GWRS partnership. The upgrade to full secondary treatment and shifting the source control regulations, testing, and enforcement from a focus on ocean discharge to drinking water supply was very significant.

While the original GWRS facility was initially constructed to supply up to 70 million gallons per day (MGD) of purified water, the facility was designed for an ultimate treatment and conveyance capacity of 130 MGD. The original GWRS design intent was to expand the GWRS facility in two phases – an initial and a final expansion of an additional 30 MGD of treatment capacity with each expansion. The GWRS Initial Expansion Project was completed in June 2015 and has been producing up to 100 MGD of purified water for groundwater injection and recharge. The Final Expansion of GWRS is scheduled to be completed in 2023 and will produce the maximum capacity of 130 MGD.

In addition to providing treated wastewater to the GWRS, OC San also provides treated water to OCWD's Green Acres Project and OC San uses treated effluent within the treatment plants to offset potable water use. The Green Acres Project provides recycled water for landscape irrigation at parks, schools, and golf courses; and industrial uses, such as carpet dyeing; toilet flushing; and power generation cooling. OC San uses nearly 10 MGD of treated effluent, called Plant Water, within the treatment plants for engine and equipment cooling, polymer make-down, equipment flushing and washdown, and other uses.

## Current Situation

The GWRS currently produces 100 million gallons per day of purified water – enough water for about 850,000 people. All of OC San’s Plant No. 1 secondary effluent, between 120-130 MGD, is made available to OCWD for the GWRS and Green Acres Project. However, secondary effluent from OC San’s Plant No. 2 and other non-reclaimable flows, such as brine from inland desalters and GWRS’s reverse osmosis process, and OC San’s process sidestreams, continue to be released into the ocean.

In 2016, OC San and OCWD jointly conducted the Effluent Reuse Study, which evaluated the feasibility of recycling OC San’s secondary effluent from Plant No. 2 and identified projects required to achieve the final expansion of the GWRS. The GWRS final expansion effort will include implementation of projects to construct new, modified or rehabilitated facilities at Plant No. 2 to separate reclaimable flows from non-reclaimable flows; to equalize, pump, and convey secondary effluent from OC San’s Plant No. 2 to the GWRS facility; and to treat the additional source water to produce 130 MGD of purified water.

Reverse Osmosis brine generated at the GWRS is currently discharged into the ocean. The 2016 Effluent Reuse Study identified alternative brine management strategies such as evaporation ponds, deep well injection, and engineered wetlands. Evaporation ponds are land intensive and are also energy intensive when combined with a brine crystallizer to remove solids from highly concentrated brine system using heat and pressure. While the areas around both OC San treatment plants have the appropriate geology for brine injection, there are concerns with contamination of drinking water aquifers, and seismic risks due to the Newport-Inglewood zones near Plant No. 2. At this time, it does not appear economically feasible to provide alternative management strategies for the brine discharge.

In November 2016, OC San Board of Directors adopted the Second Amended and Restated Joint Exercise of Powers Agreement for the Development, Operation, and Maintenance of the Groundwater Replenishment System and Green Acres Project, which committed the agency to continue supporting the GWRS and the Green Acres Project, and specifically, the final expansion of the GWRS. The implementation of the final phase of the expansion will be executed by multiple projects, some executed by OC San while the others executed by OCWD. Project costs related to the GWRS are funded by OCWD, including up to \$50 million in reimbursements to OC San for its costs incurred to execute related projects.

By supporting the GWRS Final Expansion, OC San will be able to recycle all reclaimable wastewater generated in its service area and treated at its two treatment plants, and OCWD will have sufficient water to run the GWRS facility to full capacity.

## Future Policy Statement

The treated effluent produced from OC San’s Plant Nos. 1 and 2 is a valuable resource that can help boost local water resources and reduce dependence on imported water, while reducing the effluent discharged to the ocean. OC San will continue to seek opportunities for beneficial reuse of all reclaimable wastewater collected and treated at its facilities.

OC San will continue to support the completion of the final expansion of the GWRS in accordance with the adopted Second Amended and Restated Joint Exercise of Powers Agreement for the Development, Operation, and Maintenance of the Groundwater Replenishment System and Green Acres Project. This includes providing secondary effluent as source water for the GWRS free of charge; allowing OCWD to discharge brine via OC San’s ocean outfall free of charge; leasing approximately 10 acres of land to OCWD at \$1 per year for GWRS;

allowing OCWD to discharge North and South Basin extraction well flows to OC San sewers; managing the design and construction efforts of the Plant No. 2 Headworks Modifications Project and the Plant Water Pump Station Replacement Project (OCWD will reimburse up to \$50 million of project cost); managing and financing the construction of the Ocean Outfall Low Flow Pump Station at Plant No. 2, and the construction of Plant No. 2 primary and secondary facilities to allow segregation of non-reclaimable flows.

OC San will continue to maximize the delivery of secondary effluent available to GWRS and the Green Acres Project in order to maximize full production of purified recycled water for indirect potable reuse, and industrial and irrigational uses. OC San has been operating the Steve Anderson Lift Station to divert more flows to Plant No. 1. The two agencies regularly communicate and coordinate OC San operations and construction projects that may have impacts on GWRS operation and will continue this collaboration effort.

OC San has adequate flow to maximize the production of the GWRS through final expansion. Diversion of additional non-wastewater into the sewer system is unnecessary. Non-wastewater diversions create high flow risks during wet weather conditions and can introduce constituents of concern to existing water and biosolid reuse programs.

### **Initiatives to Support Progress Toward the Policy Goal**

- Support the completion of the final phase of the Groundwater Replenishment System and maximize reclaimable wastewater availability to OCWD.
- Support Green Acres project water production to provide reclaimed water for industrial and irrigation uses.



## **Environmental Water Quality, Stormwater Management, and Urban Runoff Policy**

### **Summary Policy Statement**

The Orange County Sanitation District (OC San) will collaborate with regional stakeholders to accept up to ten million gallons per day (MGD) of dry weather urban runoff at no cost to the dischargers through its permit-based Dry Weather Urban Runoff Diversion Program. The primary objective of the Dry Weather Urban Runoff Diversion Program is to improve water quality in streams, rivers, and beaches in OC San's service area without adversely impacting OC San's occupational safety, collection and treatment systems, reuse initiatives, or permit compliance. Unauthorized discharge of urban runoff to OC San is strictly prohibited.

### **Background**

OC San is a regional governmental agency principally chartered to protect public health and the environment through an extensive regional sanitary sewer system and a highly effective wastewater treatment operation. The governing Board of Directors (Board) has refined this role to include the recovery and utilization of resources from wastewater for the public good. In addition to beneficial reuse of biosolids and responsible ocean discharge, OC San delivers high-quality treated wastewater to Orange County Water District's (OCWD) Groundwater Replenishment System (GWRS) for advance treatment and purification followed by storage in the Orange County groundwater basin.

OC San operates its regional wastewater collection system in accordance with its Sewer System Management Plan, which was developed in compliance with the California Statewide General Waste Discharge Requirements for Sanitary Sewer Systems, Water Quality Order No. 2006-0003-DWQ. The Board periodically updates OC San's Wastewater Discharge Regulations Ordinance (Ordinance) to set uniform requirements for all users of OC San's system and enable OC San to comply with all applicable state and federal regulations. The Ordinance establishes limits on all wastewater discharges which may adversely affect OC San's system and includes language that prohibits sewer users from discharging groundwater, stormwater, surface runoff, or subsurface drainage to the sewer without written authorization or a valid permit. Uncontrolled discharge of any type is strictly prohibited and any person who violates any provision of the Ordinance is subject to administrative, civil and criminal penalties.

Most of the local sanitary sewer systems within OC San's highly urbanized service area are owned and operated by cities, water districts, or sanitary districts. These local systems are designed to transport wastewater from homes and businesses to OC San's regional sewers. These local and regional wastewater systems are designed to be wholly separate from Orange County's Municipal Separate Stormwater Sewer System (MS4), which is a system of conveyances that includes roads, streets, catch basins, curbs, gutters, ditches, man-made channels, or storm drains that carry surface runoff into receiving waters and is regulated by the Santa Ana Regional Water Quality Control Board. Throughout the year, dry and wet weather urban runoff are collected through the MS4 and discharged along the coastline.

During wet weather, the vast majority of urban runoff is comprised of stormwater from rainfall that either travels at a flow rate that does not allow enough time to soak into the ground or whose volume has exceeded the ability of the soil to hold any more moisture. In communities with a high percentage of covered or impervious surfaces, the runoff volume and velocity can be considerably greater when compared to rural areas. Additionally, sheets of runoff in these communities can pick up pollutants and debris from transportation, construction, industrial, and residential sources as they travel by gravity toward storm drains or other low points. Stormwater runoff carries trash, debris, bacteria, chemicals, oil, silt, sediments, microplastics,



and other common and emerging contaminants, and is the responsibility of MS4 permittees, who typically have jurisdiction over land use practices and flood control.

During wet weather, the volume of surface runoff is well beyond the capacity of OC San's conveyance and treatment systems. Inflow and infiltration into the sanitary sewer system during storm events can strain the hydraulic capacity of OC San to its limit of under 1,000 cubic feet per second. In addition, storm flow runoff also contains a much greater debris load that would compromise the sanitary sewer system.

During dry weather, OC San has the capacity normally reserved for inflow and infiltration to accept urban runoff. The Best Management Practices (BMPs) required of MS4 permit holders such as screening, street sweeping, spill prevention, and waste reduction campaigns help to effectively remove trash, silt, and other debris which help make these relatively small flows more compatible with the sanitary sewer. However, pollutants and pathogens that are not removed by the BMPs are carried by runoff from sources such as excess outdoor irrigation into storm drains which is discharged along the coastline.

In response to the significant and persistent adverse impacts from urban runoff to coastal beaches and waters, OC San sought support from the California legislature to accept controlled discharge of surface urban runoff into its wastewater system and was authorized in April 2000 to initiate a permit-based Dry Weather Urban Runoff Diversion Program to accept up to three million gallons of dry weather flow per day. OC San Board Resolution No. 00-04 allowed local agencies to apply for a Dry Weather Urban Runoff Permit where there was not an economically or practically feasible alternative and permittees are subject to requirements of the Ordinance.

Since its inception, the Dry Weather Urban Runoff Diversion Program has significantly improved beach water quality throughout OC San's service area as evidenced by excellent ratings in Heal the Bay's Annual Beach Report Cards and a notable decrease in water quality-based beach closures. In June 2013, OC San modified the Dry Weather Urban Runoff Policy (Resolution No. 13-09) to cap discharges received to 10 million MGD and waived fees associated with the program until discharges exceeded 10 MGD, or until the policy is revised. The Board established an action threshold of nine MGD to trigger revisiting the policy.

In addition to Dry Weather Urban Runoff Permits, OC San's Ordinance allows for normally prohibited wastes such as groundwater, stormwater, surface runoff, and subsurface drainage to be discharged to OC San through a Special Purpose Discharge Permit or written authorization from OC San when no alternate method of disposal is reasonably available to mitigate an environmental risk or health hazard.

Both Dry Weather Urban Runoff and Special Purpose Discharge permits carry strict wet weather shut-off and debris limiting provisions to protect the sanitary sewer system from hydraulic overload and the associated sewer spills. These permits also require flow monitoring and constituent sampling so that OC San can assure that water reused, water discharged to the ocean, and biosolids reused for agriculture are safe and fit for their greater environmental and resource recovery programs.

### **Current Situation**

As of April 2021, OC San has issued 21 Dry Weather Urban Runoff Permits for diversions owned and operated by the City of Huntington Beach, the City of Newport Beach, OC Public Works, Irvine Ranch Water District, and an LLC responsible for the areas in and around Pelican Point community. For the July to December 2020 reporting period, OC San received on average 1.4 MGD from these facilities, which is well below the current 10 MGD policy cap and nine

MGD action threshold. Since the program's inception in 2000, the Dry Weather Urban Runoff Program has treated over 10 billion gallons of urban runoff.

Under special circumstances, OC San may also accept runoff on a limited-term and limited-volume basis through the SPDP or direct authorization process if there is adequate capacity, the runoff/wastewater meets applicable effluent discharge standards, there is no practical alternative method of disposal, and the runoff/wastewater is captured and held until it can be safely discharged to OC San.

In combination, these practices have enabled responsible management of persistent urban runoff challenges in OC San's service area and support a thriving and healthy local economy.

### **Future Policy Statement**

Since the inception of OC San's Dry Weather Urban Runoff Diversion Program, the program success has depended on collaboration among stakeholders to improve beach water quality, urban runoff diversion water quality, coordinate flow management, and minimize any potential adverse impact on OC San's ocean discharge, biosolids management, and potable reuse.

OC San's enhanced source control program and vigilant operations provide a solid foundation for GWRS water's safety and reliability. Much of the current urban runoff diversion is attributable to Plant No. 2 in Huntington Beach which does not provide source water for OCWD. However, as OC San and OCWD progress toward maximizing potable reuse at GWRS to 130 MGD in 2023, OC San is keenly aware of the critical role of source water quality and the need for a region-wide commitment to prevent Constituents of Emerging Concern from entering OC San's system.

Although OC San will continue to accept controlled discharge from Dry Weather Urban Runoff Diversion Program in accordance with Resolution No. 13-09, which supports long-term integrated regional water management, OC San recognizes that urban runoff is a source of Contaminants of Emerging Concern such as microplastics which were measured at levels many times higher than raw wastewater in a 2020 study by the San Francisco Estuary institute. Contaminants in urban runoff will continue to be studied in the future, and the results of these scientific studies will be of utmost importance when considering the viability of future diversions to OC San's system.

There is continuing interest in maximizing urban runoff diversions to OC San's wastewater system to help improve water quality in streams, estuaries, and beaches; and to potentially increase water available for recycling. One potential driver of additional urban runoff diversions is assumed reductions in future wastewater flows due to enhanced indoor water conservation. Reduced wastewater flows may free up system capacity for increased urban runoff diversions.

However, the future available capacity in OC San's system to handle additional urban runoff flows, and the OCWD's need for additional effluent for recycling have not been the subject of a comprehensive engineering study that identifies the opportunities and costs of increasing diversions. Such a study is being jointly planned by OC San, OCWD and the Orange County Flood Control District.

### **Initiatives to Support Progress Toward the Policy Goal**

- Issue dry weather urban runoff connection permits to accept up to a total of ten million gallons per day of controlled discharge of dry weather urban runoff where existing conveyance capacity exists, and the constituents within the flow will not adversely impact OC San.

- Safeguard OC San’s sanitary sewer system against uncontrolled and unregulated discharge by supporting responsible industry practices for flow management and urban runoff pollutant reduction at the source. Utilize OC San’s pretreatment expertise to support effective urban runoff best management practices and special purpose discharge requests among OC San’s regional stakeholders.
- Conduct a comprehensive study of the feasible opportunities for cooperative projects for urban runoff diversions to OC San to improve water quality and increase water recycling by maximizing the useful capacity of local collection systems , OC San treatment systems, and OCWD recycling and recharge systems.
- Support responsible and practicable urban runoff management and reuse legislations and regulations.





# Wastewater Management

## Chemical Sustainability Policy

### Summary Policy Statement

The Orange County Sanitation District (OC San) has a need to use chemicals in its treatment process to improve plant performance, reduce odor and corrosion potential, and meet its regulatory requirements. These commodity chemicals are provided by outside vendors through the purchasing process. Some of these chemicals are subject to price swings due to market condition changes such as energy cost impacts, raw material cost changes, commercial competition changes, and transportation cost volatility. OC San will identify chemicals key to its operation, investigate the market risks for those chemicals and devise strategies to mitigate identified risks to availability and pricing.

### Background

OC San's treatment plants and collection system use several bulk chemicals. A sustainable supply of these chemicals is critical to maintaining an acceptable level of treatment and for ensuring compliance with all regulatory requirements. OC San spends about \$13 million annually on the procurement of eight key chemicals which generally can be broken down into four categories: coagulants, odor/corrosion control, disinfection, and boiler water treatment. Boiler water treatment chemicals are low volume and readily available and will not be considered here.

### Coagulant Chemicals

Coagulant chemicals include ferric chloride, anionic polymer, and cationic polymer. These chemicals are the workhorses of the sewage treatment process. Coagulant chemicals work to clump together organic material so it can more readily be separated from water. Ferric chloride is the first chemical added in the treatment process. It is a powerful settling agent that causes organics to clump together and settle to the bottom of primary basins. It is a double-duty chemical in that it also controls the formation of hydrogen sulfide gas, which is a major odorant, by binding to suspended sulphur compounds and causing them to settle before they can be converted by natural bacterial processes to hydrogen sulfide.

Ferric chloride is an iron salt that is produced by reacting iron with hydrochloric acid. It is generally a byproduct of steel treatment, a leftover pickling agent. Ferric chloride is commonly used in the water and wastewater industries. Historically, this chemical has been the subject of a limited supplier base in Southern California. OC San has been actively splitting supply contracts to multiple vendors to ensure multiple vendors are available. On-site generation of the chemical is impractical due to the hazardous nature of the manufacturing process and acid handling, the bulk steel handling logistics, and waste products disposal.

Anionic polymer works with ferric chloride to further aid in the coagulation or settling of organic compounds in the primary treatment process. These long-chain molecules are designed to be negatively charged to attract or collect positively charged ferric chloride induced organic clumps or flocculant. The use of ferric chloride and anionic polymer is called Chemically Enhanced Primary Treatment or CEPT. OC San has been using CEPT for more than thirty years.

Anionic polymers are specially designed chains with many potential variants and multiple vendors. Part of the purchasing process for polymers involves polymer trials to document the efficacy of different products from different vendors to get the best cost-performance balance.

Cationic polymer is generally used to thicken sludge or biosolids in centrifuges or dissolved air floatation thickeners (DAFT). These long-chained, positively charged molecules are essential to



the proper operation of centrifuges and DAFT units. Part of the purchasing process for these polymers also involves polymer trials to document the efficacy of different products from different vendors to get the best cost-performance balance. It is important to note that it is entirely possible that four different cationic polymers will be used to optimize the performance of Plant No. 1 dewatering centrifuges, Plant No. 1 thickening centrifuges, Plant No. 2 dewatering centrifuges, and Plant No. 2 DAFTs, because the performance can vary greatly depending on the equipment or process. Each process will have its own polymer trial to determine the cost-performance balance for each application.

### **Odor Control Chemicals**

OC San uses several chemicals in the collection system and the treatment plant to reduce the odors normally attributed to sewage and sewage treatment. These chemicals can either prevent the formation of odor causing compounds, called odorants, or they can destroy odorants that already exist. Chemicals that prevent the formation of odorants include ferrous chloride, calcium nitrate, magnesium hydroxide, and caustic.

Chemicals used in the collection systems tend to be more benign than chemicals used in the treatment plants due to their proximity to the public. Ferrous chloride is closely related to Ferric chloride as described above. It is a powerful settling agent that prevents the formation of hydrogen sulfide by tying up and settling sulfide compounds in the collection system. It is a preferred chemical because of its dual role, but it is not as benign as other choices.

Calcium nitrate is another choice for collection system odor control. It works in a different way. Calcium nitrate alters the biological equilibrium in sewage. Generally, bacteria that live by respirating oxygen are the most robust organisms, followed by nitrogen respirating bacteria, and finally sulfur respirating bacteria. Adding calcium nitrate to sewage creates an environment where sulfur loving bacteria do not thrive or create hydrogen sulfide.

Magnesium hydroxide is a third choice for collection system odor control. It works primarily by raising the pH of sewage to a point that is not conducive for odor causing bacteria to thrive. Magnesium hydroxide is the most benign of the chemical choices as it is the main ingredient in Milk of Magnesia.

All three of these chemicals are continuously fed into sewer systems at different points to consistently control the formation of odorants in the system. Where OC San does not have the ability to site a chemical dosing station and persistent odors are being experienced, there is the option to utilize caustic slug dosing. Caustic slug dosing involves using tanker trucks to discharge up to 6,000 gallons of sodium hydroxide into a sewer manhole structure. The very high pH has the effect of killing the bioslime layer on sewer pipes that creates hydrogen sulfide. This treatment has an instant benefit that reduces hydrogen sulfide production for days to weeks depending on system conditions.

The final major odor fighting chemical is bleach. Bleach is used in treatment plant chemical scrubbers to oxidize odorants in air scrubber units. Bleach is an effective neutralizer of hydrogen sulfide, methyl mercaptan, methyl disulfide, dimethyl disulfide, and many others.

### **Disinfection**

OC San successfully discontinued disinfection of its effluent to the long outfall. This means that thousands of gallons of bleach and sodium bisulfate are no longer required to be purchased or discharged to the ocean. However, in the event of a discharge to the short outfall or river overflow, disinfection by bleach will be required. Significant on-site storage of bleach and dechlorination chemical, sodium bisulfite, is necessary for this emergency contingency. Bleach does have a shelf life of about six months. OC San rotates its disinfection supply to its odor control and plant water treatment systems to prevent product waste.



## **Process Specific Chemicals**

OC San uses pure oxygen to support its activated sludge secondary treatment process for Plant No. 2. OC San previously self-generated pure oxygen using a cryogenic oxygen plant rated at 70 tons per day. This plant was removed because it was inefficient at the current average utilization of 35 tons per day and was at the end of its useful life. OC San contracts for delivery of liquid oxygen and uses a vaporization system to deliver pure gaseous oxygen to the activated sludge process.

## **Chemical Supply — Purchase vs. Make**

OC San has relied on purchasing bulk commodity chemicals for its treatment plants and collection system. This has proven to be an effective strategy for operational flexibility and to allow concentration on core business. Operationally, the types and volume of chemicals change over time. Over time the types of polymers that are most efficient change. There is a need for more or less volume of chemicals based on sewage flow rates, sewage composition, and flow splits between plants. Managing the generation of specialized chemicals using hazardous materials imposes a significant training burden on staff, increases the regulatory oversight and requirements, and increases overall risk to the organization.

OC San maintains a policy to split the volume of orders between two vendors to assure competition exists in the marketplace for ferric chloride. While OC San generally cooperates with other public agencies to pool purchasing power to secure the lowest possible cost through high volume purchasing, some specialty chemicals like ferric chloride require split orders to maintain competitive market forces.

## **Current Situation**

OC San is constantly changing and improving its facilities to meet new challenges. Each of the facility changes offer new opportunities to reconsider how OC San operates its processes and how chemicals are used. The best chemical stability outcome is to cost-effectively eliminate the use of the chemical. This is the strategy behind cessation of bleach disinfection of the outfall effluent.

Staff is studying the potential to operate the treatment plants differently to minimize or eliminate use of selected chemicals. Facilities like centrifuge sludge thickening provide new opportunities to adjust ferric chloride and anionic polymer usage. Opportunities for substitute chemicals will be explored to understand overall cost and efficiency savings potential. This includes iron vs. aluminum coagulant studies, anionic polymer trials, and cationic polymer trials. Staff also evaluate operating parameters such as in-basin sludge co-thickening, primary basin sludge blanket level parameters, as well as the greater loading of the secondary treatment systems.

## **Future Policy Statement**

OC San will thoroughly understand its treatment processes, the potential modes of operation, and the benefit and cost of chemicals to improve or stabilize its process. OC San will maintain a list of necessary chemicals for optimal treatment operations which will consider chemical cost, chemical availability, treatment stability, energy utilization, energy creation, nuisance odor control, biosolids generation/cost, and regulatory permit compliance risks.

Chemicals that are deemed most beneficial will be procured at the lowest overall cost from market providers to the extent possible. Where there are market stability concerns, the purchasing division will devise procurement strategies to mitigate procurement risks. Where

procurement risk cannot be satisfactorily mitigated, technical staff will evaluate alternatives such as alternate operating methods, substitute chemical usage, or on-site generation of a chemical if feasible.

### **Initiatives to Support Progress Toward the Policy Goal**

- Reduce the exclusive reliance on particular chemicals and individual vendors to establish flexibility to utilize other chemicals/processes to accomplish operational objectives.



## Biosolids Management Policy

### Summary Policy Statement

The Orange County Sanitation District (OC San) will remain committed to a sustainable biosolids program and will beneficially reuse biosolids in accordance with Resolution No. OC San 13-03 and the 2017 Biosolids Master Plan.

### Background

Wastewater solids at both our treatment plants are separated, thickened, digested, and dewatered before being recycled offsite by contractors for composting and land application. Biogas created from the digesters is used to generate electricity to offset the need to purchase power from a local utility. Although OC San currently receives sewage sludge from the Irvine Ranch Water District (IRWD) at Plant No. 1, IRWD is currently commissioning its own solids treatment facility and is anticipated to discontinue the sludge transfer to OC San by the second half of 2021.

Prior to 2019, OC San produced an average of 800 wet tons per day (~20 percent solids) of Class B biosolids that were dewatered by belt presses. Following the commissioning of the co-thickening sludge and dewatering centrifuge system in 2019, OC San has been producing approximately 500-600 wet tons per day (23-28 percent solids), which resulted in an approximately \$4 million per year reduction of biosolids hauling costs.

OC San's biosolids program is developed in compliance with federal, state, and local regulations, OC San's biosolids policy (Board Resolution 13-03), biosolids management system, and the 2017 Biosolids Master Plan (Plan). OC San's adaptive and highly effective biosolids program emphasizes diversification of beneficial reuse options and markets for biosolids. Although cost is a key consideration, the incorporation of failsafe options is considered paramount. These principles align with the policy and Plan and provide a framework for identifying and adopting reliable and sustainable biosolids management options while minimizing cost. Moreover, through innovation and continuous improvements in its biosolids management practice, OC San has been well-positioned to sustain regulatory compliance and its commitment to beneficially reuse biosolids. Currently, about 20 percent of the annual biosolids production is going to a bioenergy facility in California to create pellets and biochar while producing renewable energy, about 50 percent is used to produce Class A compost in California, and about 30 percent is used for Class B land application in Arizona.

The Plan forecasted future capital improvements projects needed to sustain responsible and cost-effective biosolids management over a 20-year planning horizon. As an example, OC San has initiated a project at Plant No. 2 to construct new thermophilic digesters and batch holding tanks that will generate Class A biosolids beginning in 2030. These new digesters are needed to increase operational resiliency against seismic events and biosolids reuse options. Plant No. 1 will continue to produce Class B biosolids.

According to the Plan, upon commissioning the new thermophilic digesters, future biosolids management options may include:

- Emerging markets: Management options and technologies that become available following the adoption of the Plan, such as mine and fire reclamation, gasification, pyrolysis, supercritical water oxidation, fluidized bed combustion, and cement kiln drying.

- Soil blending: Partner with local soil blenders to deliver and blend Class A biosolids with soil to produce a high-quality soil amendment that can be used in a larger variety of markets than current Class A compost such as construction back-fill.
- California land application: While Class A compost and granules are currently land-applied in California, land application of Class A biosolids is still restricted in most counties. However, with the recent implementation of California’s organics diversion regulations and planned enforcement in 2022, stringent local ordinances that unreasonably restrict land application of biosolids are prohibited.
- Arizona land application: Land application in Arizona will continue to be a part of OC San’s overall biosolids program and serves as a large-capacity outlet for biosolids management.

### **Current Situation**

The legislative and regulatory landscapes in California are changing regarding organics management. Since 2003, direct land application of Class B biosolids in Southern California has largely been prohibited due to strict ordinances and conditional use requirements that preempted state recycling laws. However, in recent years there has been a greater focus on healthy soils, renewable energy, organics diversion from landfills, and reduction of Greenhouse Gases (GHGs), which are reflected in several bills and initiatives that have been adopted:

- AB 1826 (2014) — Mandatory Organics Recycling for Businesses.
- SB 1383 (2016) — 50% organics diversion from landfill by 2020 and 75% by 2025, which includes biosolids and mandatory organics procurement (compost and biogas) for impacted jurisdiction.
- SB 32 (2016) — 40% Reduction GHG below 1990 levels by 2030
- SB 100 (2018) — 50% renewable resources (i.e., anaerobic co-digestion of food waste) target by December 31, 2026, and to achieve a 60% target by December 31, 2030
- Increasing soil carbon and carbon sequestration under the Healthy Soils Initiative and Forest Carbon Plan.

In combination, these measures are expanding the “organic waste markets”, thereby stimulating interest in siting more composting facilities and organic waste-to-energy projects and could also support soil blending and direct land application of biosolids and create opportunities for wastewater agencies to innovate. Agencies such as the State Water Resources Control Board (SWRCB), CalRecycle, California Department of Food and Agriculture, California Air Resources Board, and California Energy Commission are developing regulations to implement the new laws. Throughout the rulemaking process, OC San has been actively involved through the California Association of Sanitation Agencies (CASA) and the Southern California Alliance of POTWs (SCAP) to encourage regulators to open more biosolids management options in California. In particular, the recently adopted regulations for SB 1383 require jurisdictions such as cities and counties to procure recycled organics such as compost and biogas for localized beneficial reuse.

It is worth noting that while there is growing interest in California for enhanced organics management, there has also been a rising concern from the regulatory community regarding emerging contaminants such as polyfluoroalkyl substances (PFAS) and microplastics. These



ubiquitous, often household, compounds have been detected in the wastewater pathway and biosolids, and OC San has been actively monitoring the development of the science and regulations across all water, wastewater, air, and soil sectors. To date, PFAS regulations have been established for drinking water and a series of phased investigative orders were issued by the SWRCB to examine the fate and transport of PFAS. OC San was among 249 wastewater treatment plants that were included in Phase three of the investigative order, and OC San is on track to complete all required sampling, analysis, and reporting. Additionally, effective in Fall 2021, OC San is sending 100 tons per day to a state-of-the-technology bioenergy facility which will be sampled for PFAS to potentially demonstrate the destruction of PFAS in biosolids using pyrolysis while creating biochar for recycling and renewable energy for distribution.

### **Future Policy Statement**

As environmental regulations continue to drive the organic waste markets in California, OC San will continue to leverage its memberships with various professional/industry associations to encourage local, state, and federal agencies to promote the beneficial reuse of biosolids. OC San will also continue to monitor the development of regulations for constituents of emerging concern that may impact the beneficial reuse of biosolids.

OC San's long-standing leadership role in key professional organizations will continue to ensure timely and meaningful engagement on key regional, state, and national biosolids management policies.

OC San will continue to stay abreast of new biosolids management options, technologies, and regional biosolids recycling and renewable energy partnerships within Southern California, especially those that address the removal, sequestration, and destruction of constituents of emerging concern.

Based on the findings from the abovementioned pyrolysis PFAS demonstration project and any regulation that are developed in the coming years, staff will update OC San's biosolids strategy to account for emerging contaminant management.

Consistent with the Plan, staff will work with OC Waste and Recycling (OCWR) to explore regional biosolids management opportunities as well as local solutions to meet SB 1383's organics diversion mandates, with emphasis on in-county biosolids utilization, composting, food waste co-digestion, and biogas production.

### **Initiatives to Support Progress Toward the Policy Goal**

- Proceed with implementation of new thermophilic biosolids facilities at Plant No. 2 to improve OC San's operational resiliency against seismic events while enhancing biosolids quality and marketability.
- Continue to explore biosolids thermal conversion technology for energy generation and destruction of persistent contaminants.
- Engage with local, state, and federal agencies to ensure that biosolids will continue to be safely and legally used as a soil amendment.
- Stay abreast of new biosolids management options, technologies, and biosolids recycling and renewable energy partnerships in Southern California, with special emphasis on technologies that address the removal, sequestration, and destruction of contaminants of emerging concern.





## Constituents of Emerging Concern Policy

### Summary Policy Statement

The Orange County Sanitation District (OC San) will partner with other agencies, associations, and institutions to support the use of sound science to inform policy and regulatory decisions on constituents (or contaminants) of emerging concern (CECs) at the federal, state, and regional levels. Staff will obtain and maintain current knowledge on CECs under regulatory consideration, including occurrence, analytical methods, regulations, and treatment to support OC San's mission and regulatory compliance.

### Background

CECs are pollutants that are not necessarily subject to existing regulations but have the potential to pose significant risk to public health and/or the environment. Wastewater treatment systems are generally not designed to remove or destroy CECs but can serve as a pathway for persistent CECs such as per- and polyfluoroalkyl substances (commonly known as the Forever Compound, or PFAS) and microplastics that enter the system from sources such as residential dwellings, commercial establishments, industrial facilities, dry weather urban runoff diversions, and special purpose discharges. In fact, certain CECs have the potential to compromise wastewater treatment and reuse operations, if found at levels that impair OC San's biological treatment systems, digester gas utilization, or advance water purification at the Groundwater Replenishment System.

As with most pollutants, reduction of CECs at the source is by far the most effective means of safeguarding public health and the environment. However, since the full range of adverse effects associated with each CEC is often unknown until contamination has become widespread, OC San routinely coordinates with environmental regulators, industry partners, and community stakeholder to maintain up-to-date scientific knowledge, technological developments, and relevant regulatory and legislative initiatives.

It is worth noting that some of today's regulated pollutants were once considered CECs, such as 1,4-dioxane and polychlorinated biphenyls (PCBs), and OC San is engaged in multiple regional collaborations to continuously increase our collective understanding of pollutant fate and transport and develop integrated water quality improvement strategies.

With steadfast support from the OC San Board of Directors, multiple generations of staff have acquired and conveyed considerable institutional knowledge and experience with identifying, monitoring, and reducing CECs through a combination of source control, treatment optimization, analytical innovations, outreach, and responsible reuse and disposal.

A key takeaway from OC San's decades-long experience with CECs is that there is no such thing as 'away' for some pollutants. Thus, we must consider CEC management in every facet of OC San operation, with special emphasis on advance planning for source control, beneficial reuse, and responsible ocean discharge.

### Current Situation

OC San has prioritized CEC source control to prevent potential adverse impacts to its mission of protecting public health and the environment. Industrial and certain non-domestic discharges are regulated by OC San's Pre-treatment Program through a permitting and source control inspection program that enforces OC San's Waste Discharge Ordinance and federal, state, and local mandates. For CECs that are undergoing regulatory development, OC San may choose to utilize interim guidelines and recommended thresholds from federal, state, and

local regulatory agencies to safeguard our ocean discharge and beneficial reuse of water and biosolids.

Specifically, OC San has worked with regulators at the federal, state, and local levels in advance of CEC regulations to develop special projects that can be incorporated into its National Pollutant Discharge Elimination System (NPDES) Permit to evaluate the presence and quantity of CECs in our final discharge to the ocean and the background levels in the receiving environment. OC San's current CEC monitoring program includes constituents in the following category: Hormones (8), Industrial Endocrine Disrupting Compounds (7), Pharmaceuticals and Personal Care Products (13), and Flame Retardants (9). Data from OC San's ongoing CEC program were reviewed by the regulatory and natural resource agencies during the recent NPDES permit renewal consultations, and additional CECs have been added to the 2021 NPDES permit.

Over time, OC San's source control program has been enhanced and updated to meet the needs of the Groundwater Replenishment System (GWRS) as it underwent expansion to increase water supply reliability for north-central Orange County. Through formal agreements and staff-level coordination, OC San and the Orange County Water District (OCWD) have forged a world-class partnership that currently produces 100 million gallons per day (MGD) of purified water and is on track to increase production to 130 MGD in 2023.

To safeguard this potable reuse effort against CECs and other pollutants that are not removed by conventional wastewater treatment systems, OC San and OCWD established a response plan that is activated whenever a pollutant or pollutant precursor becomes a concern to either agency. Where the source can be identified, the plan organizes responsive actions from OC San and OCWD for industrial and commercial facilities. A typical response could include source investigation by OC San that begins with data review, accelerated sampling, laboratory analysis, and result in inspections and enforcement actions. CECs from suspected domestic and residential sources are typically addressed by way of educational outreach to the public. However, OC San's Board of Directors have also authorized financial and in-kind services to support targeted research at academic institutions that investigate CECs from domestic and residential origins.

CECs that are not removed through the treatment process can also be found in biosolids. At high concentrations, CECs may preclude beneficial reuse of biosolids as soil amendments for non-food crop and force OC San to dispose of biosolids in landfills or pursue costly means of destruction.

Thus, responsible legislations and regulations that reduce the production and use CECs, encourage substitution with less toxic materials, and promote adaptive source control programs are essential for sustaining OC San's mission and commitments to the community.

If source control, education and outreach, or legislative and regulatory efforts are not successful, OC San may be required to implement a technological or operational process change/investment to address a CEC.

### **Future Policy Statement**

OC San shall align its resources to manage CECs throughout its service area and treatment process to comply with existing and anticipated regulatory requirements and sustain beneficial reuse of treated effluent and biosolids.

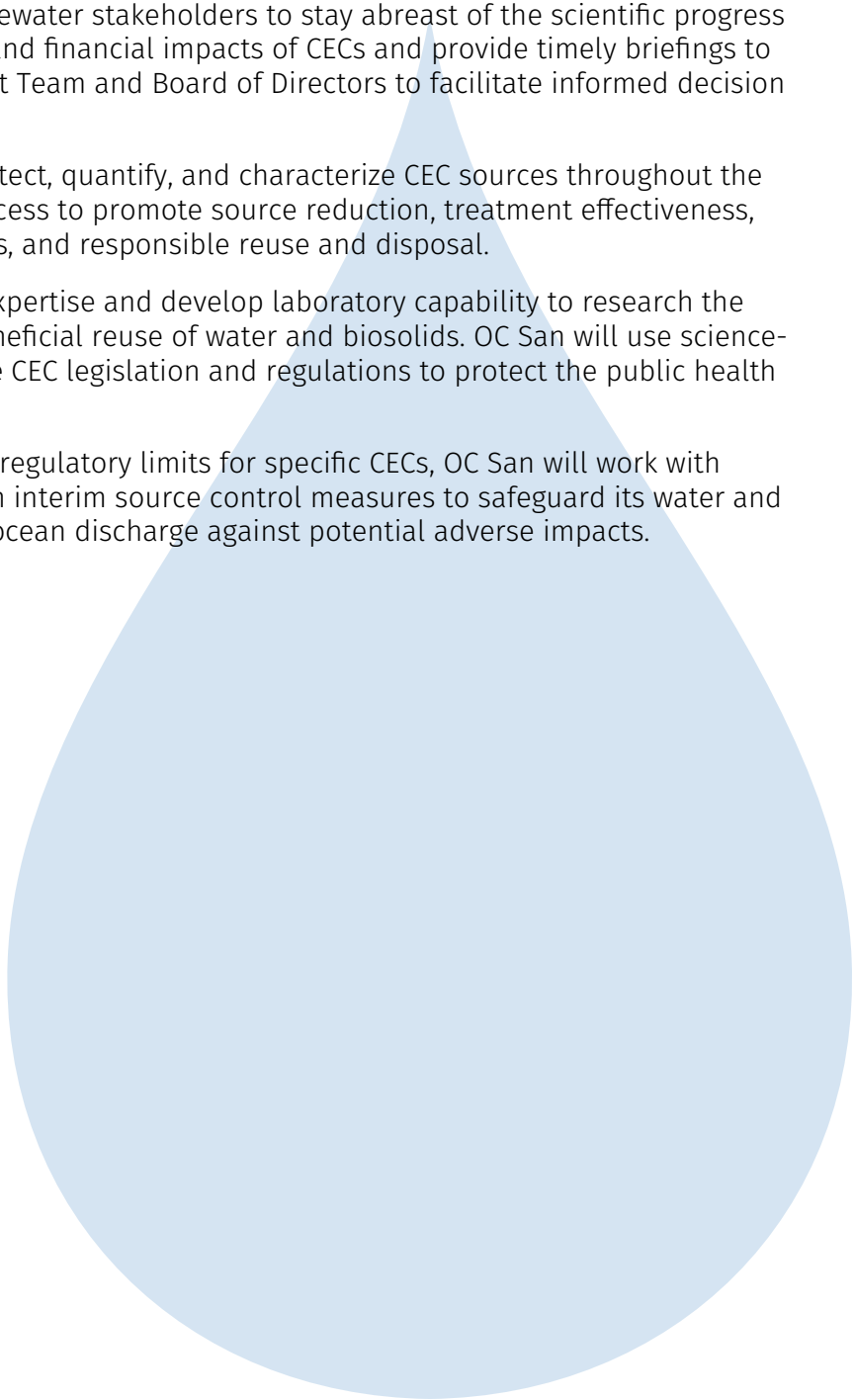
OC San shall acquire and maintain a high level of subject matter expertise and engagement across the wastewater, water, water reuse, air quality, ocean monitoring, and biosolids sectors to monitor the environmental, operational, and financial threats posed by CECs.

OC San shall continue to work with other agencies and professional organizations to develop robust analytical methods and routinely monitor its local limits in order to shape and comply with regulation to protect public health and the environment.

OC San shall continue to implement and update the GWRS Response Plan to sustain effective water reuse and prepare for next-generation CECs and emerging regulatory obligations.

### **Initiatives to Support Progress Toward the Policy Goal**

- Actively engage water and wastewater stakeholders to stay abreast of the scientific progress and any potential operational and financial impacts of CECs and provide timely briefings to OC San's Executive Management Team and Board of Directors to facilitate informed decision making.
- Develop capacity to identify, detect, quantify, and characterize CEC sources throughout the service area and treatment process to promote source reduction, treatment effectiveness, communication of credible risks, and responsible reuse and disposal.
- Proactively establish internal expertise and develop laboratory capability to research the potential impact of CECs on beneficial reuse of water and biosolids. OC San will use science-based knowledge to help shape CEC legislation and regulations to protect the public health and environment.
- In the absence of promulgated regulatory limits for specific CECs, OC San will work with regulatory agencies to establish interim source control measures to safeguard its water and biosolids reuse initiatives and ocean discharge against potential adverse impacts.









# Workforce Environment

## Resilient Staffing Policy

### Summary Policy Statement

The Orange County Sanitation District (OC San) will attract and retain high-quality talent to support its mission and continue to be an industry leader. It will safeguard leadership continuity and support effective performance of the organization by proactively monitoring the changing work environment and requirements to ensure employee development programs are relevant and facilitate building a skilled bench of readily available successors for key leadership and mission-critical positions.

### Background

At OC San, employees are the organization's most valuable resource. With over 600 highly skilled and dedicated employees whose collective efforts make OC San an industry leader, resulting in national awards and recognition. OC San has a continuing commitment to providing educational and training opportunities to its employees, resulting in a prepared, highly skilled, and educated workforce to carry out the mission of protecting public health and the environment.

OC San has a diverse workforce and a wide range of expertise with approximately 70 percent of positions requiring a degree, certification, and/or license. Occupations include scientists, engineers, environmental and regulatory specialists, operators, mechanics, construction inspectors, as well as professionals in public affairs, finance, IT, safety, and human resources.

To cultivate a committed and engaged workforce in a competitive economy, OC San must promote initiatives to attract and retain talent and also prepare staff for both current and future key positions to ensure succession management of our most critical positions. Strategic succession management initiatives have been developed and adopted that support the design and implementation of comprehensive workforce planning and development tools accompanied by activities that facilitate the improvement of workforce capability, adaptability, efficiency, and accountability. Strategic workforce planning empowers management to project the loss of knowledge and experience caused by retirement and attrition and utilizes a variety of methods to ensure that OC San has adequate access to talent internally, and externally through the recruitment, promotion, and selection process.

OC San has a competitive recruitment process that ensures we hire the best person for the job based on qualifications and merit. Human Resources utilizes an objective multi-hurdle approach to hiring which includes, among other processes, assessment centers and skills testing, screening, and recommendation to the hiring authority of only those candidates that meet job specifications. The process also includes a second review by the subject matter expert in the department of those applications that have been forwarded, panel interviews (both for technical skills and fit), and full background and reference checks.

Programs that have proven effective in attracting, retaining, and developing highly skilled staff for key positions, include:

- **Vocational/Professional Student Internship Programs**

Vocational students from the Water Utility Science Program at Santiago Canyon College, and Los Angeles Trade Technical College work 28 hours a week and rotate through five technical trades for 53 weeks in our Operations and Maintenance Department. Furthermore, 23 of the program participants have been hired full-time since the program inception. OC San is piloting the program with other technical colleges in Southern California to include Cypress College.



In addition to the Vocational Internship Program, OC San also offers a Professional Student Internship Program that allows students at local Universities an opportunity to work at the professional ranks while attending college full-time for a two-year maximum duration. OC San partners with Cal State Fullerton, Long Beach, Cal Poly Pomona, and UC Irvine, among others.

- **Employee Development Program**

In addition to providing all legally mandated training, OC San provides training and development opportunities for the purpose of increasing job knowledge and to maximize skill sets in employees' current positions and to prepare them for future mission-critical positions. Comprehensive training programs include technical training through industry-specific associations or groups, local schools, and professional associations including informal on the job training. Employees are encouraged to obtain job-related training necessary to keep OC San current with recent industry best practices and developments in their respective fields of expertise and can be eligible to receive Development Pay in select categories that OC San deems mission critical. As 70 percent of OC San's positions require a degree, certificate and/or license, OC San also promotes professional development through its tuition and certification reimbursement programs for courses completed toward obtaining an associate's, bachelor's or master's degree at accredited colleges, universities, or other institutions or industry-specific certifications.

- **Workforce Vulnerability Assessments**

Each year, OC San management conducts an evaluation of their respective departments and identifies key and vulnerable positions based on three criteria: criticality, retention, and difficulty to fill. Vulnerability assessments provide a broader view into the areas of the agency that could potentially be facing a high risk in turnover and are essential to operations. Management is tasked with identifying positions based on the criteria above, then making recommendations on the level of action that is required, complete with proposed action plans. Human Resources staff facilitates the workforce vulnerability assessments and develops current and future staffing plans based on the management outcomes annually. It is essential that OC San continues its planning efforts in this area and to prioritize sufficient staffing to service the community we serve.

- **Talent Readiness Assessments**

The process includes departmental leadership evaluating staff preparedness for key positions as well as reviewing current and future development efforts. Key positions along with the positions that feed into those positions is identified with the expectation that talent pools are developed to align with agency goals and builds the talent pipeline.

- **Orange County Sanitation District University (OC San "U")**

In 2011, OC San began offering a comprehensive voluntary development program to employees. The program was designed to help address the potential loss of talent due to ongoing retirements and to develop employees from within the organization for succession management. The program is currently known as OC San "U" (Orange County Sanitation District University) and it is administered by volunteer employees from across the agency with oversight by the Human Resources Department. Under this program, employees can participate in various learning options to increase their knowledge, skills, abilities, and enhance organizational awareness. The focus of the program and the types of learning options offered have varied over the years to meet the evolving needs of OC San. Employees

may choose to attend on demand web-based courses and live instructor-led virtual trainings on various topics that pertain to OC San business systems, technology, leadership, communications, and more. Employees may also apply to participate in the Cal State Fullerton 14-week Leadership Academy and OC San “U” recently launched a mentoring program. Additionally, OC San U will expand its partnerships for success section of the program to include offerings to outside organizations. The intent is to promote and provide information on OC San as well as network and expand our offerings.

Additionally, OC San partnered with UC Irvine, Cal State University at Long Beach and California Polytechnic University at Pomona, which provided students an opportunity to job shadow Human Resources and Engineering staff to gain insight into the profession, employment in the public sector and the wastewater industry. OC San employees also serve on Advisory Councils that weigh in on course curriculum at various schools, both at the high school and college level, across Southern California.

Throughout the agency, we have several employees who are active members of various professional associations, serve on a Board, or volunteer in various capacities within the industry. OC San is regularly invited to present and teach others about resource recovery. Recruiters attend job fairs, and work closely with universities, professional organizations, and serve on advisory committees.

Education and workforce investment programs represent the most important preparation we can accomplish today to safeguard the agency’s future for tomorrow. Finding an adequate pool of applicants and retaining qualified workers is increasingly difficult, which we anticipate will continue. Retirements are disrupting employment within our industry and changes in technology have made work more complex.

### **Current Situation**

Currently, the majority of OC San’s executives are eligible for retirement. Managers, our next level of leadership, closely follow with 43 percent of them eligible to retire now, and that number increases to 71 percent in five years. For trades and professional occupations, 48 percent are eligible to retire in the next five years. OC San has many long-term employees with vast knowledge in their respective areas of expertise. The average years of service is 10 years with some employees having been a part of the OC San family for over 35 years. Looking at OC San’s total attrition over the last five years, we have lost 2,980 years of knowledge and experience by 128 individuals leaving the agency since 2016.

In 2010, OC San proactively implemented a second retirement benefit formula (“classic open plan”) ahead of the Public Employee Pension Reform Act, which offered candidates moving from other public sector agencies to OC San with a retirement benefit of 2.43 percent at 65, with zero employer paid member contribution. Based on OC San’s classic open retirement plan, competing for experienced and highly skilled talent from surrounding municipalities, who offer a more attractive retirement benefit of 2.5 percent or 2.7 percent at 55 in addition to paying for a portion of the employees’ contribution has been challenging. Since implementation of the classic open plan in 2010, approximately 35 percent of new hires come from other public sector agencies which limits our ability to hire already trained and experienced staff which can be particularly difficult for technical, scientific, and management positions. OC San has had experience with public sector candidates withdrawing from the process or declining job offers once they learn of the impact to their retirement benefit formula. Given the legal restrictions which bind OC San to the classic open retirement formula, it is critical OC San focus its efforts on retaining current staff, attracting qualified and experienced candidates, and investing in

developing and growing employees' knowledge, skills, and abilities for the future, to address any potential talent shortages.

### **Future Policy Statement**

Human Resources will continue to implement strategic initiatives that ensure workforce capabilities match the work required to meet OC San's mission and levels of service. Staff is dedicated to proactively monitoring the changing work environment and requirements to implement programs now that address future vulnerabilities. Assessments of changes in business needs, workforce composition, and legal requirements are necessary to ensure resilient staffing.

### **Initiatives to Support Progress Toward the Policy Goal**

- Maintain and enhance current employee development programs that are in place to provide the direction to identify, develop and select the next generation of prepared, capable, and engaged leaders, which include:
  - Vocational/Professional Student Internship Programs
  - Employee Development Programs
  - Workforce Vulnerability Assessments
  - Talent Readiness Assessments
  - Orange County Sanitation District University (OC San "U")
- Continue to build the OC San "U" program and evaluate various options to partner with member agencies to share content and interactive development opportunities.
- Continue to build on the employee development opportunities to enhance organizational awareness and strengthening knowledge, skills, and abilities in the areas of OC San business systems, leadership, technology, and communication. Additionally, Human Resources will partner with other member agencies to provide and host training and development programs to foster collaboration and innovation.
- Conduct a Classification & Compensation study to ensure job classifications accurately depict the work being performed, to set compensation levels accordingly, and stay abreast of market benefit and salary data. Human Resources and the Board-approved Consultant will work with stakeholders to complete an organization-wide Classification & Compensation Study. It will incorporate feedback on survey agencies solicited from the Board over the past year and union feedback through meet and confer in upcoming labor negotiations.





## Safety and Physical Security Policy

### Summary Policy Statement

The Orange County Sanitation District (OC San) will ensure the safety and security of employees, contractors, and visitors through standard practices, policies, and procedures that support a safe and secure environment, provide an appropriate level of security, and safeguard OC San's property and physical assets.

### Background

In California, employers must furnish employees with a place of employment free from recognized hazards that cause death or serious physical harm, that is compliant with all legal requirements, and aligns with industry best practices. The safety and wellness of the public and employees is our number one priority. OC San is committed to identifying all hazards through inspection and providing engineering controls, job specific safety training, and personal protective equipment.

Programs that have proved effective in ensuring the safety and wellness of OC San's workforce, visitors, and contractors include:

### Safety Assessments and Engineering Controls

In 2014, OC San conducted a Facility-Wide Safety Assessment Project (SP-145-1) to identify process equipment design and configuration issues that may impact worker safety, and compliance with regulations. The main purpose of this effort was to enhance worker safety and ensure compliance with safety codes. At the same time, safety improvements allow for reliable and efficient operation, so that our facilities can meet regulatory, and process demands, while providing cost-effective operation. All the Project SP-145-1 recommendations to be implemented by OC San have either been addressed by Maintenance or have been incorporated into the Safety Improvement Project (J-126).

### Emergency Management

OC San must be prepared to control risks to the organization, and routinely recognize, evaluate, and prepare for emergencies. An emergency can include a major explosion, fire, verified bomb threat, civil disorder, active shooter situation, or uncontrolled materials release which interrupts OC San's ability to provide safe and environmentally responsible wastewater treatment. The Sanitation District's protocol to control and respond to emergencies is contained within the Integrated Emergency Response Plan (IERP).

The IERP identifies and assesses hazards regarding emergency events which OC San may be confronted with and contains policies, plans, and procedures for preparing and responding to emergencies. The Sanitation District's emergency response organization, called the Incident Command System (ICS), is activated when an emergency condition cannot be effectively responded to under routine operations. Once the immediate emergency has been controlled, then OC San must resume normal operations. In the event of a prolonged emergency state, the return to normal operations is guided by a Continuity of Operations Plan (COOP). In May 2018, a COOP was completed with all divisions contributing to its development. Business continuity planning is an ongoing process for OC San with plans being updated as information changes.

OC San collaborates with local agencies to ensure available resources are identified and engaged in the event of an emergency. OC San has partnered with local agencies in the areas of emergency response for evacuation drills and resource sharing.



- 1) OC San participated in the 2019 Orange Crush Regional Emergency Preparedness and Training Exercise in January 2019. This county-wide exercise used a scenario of a magnitude 7.8 earthquake strike along the San Andreas Fault. A full Emergency Operations Center activation occurred for this functional exercise and gave OC San the opportunity to test the Integrated Emergency Response Plan.
- 2) The Orange County Sheriff's Department and the Orange County Health Care Agency established a Joint Information Center at Plant No. 2 on May 13-14, 2019, to host an enforcement event in Talbert Park. In addition, the operation was overseen by three federal judges who were present to ensure the rights of all citizens were not violated by law enforcement or The Health Care Agency. Officials utilized Plant No. 2 contractor gates for points of entry.
- 3) OC San is a member and funding agency of the Water Emergency Response of Orange County (WERO), which is an organization that is administered by the Municipal Water District of Orange County (MWD). It supports and manages countywide emergency preparedness, planning, response and recovery efforts among Orange County water and wastewater utilities.

## **Security**

The Department of Homeland Security has designated 16 critical infrastructure sectors, which includes water and wastewater systems. Wastewater systems are vulnerable to a variety of attacks, including acts of terrorism, contamination with deadly agents; physical attacks, such as the release of toxic gaseous chemicals, and cyberattacks. In addition, the Department of Homeland Security indicates that the average time it takes for a critical incident to take place is up to 12 minutes while the average police response time can be up to 11 minutes, and that time could increase should there be a natural disaster.

Additional security concerns include physical violence, vandalism, theft, and trespassers. With approximately 100 acres at each site, 600 employees, contractors, and members of the public on site for tours and meetings, it is essential to maintain a security force that can respond to security threats promptly.

OC San contracts with a security firm that supplies four armed and five unarmed guards to provide round the clock security monitoring of over 80 cameras, monitoring gate access, and patrolling the perimeter at both plants.

## **Current Situation**

The Risk Management division has been given the responsibility and an adequate budget to assess and control the safety, security, and health risks that employees, contractors, and guests may be exposed to from OC San operations. Assessment and control of risks is achieved collaboratively between Risk Management staff and internal stakeholders. Risk Management, managers, and staff collaborate to develop written procedures (e.g., policies) that are used for controlling and eliminating hazards at OC San; thus, ensuring compliance with occupational health and safety standards and laws.

## **Safety**

As the health and safety of employees, contractors, and visitors is the number one priority, OC San strives to achieve safety excellence. This is exemplified by our pursuit of the California Voluntary Protection Program (Cal/VPP). The Cal/VPP is a program created by Cal/OSHA to recognize organizations who have implemented safety and health programs that effectively



prevent and control occupational hazards. A Cal/VPP workplace is expected to continually improve its safety program, which means a safe workplace for all. A reduction in injuries and illness has been documented at sites that have committed to the VPP approach. Cal/VPP is recognized as a higher level of protection for the workplace, for this reason, OC San is pursuing this designation.

In preparation for application to the Cal/VPP program, OC San conducted a Cal/VPP readiness assessment in January 2019 and developed an implementation strategy. The assessment included interviews with various OC San subject matter experts and discussions with employees during facility tours. OC San procedures and records were reviewed, and limited visual inspection of work locations and facilities was conducted. The assessment considered basic Cal/OSHA regulatory compliance and additional best management practices that are expected to be implemented in VPP certified workplaces. Based on the results of the VPP assessment, OC San is working toward applying for VPP before the end of calendar year 2019. The timing coincides with the implementation of most of the Safety Improvement Project (J-126), which are critical for success in our VPP pursuit.

This Safety Improvement Project (J-126) is progressing on-schedule. Of the eleven J-126 projects, two have been completed, seven are in the construction phase, and two are pending contractor award. It is important to note that interim measures have been taken to ensure worker safety at the locations identified for safety improvements. Workers are not exposed to hazards while projects are completed.

Eliminating hazards through engineering projects is critical, along with a positive safety culture. In order to assess the safety culture at OC San, a survey was conducted from February to April 2019. The results of this survey indicated employees believe the safety culture is improving, desired an increase in communication on safety issues, and wanted less online and more hands-on customized safety training.

### **Emergency Management**

OC San partners with local agencies to ensure available resources are identified and engaged in the event of an emergency. Collaborations currently scheduled include:

- 1) In conjunction with WEROC, OC San participated in the development of the Orange County Water and Wastewater Hazard Mitigation Plan (Plan) which will be submitted for approval to the State. The Plan provides a framework for participating water and wastewater utilities to plan for natural and man-made hazards in Orange County. OC San is an active participant in the Plan, and developed a hazard mitigation plan, which is Annex C of the Plan. The resources and information within the Plan will allow OC San, and participating jurisdictions to identify and prioritize future mitigation projects, meet the requirements of federal assistance programs and grant applications, and encourage coordination and collaboration in meeting mitigation goals.
- 2) On July 27, 2019, the Sanitation District partnered with the Fountain Valley Police Department Explorers during OC San's Open House event. The Police Explorers assisted Human Resources and Risk Management with crowd and traffic control. Their assistance was beneficial in the management of public during this important event.

### **Security**

The designation of wastewater systems as critical infrastructure by the Department of Homeland Security requires OC San to be diligent in protecting people and property from security breaches. OC San seeks to continually improve the security program. On June 7, 2019,

OC San issued a Request for Proposal (RFP) for Security Services, which included a potential expansion of security services for OC San’s new Headquarters Complex. As part of the RFP evaluation, OC San will review procedural and technical enhancements/innovations that may improve the existing program.

In addition, OC San has established a Security Committee, which includes stakeholders from a cross-section of the organization, to collect input and assess physical and cybersecurity concerns and suggestions. Responsibilities of the committee include, but are not limited to, development of a physical and cybersecurity plan, reviewing orders and policies, reviewing incident reports, and planning drills. The first meeting of the committee was held on June 6, 2019.

### **Future Policy Statement**

Risk Management has and will continue to implement strategic initiatives that will ensure the safety, health, and security of its workforce, and proactively plan for emergencies to ensure continuity of operations. Staff is dedicated to proactively monitoring the changing work environment and requirements to implement programs now that address future vulnerabilities. Assessments of changes in business needs, plant processes, and legal requirements are necessary to ensure a safe and secure work environment. The results of improvement will be measured using leading metric indicators and reported to the workforce to foster employee engagement.

### **Initiatives to Support Progress Toward the Policy Goal**

#### **Safety**

- Complete outstanding safety projects, improvements, and corrective actions to apply and obtain Cal/OSHA Voluntary Protection Program (VPP) status; and continue to foster a culture where employees are accountable for their safety, as well as the safety of others.

#### **Emergency Management**

- Support facility and countywide emergency preparedness, response, and recovery efforts by partnering with entities, such as, the Water Emergency Response Organization of Orange County (WEROC), Orange County Sheriff’s Department, and local fire departments to plan and continue to conduct disaster preparedness training and exercises.

#### **Security**

- Continually identify and assess vulnerabilities and implement solutions through the Security Committee and third-party assessments. Prevent/mitigate security breaches using physical security systems such as video monitoring, access control, and armed security patrols.



**Reclamation Plant No. 1**  
(Administration Offices)  
10844 Ellis Avenue  
Fountain Valley, California 92708  
714.962.2411

**Treatment Plant No. 2**  
22212 Brookhurst Street  
Huntington Beach, California 92646

**For more information**  
Email: [ForInformation@ocsan.gov](mailto:ForInformation@ocsan.gov)  
Phone: 714.962.2411

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# STEERING COMMITTEE

## Agenda Report

Administration Building  
10844 Ellis Avenue  
Fountain Valley, CA 92708  
(714) 593-7433

**File #:** 2023-3050

**Agenda Date:** 6/28/2023

**Agenda Item No:** 7.

**FROM:** Robert Thompson, General Manager  
Originator: Lorenzo Tyner, Assistant General Manager

**SUBJECT:**

**AMENDMENT TO JOINT AGREEMENT WITH ORANGE COUNTY WATER DISTRICT FOR GWRS**

**GENERAL MANAGER'S RECOMMENDATION**

RECOMMENDATION: Recommend to the Board of Directors to:

Approve the Third Amendment to the Second Amended and Restated Joint Exercise of Powers Agreement for the Development, Operation, and Maintenance of the Groundwater Replenishment System and Green Acres Project between Orange County Sanitation District and Orange County Water District, in a form approved by General Counsel.

**BACKGROUND**

Orange County Sanitation District (OC San) and the OCWD have a Joint Exercise of Powers Agreement for the Final Expansion of the GWRS. The GWRS Final Expansion increased the production capacity from 100 million gallons per day (mgd) to 130 mgd.

To support the Final Expansion of the GWRS, all reclaimable flow from Plant No. 2 in Huntington Beach needs to be pumped to the GWRS. Five major construction projects on OC San property were necessary to make this possible. OC San designed and constructed two of the five projects, the Headworks Modifications at Plant No. 2 for GWRS Final Expansion and the Plant Water Pump Station Relocation at Plant No. 2. OCWD is reimbursing OC San for the costs of the design and construction of these two projects.

The First Amendment provides authorization to the existing Joint Powers Agreement that OC San intends to reduce OCWD's required reimbursement by the amount of any grant funding obtained by OC San applicable to Headworks Modifications at Plant No. 2 for GWRS Final Expansion.

The Second Amendment provides for clarification on grant funding disbursements, establishes a not-to-exceed amount for reimbursement of OC San managed projects and addresses emergency operational issues.

The proposed Third Amendment will revise the repayment plan for the reimbursements from OCWD to OC San.

## RELEVANT STANDARDS

- Meet volume and water quality needs for the GWRS

## PROBLEM

The timing of reimbursement payments in the existing Second Amended Joint Exercise of Powers Agreement for the Development, Operation, and Maintenance of the GWRS and the Green Acres Project, and its First and Second Amendments, is not optimal for the cashflow to complete the project.

## PROPOSED SOLUTION

Approve the Third Amendment to the Second Amended Joint Exercise of Powers Agreement for the Development, Operation, and Maintenance of the GWRS and the Green Acres Project to cover new terms needed. The terms include returning the amount previously reimbursed by OCWD for J-117, payment of all J-117 reimbursements no later than six months after completion of the project, and accrual of interest on all amounts.

## TIMING CONCERNS

Prompt approval of the proposed Third Amendment will aid in cash flow to complete the project.

## RAMIFICATIONS OF NOT TAKING ACTION

Current payment terms would remain in place and cash flow for the project would be strained.

## PRIOR COMMITTEE/BOARD ACTIONS

March 2019 - Approved the Second Amendment to the Second Amended and Restated Joint Exercise of Powers Agreement for the Development, Operation, and Maintenance of the Groundwater Replenishment System and the Green Acres Project between Orange County Sanitation District and Orange County Water District, in a form approved by General Counsel.

October 2017 - Approved the First Amendment to the Second Amended and Restated Joint Exercise of Powers Agreement for the Development, Operation, and Maintenance of the Groundwater Replenishment System and the Green Acres Project between Orange County Sanitation District and Orange County Water District.

November 2016 - Adopted Resolution No. OCSD 16-30 entitled: "A Resolution of the Orange County Board of Directors adopting findings with respect to the California Environmental Quality Act in consideration of the Groundwater Replenishment System Final Program EIR/EIS (FEIR) as augmented by Addendum No. 6 to the FEIR and related actions";

Adopted Resolution No. OCSD 16-31 entitled: "A Resolution of the Orange County Board of Directors adopting findings with respect to the California Environmental Quality Act in consideration of the



Orange County Water District Water Production Enhancement Project Initial Study/Mitigated Negative Declaration and related actions”; and

Approved the Second Amended Joint Exercise of Powers Agreement for the Development, Operation, and Maintenance of the Groundwater Replenishment System and the Green Acres Project.

September 2016 - Established a project for Headworks Modifications at Plant No. 2 for GWRS Final Expansion, Project No. P2-122, with a budget of \$50,000,000.

May 2011 - Considered, received, and filed Addendum No. 5 to the Orange County Water District (OCWD) Final Program EIR/EIS Groundwater Replenishment System (GWRS), Modified Phase II Expansion Project, also known and herein referenced as the GWRS Initial Expansion Project;

Adopted Resolution No. OCSD 11-06, Adopting Findings with Respect to the California Environmental Quality Act in Consideration of the GWRS Final Program EIR/EIS (FEIR) as Augmented by Addendum No. 5 to the FEIR and Related Actions;

Approved Reimbursement Agreement with OCWD entitled “Reimbursement Agreement between the Orange County Water District and the Orange County Sanitation District for Construction of Portions of GWRS Initial Expansion Under the Secondary Activated Sludge Facility 2 at Plant No. 1, Job No. P1-102,” in a form approved by General Counsel, for an estimated amount not to exceed \$100,000, to be reimbursed to the Sanitation District;

Authorized the General Manager to ratify a change order to the Secondary Activated Sludge Facility 2 at Plant No. 1, Job No. P1-102, to construct portions of the GWRS Initial Expansion Project for an amount not to exceed \$100,000; and

Approved a Storage Tanks Lease and License Agreement by and between the Sanitation District and OCWD, for installation of two 7.5-million-gallon storage tanks on the Sanitation District’s Plant No. 1 site for \$1 per year.

April 2010 - Approved Amended Joint Exercise of Powers Agreement for the Development, Operation, and Maintenance of the Groundwater Replenishment System and Green Acres Project.

January 2009 - Adopted Resolution No. 09-01, Supporting the Water District Development of the Initial Expansion of the GWR System.

**ADDITIONAL INFORMATION**

N/A

**CEQA**

N/A

**FINANCIAL CONSIDERATIONS**

OC San would return all amounts previously reimbursed by OCWD for J-117 and collect payment for all reimbursable costs six months after completion of the project, with interest accrued.

**ATTACHMENT**

*The following attachment(s) may be viewed on-line at the OC San website ([www.ocsan.gov](http://www.ocsan.gov)) with the complete agenda package:*

- Proposed Third Amendment to Second Amended and Restated Joint Exercise of Powers Agreement for the Development, Operation, and Maintenance of the Groundwater Replenishment System and the Green Acres Project
- Second Amendment to Second Amended and Restated Joint Exercise of Powers Agreement for the Development, Operation, and Maintenance of the Groundwater Replenishment System and the Green Acres Project
- First Amendment to Second Amended and Restated Joint Exercise of Powers Agreement for the Development, Operation, and Maintenance of the Groundwater Replenishment System and the Green Acres Project
- Second Amended and Restated Joint Exercise of Powers Agreement for the Development, Operation, and Maintenance of the Groundwater Replenishment System and Green Acres Project

**THIRD AMENDMENT TO THE SECOND AMENDED AND RESTATED JOINT  
EXERCISE OF POWERS AGREEMENT FOR THE DEVELOPMENT, OPERATION  
AND MAINTENANCE OF THE GROUNDWATER REPLENISHMENT  
SYSTEM AND THE GREEN ACRES PROJECT**

This Third Amendment to the Second Amended and Restated Joint Exercise of Powers Agreement for the Development, Operation and Maintenance of the Groundwater Replenishment System and the Green Acres Project (“Third Amendment”) is entered into by and between the Orange County Water District (the “Water District”) and the Orange County Sanitation District (the “Sanitation District”). The Water District and the Sanitation District are sometimes collectively referred to herein as the “Parties,” and individually referred to as each “Party.” This Second Amendment shall be effective as of the \_\_\_\_ day of \_\_\_\_\_, 2023.

**RECITALS**

**WHEREAS**, the Water District and the Sanitation District are parties to the Second Amended and Restated Joint Exercise of Powers Agreement for the Development, Operation and Maintenance of the Groundwater Replenishment System and the Green Acres Project, as amended on October 18, 2017 and March 27, 2019 (the “Agreement”); and

**WHEREAS**, Section II 3.(b) requires the Water District to reimburse the Sanitation District for the costs of planning, designing, and constructing the Plant 2 Plant Water Pump Station project; and

**WHEREAS**, to date, pursuant to Section II 3.(b) of the Agreement, the Water District has reimbursed the Sanitation District ten million two hundred seventy three thousand one hundred and seventy-seven dollars and thirty-eight cents (\$10,273,177.38) for costs incurred in connection with the Plant 2 Plant Water Pump Station project; and

**WHEREAS**, the Parties desire to amend Section II 3.(b) of the Agreement, as set forth herein, to extend the time for the Water District to fulfill its reimbursement obligation under Section II 3.(b) of the Agreement until after Project J-117 is complete.

**AGREEMENT**

**NOW, THEREFORE**, the Parties agree to amend the Agreement as follows:

1. The Recitals above are deemed true and correct, are hereby incorporated in this Second Amendment as though fully set forth herein, and the Parties acknowledge and agree that they are bound by the same.

2. Section II 3.(b) of the Agreement is amended to read as follows:

(b) Plant 2 Plant Water Pump Station Relocation Project. The Sanitation District shall plan, design, and construct the relocation of the Plant 2 Plant Water Pump Station project as described in Exhibit B. The Plant 2 Plant Water Pump Station project shall be constructed as a part of Sanitation District’s existing project Ocean Outfall

System Rehabilitation, Project J-117 for efficiency and coordination purposes. The Sanitation District shall meet and confer with the Water District regarding the design of the Plant 2 Plant Water Pump Station Relocation project prior to its finalization and approval by the Sanitation District. The Sanitation District will provide any necessary support and assistance to the Water District in its efforts to obtain loans and grants to fund the Plant 2 Plant Water Pump Station project. Subject to subsection (c) below, the Water District shall reimburse the Sanitation District for the costs of planning, designing, and constructing the Plant 2 Plant Water Pump Station project. Without limiting the foregoing, the Water District shall reimburse the Sanitation District for the costs of the design contract(s), the construction contract(s), and Sanitation District staff time spent on the Plant 2 Plant Water Pump Station Relocation Project (total salary and benefits, pro-rated based on hours worked). The Sanitation District shall send an invoice to the Water District quarterly. Within thirty (30) days after the effective date of this Third Amendment, the Sanitation District shall return to the Water District the ten million two hundred seventy three thousand one hundred and seventy-seven dollars and thirty-eight cents (\$10,273,177.38) paid to date pursuant to this Section II 3.(b). No later than six (6) months after the Sanitation District files a Notice of Completion for Project J-117 with the County of Orange, the Water District shall (1) pay all of the outstanding quarterly invoices for the costs of the Plant 2 Plant Water Pump Station Relocation Project, along with interest charges in the amount of two percent (2%) per year from the date of each invoice; and (2) return the ten million two hundred seventy three thousand one hundred and seventy-seven dollars and thirty-eight cents (\$10,273,177.38) to the Sanitation District, along with an interest charge of two percent (2%) per year from the date that the Sanitation District returned the ten million two hundred seventy three thousand one hundred and seventy-seven dollars and thirty-eight cents (\$10,273,177.38) to the Water District.

3. This Third Amendment may be executed in one or more counterparts, all of which shall be considered one and the same agreement.

**IN WITNESS WHEREOF**, intending to be legally bound, the Parties hereto have caused this Second Amendment to be signed by the duly authorized representatives as of the day and year last signed below.

ORANGE COUNTY SANITATION DISTRICT

By: \_\_\_\_\_

Chad P. Wanke  
Chair, Board of Directors

Date: \_\_\_\_\_

By: \_\_\_\_\_

Kelly A. Lore  
Clerk of the Board

Date: \_\_\_\_\_

APPROVED AS TO FORM:

\_\_\_\_\_  
Bradley R. Hogin  
General Counsel  
Orange County Sanitation District

ORANGE COUNTY WATER DISTRICT

By: \_\_\_\_\_  
Cathy Green  
President, Board of Directors

Date: \_\_\_\_\_

By: \_\_\_\_\_  
Michael R. Markus  
General Manager

Date: \_\_\_\_\_

APPROVED AS TO FORM:

\_\_\_\_\_  
Jeremy Jungreis  
General Counsel  
Orange County Water District



**SECOND AMENDMENT TO THE SECOND AMENDED AND RESTATED JOINT  
EXERCISE OF POWERS AGREEMENT FOR THE DEVELOPMENT, OPERATION  
AND MAINTENANCE OF THE GROUNDWATER REPLENISHMENT  
SYSTEM AND THE GREEN ACRES PROJECT**

This Second Amendment to the Second Amended and Restated Joint Exercise of Powers Agreement for the Development, Operation and Maintenance of the Groundwater Replenishment System and the Green Acres Project ("Second Amendment") is entered into by and between the Orange County Water District (the "Water District") and the Orange County Sanitation District (the "Sanitation District"). The Water District and the Sanitation District are sometimes collectively referred to herein as the "Parties," and individually referred to as each "Party." This Second Amendment shall be effective as of the 27<sup>th</sup> day of March, 2019.

**RECITALS**

**WHEREAS**, on November 16, 2016, the Water District and the Sanitation District entered into the Second Amended and Restated Joint Exercise of Powers Agreement for the Development, Operation and Maintenance of the Groundwater Replenishment System and the Green Acres Project ("Agreement") to provide a complete expression of the Parties' respective rights and responsibilities related to the Groundwater Replenishment System ("System") and the operation of the Green Acres Project ("Project"); and

**WHEREAS**, the Water District is planning to further expand the System, at its own expense, by expanding the production capacity of the Advanced Water Treatment Facilities ("AWTF") and related post-treatment facilities (the "AWTF Final Expansion"). As currently planned, the AWTF Final Expansion will increase the System's production capacity from 100 mgd to 130 mgd. The AWTF Final Expansion was originally estimated to cost approximately one hundred and thirty million dollars (\$130,000,000).

**WHEREAS**, in order to increase the production capacity of the System to produce 130 mgd after the AWTF Final Expansion is complete, the Water District will require up to 175 mgd of Specification Influent from the Sanitation District. Currently, the Sanitation District provides up to 135 mgd of Specification Influent to the Water District, all of it from the Sanitation District's wastewater treatment facility designated as "Plant 1." Based on current flows and flow projections, specification water from the Sanitation District's wastewater treatment facility designated as "Plant 2" will need to be made available to the AWTF. Five major construction projects on Sanitation District property will be necessary to make this possible: (i) the Plant 2 Headworks Modifications project, at an estimated cost of thirty-eight million dollars (\$38,000,000); (ii) the Plant Water Pump Station Replacement, which is part of the Ocean Outfall System Rehabilitation Project J-117, at an estimated cost of twelve million dollars (\$12,000,000); (iii) the Plant 2 Effluent Pump Station project, at an estimated cost of eighteen million dollars (\$18,000,000); (iv) the Plant 2 Flow Equalization Tank project, at an estimated cost of twenty-three million dollars (\$23,000,000); and (v) the 66" Interplant Pipe Rehabilitation project, at an estimated cost of thirty-seven million dollars (\$37,000,000).

The estimated project costs included in this paragraph are based on SP-173 Effluent Reuse Study and are expected to change during the project design process. These projects are described in more detail in Exhibit "B" of the Agreement.

**WHEREAS**, the Sanitation District agreed at its own expense, to (i) construct those portions of the Ocean Outfall System Rehabilitation Project J-117 that will replace portions of the Ocean Outfall Booster Station pumping system with a low flow pump station, and (ii) reconfigure the piping at the Plant 2 primary and secondary facilities to allow segregation of non-reclaimable and less desirable wastewater streams from those streams that will ultimately be treated by the System. These projects are currently in the Sanitation District's Capital Improvement Program and will continue to be funded from that source.

**WHEREAS**, the Parties now wish to further clarify the terms and conditions governing the planning, design, construction, and operation of the System and the Project by the joint venture of the Parties.

## **AGREEMENT**

**NOW, THEREFORE**, the Parties agree to amend the Second Amended and Restated Joint Exercise of Powers Agreement for the Development, Operation and Maintenance of the Groundwater Replenishment System and the Green Acres Project as follows:

1. The Recitals above are deemed true and correct, are hereby incorporated in this Second Amendment as though fully set forth herein, and the Parties acknowledge and agree that they are bound by the same.

2. Section II of the Agreement is hereby amended to read as follows to reflect additional financial contributions by the Sanitation District and clarify the application of any grant funds received by the Parties and relating to Sanitation District Managed Projects:

### **“II. Planning, Design, and Construction.**

2. AWTF Final Expansion. The Water District shall, at its own expense, plan, design, and construct the AWTF Final Expansion as described in Exhibit B.

3. Sanitation District Managed Projects. The “Sanitation District Managed Projects” shall comprise the Plant 2 Headworks Modification Project and the Plant 2 Water Pump Station Relocation Project as described in subsections 3(a) and 3(b) below.

(a) Plant 2 Headworks Modifications Project. The Sanitation District shall plan, design and construct the Plant 2 Headworks Modifications project as described in Exhibit B. The Sanitation District shall meet and confer with the Water District regarding the design of the Plant 2 Headworks Modifications project prior to its finalization and approval by the Sanitation District. The Sanitation District will provide any necessary support and assistance to the Water District in its efforts to obtain loans

and grants to fund this project. Subject to subsection (c) below, the Water District shall reimburse the Sanitation District for the costs of planning, designing, and constructing the Plant 2 Headworks Modification project. Without limiting the foregoing, the Water District shall reimburse the Sanitation District for the costs of the design contract(s), the construction contract(s), and Sanitation District staff time spent on the Plant 2 Headworks Modification project (total salary and benefits, pro-rated based on hours worked). The Sanitation District shall send an invoice to the Water District quarterly, which the Water District shall pay within 60 days of receipt.

(b) Plant 2 Plant Water Pump Station Relocation Project. The Sanitation District shall plan, design and construct the relocation of the Plant 2 Plant Water Pump Station project as described in Exhibit B. The Plant 2 Plant Water Pump Station project shall be constructed as a part of Sanitation District's existing project Ocean Outfall System Rehabilitation, Project J-117 for efficiency and coordination purposes. The Sanitation District shall meet and confer with the Water District regarding the design of the Plant 2 Plant Water Pump Station Relocation project prior to its finalization and approval by the Sanitation District. The Sanitation District will provide any necessary support and assistance to the Water District in its efforts to obtain loans and grants to fund the Plant 2 Plant Water Pump Station project. Subject to subsection (c) below, the Water District shall reimburse the Sanitation District for the costs of planning, designing, and constructing the Plant 2 Plant Water Pump Station project. Without limiting the foregoing, the Water District shall reimburse the Sanitation District for the costs of the design contract(s), the construction contract(s), and Sanitation District staff time spent on the Plant 2 Plant Water Pump Station Relocation Project (total salary and benefits, pro-rated based on hours worked). The Sanitation District shall send an invoice to the Water District quarterly, which the Water District shall pay within 60 days of receipt.

(c) Sanitation District Managed Projects Reimbursement. The Water District agrees to contribute to the portions of the System identified in the above sections 3(a) and (b) in an amount not to exceed fifty million dollars (\$50,000,000).

(d) Grant Funding. In the event that the cost of the Sanitation District Managed Projects exceeds the amount provided in section 3(c), any grant funding received by the Parties and relating to the Sanitation District Managed Projects, will first be applied to the cost of the Sanitation District Managed Projects described in this section.

4. Other Projects. The Water District shall plan, design, and construct, at its own expense, the Plant 2 Effluent Pump Station project, the Plant 2 Flow Equalization Tank project, and the 66" Interplant Pipe Rehabilitation project, all as described in Exhibit B. The Water District shall meet and confer with the Sanitation District regarding the design of these facilities prior to the finalization and approval of the design of these facilities.

5. CEQA Review. The Parties acknowledge that the Water District has assumed the role of the lead agency under the California Environmental Quality Act ("CEQA") for *the System's Final Expansion*, including the construction and operation of the AWWTF Final Expansion, the Plant 2 Headworks Modifications project, the Plant 2 Plant Water Pump Station Relocation project, the Plant 2 Effluent Pump Station project, the Plant 2 Flow Equalization Tank project, and the 66" Interplant Pipe Rehabilitation project, and at its expense has taken all actions required by CEQA for the construction and operation of these facilities, and the System. "

3. Section III, Paragraph 11 of the Agreement is hereby amended to add section 11.5 to read as follows to allow the Sanitation District's emergency use of the 66" Interplant Pipe leased to the Water District:

"11.5. Sanitation District Use of 66" Interplant Pipe in the Event of Emergency. The Sanitation District shall allow the Water District to operate and use those portions of the 66" Interplant Pipe depicted in Exhibit C3, a copy of which is attached hereto and incorporated herein by reference, in accordance with section 13 of the Agreement. However, in the event of an emergency, which includes, but is not limited to, situations when the Sanitation District needs to discharge secondary effluent from its Plant 1 facility to its ocean outfall system in an amount greater than the available online capacity of its interplant pipelines, the Sanitation District shall be allowed to use the 66" Interplant Pipe upon written notice to the Water District and receipt of the Water District's concurrence prior to any emergency usage of the 66" Interplant Pipe."

4. Section IV, Paragraph 14 of the Agreement is hereby amended to read as follows to clarify the Sanitation District's Operations and Maintenance Obligations:

"14. Operation and Maintenance. The Parties agree to maintain and operate the equipment and facilities associated with the System and Project as described herein. The equipment and facilities identified in the following subsections are depicted in Exhibits C, C1, C2, C3, E, and E1, copies of which are attached hereto and incorporated herein by reference.

(a) Water District Operation and Maintenance. The Water District shall, at its sole cost and expense, provide, or cause to be provided, all tools, equipment, vehicles, materials, supplies and qualified personnel necessary to operate and maintain the following equipment and facilities: screening facilities located on Sanitation District property, feed pipelines to the AWWTF located on Sanitation District property, the AWWTF, the GWRS Pipeline, the GAP Influent Pump Station, the seawater barrier injection wells, the Plant 2 Effluent Pump Station, the Plant 2 Flow Equalization Tank, the 66" Interplant Pipe Rehabilitation, and all other System facilities constructed within Plant 2 pursuant to this Agreement except as described in subsection (b) below.

(b) Sanitation District Operation and Maintenance. Notwithstanding subsection (a), the Water District shall not be obligated to operate or maintain the following equipment and facilities located on Sanitation District property: Plant 2 Headworks and Plant Water Pump Station facilities, GWRS Diversion and Weir Box, the two buried isolation butterfly valves on the 66" Interplant Pipe, the Sanitation District's



trickling filters, Steve Anderson Lift Station, *and* related diversion facilities within Sanitation District property.

(c) Transfer of Ownership. The Sanitation District hereby transfers ownership, operation and maintenance responsibilities for the Plant 1 trickling filter meter, valves, vault, and appurtenances on the Sanitation District property to the Water District, excluding the underlying property rights, as part of this Agreement. The Water District shall have the same rights to, and responsibilities for, the transferred facilities, which are depicted in Exhibit C1 attached hereto, as the other Water District facilities on Sanitation District property. “

5. Agreement Exhibits “C” and “E” are hereby updated to reflect existing conditions and the terms of this Second Amendment. Revised versions of Exhibits “C” and “E” are attached hereto and are deemed to be attached to and incorporated in the Agreement by this reference.

6. Except as expressly provided herein, each and all of the terms and provisions of the Agreement shall remain in full force and effect.

7. This Second Amendment may be executed in one or more counterparts, all of which shall be considered one and the same agreement.

**IN WITNESS WHEREOF**, intending to be legally bound, the Parties hereto have caused this Second Amendment to be signed by the duly authorized representatives as of the day and year last signed below.

**Orange County Sanitation District**

David A. Shawna 3/27/19  
Chairman, Board of Directors Date

Deborah A. Lane 3/27/19  
Clerk of the Board Date

**Orange County Water District**

[Signature] \_\_\_\_\_  
President, Board of Directors Date

[Signature] \_\_\_\_\_  
Clerk of the Board Date

Approved as to Form:

[Signature]  
Brad Hogin, General Counsel

Approved as to Form:

[Signature] For  
Joel Kuperberg, General Counsel

## **Exhibit B**

### **Final Expansion Projects on Sanitation District Property**

In order to produce 130 mgd of purified water for the Groundwater Replenishment System (GWRS) Final Expansion project, Orange County Water District (OCWD) will require up to 174 mgd of secondary effluent from the Orange County Sanitation District (SANITATION DISTRICT). Currently, the SANITATION DISTRICT provides up to 135 mgd of secondary effluent to OCWD, all of it from Plant 1. The balance of secondary effluent needed for the Advanced Water Treatment Facilities (AWTF) Final Expansion will come from SANITATION DISTRICT's Plant 2. Four major construction projects on SANITATION DISTRICT property will be necessary to make this possible:

#### **1. Plant 2 Modification Projects**

Currently, SANITATION DISTRICT Plant 2 receives domestic wastewater from the coastal and central Orange County trunk lines. In addition to the domestic wastewater, Plant 2 also receives flows from the Inland Empire Brine Line. The Inland Empire Brine Line, which is also known as the Santa Ana Regional Interceptor (SARI) pipeline, accepts brine wastes from utilities and industries in the Santa Ana Watershed. This water contains brine, concentrated waste streams, and effluent from the Stringfellow site in Riverside County and is currently not allowed to be used as source water for recycling through the AWTF by the Division of Drinking Water permit to operate GWRS.

This project will modify the existing SANITATION DISTRICT Plant 2 Headworks to dedicate the portion of south of the Headworks to reclaimable flows and the portion of north to SARI and sidestream flows. Each side of the Headworks will be isolated from each other by the installation of automated isolation gates at key locations. A new 72-inch pipeline will be constructed to bypass the SARI and sidestream flows around the existing screen influent channel to a segregated location upstream of the existing bar screens. This project will also reroute other sidestreams within Plant 2.

The Headworks Modifications Project will also relocate the existing Plant Water Pump Station, which takes its source water from the Activated Sludge treatment process and 144" SE pipe. After the Final Expansion of the GWRS, the Activated Sludge (AS) treatment process will be dedicated to the treatment of SARI and sidestream flows. Also, the 144" SE pipe will mainly contain brine from the GWRS reverse osmosis process. Therefore, the existing Plant Water Pump Station will be relocated to a location more suitable for receiving secondary effluent from the Trickling Filter-Solids Contact (TF-SC) treatment process, which will be used to treat domestic wastewater.



## **2. Plant 2 Effluent Pump Station Project**

This project will construct the Plant 2 Effluent Pump Station to send approximately 40 - 85 MGD of secondary effluent from SANITATION DISTRICT Plant 2 TF-SC process to the GWRS facility.

The preliminary pump station layout is estimated to be approximately 47-feet by 100-feet with a four duty and one standby pump configuration. The five (5) pumps will be 500 HP vertical turbine pumps. The Plant 2 Effluent Pump Station will take secondary effluent from the 120-inch TF-SE pipeline and boost this flow into a new conveyance pipeline to GWRS.

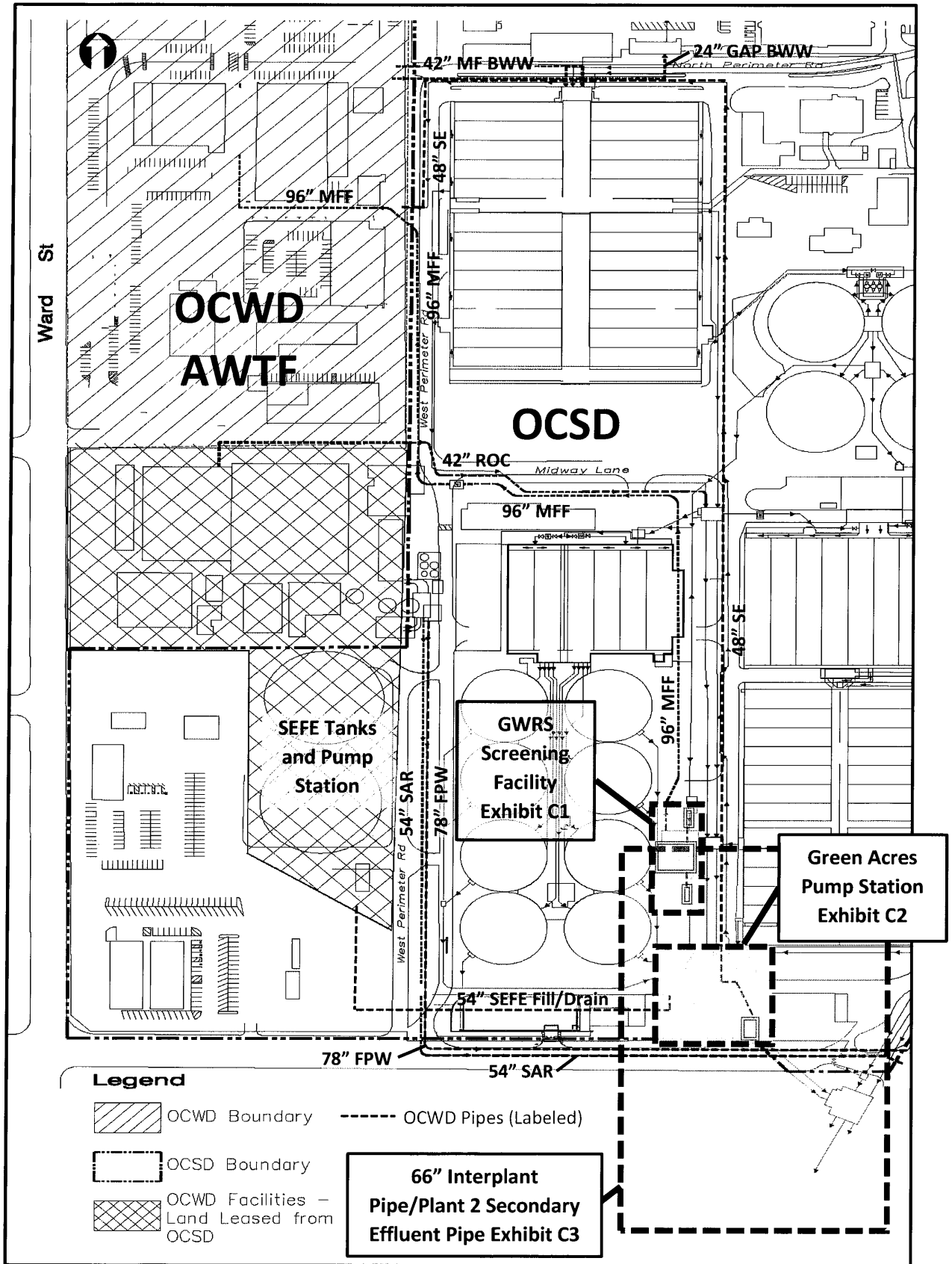
## **3. Plant 2 Flow Equalization Tanks Project**

Two 3 MG above-grade flow equalization tanks will be constructed to equalize secondary effluent being pumped from Plant 2 to Plant 1. The Plant 2 Effluent Pump Station will be filling these equalization tanks during peak flows and pumping the remaining TF-SC effluent to GWRS. There is a weir box and diversion box required to divert the TF-SC effluent to the pump station, the tanks and ultimately GWRS.

## **4. 66" Interplant Pipe Rehabilitation Project**

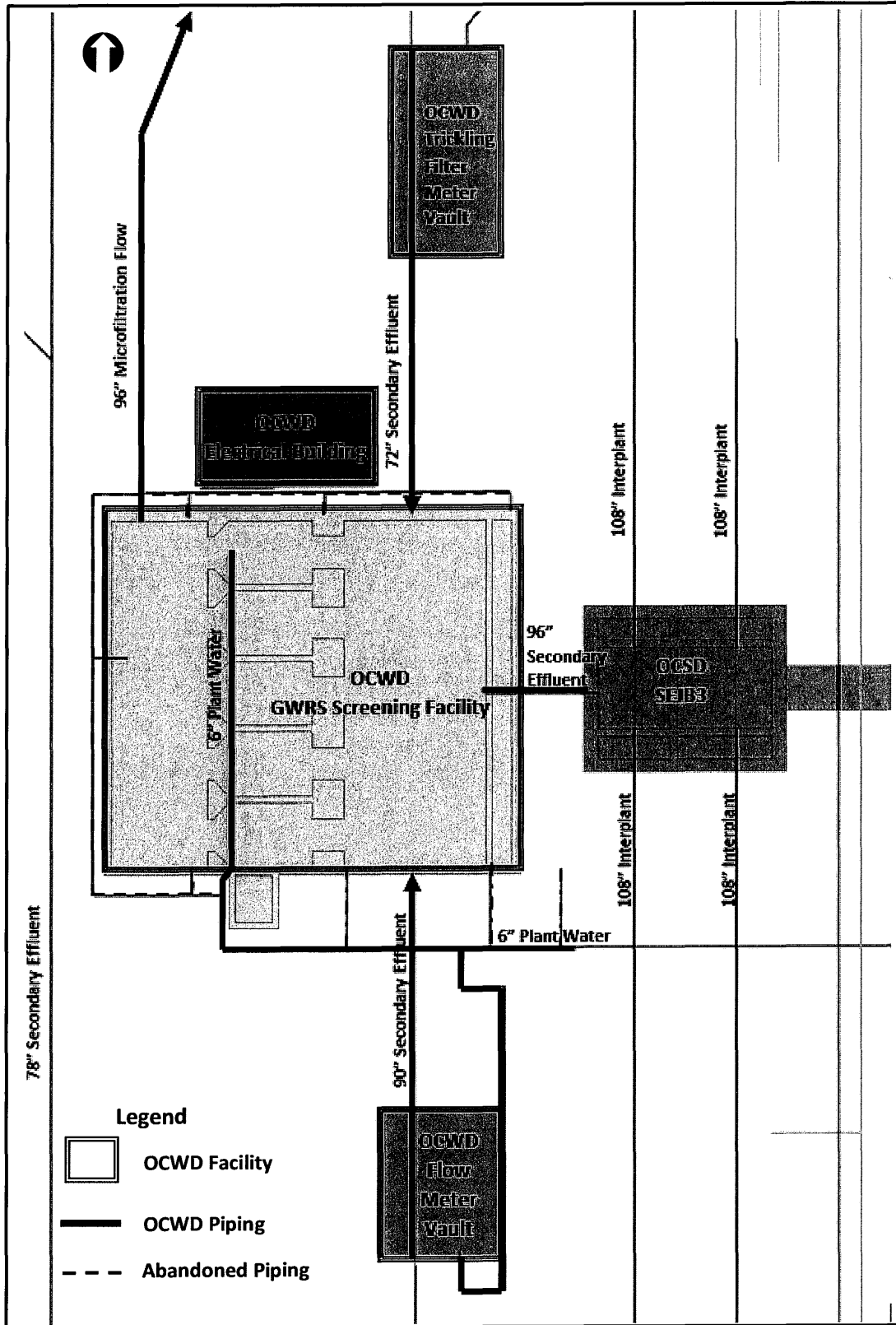
SANITATION DISTRICT owns an existing unused 66-inch gravity reinforced concrete pipeline (RCP) that connects Plant 2 to Plant 1. This pipeline was constructed prior to 1965 and is no longer in service. The pipeline alignment is approximately 3.6 miles from Plant 2 to Plant 1. The SANITATION DISTRICT has surveyed the interior of this pipeline and determined that the pipeline is no longer usable with exposed rebar and deteriorating manholes.

For the conveyance of secondary effluent from Plant 2 to the GWRS facility, SANITATION DISTRICT will allow OCWD to use the 66-inch existing pipeline and construction easement. In order to convert this aging gravity RCP into a pressure pipeline to convey the effluent pump station discharge, it will be rehabilitated by slip-lining a smaller diameter (either Reinforced Fiberglass Pipe (FRP) or High-Density Polyethylene (HDPE) pipe) within the existing 66-inch pipeline. The new pipeline will be connected on the south to the Plant 2 Effluent Pump Station and to the north to the GWRS screening facility.



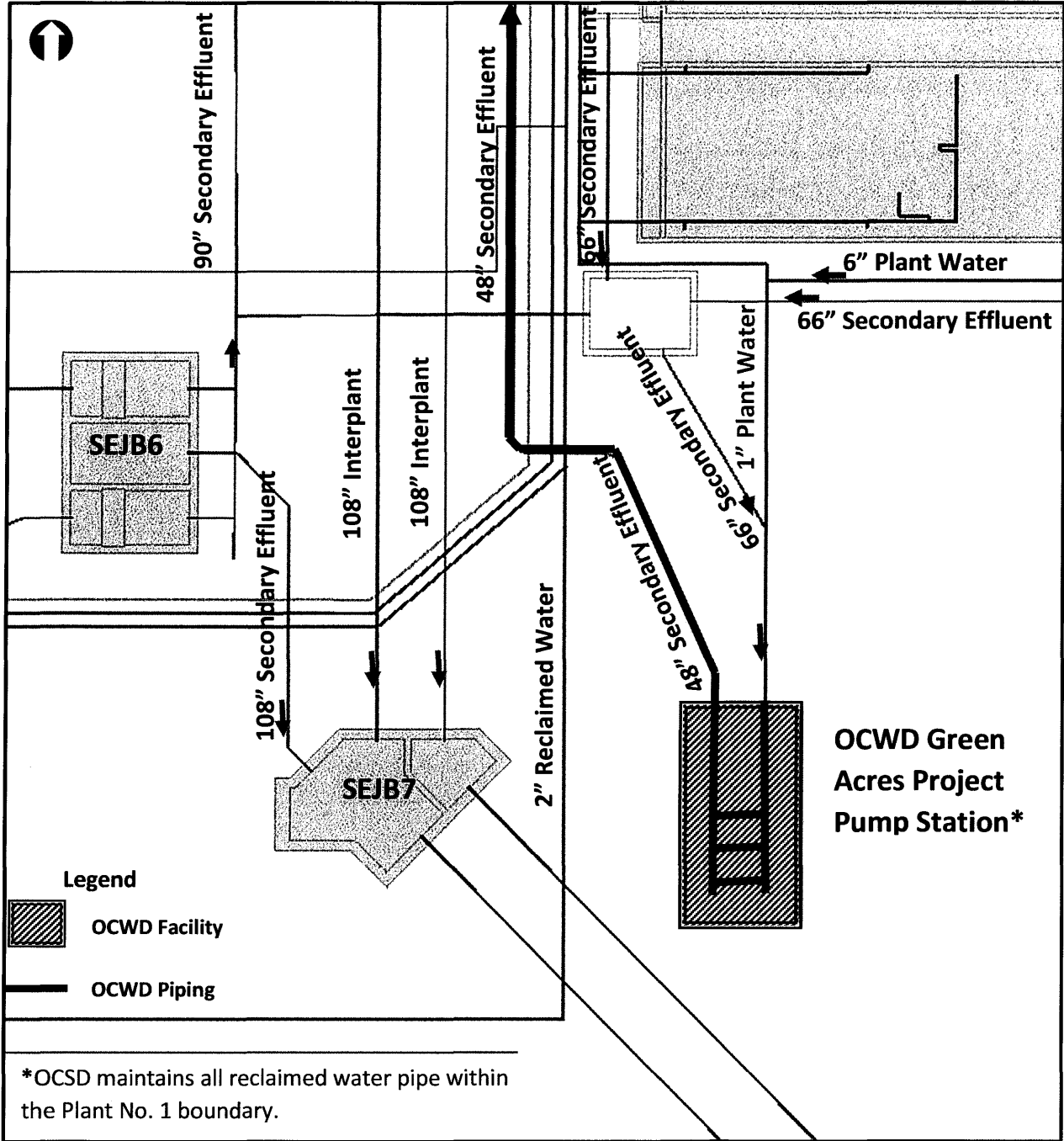
## Exhibit C

### Lease of Property – Plant 1



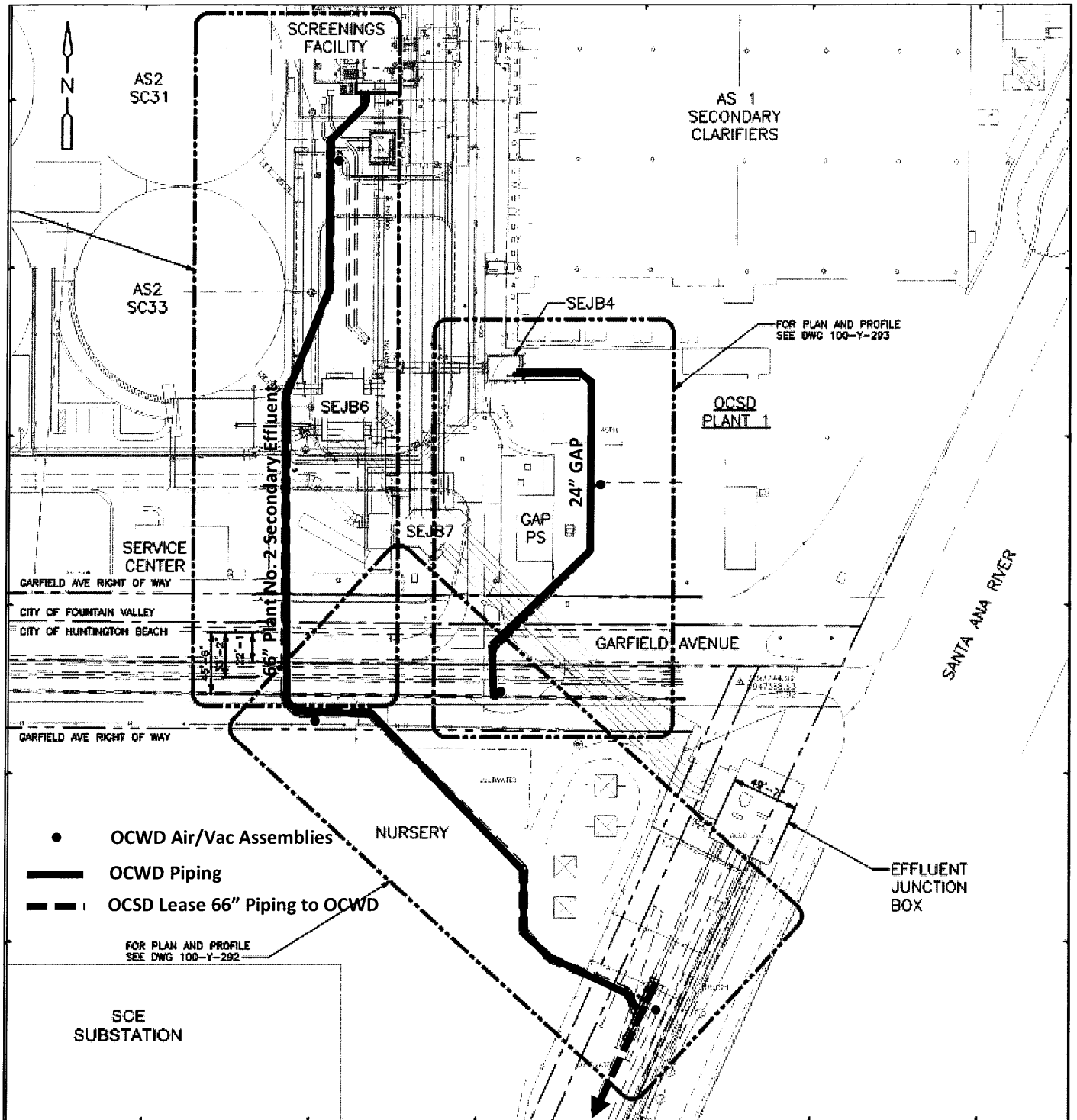
**Exhibit C1**

**Water District Facilities on Sanitation District Property  
GWRS Screening Facility**



## Exhibit C2

### Water District Facilities on Sanitation District Property Green Acres Project Pump Station



### Exhibit C3

**Water District Facilities on Sanitation District Property**  
**66" Interplant Pipe/Plant 2 Secondary Effluent Pipe**

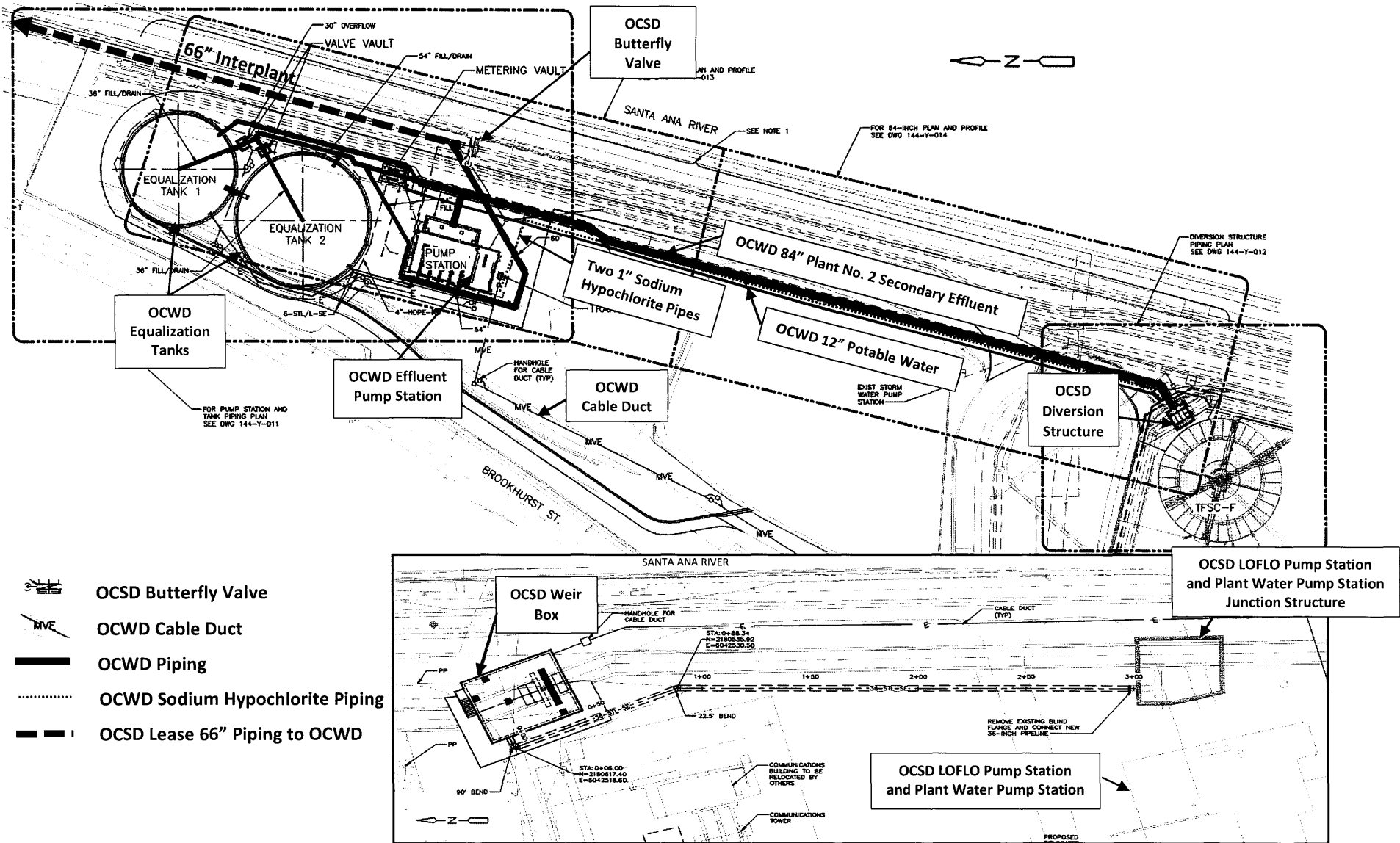




## Exhibit E

Lease of Property – Plant 2





**Exhibit E1**  
**Water District Facilities on Sanitation District Plant No. 2 Property**  
**Effluent Pump Station and Equalization Tanks**

**FIRST AMENDMENT TO SECOND AMENDED AND RESTATED JOINT  
EXERCISE OF POWERS AGREEMENT FOR THE DEVELOPMENT,  
OPERATION AND MAINTENANCE OF THE GROUNDWATER REPLENISHMENT  
SYSTEM AND THE GREEN ACRES PROJECT**

This First Amendment to Second Amended And Restated Joint Exercise Of Powers Agreement For The Development, Operation And Maintenance Of The Groundwater Replenishment System And The Green Acres Project is entered into by and between the Orange County Water District (the "Water District") and the Orange County Sanitation District (the "Sanitation District"). The Water District and the Sanitation District are sometimes collectively referred to herein as the "Parties," and individually referred to as each "Party." This First Amendment shall be effective as of the 18<sup>th</sup> day of OCTOBER, 2017.

**RECITALS**

**WHEREAS**, on November 16, 2016, the Water District and the Sanitation District entered into the " Second Amended And Restated Joint Exercise Of Powers Agreement For The Development, Operation And Maintenance Of The Groundwater Replenishment System And The Green Acres Project" ("Agreement"); and

**WHEREAS**, the Sanitation District's Headworks Segregation Project ("Plant 2 Headworks Modifications") is a component required to support final expansion of the Groundwater Replenishment System; and

**WHEREAS**, on August 14, 2017, the Sanitation District applied for funding in the form of a grant from the Federal Bureau of Reclamation to aid in the design and construction of the Plant 2 Headworks Modifications; and

**WHEREAS**, the Agreement requires the Water District to reimburse the Sanitation District for its cost to design and construct the Plant 2 Headworks Modifications, and the Sanitation District intends to reduce the Water District's required reimbursement by the amount of any grant funding applicable to the Plant 2 Headworks Modifications obtained by the Sanitation District.

**NOW, THEREFORE**, the Parties agree to amend the Waste Water Interceptor Capacity Agreement as follows:

**AGREEMENT**

1. The Recitals above are deemed true and correct, are hereby incorporated in this Amendment as though fully set forth herein, and the Parties acknowledge and agree that they are bound by the same.
2. Section II, paragraph 3 of the Agreement is amended and restated in its entirety as follows:

3. Plant 2 Headworks Modifications Project. The Sanitation District shall plan, design and construct the Plant 2 Headworks Modifications project as described in Exhibit B. The Sanitation District shall meet and confer with the Water District regarding the design of the Plant 2 Headworks Modifications prior to its finalization and approval by the Sanitation District. The Sanitation District will provide any necessary support and assistance to the Water District in its efforts to obtain loans and grants to fund this project. The Water District shall reimburse the Sanitation District for the costs of planning, designing, and constructing the Project. Without limiting the foregoing, the Water District shall reimburse the Sanitation District for the costs of the design contract(s), the construction contract(s), and Sanitation District staff time spent on the project (total salary and benefits, pro-rated based on hours worked). The Sanitation District shall send an invoice to the Water District quarterly, which the Water District shall pay within 60 days of receipt. Should the Sanitation District successfully obtain grant funds applicable to the Plant 2 Headworks Modifications project, the Water District's reimbursement(s) to the Sanitation District for its cost of the design contract(s), the construction contract(s), and staff time spent on the project shall be reduced by the amount(s) of grant funds received by the Sanitation District for the project.

3. Except as expressly provided herein, this First Amendment does not modify the Agreement.

4. This First Amendment may be executed in one or more counterparts, all of which shall be considered one and the same agreement.

**IN WITNESS WHEREOF**, intending to be legally bound, the Parties hereto have caused this First Amendment to be signed by the duly authorized representatives as of the day and year last signed below.

**Orange County Sanitation District**

  
 \_\_\_\_\_  
 Chairman, Board of Directors

  
 \_\_\_\_\_  
 Clerk of the Board

Approved as to Form:

  
 \_\_\_\_\_  
 Bradley R. Hogan, General Counsel

**Orange County Water District**

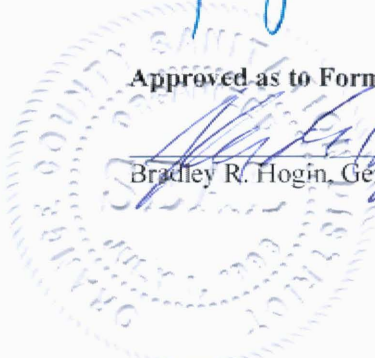
10/25/17  10-18-17  
 \_\_\_\_\_  
 Date President, Board of Directors Date

10/25/17  10-18-17  
 \_\_\_\_\_  
 Date Clerk of the Board Date

General Manager

Approved as to Form:

  
 \_\_\_\_\_  
 Joel Kuperberg, General Counsel







**SECOND AMENDED AND RESTATED JOINT EXERCISE OF POWERS  
AGREEMENT FOR THE DEVELOPMENT, OPERATION AND  
MAINTENANCE OF THE GROUNDWATER REPLENISHMENT  
SYSTEM AND THE GREEN ACRES PROJECT**

This Second Amended and Restated Joint Exercise of Powers Agreement for the Development, Operation and Maintenance of the Groundwater Replenishment System and the Green Acres Project (“Agreement”) is made and entered into between the Orange County Water District (the “Water District”) and the Orange County Sanitation District (the “Sanitation District”). The Water District and the Sanitation District are sometimes collectively referred to in this Agreement as the “Parties,” and individually referred to as each “Party.”<sup>1</sup> The Agreement shall be effective as of the 16<sup>th</sup> day of Nov, 2016.

**RECITALS**

This Agreement is based on the following facts, mutual understandings and intentions of the Parties:

A. The Parties entered into an agreement dated November 12, 2002 entitled “Joint Exercise of Powers Agreement for the Development, Operation and Maintenance of the Groundwater Replenishment System and the Green Acres Project” (“Original 2002 Agreement”). The Original 2002 Agreement sets forth (1) certain rights and obligations relating to the planning, design, construction, operation, and maintenance of the Groundwater Replenishment System (“System”), and (2) certain rights and obligations relating to the operation of the Green Acres Project and the Water District’s sale of Reclaimed Water to the Sanitation District. The Parties amended the 2002 Agreement on October 15, 2003 and April 26, 2006. (The Original 2002 Agreement, as amended on October 15, 2003 and April 26, 2006, is hereinafter referred to as the “2002 Agreement”).

B. The Parties entered into an agreement dated March 5, 2010 entitled “Amended Joint Exercise of Powers Agreement for the Development, Operation and Maintenance of the Groundwater Replenishment System and the Green Acres Project” (“2010 Agreement”). The 2010 Agreement provided for the Initial Expansion of the System from 70 million gallons per day (“mgd”) to 100 mgd.

C. Pursuant to the 2002 Agreement and the 2010 Agreement, the Parties have planned, designed, and constructed the System. The System commenced operation on January 10, 2008, and has operated continuously since that date. The Parties have received numerous awards from regional, national, and international bodies for their pioneering work in the planning, design, construction, and operation of the System.

D. The Water District is planning to further expand the System, at its own expense, by expanding the production capacity of the Advanced Water Treatment Facilities (AWTF) and related post-treatment facilities (the “AWTF Final Expansion”). As currently planned, the AWTF Final Expansion will increase the System’s production capacity from 100 mgd to 130

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<sup>1</sup> Unless otherwise required by the context in which any defined term appears, capitalized terms shall have the meanings specified in Exhibit A hereto.



mgd. The AWTF Final Expansion is estimated to cost approximately one hundred and thirty million dollars (\$130,000,000).

E. In order to produce 130 mgd of Product Water after the AWTF Final Expansion is complete, the Water District will require up to 175 mgd of Specification Influent from the Sanitation District. Currently, the Sanitation District provides up to 135 mgd of Specification Influent to the Water District, all of it from the Sanitation District's wastewater treatment facility designated as "Plant 1." Based on current flows and flow projections, specification water from the Sanitation District's wastewater treatment facility designated as "Plant 2" will need to be made available to the AWTF. Five major construction projects on Sanitation District property will be necessary to make this possible: (i) the Plant 2 Headworks Modifications project, at an estimated cost of thirty eight - million dollars (\$38,000,000); (ii) the Plant 2 Effluent Pump Station project, at an estimated cost of eighteen million dollars (\$18,000,000); (iii) the Plant 2 Flow Equalization Tank project, at an estimated cost of twenty-three million dollars (\$23,000,000); (iv) the 66" Interplant Pipe Rehabilitation project, at an estimated cost of thirty-seven million dollars (\$37,000,000); and (v) the Plant Water Pump Station Replacement, which is part of the Ocean Outfall System Rehabilitation Project J-117, at an estimated cost of twelve million dollars (\$12,000,000). These projects are described in more detail in Exhibit "B" attached hereto. The Water District is willing to fund the design and construction of these five projects, in addition to the AWTF Final Expansion, under the terms and conditions set forth in this Agreement.

F. The Sanitation District shall, at its own expense, (i) construct those portions of the Ocean Outfall System Rehabilitation Project J-117 that will replace portions of the Ocean Outfall Booster Station pumping system with a low flow pump station, and (ii) reconfigure the piping at the Plant 2 primary and secondary facilities to allow segregation of non-reclaimable and less desirable wastewater streams from those streams that will ultimately be treated by the System. These projects are currently in the Sanitation District's Capital Improvement Program and will continue to be funded from that source.

G. The Water District uses the System's product water to replenish the Orange County Groundwater Basin, which provides potable water to over 2.4 million people in central and northern Orange County. Portions of the Basin, known as the "North Basin" and "South Basin", are contaminated with volatile organic compounds. The Water District operates extraction wells in the North Basin and South Basin to remove contaminated groundwater. Pursuant to the terms set forth in this Agreement, the Parties desire to increase the amount of wastewater available to the System by transferring contaminated groundwater extracted from the North Basin and South Basin to the Sanitation District for treatment and reuse.

H. This Agreement is intended to replace and supersede the 2002 Agreement and the 2010 Agreement, and provide a complete expression of the Parties' respective rights and responsibilities related to the System. At the same time, the Parties acknowledge that (i) the Water District's covenants under this Agreement are supported by, among other consideration, all of the Sanitation District's covenants in the 2002 Agreement, the 2010 Agreement, and herein, (ii) the Sanitation District's covenants under this Agreement are supported by, among other consideration, all of the Water District's covenants in the 2002 Agreement, the 2010 Agreement, and herein.

I. The Sanitation District's substantial investment in the System provides the Sanitation District with a reliable outlet to dispose of more than one hundred (100) mgd of



secondary treated wastewater for certain periods. This allows the Sanitation District to delay and possibly eliminate a planned second ocean outfall, needed primarily to dispose of peak flows.

J. This Agreement, as did the 2002 Agreement and the 2010 Agreement, provides for the planning, design, construction and operation of the System by the joint venture of the Parties. This Agreement is a Joint Powers Agreement within the meaning of Government Code Sections 6500, et seq. Pursuant to this Agreement, the Parties intend to jointly exercise powers common to them. The Parties possess, inter alia, the following common powers and authority:

(1) The power and authority to construct, operate and maintain facilities, pipelines, other conduits, machinery, and other works to conserve, reclaim, purify, treat, transport or otherwise manage and put to beneficial use water that was recovered from operation of a sewerage system;

(2) The power and authority to discharge water so as to replenish the underground basin and other natural water resources; and

(3) The power and authority to acquire real and personal property, within or without the Parties' boundaries, as necessary or convenient for the full exercise of their respective powers.

The method by which the Parties intend to jointly exercise these powers is set forth in this Agreement. This Agreement is also intended to set forth the terms and conditions governing (1) the Sanitation District's provision of secondary treated wastewater to the Water District for the Green Acres Project, and (2) the Water District's provision of tertiary treated water to the Sanitation District.

## **AGREEMENT**

NOW, THEREFORE, in consideration of the foregoing facts recited and the mutual goals and objectives contained herein, the Parties agree as follows:

### **I. Existing Agreements.**

1. This Agreement shall replace and supersede the 2002 Agreement and the 2010 Agreement.

### **II. Planning, Design, and Construction.**

2. AWTF Final Expansion. The Water District shall, at its own expense, plan, design, and construct the AWTF Final Expansion as described in Exhibit A.

3. Plant 2 Headworks Modifications Project. The Sanitation District shall plan, design and construct the Plant 2 Headworks Modifications project as described in Exhibit B. The Sanitation District shall meet and confer with the Water District regarding the design of the Plant 2 Headworks Modifications prior to its finalization and approval by the Sanitation District. The Sanitation District will provide any necessary support and assistance to the Water District in its efforts to obtain loans and grants to fund this project. The Water District shall reimburse the Sanitation District for the costs of planning, designing, and constructing the Project. Without limiting the foregoing, the Water District shall reimburse the Sanitation District for the costs of

the design contract(s), the construction contract(s), and Sanitation District staff time spent on the project (total salary and benefits, pro-rated based on hours worked). The Sanitation District shall send an invoice to the Water District quarterly, which the Water District shall pay within 60 days of receipt.

4. Plant 2 Plant Water Pump Station Relocation Project. The Sanitation District shall plan, design and construct the relocation of the Plant 2 Plant Water Pump Station project as described in Exhibit B. This project shall be constructed as a part of existing project Ocean Outfall System Rehabilitation, Project J-117 for efficiency and coordination purposes. The Sanitation District shall meet and confer with the Water District regarding the design of the Plant 2 Plant Water Pump Station Relocation prior to its finalization and approval by the Sanitation District. The Sanitation District will provide any necessary support and assistance to the Water District in its efforts to obtain loans and grants to fund this project. The Water District shall reimburse the Sanitation District for the costs of planning, designing, and constructing the Project. Without limiting the foregoing, the Water District shall reimburse the Sanitation District for the costs of the design contract(s), the construction contract(s), and Sanitation District staff time spent on the project (total salary and benefits, pro-rated based on hours worked). The Sanitation District shall send an invoice to the Water District quarterly, which the Water District shall pay within 60 days of receipt.

5. Other Projects. The Water District shall plan, design, and construct, at its own expense, the Plant 2 Effluent Pump Station project, the Plant 2 Flow Equalization Tank project, and the 66" Interplant Pipe Rehabilitation project, all as described in Exhibit B. The Water District shall meet and confer with the Sanitation District regarding the design of these facilities prior to the finalization and approval of the design of these facilities.

6. CEQA Review. The Parties acknowledge that the Water District has assumed the role of the lead agency under the California Environmental Quality Act ("CEQA") for this Agreement and the construction and operation of the AWTF Final Expansion, the Plant 2 Headworks Modifications project, the Plant 2 Plant Water Pump Station Relocation project, the Plant 2 Effluent Pump Station project, the Plant 2 Flow Equalization Tank project, and the 66" Interplant Pipe Rehabilitation project, and at its expense has taken all actions required by CEQA for the construction and operation of these facilities, and the System.

### **III. Ownership of Interests**

7. Water District's Property Ownerships. Except as otherwise set forth herein or by separate instrument executed by the Parties, the Water District shall hold title to and own all System facilities, including the AWTF, the Initial Expansion facilities and the Final Expansion Facilities, that are located within the boundaries of the Water District's property. In addition, the Water District shall hold title to and own the Plant 2 Effluent Pump Station Project, the Plant 2 Flow Equalization Tank Project, and the 66" Interplant Pipe Rehabilitation Project within the boundaries of the Sanitation District's property. In addition, the parties acknowledge that Water District holds title to and owns the previously-constructed GWR Pipeline and ancillary and related facilities, including water percolation facilities, seawater intrusion barrier injection wells, and transmission pipeline facilities to deliver the GWRS water to the Water District's seawater intrusion barrier injection wells. The Water District also holds title to and owns all easements and rights-of-way obtained or to be obtained for the installation, operation and maintenance of all System facilities.



8. Sanitation District Property Ownerships. Except as otherwise set forth herein or by separate instrument executed by the Parties, the Sanitation District shall hold title to and own all Sanitation District facilities located within the Sanitation District's property that treat and transmit wastewater to the Water District as Specification Influent.

9. Ownership of Wastewater. The Sanitation District shall hold title to and own all wastewater treated at the Sanitation District's property, including the rights to wastewater generated outside of the boundaries of the Water District, up to the point of delivery of such wastewater as Specification Influent to the Water District.

10. Ownership of GWRS Water. The Water District shall hold title to and own all Specification Influent received from the Sanitation District, and all rights to the GWRS Water produced by the System. Transfer of title to the secondary effluent shall pass from the Sanitation District to the Water District within the Secondary Effluent Junction Box No. 6 (SEJB6), shown on Exhibit C attached hereto at Plant 1 or at the discharge of the Plant 2 Effluent Pump Station. Any revenues derived from the use or sale of GWRS Water that is not set forth in this Agreement shall be the sole property of the Water District.

11. Lease of Sanitation District Property by the Water District.

11.1. Reverse Osmosis Building Property. The Sanitation District shall continue to lease to the Water District the property described on Exhibit "D" attached hereto. During the term of the lease, the Water District shall use the leased property for System-related purposes. As the landlord and property owner, the Sanitation District shall assist the Water District in obtaining any permits or approvals that the Water District may seek from governmental agencies in connection with the construction and operation of the AWT Facilities, the influent screening facilities, the landscaping and associated piping on the leased property. Upon the Water District's request, the Sanitation District shall file or cause to be filed any application, documentation or information necessary to obtain such permits or governmental approvals.

11.2. Specified Plant 2 Property. The Sanitation District shall lease to the Water District two parcels totaling approximately 1.5 acres of property as described on Exhibit "E" attached hereto. During the term of the lease, the Water District shall use the leased property for construction, operation and maintenance of the Plant 2 Effluent Pump Station project and the Plant 2 Flow Equalization Tank project. The Sanitation District may terminate the lease at any time upon five (5) years' notice to the Water District, if the Sanitation District determines that it requires the use of the Plant 2 Property. Upon termination of the lease, the Water District shall be responsible for removing the improvements and restoring the property to the original condition. As the landlord and property owner, the Sanitation District shall assist the Water District in obtaining any permits or approvals that the Water District may seek from governmental agencies in connection with the construction and operation of the Plant 2 Effluent Pump Station project, the Plant 2 Flow Equalization project, and the 66" Interplant Pipe Rehabilitation project. Upon the Water District's request, the Sanitation District shall file or cause to be filed any application, documentation or information necessary to obtain such permits or governmental approvals.

11.3. Lease of Property – Plant 1 Storage Tanks. The Sanitation District shall continue to lease to the Water District the property on which the two 7.5-million-gallon storage tanks are located as shown in Exhibit "D" attached hereto. The Sanitation District may terminate the lease at any time upon five (5) years' notice to the Water District, if the Sanitation District



determines that it requires the storage tank property for Sanitation District plant upgrades. The Water District shall be responsible for removal of the tanks and restoring the site to the original condition.

11.4. Rent. The total rent for all property leased to the Water District pursuant to this Section 11 shall be Ten Dollars (\$10.00) for the term of this Agreement. The Parties acknowledge that the Water District has paid such rent to the Sanitation District concurrently with the execution and delivery of this Agreement. The rent is set at the nominal sum of ten dollars (\$10.00) because the Sanitation District has, and will continue to, otherwise receive adequate and substantial consideration from the Water District under this Agreement, the 2002 Agreement, and the 2010 Agreement.

12. Entrance on the Sanitation District's Property. The Sanitation District hereby grants to the Water District, its employees, consultants, contractors, sub-contractors and designated agents and representatives, a license to enter upon, occupy, and use one of the Sanitation District's entrances, to be selected by the Sanitation District in its reasonable judgment, for employee access and deliveries associated with the construction, operation and maintenance of the System, including delivery of chemicals and other materials. In no event, however, shall access for construction workers be permitted at the Sanitation District's main entrance located on Ellis Avenue. The term of the license shall begin upon execution of this Agreement and continue until this Agreement expires or is terminated.

13. Interplant Effluent Line. The Sanitation District hereby grants to the Water District an easement and right of way for the Sanitation District-owned 66" Interplant Pipe from the Effluent Junction Box (EJB) at Plant 1 to the Ocean Outfall Booster Station (OOBS) wetwell at Plant 2 for use as a Specification Influent transfer pipeline only from Plant 2 to the AWTF. The easement and right-of-way is described on Exhibit F attached hereto. The easement and right of way shall terminate upon termination of this Agreement. Notwithstanding the foregoing, however, if the Sanitation District determines that it requires the use of the property, it may notify the Water District of that fact. In the event of such notice, the Water District may either (1) relinquish its easement and right-of-way and discontinue using the easement and right-of-way for the 66" Interplant Pipe, or (2) pay fifty percent (50%) of the cost of a new pipeline and right of way to meet the Sanitation District's alternate need for the pipeline or right of way. The Water District shall be responsible for removal of the improvements and restoring the site to the original condition when vacated.

#### **IV. Operation and Maintenance.**

##### **A. The Water District's Operations and Maintenance Obligations.**

14. Water District Operation and Maintenance. The Water District shall, at its sole cost and expense, provide, or cause to be provided, all tools, equipment, vehicles, materials, supplies and qualified personnel necessary to operate and maintain the screening facilities located on Sanitation District property, feed pipelines to the AWT Facilities located on Sanitation District property, the AWT Facilities, the GWR Pipeline, the GAP Influent Pump Station, the seawater barrier injection wells, the Plant 2 Effluent Pump Station, the Plant 2 Flow Equalization Tank, the 66" Interplant Pipe Rehabilitation, and all other System facilities constructed within Plant 2 pursuant to this Agreement except the Plant 2 Headworks and Plant Water Pump Station facilities. Notwithstanding the foregoing, the Water District shall not be obligated to operate and maintain the Sanitation District's trickling filters, Steve Anderson Lift



Station, or related diversion facilities within Sanitation District property. The Sanitation District hereby transfers ownership, operation and maintenance responsibilities for the Plant 1 trickling filter meter, valves, vault, and appurtenances on the Sanitation District property to the Water District, excluding the underlying property rights, as part of this Agreement. These transferred facilities become subject to the same rights and responsibilities of the other Water District facilities on Sanitation District property.

15. Operation of System Facilities. At its sole cost, the Water District shall own, operate and maintain the AWT Facilities, the Green Acres Project, the Plant 2 Effluent Pump Station, the Plant 2 Flow Equalization Tank, and the 66" Interplant Pipe Rehabilitation project. The Water District shall use its best efforts to operate the AWT Facilities without total plant shutdowns except for scheduled maintenance, suspension or shutdown mandated by a regulatory agency, or conditions outside of the reasonable control of the Water District; and Water District will use its best efforts to provide 48 hours written notice to the Sanitation District and obtain receipt of the Sanitation District's concurrence prior to any shutdown. In the event of a dispute, the Parties shall exercise the procedures described in Section 50. In the event the groundwater basin is unable to receive the Product Water from the treatment of Specification Influent, the Water District shall maintain the permitting necessary to discharge up to 100 mgd into the Santa Ana River as an outlet for Sanitation District flow consistent with Recital I.

16. Acceptance of Non-Specification Influent. The Water District shall use its best efforts to accept secondary treated wastewater from the Sanitation District that does not meet the standards for Specification Influent, in the event the Specification Influent becomes unavailable due to unforeseen circumstances not reasonably anticipated by the Sanitation District. Notwithstanding the foregoing, the Water District may reject and refuse to accept any wastewater not meeting the standards for Specification Influent if the Water District reasonably determines either that such wastewater not meeting the standards for Specification Influent may cause substantial damage to the AWT Facilities or other System facilities, or that the Water District is unable to treat and dispose of such wastewater in compliance with applicable law and the permits and approvals governing the use of System Water.

17. Acceptance of Peak Flows. The Water District shall routinely operate all System components, and otherwise maintain all System components in a state of readiness, so the System will be able to accept Peak Flows of Specification Influent. The Water District shall accept Peak Flows of Specification Influent from the Sanitation District. Notwithstanding the foregoing, if the Sanitation District's General Manager or designee agrees in advance in writing, the Water District may temporarily reduce the System's capability to accept Peak Flows of Specification Influent. The Sanitation District's General Manager or designee must approve in writing both the amount and duration of any such reduction in capability.

18. Electrical Power Supply. Throughout the life of the System, the Water District shall ensure a reliable source of electrical power to preclude disruption of System operations by securing and maintaining two independent 66-kV lines from Southern California Edison, or by securing and maintaining an alternative, equally reliable type, system or provider of electrical service. The Sanitation District shall supply electrical power for the operation of the Plant 2 Effluent Pump Station and the Plant 2 Flow Equalization Tank. The Water District shall reimburse the cost of power to the Sanitation District at the Sanitation District's current cost from Southern California Edison.



19. Sodium Hypochlorite Supply. The Sanitation District shall add sodium hypochlorite to its Plant 1 secondary effluent and/or Plant 2 secondary effluent on an as-needed basis as determined by the Water District. The Water District shall reimburse the cost of the chemical used to the Sanitation District at the Sanitation District's current cost from its supplier.

20. Fiber Optic Cables. The Sanitation District shall install up to 12 fibers within an existing fiber optic conduit extending from Sanitation District Plant 1 to Plant 2 for the Water District's facilities to be constructed at the Sanitation District's Plant 2. The Water District shall reimburse the construction cost for this work to the Sanitation District. The Water District shall install fiber optic conduit and fibers at Plant 1 to connect from the existing conduit line to the Microfiltration Screening Building.

21. Reclaimed Water Service to the Sanitation District. The Water District shall continue to deliver to the Sanitation District, at no cost to the Sanitation District, up to 1,120 acre feet per year of reclaimed water from the Green Acres Project. The Water District shall provide the Reclaimed Water at an average flow of 1 MGD and a pressure of no less than 105 pounds per square inch gauge (PSIG). The Water District may suspend deliveries of reclaimed water from the Green Acres Project on 30 minutes advance notice if the secondary treated wastewater received from the Sanitation District does not meet the standards for Specification Influent. The Sanitation District may purchase additional Reclaimed Water from the Water District, in excess of 1,120 acre feet per year. The rate of any additional purchase of water shall be one hundred and seventy-four dollars and twenty cents (\$174.20) per acre-foot for Reclaimed Water. For all Reclaimed Water delivered, this rate shall be adjusted annually on June 30 by the lower of (i) the change in the U.S. Consumer Price Index for Los Angeles – Riverside – Orange County for the preceding year or (ii) 2.5%. In fulfilling its obligations under this Section 19, the Parties anticipate that the Water District will generally use Reclaimed Water from the Green Acres Project. In the event that Reclaimed Water from the Green Acres Project is not available, the Water District shall provide substitute water from another source.

22. Metering, Measurement of Flows and Invoices. The Sanitation District agrees that at the Sanitation District's locations where Reclaimed Water is used exclusively, the Water District, at its own expense, shall provide a control valve (or valves) and a meter for the purpose of measuring the quantity of Reclaimed Water delivered under the terms of this Agreement. The Sanitation District acknowledges and agrees that the Water District may access and read the Reclaimed Water service meter(s) and record Reclaimed Water usage for the Sanitation District on a monthly basis. The Sanitation District shall provide all necessary assistance to the Water District in gaining access to the service meter(s) to take readings. The Water District shall pay the City of Fountain Valley and/or Huntington Beach any meter reading charges mandated by either City.

23. Water Quality Monitoring. The Water District and the Sanitation District shall establish, implement and maintain a written water quality monitoring program for the following: (a) the wastewater delivered from the Sanitation District to the Water District pursuant to Section 35 of this Agreement; (b) the waste streams discharged from the AWT Facilities and the Green Acres Project and delivered to the Sanitation District pursuant to Section 38 of this Agreement; and (c) the Reclaimed Water that the Water District will deliver to the Sanitation District pursuant to Section 19 of this Agreement. The monitoring program shall include daily turbidity samples for all brine wastes.



24. System Staff and Contractors. The Water District shall recruit, select, employ, and supervise all staff employees and/or contractors retained to provide services for the operation and maintenance of the System, including but not limited to any regular fulltime, temporary, part-time or limited term employees.

25. System Modifications. During operation of the System, the Water District shall not modify, either temporarily or permanently, any aspect of the System that would impair the System's ability to accept Specification Influent in the amounts required by this Agreement.

26. Groundwater Cleanup Projects. The Water District shall construct, operate, and maintain, at its sole expense, gravity-feed pipelines from the Water District's North Basin and South Basin extraction wells to the Sanitation District's trunk sewer collection system. The Sanitation District, in its sole discretion, shall determine the point or points of connection. The Water District may use these pipelines to transfer up to 5 mgd of extracted water from the extraction wells to the Sanitation District for treatment by the Sanitation District. The Sanitation District, in its sole discretion, shall direct the Water District to limit or cease discharge during wet weather events. The discharge shall comply with all applicable regulatory requirements of the Sanitation District's source control program, including but not limited to the Local Limits on contaminant concentrations. Before commencing discharge, the Water District shall apply for and comply with the Sanitation District's Special Purpose Discharge Permit for the discharge. The cost for said discharge shall be accrued per the Sanitation District's fee schedule until such time as the Water District recovers costs from one or more financially responsible parties. The Water District shall notify the Sanitation District when funds are recovered from financially responsible parties. The Sanitation District shall invoice the Water District for all accrued charges when the Water District recovers funds from one or more financially responsible parties.

27. NPDES Permit. The Water District shall maintain a valid National Pollutant Discharge Elimination System ("NPDES") permit authorizing the discharge of treated water from the System to the receiving waters of the State of California. The Water District shall, at its sole cost and expense, (a) defend any regulatory or citizen enforcement actions that may arise out of alleged violations of the NPDES permit caused by operation of the System, except to the extent such actions result from the receipt of non-Specification Influent from the Sanitation District and (b) pay any fines or civil penalties levied as a result of any such enforcement actions and/or any amounts tendered in settlement of such enforcement actions. To the extent such actions result from the receipt of non-Specification Influent from the Sanitation District, the Sanitation District shall, at its sole cost and expense, (a) defend such actions, and (b) pay any fines or penalties levied as a result of such actions and/or any amounts tendered in settlement of such actions.

28. Water Reclamation Permit. The Water District shall maintain a valid Water Reclamation Permit from the California Regional Water Quality Control Board—Santa Ana Region, authorizing the treatment and reuse of the System's water.

29. Security – Water District Responsibilities. The Water District shall (i) increase the height of the interior perimeter wall surrounding the GWRS facilities to a consistent height of at least eight (8) feet; (ii) post a BSIS licensed security guard at the Water District's Ward Avenue Security Booth during normal operating hours; (iii) The security guard shall control access to GWRS facility by checking visitors and employee identifications and checking in vehicles entering the facilities. This include daily access control operations for employees and visitors during normal business hours; (iv) The security guard will maintain overall security and



protection for personnel, the Water District property and the GWRS facility; and (v) Visitors shall present a valid, government issued photographic identification (e.g., driver's license, military ID card or an agency produced access badge) when checking in with the security officer at the Ward Avenue Security Booth.

30. Stormwater Management. Sanitation District's Plant 2 property leased to the Water District as well as the Plant 1 leased area for the Storage Tanks shall be regulated under Sanitation District's NPDES Ocean Discharge Permit obligations for Stormwater, which require that all water must be collected and treated and not allowed to discharge offsite or into a non-Sanitation District water conveyance system. The Water District shall construct and maintain their facilities in these areas to comply with the requirements of the Sanitation District's then current On-Site Stormwater Management Plan. All other Plant 1 property leased to the Water District that drains to a Municipal Separate Storm Sewer System shall be regulated under the Water District's Industrial Permit obligations and is not regulated by Sanitation District's On-Site Stormwater Management Plan.

31. Regulatory Reporting. The Water District shall have sole responsibility for preparing and filing all reports in connection with the System that may be required by applicable laws and/or regulatory agencies. The Sanitation District shall provide such information as necessary for the preparation of such reports as may be reasonably requested by the Water District.

32. Monthly and Annual Reports. The Water District shall submit to the Sanitation District all monthly and annual reports prepared by the Water District summarizing the System's operation and maintenance activities. The Water District shall also provide all other written reports prepared by the Water District regarding System management, operation, maintenance, asset management, and repair and long-term rehabilitation or replacement as the Sanitation District may reasonably request from time to time.

33. Annual Budgets. The Water District shall prepare and present its annual budgets for the System's operation and maintenance and capital expenditures at the annual GWRS Steering Committee meeting in April.

34. Compliance with Laws. In operating, managing, maintaining and repairing the System's facilities, the Water District shall comply with the requirements of all permits and licenses and all applicable federal, state and local statutes, ordinances, rules and regulations governing the operation and maintenance of the System.

## **B. The Sanitation District's Operations and Maintenance Obligations.**

35. Delivery and Quality of Wastewater. The Sanitation District shall offer to the Water District, and the Water District shall have a right of first refusal for, 175 mgd of Specification Influent from Plant 1 and Plant 2 at no cost to the Water District, for treatment in the System and the Green Acres Project, as long as sufficient wastewater flow is available. The Sanitation District shall use its best efforts to maximize the amount of Specification Influent available for the System. The Sanitation District shall also use its best efforts to bypass lower quality wastewater where possible to the Sanitation's District Plant 2 where a separate treatment train is available to treat wastewater undesirable for the System. The "quality" of wastewater for purposes of this Section 35 is based on those factors that adversely affect the performance of the System or Green Acres Project, such as total dissolved solids, total organic carbon, *N-*



nitrosodimethylamine, turbidity, suspended solids and 1,4-Dioxane. The Parties acknowledge that, during peak weather events (as determined by the Sanitation District in its sole discretion), the Sanitation District may not be able to provide any Specification Influent from Plant 2 to the Water District, as the treatment capacity at Plant 2 will be fully utilized for storm flows. The Sanitation District shall confer with the Water District if the Sanitation District intends to make a major change in the source of wastewater, future planning, operations or chemical use at least thirty (30) days before such a change.

36. Costs of Specification Influent. The Sanitation District shall pay all capital, operations and maintenance costs of providing Specification Influent to the Water District at Plant 1 or Plant 2 pursuant to Section 35.

37. Industrial Pretreatment and Pollution Source Control Program. The Sanitation District shall maintain a comprehensive industrial wastewater pretreatment and pollutant source control program for controlling the discharge of wastes from point sources that could adversely affect the System's water quality or production. The Sanitation District shall comply with all applicable legal requirements with respect to its source water control program.

38. Acceptance of Waste Streams to be Discharged to the Sanitation District. The Sanitation District shall, at no charge to the Water District, accept all waste streams discharged from the AWT Facilities and the Green Acres Project. The discharge shall meet all standards specified in the Sanitation District's Wastewater Discharge Ordinance.

39. Compliance with Laws. In operating, managing, maintaining and repairing the facilities to provide Specification Influent to the Water District, the Sanitation District shall comply with the requirements of all permits and licenses and all applicable federal, state and local statutes, ordinances, rules and regulations governing the operation and maintenance of such facilities.

### **C. Joint Operations and Maintenance Obligations.**

40. Ownership of Green Acres Project Reclaimed Water Facilities. The Sanitation District shall own, operate and maintain at its own expense all wastewater treatment facilities that lie within the boundaries of the Sanitation District's two plants, specifically excluding the Water District's pump station at Plant 1 and metering facilities at the Sanitation District's Plant 2. The Water District shall own, operate and maintain at its own expense all other reclaimed water facilities that are part of the Green Acres Project, or in the future are operated by the Water District to produce Reclaimed Water under the Green Acres Project.

41. Costs of Addressing Newly Discovered Contaminants. The Parties acknowledge that the AWT Facilities are designed to remove *N*-nitrosodimethylamine and 1,4-dioxane from Specification Influent based upon maximum allowable influent concentrations. In the event that, in the future, any Newly Discovered Contaminants are identified in the Specification Influent that require removal to meet System standards, the Water District and the Sanitation District will meet and confer in good faith regarding (a) the appropriate type of source control and/or water treatment needed to address the Newly Discovered Contaminants; (b) the appropriate sharing of costs for the construction and operation of any necessary treatment facilities; and/or (c) the development and implementation of additional source control strategies.



42. Further Conditioning or Treatment of Waste Streams to be Discharged to the Sanitation District. If the Sanitation District's outfall NPDES permit requires conditioning or further treatment of waste streams accepted from the Water District by the Sanitation District pursuant to Section 38 before it can be discharged to the Sanitation District's facilities, the Parties shall meet and confer regarding (a) the appropriate type of conditioning or further treatment, and (b) the appropriate arrangement for sharing the capital and operating costs of conditioning or further treatment.

43. Specification Influent from the two plants. The Sanitation District and the Water District agree to meet and confer regarding the ratio of Specification Influent from the two plants to the AWTF for the GWRS Final Expansion. The Sanitation District's Plant 2 effluent is the most cost efficient treatment system for the Sanitation District. However, the water quality from the Sanitation District's Plant 2 effluent is predicted to increase operational and maintenance costs for the Water District's AWTF system due to the higher concentrations of total dissolved solids, turbidity, ammonia, and suspended solids. The Parties shall therefore meet to ensure a mutually beneficial ratio of Specification Influent from the two plants, when possible, for optimal efficiencies through both facilities.

44. Other Costs. In the event that new quality or quantity discharge requirements are imposed by law or regulation that increase the cost to either Party to perform its obligations under this Agreement, the Parties shall meet to determine the most effective method of addressing such requirements. If the Parties cannot agree, any dispute will be resolved pursuant to Section 50. The cost of addressing such requirements shall be shared equally by the Parties.

45. Security – Joint Obligations. The Sanitation District shall comply with any and all security provisions adopted or instituted by the Water District with respect to access into and across Water District property. Likewise, the Water District shall comply with any and all security provisions adopted or instituted by the Sanitation District, with respect to access into and across Sanitation District property. The Water District agrees to place a security guard at the Water District's gate during normal operating hours; and pay for 20% of the Sanitation District's patrol car surveillance contract that shall include patrol car surveillance of the Water District's facilities. Also, the Sanitation District and the Water District agree to conduct a joint security vulnerability assessment of the joint campus every five (5) years, or sooner, based on changing circumstances and knowledge of a threat. The main purpose of the assessment is to analyze any security vulnerabilities and recommend cost effective security measures. This includes ensuring that persons at the site (employees, vendors, public, etc.) are made aware of acceptable paths of travels, emergency contact information, and general access provisions and restrictions.

46. Insurance. Each Party shall furnish and maintain the following insurance coverage, provided that such coverage is available on commercially reasonable terms:

(a) Workers'  
Compensation

In accordance with the  
Workers' Compensation Act of the State  
of California – Minimum of \$1,000,000

(b) Public Liability, in  
the form of either Comprehensive

\$2,000,000 Combined Single  
Limit per occurrence, with \$5,000,000



General Liability or Commercial  
Liability written on a per-  
occurrence basis

aggregate for bodily injury, death and  
property damage

(c) Automobile  
Liability, including non-owned and  
hired vehicles

\$1,000,000 combined single  
limit per occurrence

(d) Casualty, to protect  
against fire, flood, earthquake and  
other hazards

Replacement value

Each Party shall name the other Party as an additional named insured on all of the above listed policies (other than Worker's Compensation and Casualty insurance). Each Party shall furnish certificates of insurance showing coverage to the other Party. Where a Party, by its Board of Directors approval, has elected to partially or fully self-insure any of the above required coverages, it shall provide to the other Party all the relevant written policies and actions to establish said programs.

47. Independent Contractor Status. The Parties agree that, in operating and maintaining the System, the Water District is, and shall be, acting at all times as an independent contractor, and all employees of the Water District are solely employees of the Water District and not the agents or employees of the Sanitation District. The Parties further agree that, in operating and maintaining the facilities to provide Specification Influent to the System, the Sanitation District is, and shall be, acting at all times as an independent contractor, and all employees of the Sanitation District are solely employees of the Sanitation District and not the agents or employees of the Water District.

48. GWRs Steering Committee Review of Operations. The Parties hereby continue the Groundwater Replenishment System Steering Committee established in prior agreements. The Steering Committee shall continue to consist of a total of six (6) directors, including three (3) directors appointed by the Water District and three (3) directors appointed by the Sanitation District. In addition, the Water District and the Sanitation District shall appoint three alternates for each agency. For each Party, an alternate shall serve on the Committee in the event that a director is absent. At its first meeting of each calendar year the members of the Steering Committee shall elect a chair and vice-chair, one from each Party. The chair and vice-chair shall alternate between the Parties every year. The Steering Committee shall establish the time and date for its regular meetings, and shall hold special or adjourned meetings as it deems appropriate. A quorum for the purpose of transacting business shall consist of two members from each of the two boards of directors of the Parties. All actions of the Steering Committee shall require a majority vote of the members present at a meeting. The Steering Committee shall serve as an advisory body for the governing boards of the Water District and the Sanitation District, and shall make any recommendations regarding System operations that it deems appropriate. The Steering Committee shall also attempt to mediate any dispute between the Water District staff and the Sanitation District staff as described in Section 50 of this Agreement.

## **V. Events of Default; Dispute Resolution.**

49. Event of Default. The failure of a Party to comply with any provision of this Agreement that has a material and adverse effect on the other Party, except to the extent caused by a breach of this Agreement by the other Party, shall constitute an Event of Default under this Agreement; provided, however, that the defaulting Party shall first have a period of thirty (30) days following receipt of notice from the other Party of such failure to comply to cure such failure, or if such cure cannot be effected within such thirty (30) day period, such period shall extend for a total of one hundred eighty (180) days, so long as the defaulting Party is diligently trying to cure such failure throughout such period.

50. Dispute Resolution. Staffs of both Parties shall meet and use their best efforts to settle any dispute, claim, question or disagreement ("Dispute") arising from or relating to this Agreement. To that end, staffs of both Parties shall consult and negotiate with each other in good faith and, recognizing their mutual interests, attempt to reach a just and equitable solution satisfactory to both Parties. If the Parties do not reach such a solution within a period of thirty (30) days after the first meeting of the staff regarding a Dispute, then the Parties shall convene a meeting of the Steering Committee within sixty (60) days after the first meeting of the staff regarding a Dispute and attempt to settle the Dispute before the Steering Committee at the meeting. If the Parties do not settle the Dispute within five (5) calendar days after the Steering Committee meeting, either Party may pursue any and all legal and equitable remedies that may be available.

## **VI. Miscellaneous.**

51. Notices. All notices to the Sanitation District required or permitted under this Agreement shall be in writing and shall be deemed delivered (i) when delivered in person, (ii) on the third day after mailing, if mailed, postage prepaid, by registered or certified mail (return receipt requested); (iii) on the day after mailing if sent by a nationally recognized overnight delivery service which maintains records of the time, place, and recipient of delivery; (iv) upon receipt of a confirmed transmission, if sent by telex, telecopy or facsimile transmission; or (v) via electronic mail provided the sender's system is capable of creating a written record of such notice and its receipt in each case to the parties at the following addresses or to other such addresses as may be furnished in writing by one party to the other:

Orange County Sanitation District  
10844 Ellis Street  
Fountain Valley, CA 92708-7018

Telecopier: 714-962-0356

E-Mail: [jherberg@ocsd.com](mailto:jherberg@ocsd.com)  
Attention: General Manager

With a copy to:

District General Counsel, who is presently:  
Bradley R. Hogin  
Woodruff, Spradlin & Smart  
555 Anton Boulevard, Suite 1200  
Costa Mesa, CA 92626



Telecopier: 714-415-1006

E-Mail: [bhogin@wss-law.com](mailto:bhogin@wss-law.com)

All notices to the Water District required or permitted under this Agreement shall be in writing and shall be deemed delivered (i) when delivered in person; (ii) on the third day after mailing, if mailed, postage prepaid, by registered or certified mail (return receipt required); (iii) on the day after mailing if sent by a nationally recognized overnight delivery service which maintains records of the time, place, and recipient of deliver; (iv) upon receipt of a confirmed transmission, if sent by telex, telecopy or facsimile transmission; or (v) via electronic mail provided the sender's system is capable of creating a written record of such notice and its receipt in each case to the parties at the following addresses or to other such addresses as may be furnished in writing by one party to the other:

Orange County Water District  
18700 Ward Street  
Fountain Valley, CA 92708-8300

Telecopier: 714-378-3373

E-Mail: [mmarkus@ocwd.com](mailto:mmarkus@ocwd.com)  
Attention: General Manager

With copy to:

District General Counsel, who is presently:  
Joel D. Kuperberg, Esq.  
Rutan & Tucker, LLP  
611 Anton Boulevard, Suite 1400  
Costa Mesa, CA 92626

Telecopier: 714-546-9035

E-Mail: [jkuperberg@rutan.com](mailto:jkuperberg@rutan.com)

52. Term. This Agreement shall remain in force and effect for fifty (50) years from and after the date first written above. Within thirty (30) days after the forty-fifth (45<sup>th</sup>) anniversary of the effective date of this Agreement, the Parties shall meet to decide whether to extend this Agreement. Any extension of this Agreement shall be done on mutually-acceptable terms and conditions. In the event the Parties do not extend the Agreement, the Water District shall, under the direction of the Groundwater Replenishment System Steering Committee, sell off or liquidate those portions of the System, and all facilities and appurtenances thereto, constructed pursuant to the 2002 Agreement. The Water District shall also remove all System facilities constructed on the Sanitation District's property. The proceeds of selling off or liquidating the above-described portions of the System shall be used first to repay the Water District for all reasonable third-party costs incurred in connection with the selling and/or moving the System facilities. The remainder, if any, shall be divided equally between the Parties.

53. Force Majeure. Neither Party shall be deemed to be in default where failure or delay in performance of any of its obligations (other than payment obligations) under this Agreement is caused by floods, earthquakes, other Acts of God, fires, wars, riots, or similar hostilities, actions of legislative, judicial, executive or regulatory government bodies or other cause, without fault and beyond the reasonable control of such Party. If any such events shall occur, the time for performance by either Party of any of its obligations hereunder shall be extended by the Parties for the period of time that such events prevented such performance. Upon occurrence of an event of Force Majeure, the affected Party shall: (i) promptly notify the other Party of such Force Majeure event, (ii) provide reasonable details relating to such Force Majeure event, and (iii) implement mitigation measures to the extent commercially reasonable.

54. Indemnities.

54.1. The Sanitation District's Indemnity. The Sanitation District shall fully indemnify the Water District and its respective directors, Groundwater Replenishment System Steering Committee members, employees and agents against, and hold them completely free and harmless from, any cost, expense, claim, demand, judgment, loss, injury and/or liability of any kind or nature, including personal or bodily injury, death or property damage ("Losses") that may arise from (i) any grossly negligent act or omission of the Sanitation District related to construction of the System or the construction and operation of the facilities used to provide Specification Influent to the Water District or (ii) any claim made by a Sanitation District employee specifically retained to provide services with respect to the facilities used to provide Specification Influent.

54.2. The Water District's Indemnity. The Water District shall fully indemnify the Sanitation District and its respective directors, Groundwater Replenishment System Steering Committee members, employees and agents against, and hold them completely free and harmless from, any Losses that may arise from (i) any grossly negligent act or omission of the Water District related to the System's construction, management, operation, maintenance or repair, except for costs, expenses, claims, demands, judgments, losses, injuries and/or liability arising from any grossly negligent act or omission of the Sanitation District related to construction of the System or (ii) any claim made by a Water District employee specifically retained to provide services with respect to the System.

54.3. Joint Indemnity. Except as provided in Sections 54.1 and 54.2, each Party shall indemnify the other Party and its respective directors, Groundwater Replenishment System Steering Committee members, employees and agents against, and hold completely free and harmless from, any Losses arising from the design and construction of facilities pursuant to this Agreement; provided, however, that such indemnity shall be made only to the extent necessary to allocate such Loss between the Parties in a proportion equal to the Parties' cost-sharing obligations under this Agreement with respect to the design and construction of the facilities out of which such Loss arose.

55. Successors and Assigns. The terms and conditions of this Agreement shall inure to the benefit of and be binding upon the parties hereto and their respective heirs, representatives, successors and permitted assigns.

56. Further Acts and Assurances. The Parties agree to execute, acknowledge and deliver any and all additional papers, documents and other assurances, and perform any and all



acts and things reasonably necessary, in connection with the performance of the obligations hereunder and to carry out the intent of the Parties.

57. Captions. The captions in this Agreement are inserted only as a matter of convenience and reference and in no way define, limit or describe the scope or intent of this Agreement, nor in any way affect this Agreement. Words of any gender in this Agreement shall be held to include any other gender and words in the singular number shall be held to include the plural when the sentence so requires.

58. Severability. Should it be found that any part of this Agreement is illegal or unenforceable, such part or parts of this Agreement shall be of no force or effect and this Agreement shall be treated as if such part or parts have not been inserted.

59. Entire Agreement. All previous negotiations had between the Parties hereto and/or their agents or representatives with respect to this Agreement are merged herein and this Agreement alone fully and completely expresses the Parties' rights and obligations.

60. Modifications in Writing. This Agreement shall not be modified in any manner except by an instrument in writing executed by the Parties or their respective successors in interest.

61. Interpretation. Each of the Parties hereby waives any provisions of law to the effect that an ambiguity in a contract or agreement shall be interpreted against the Party that drafted the contract, agreement or instrument.

62. Governing Law. This contract shall be governed by and construed according to the laws of the State of California.

63. No Third-Party Beneficiaries. Nothing in this Agreement is intended to create any third-party beneficiaries to the Agreement, and no person or entity other than the Parties, and the permitted successors and assigns of either of them, shall be authorized to enforce the provisions of this Agreement.

64. Assignment. Neither Party may assign its interest in this Agreement without the prior written consent of the other Party.

65. Representations and Warranties. No representations or warranties are made or have been relied upon by either Party other than those expressly set forth herein, if any.



IN WITNESS WHEREOF, the Parties hereto have executed this Agreement as of the day and year first written above.

ORANGE COUNTY SANITATION DISTRICT

By: [Signature]  
Chair, Board of Directors

Date: 11/16/16

By: [Signature]  
Clerk of the Board

Date: 11/16/16



APPROVED AS TO FORM:

[Signature]  
Bradley R. Hogin  
General Counsel  
Orange County Sanitation District

ORANGE COUNTY WATER DISTRICT

By: [Signature]  
President, Board of Directors

Date: 11-16-16

By: [Signature]  
General Manager

Date: 11-16-16



APPROVED AS TO FORM:

[Signature]  
Joel Kuperberg  
General Counsel  
Orange County Water District

## **Exhibit A Definitions**

1. “AWT Facilities” means the advanced wastewater treatment facilities constructed by the Parties on the Water District’s and Sanitation District’s property in Fountain Valley as shown in Exhibit C.
2. “Cooperative Agreement” means the Cooperative Agreement for Project Planning for Orange County Reclamation Project, entered into by the Parties in February of 1997.
3. “Effective Date” means the date of this Agreement.
4. “Final Expansion” means an expansion of the System as originally designed to provide an increase in production capacity from 100 mgd to 130 mgd. As of September 2016, the Water District’s plan for the Final Expansion included construction of the following major components: (1) facilities to increase the capacity of the System’s existing microfiltration processing; (2) facilities to increase the capacity of reverse osmosis processing, (3) facilities to increase the ultraviolet light processing (4) additional chemical storage and post-treatment facilities; (5) additional reverse osmosis transfer pumps; (6) additional decarbonator and cartridge filter; and (7) additional product water and backwash supply pumps.”
5. “General Managers” means the general managers of the Water District and the Sanitation District.
6. “Governing Boards” means the Board of Directors of the Water District and the Board of Directors of the Sanitation District.
7. “Green Acres Project” means Reclaimed Water processed at the Water District’s Green Acres wastewater reclamation facility, or successor facilities used by the Water District.
8. “Groundwater Replenishment System” or “System” consists of four major components: (1) AWT Facilities and pumping stations, (2) a pipeline to recharge facilities, (3) a pipeline and the injection wells for the barrier and (4) Secondary Effluent Flow Equalization Tanks. The AWT Facilities consist of Microfiltration (MF), reverse osmosis (RO), Ultraviolet (UV) light disinfection, and Post Treatment using decarbonators and lime addition.
9. “GWR Pipeline” means the pipeline constructed to convey Product Water from Fountain Valley to the Water District’s spreading basins.
10. “GWRS Water” or “Product Water” means water produced by the AWT Facilities.
11. “Initial Expansion” means an expansion of the System as originally designed to provide an increase in production capacity from 70 mgd to 100 mgd, including demolition of the Water District’s old laboratory facility and construction of the following major components: (1) upgrades to the System’s existing screening facilities; (2) facilities to increase the capacity of the System’s existing microfiltration processing; (3) facilities to increase the capacity of reverse osmosis processing, (4) facilities to increase the



- ultraviolet light processing (5) additional chemical storage and post-treatment facilities; (6) additional reverse osmosis transfer pumps; and (7) additional water and barrier pumps as part of the off-site System facilities.”
12. “Ground Water Replenishment System Steering Committee” or “GWRS Steering Committee” or “Steering Committee” means the Ground Water Replenishment Steering Committee previously established under the Cooperative Agreement and continued under this Agreement.
  13. “NTU” means nephelometric turbidity unit, as defined in the latest issue of Standard Methods for the Examination of Water & Wastewater as published by the American Public Health Association, the American Water Works Association and the Water Environment Federation.
  14. “Newly Discovered Contaminants” is defined as contaminants found in wastewater that are or could be introduced into the Orange County Groundwater Basin through the System, that are not identified in any of the Water District’s wells above any federal or state action level as of the effective date of this Agreement, and that either (1) are assigned a new drinking water action level, by federal or state regulators after the effective date of this Agreement, or (2) are newly discovered in the System’s wastewater or product water through new testing methods that only become available after the effective date of this Agreement.
  15. “Operational” is defined as the condition whereby the System has been installed and tested, and startup activities have been completed, such that the System is ready to process Specification Influent. Following attainment of Operational status, the System general contractor may have ancillary and non-critical construction yet to complete (e.g. landscaping, subsequent demolition). The System became Operational as of January 10, 2008.
  16. “Peak Flows” shall mean wet weather flows received by the Sanitation District caused by inflow and infiltration into its system nearing its hydraulic capacity which results in the need for the Water District to accept a minimum of one hundred and four mgd of Specification Influent for reuse or discharge to the Santa Ana River.
  17. “Product Water” means water produced by the AWT Facilities.
  18. “Reclaimed Water” means water meeting the Reclaimed Water Standards.
  19. “Reclaimed Water Standards” means recycled water meeting the latest adopted version of the California Code of Regulations, Title 22, Division 4, Chapter 3 entitled “Water Recycling Criteria” as set forth in Section 60304 with respect to filter effluent.
  20. “Specification Influent” means secondary treated sewage that does not exceed (a) an average of 5 NTU over a 30-day period; (b) an average of 10 NTU for a 24-hour period; or (c) an instantaneous turbidity of 50 NTU at any time.
  21. “System” means the Groundwater Replenishment System.

22. “System Effluent Standards” means the treatment standards to permit Product Water to be discharged into Santa Ana River as set forth in the NPDES Permit for the System.

**Exhibit B**  
**Final Expansion Projects on Sanitation District Property**

In order to produce 130 mgd of purified water for the GWRS Final Expansion project, OCWD will require up to 175 mgd of secondary effluent from OCSD. Currently, OCSD provides up to 135 mgd of secondary effluent to OCWD, all of it from Plant 1. The balance of secondary effluent needed for the AWTF Final Expansion will come from Plant 2. Five major construction projects on OCSD property will be necessary to make this possible:

1. Plant 2 Headworks Modifications Project

Currently, OCSD Plant 2 receives domestic wastewater from the coastal and central Orange County trunk lines. In addition to the domestic wastewater, Plant 2 also receives flows from the Inland Empire Brine Line. The Inland Empire Brine Line, which is also known as the Santa Ana Regional Interceptor (SARI) pipeline, accepts brine wastes from utilities and industries in the Santa Ana Watershed. This water contains brine, concentrated waste streams, and effluent from the Stringfellow site in Riverside County and is currently not allowed to be used as source water for recycling through the AWTF by the Division of Drinking Water permit to operate GWRS.

This project will modify the existing OCSD Plant 2 Headworks to dedicate the south half of the Headworks to reclaimable flows and the north half to SARI and sidestream flows. Each half of the Headworks will be isolated from each other by the installation of automated isolation gates at key locations. A new 66-inch pipeline and flow meter vault will be constructed to bypass the SARI and sidestream flows around the existing metering vault and screen influent channel to a location upstream of the existing bar screens.

2. Plant Water Pump Station Replacement

The Plant Water Pump Station Replacement, which is part of the Ocean Outfall System Rehabilitation Project J-117, will relocate the existing Plant Water Pump Station, which takes its source water from the Activated Sludge treatment process and 144" SE pipe. After the Final Expansion of the GWRS, the Activated Sludge (AS) treatment process will be dedicated to the treatment of SARI and sidestream flows. Also, the 144" SE pipe will mainly contain brine from the GWRS reverse osmosis process. Therefore, the existing Plant Water Pump Station will be relocated to a location more suitable for receiving secondary effluent from the Trickling Filter-Solids Contact (TF-SC) treatment process, which will be used to treat domestic wastewater.

3. Plant 2 Effluent Pump Station Project

This project will construct the Plant 2 Effluent Pump Station to send approximately 50 - 85 MGD of secondary effluent from OCSD Plant 2 TF-SE process to the GWRS facility.

The preliminary pump station layout is estimated to be approximately 47-feet by 100-feet with a three duty and one standby pump configuration. The four (4) pumps will be 500 HP vertical turbine pumps. The Plant 2 Effluent Pump Station will take secondary effluent from the 120-inch TF-SE pipeline and boost this flow into a new conveyance pipeline to GWRS.



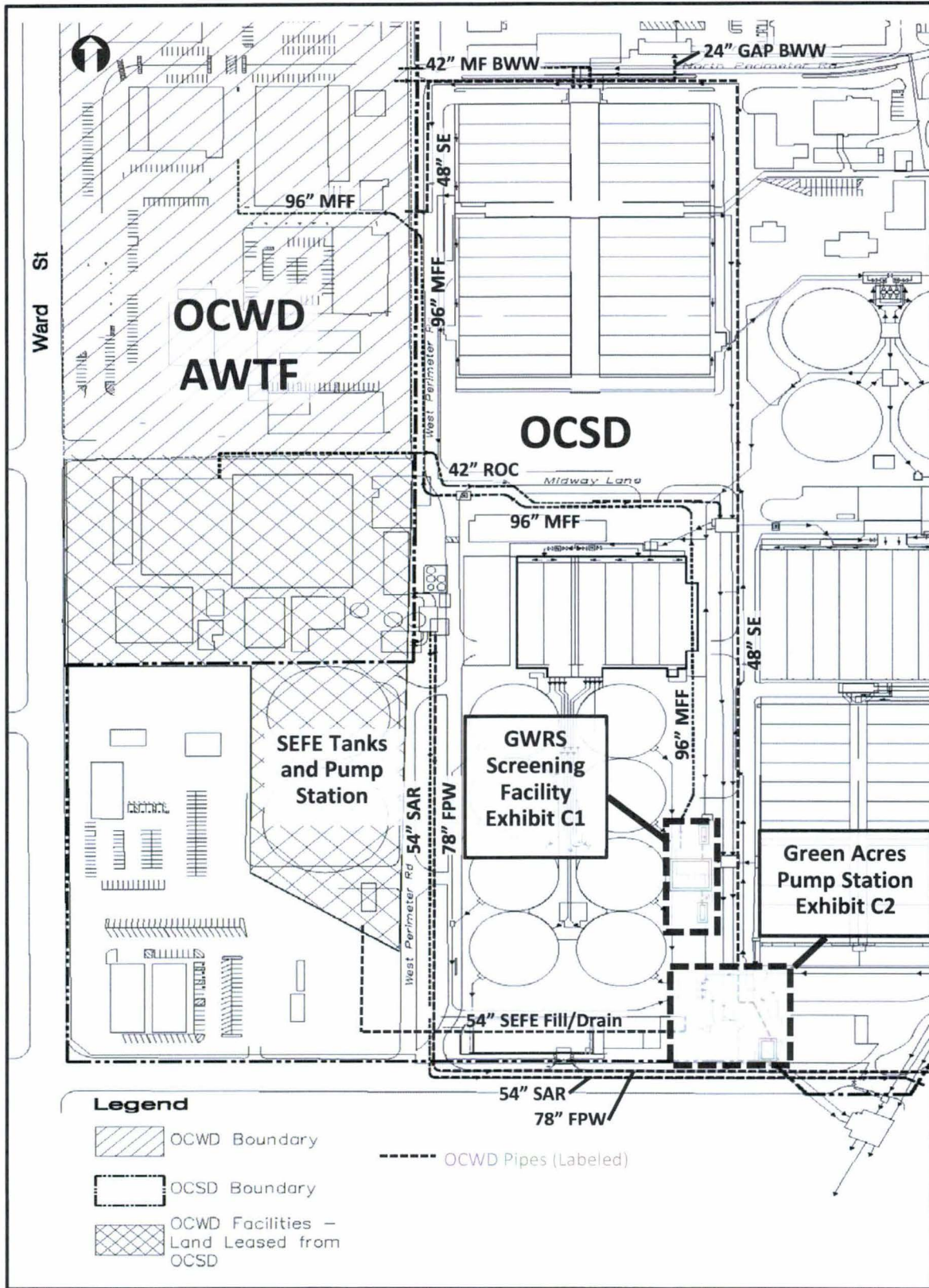
#### 4. Plant 2 Flow Equalization Project

A 6 MG above-grade flow equalization tank will be constructed to equalize secondary effluent being pumped from Plant 2 to Plant 1. In addition, two sets of flow regulating stations will be constructed to divert secondary effluent from the Plant 2 to GWRS pipeline. The other station will be used to discharge water from the EQ tank back into the existing buried secondary effluent system.

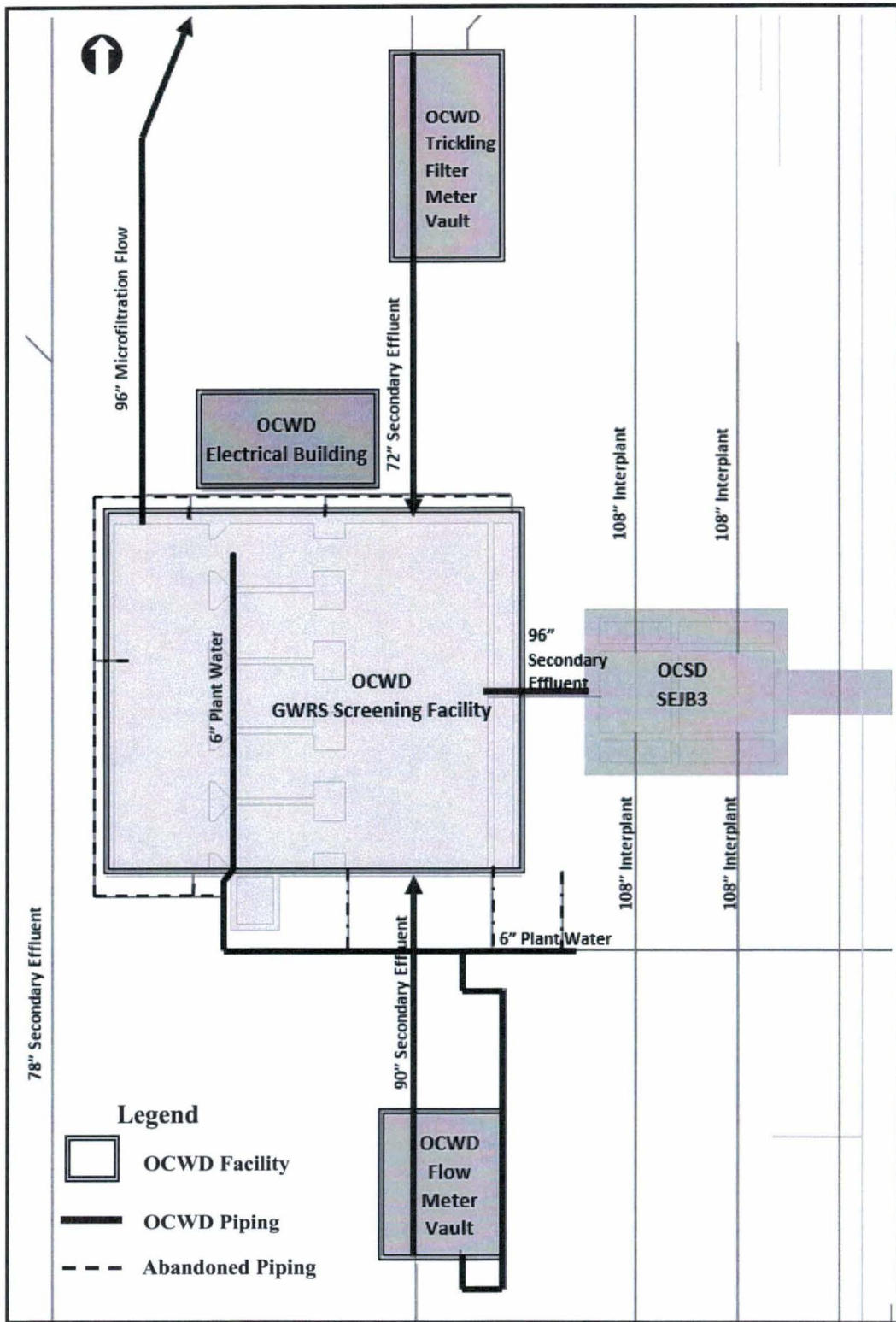
#### 5. 66” Interplant Pipe Rehabilitation Project

OCSD owns an existing unused 66-inch gravity reinforced concrete pipeline (RCP) that connects Plant 2 to Plant 1. This pipeline was constructed prior to 1965 and is no longer in service. The pipeline alignment is approximately 3.6 miles from Plant 2 to Plant 1. OCSD has surveyed the interior of this pipeline and determined that the pipeline is no longer usable with exposed rebar and deteriorating manholes.

For the conveyance of secondary effluent from Plant 2 to the GWRS facility, OCSD will allow OCWD to use the 66-inch existing pipeline and construction easement. In order to convert this aging gravity RCP into a pressure pipeline to convey the effluent pump station discharge, it will be rehabilitated with a trenchless pipe repair method. The new pipeline will be connected on the south to the Plant 2 Effluent Pump Station and to the north to the existing 90-inch OCSD Secondary Effluent Junction Box No. 6 (SEJB6) influent pipeline located at Plant 1.

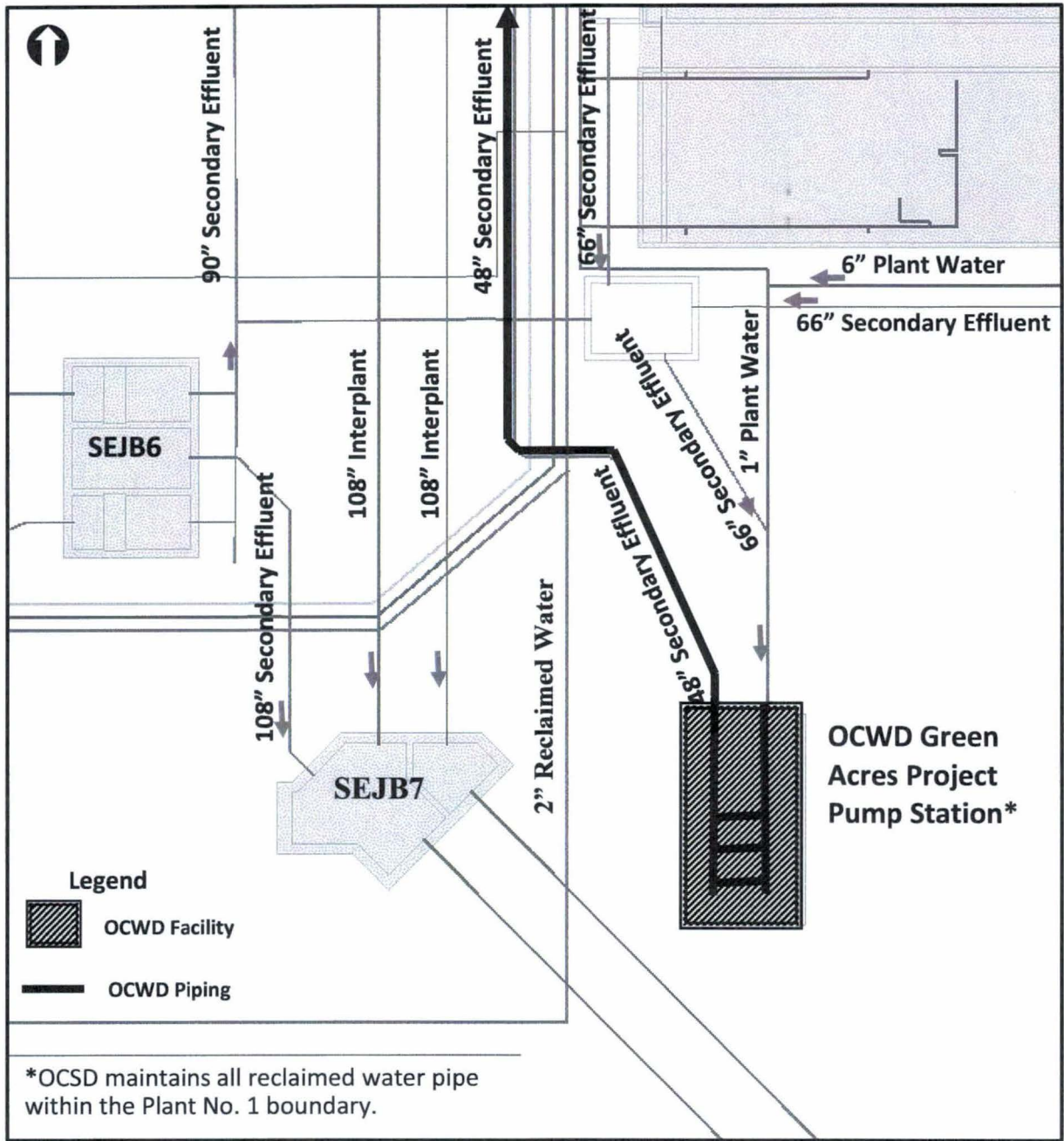


**Exhibit C – Lease of Property – Plant 1**



**Exhibit C1**  
**Water District Facilities on Sanitation District Property**  
**GWRs Screening Facility**





**Exhibit C2**  
**Water District Facilities on Sanitation District Property**  
**Green Acres Project Pump Station**

Exhibit D  
Leased Property Description

ORANGE COUNTY SANITATION DISTRICT

THAT PORTION OF PARCEL 2 IN THE CITY OF FOUNTAIN VALLEY, COUNTY OF ORANGE, STATE OF CALIFORNIA, AS DESCRIBED IN THE FINAL ORDER OF CONDEMNATION TO ORANGE COUNTY SANITATION DISTRICT NO. 1 RECORDED FEBRUARY 23, 1967 IN BOOK 8183, PAGE 28, OF OFFICIAL RECORDS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY AND THAT PORTION OF PARCEL 4 AS DESCRIBED IN THE FINAL JUDGMENT IN CONDEMNATION TO COUNTY SANITATION DISTRICT NO. 1 RECORDED FEBRUARY 7, 1961 IN BOOK 5622, PAGE 146, OF OFFICIAL RECORDS, IN THE OFFICE OF SAID COUNTY RECORDER, MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT THE NORTHEAST CORNER OF SAID PARCEL 2 ALSO BEING THE NORTHWEST CORNER OF SAID PARCEL 4; THENCE SOUTH 89°34'21" EAST 50.00 FEET ALONG THE NORTH LINE OF SAID PARCEL 4; THENCE SOUTH 0°06'14" WEST 432.04 FEET; THENCE WEST 670.51 FEET TO A POINT, SAID POINT BEING ON THE EAST LINE OF THE EASEMENT TO THE CITY OF FOUNTAIN VALLEY, 15.00 FEET IN WIDTH, RECORDED IN JULY 30, 1984 AS INSTRUMENT NO. 84-313034, OF OFFICIAL RECORDS, IN THE OFFICE OF SAID COUNTY RECORDER, SAID EAST LINE BEING PARALLEL WITH AND 40.00 FEET EAST OF THE CENTERLINE OF WARD STREET; THENCE NORTH 0°06'27" EAST 437.04 FEET ALONG THE EAST LINE OF SAID EASEMENT TO A POINT, SAID POINT BEING ON THE NORTH LINE OF SAID PARCEL 2; THENCE SOUTH 89°34'21" EAST 620.49 FEET ALONG THE NORTH LINE OF SAID PARCEL 2 TO THE POINT OF BEGINNING.

THE AREA OF THE ABOVE DESCRIBED PARCEL IS 6.69 ACRES, MORE OR LESS.

ALL AS SHOWN ON EXHIBIT 'B' ATTACHED HERETO AND MADE A PART HEREOF.



*David A. Bush*  
9-11-02



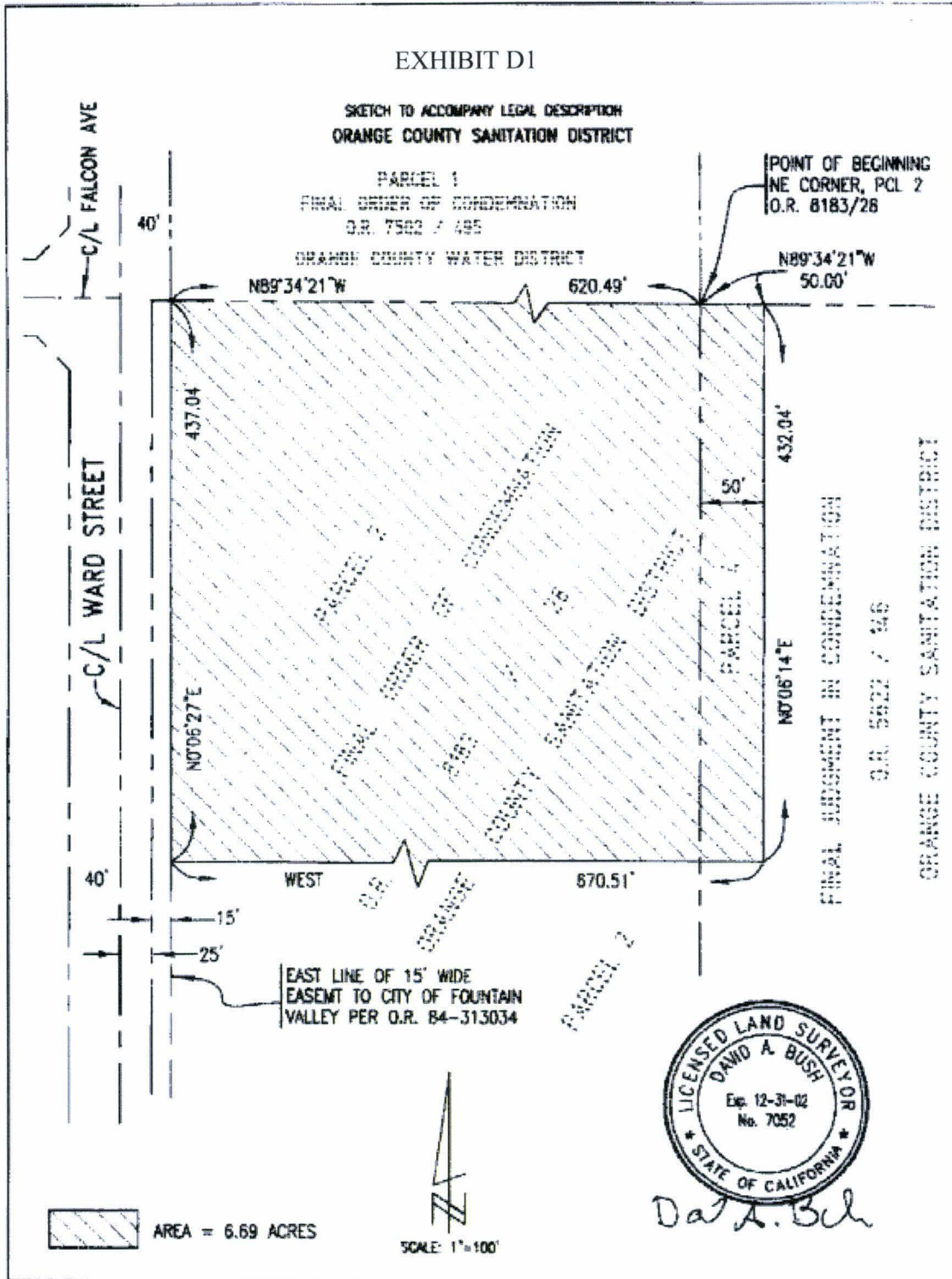
EXHIBIT D1

SKETCH TO ACCOMPANY LEGAL DESCRIPTION  
ORANGE COUNTY SANITATION DISTRICT

PARCEL 1  
FINAL ORDER OF CONDEMNATION  
O.R. 7502 / 495

ORANGE COUNTY WATER DISTRICT

POINT OF BEGINNING  
NE CORNER, PCL 2  
O.R. 8183/28



9-11-02

CSDAWTF.DWG

SHEET 1 OF 1

EXHIBIT D2

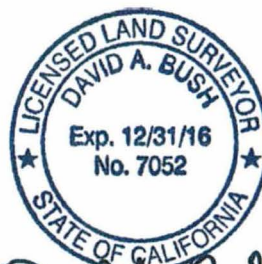
ORANGE COUNTY SANITATION DISTRICT

THOSE PORTIONS OF PARCEL 1 AND PARCEL 2 IN THE CITY OF FOUNTAIN VALLEY, COUNTY OF ORANGE, STATE OF CALIFORNIA, AS DESCRIBED IN THE FINAL ORDER OF CONDEMNATION TO ORANGE COUNTY SANITATION DISTRICT NO. 1 RECORDED FEBRUARY 23, 1967 IN BOOK 8183, PAGE 28, OF OFFICIAL RECORDS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY TOGETHER WITH THOSE PORTIONS OF PARCEL 4 AND PARCEL 5 AS DESCRIBED IN THE FINAL JUDGEMENT IN CONDEMNATION TO COUNTY SANITATION DISTRICT NO. 1 RECORDED FEBRUARY 7, 1961 IN BOOK 5622, PAGE 146, OF OFFICIAL RECORDS, IN THE OFFICE OF SAID COUNTY RECORDER, MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT THE NORTHEAST CORNER OF SAID PARCEL 2 ALSO BEING THE NORTHWEST CORNER OF SAID PARCEL 4; THENCE SOUTH 89°34'28" EAST 50.00 FEET ALONG THE NORTH LINE OF SAID PARCEL 4; THENCE SOUTH 0°06'07" WEST 432.04 FEET; THENCE SOUTH 89°59'53" WEST 5.10 FEET TO A POINT, SAID POINT BEING THE TRUE POINT OF BEGINNING; THENCE SOUTH 0°29'00" WEST 541.62 FEET TO A POINT AT THE BEGINNING OF A TANGENT CURVE, CONCAVE NORTHWESTERLY, HAVING A RADIUS OF 50.00 FEET; THENCE SOUTHWESTERLY 78.23 FEET ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 89°39'00"; THENCE NORTH 89°52'00" WEST 73.50 FEET; THENCE NORTH 0°14'00" WEST 85.50 FEET; THENCE SOUTH 89°43'00" WEST 179.20 FEET; THENCE NORTH 61°45'00" WEST 31.50 FEET; THENCE NORTH 491.47 FEET; THENCE NORTH 89°59'53" EAST 335.48 FEET TO THE TRUE POINT OF BEGINNING.

THE AREA OF THE ABOVE DESCRIBED PARCEL IS 4.10 ACRES, MORE OR LESS.

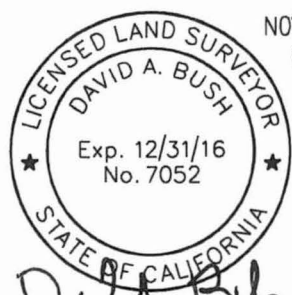
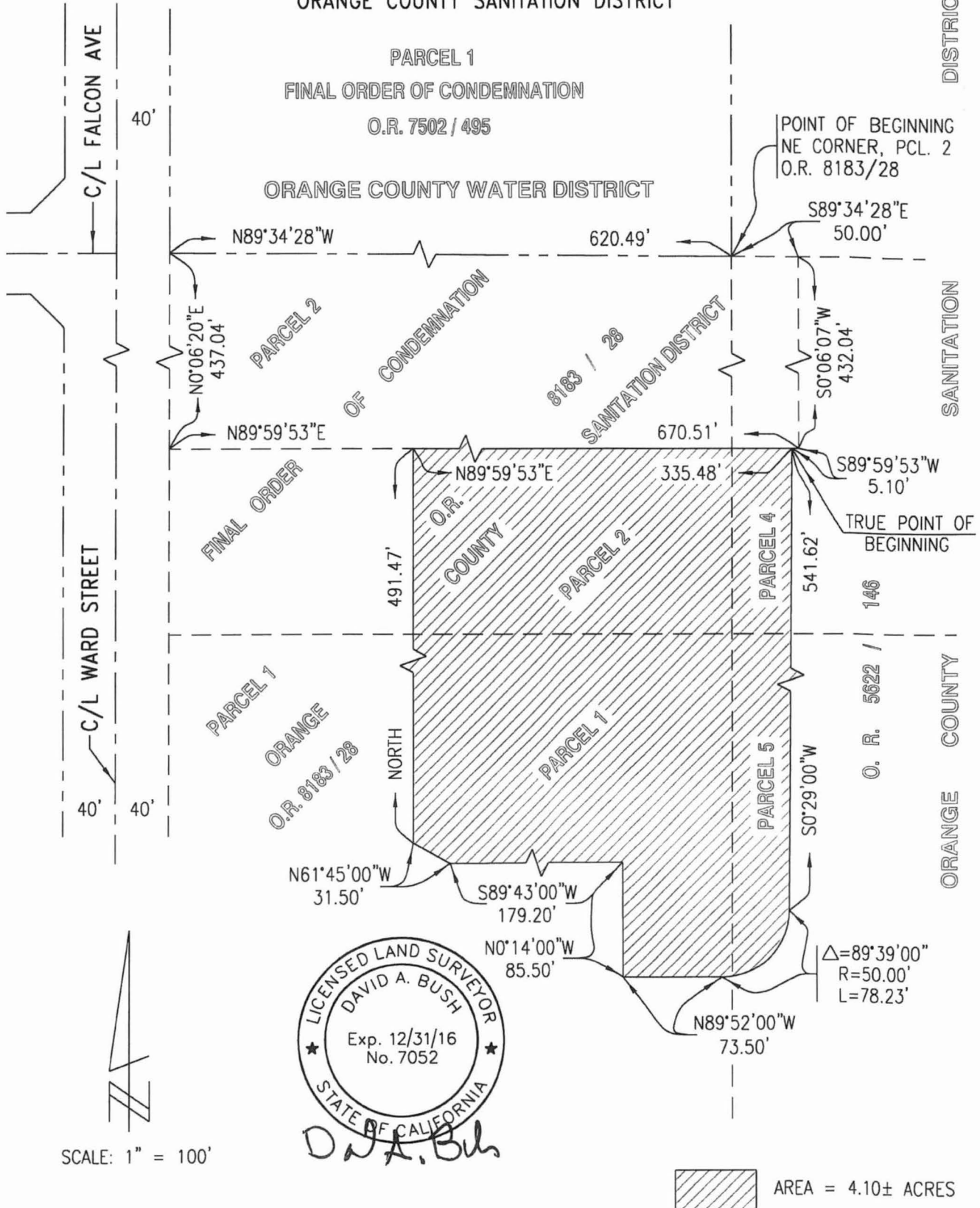
ALL AS SHOWN ON EXHIBIT D2 ATTACHED HERETO AND MADE A PART HEREOF.



*D.A. Bush*  
\\ - - \h

# EXHIBIT D2

SKETCH TO ACCOMPANY LEGAL DESCRIPTION  
ORANGE COUNTY SANITATION DISTRICT



*D.A. Bush*



**Exhibit E – Lease of Property – Plant 2**





**Exhibit F**  
**Easement and Right-of-Way**  
**66" Interplant Pipe**







# STEERING COMMITTEE

## Agenda Report

Administration Building  
10844 Ellis Avenue  
Fountain Valley, CA 92708  
(714) 593-7433

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**File #:** 2023-2941

**Agenda Date:** 6/28/2023

**Agenda Item No:** CS-1

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**FROM:** Laura Maravilla, Director of Human Resources

**SUBJECT:**

**PUBLIC EMPLOYEE PERFORMANCE EVALUATION 54957(B)(1)**

RECOMMENDATION: Convene in Closed Session:

Public Employee Performance Evaluation

Number of Employees: 1

- General Manager

**BACKGROUND**

During the course of conducting the business set forth on this agenda as a regular meeting of the Board, the Chairperson may convene the Board in closed session to consider matters of pending real estate negotiations, pending or potential litigation, or personnel matters.

Reports relating to (a) purchase and sale of real property; (b) matters of pending or potential litigation; (c) employment actions or negotiations with employee representatives; or which are exempt from public disclosure under the California Public Records Act, may be reviewed by the Board during a permitted closed session and are not available for public inspection. At such time the Board takes final action on any of these subjects, the minutes will reflect all required disclosures of information.

**RELEVANT STANDARDS**

- Government Code Sections 54956.8, 54956.9, 54957, or 54957.6, as noted

**ATTACHMENT**

*The following attachment(s) may be viewed on-line at the OC San website ([www.ocsan.gov](http://www.ocsan.gov)) with the complete agenda package:*

- Memorandum from General Counsel

# WOODRUFF

Woodruff & Smart  
A Professional Corporation

## MEMORANDUM

TO: Hon. Chair and Members of the Orange County Sanitation District Steering Committee

FROM: Bradley R. Hogin, Esq.  
General Counsel

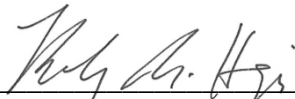
DATE: June 19, 2023

RE: Closed Session Items

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The Steering Committee desires to hold a closed session on June 28, 2023 for the purpose of conferring for the evaluation of the District's General Manager. Said closed session will be held pursuant to authority of California Government Code Section 54957(b)(1).

Respectfully submitted,

By   
Bradley R. Hogin, General Counsel



# STEERING COMMITTEE

## Agenda Report

Administration Building  
10844 Ellis Avenue  
Fountain Valley, CA 92708  
(714) 593-7433

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**File #:** 2023-3048

**Agenda Date:** 6/28/2023

**Agenda Item No:** CS-2

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**FROM:** Robert Thompson, General Manager

**SUBJECT:**

**CONFERENCE WITH LEGAL COUNSEL RE EXISTING LITIGATION - GOVERNMENT CODE SECTION 54956.9(D)(1)**

RECOMMENDATION: Convene in Closed Session:

Number of Cases: 1

Jose O. Cruz v. Orange County Sanitation District Financing Corporation, a California corporation; and Does 1-50, inclusive, Superior Court of California, County of Orange, Case No. 30-2019-01100180-CU-WT-CJC.

**BACKGROUND**

During the course of conducting the business set forth on this agenda as a regular meeting of the Board, the Chairperson may convene the Board in closed session to consider matters of pending real estate negotiations, pending or potential litigation, or personnel matters.

Reports relating to (a) purchase and sale of real property; (b) matters of pending or potential litigation; (c) employment actions or negotiations with employee representatives; or which are exempt from public disclosure under the California Public Records Act, may be reviewed by the Board during a permitted closed session and are not available for public inspection. At such time the Board takes final action on any of these subjects, the minutes will reflect all required disclosures of information.

**RELEVANT STANDARDS**

- Government Code Sections 54956.8, 54956.9, 54957, or 54957.6, as noted

**ATTACHMENT**

*The following attachment(s) may be viewed on-line at the OC San website ([www.ocsan.gov](http://www.ocsan.gov)) with the complete agenda package:*

- Memorandum from General Counsel

# WOODRUFF

Woodruff & Smart  
A Professional Corporation

## MEMORANDUM

TO: Hon. Chair and Members of the Orange County Sanitation District Steering Committee

FROM: Bradley R. Hogin, Esq.  
General Counsel

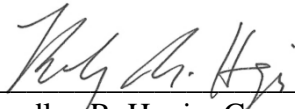
DATE: June 19, 2023

RE: Closed Session Items

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The Steering Committee desires to hold a closed session June 28, 2023 for the purpose of conferring with its legal counsel regarding existing litigation to which the District is a party. The title of the case is *Jose O. Cruz v. Orange County Sanitation District Financing Corporation, a California corporation; and Does 1-50, inclusive*, Superior Court of California, County of Orange, Case No. 30-2019-01100180. The closed session will be held pursuant to the authority of California Government Code Section 54956.9(d)(1).

Respectfully submitted,

By  \_\_\_\_\_  
Bradley R. Hogin, General Counsel



## ORANGE COUNTY SANITATION DISTRICT COMMON ACRONYMS

<b>ACWA</b>	Association of California Water Agencies	<b>LOS</b>	Level Of Service	<b>RFP</b>	Request For Proposal
<b>APWA</b>	American Public Works Association	<b>MGD</b>	Million Gallons Per Day	<b>RWQCB</b>	Regional Water Quality Control Board
<b>AQMD</b>	Air Quality Management District	<b>MOU</b>	Memorandum of Understanding	<b>SARFPA</b>	Santa Ana River Flood Protection Agency
<b>ASCE</b>	American Society of Civil Engineers	<b>NACWA</b>	National Association of Clean Water Agencies	<b>SARI</b>	Santa Ana River Interceptor
<b>BOD</b>	Biochemical Oxygen Demand	<b>NEPA</b>	National Environmental Policy Act	<b>SARWQCB</b>	Santa Ana Regional Water Quality Control Board
<b>CARB</b>	California Air Resources Board	<b>NGOs</b>	Non-Governmental Organizations	<b>SAWPA</b>	Santa Ana Watershed Project Authority
<b>CASA</b>	California Association of Sanitation Agencies	<b>NPDES</b>	National Pollutant Discharge Elimination System	<b>SCADA</b>	Supervisory Control And Data Acquisition
<b>CCTV</b>	Closed Circuit Television	<b>NWRI</b>	National Water Research Institute	<b>SCAP</b>	Southern California Alliance of Publicly Owned Treatment Works
<b>CEQA</b>	California Environmental Quality Act	<b>O &amp; M</b>	Operations & Maintenance	<b>SCAQMD</b>	South Coast Air Quality Management District
<b>CIP</b>	Capital Improvement Program	<b>OCCOG</b>	Orange County Council of Governments	<b>SOCWA</b>	South Orange County Wastewater Authority
<b>CRWQCB</b>	California Regional Water Quality Control Board	<b>OCHCA</b>	Orange County Health Care Agency	<b>SRF</b>	Clean Water State Revolving Fund
<b>CWA</b>	Clean Water Act	<b>OCSD</b>	Orange County Sanitation District	<b>SSMP</b>	Sewer System Management Plan
<b>CWEA</b>	California Water Environment Association	<b>OCWD</b>	Orange County Water District	<b>SSO</b>	Sanitary Sewer Overflow
<b>EIR</b>	Environmental Impact Report	<b>OOBS</b>	Ocean Outfall Booster Station	<b>SWRCB</b>	State Water Resources Control Board
<b>EMT</b>	Executive Management Team	<b>OSHA</b>	Occupational Safety and Health Administration	<b>TDS</b>	Total Dissolved Solids
<b>EPA</b>	US Environmental Protection Agency	<b>PCSA</b>	Professional Consultant/Construction Services Agreement	<b>TMDL</b>	Total Maximum Daily Load
<b>FOG</b>	Fats, Oils, and Grease	<b>PDSA</b>	Professional Design Services Agreement	<b>TSS</b>	Total Suspended Solids
<b>gpd</b>	gallons per day	<b>PFAS</b>	Per- and Polyfluoroalkyl Substances	<b>WDR</b>	Waste Discharge Requirements
<b>GWRS</b>	Groundwater Replenishment System	<b>PFOA</b>	Perfluorooctanoic Acid	<b>WEF</b>	Water Environment Federation
<b>ICS</b>	Incident Command System	<b>PFOS</b>	Perfluorooctanesulfonic Acid	<b>WERF</b>	Water Environment & Reuse Foundation
<b>IERP</b>	Integrated Emergency Response Plan	<b>POTW</b>	Publicly Owned Treatment Works	<b>WIFIA</b>	Water Infrastructure Finance and Innovation Act
<b>JPA</b>	Joint Powers Authority	<b>ppm</b>	parts per million	<b>WIIN</b>	Water Infrastructure Improvements for the Nation Act
<b>LAFCO</b>	Local Agency Formation Commission	<b>PSA</b>	Professional Services Agreement	<b>WRDA</b>	Water Resources Development Act

## ORANGE COUNTY SANITATION DISTRICT GLOSSARY OF TERMS

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**ACTIVATED SLUDGE PROCESS** – A secondary biological wastewater treatment process where bacteria reproduce at a high rate with the introduction of excess air or oxygen and consume dissolved nutrients in the wastewater.

**BENTHOS** – The community of organisms, such as sea stars, worms, and shrimp, which live on, in, or near the seabed, also known as the benthic zone.

**BIOCHEMICAL OXYGEN DEMAND (BOD)** – The amount of oxygen used when organic matter undergoes decomposition by microorganisms. Testing for BOD is done to assess the amount of organic matter in water.

**BIOGAS** – A gas that is produced by the action of anaerobic bacteria on organic waste matter in a digester tank that can be used as a fuel.

**BIOSOLIDS** – Biosolids are nutrient rich organic and highly treated solid materials produced by the wastewater treatment process. This high-quality product can be recycled as a soil amendment on farmland or further processed as an earth-like product for commercial and home gardens to improve and maintain fertile soil and stimulate plant growth.

**CAPITAL IMPROVEMENT PROGRAM (CIP)** – Projects for repair, rehabilitation, and replacement of assets. Also includes treatment improvements, additional capacity, and projects for the support facilities.

**COLIFORM BACTERIA** – A group of bacteria found in the intestines of humans and other animals, but also occasionally found elsewhere, used as indicators of sewage pollution. E. coli are the most common bacteria in wastewater.

**COLLECTIONS SYSTEM** – In wastewater, it is the system of typically underground pipes that receive and convey sanitary wastewater or storm water.

**CERTIFICATE OF PARTICIPATION (COP)** – A type of financing where an investor purchases a share of the lease revenues of a program rather than the bond being secured by those revenues.

**CONTAMINANTS OF POTENTIAL CONCERN (CPC)** – Pharmaceuticals, hormones, and other organic wastewater contaminants.

**DILUTION TO THRESHOLD (D/T)** – The dilution at which the majority of people detect the odor becomes the D/T for that air sample.

**GREENHOUSE GASES (GHG)** – In the order of relative abundance water vapor, carbon dioxide, methane, nitrous oxide, and ozone gases that are considered the cause of global warming (“greenhouse effect”).

**GROUNDWATER REPLENISHMENT SYSTEM (GWRS)** – A joint water reclamation project that proactively responds to Southern California’s current and future water needs. This joint project between the Orange County Water District and OCSD provides 70 million gallons per day of drinking quality water to replenish the local groundwater supply.

**LEVEL OF SERVICE (LOS)** – Goals to support environmental and public expectations for performance.

**N-NITROSODIMETHYLAMINE (NDMA)** – A N-nitrosamine suspected cancer-causing agent. It has been found in the GWRS process and is eliminated using hydrogen peroxide with extra ultra-violet treatment.

**NATIONAL BIOSOLIDS PARTNERSHIP (NBP)** – An alliance of the NACWA and WEF, with advisory support from the EPA. NBP is committed to developing and advancing environmentally sound and sustainable biosolids management practices that go beyond regulatory compliance and promote public participation to enhance the credibility of local agency biosolids programs and improved communications that lead to public acceptance.

**PER- AND POLYFLUOROALKYL SUBSTANCES (PFAS)** – A large group (over 6,000) of human-made compounds that are resistant to heat, water, and oil and used for a variety of applications including firefighting foam, stain and water-resistant clothing, cosmetics, and food packaging. Two PFAS compounds, perfluorooctanesulfonic acid (PFOS) and perfluorooctanoic acid (PFOA) have been the focus of increasing regulatory scrutiny in drinking water and may result in adverse health effects including developmental effects to fetuses during pregnancy, cancer, liver damage, immunosuppression, thyroid effects, and other effects.

**PERFLUOROCTANOIC ACID (PFOA)** – An ingredient for several industrial applications including carpeting, upholstery, apparel, floor wax, textiles, sealants, food packaging, and cookware (Teflon).

**PERFLUOROCTANESULFONIC ACID (PFOS)** – A key ingredient in Scotchgard, a fabric protector made by 3M, and used in numerous stain repellents.

**PLUME** – A visible or measurable concentration of discharge from a stationary source or fixed facility.

**PUBLICLY OWNED TREATMENT WORKS (POTW)** – A municipal wastewater treatment plant.

**SANTA ANA RIVER INTERCEPTOR (SARI) LINE** – A regional brine line designed to convey 30 million gallons per day of non-reclaimable wastewater from the upper Santa Ana River basin to the ocean for disposal, after treatment.

**SANITARY SEWER** – Separate sewer systems specifically for the carrying of domestic and industrial wastewater.

**SOUTH COAST AIR QUALITY MANAGEMENT DISTRICT (SCAQMD)** – Regional regulatory agency that develops plans and regulations designed to achieve public health standards by reducing emissions from business and industry.

**SECONDARY TREATMENT** – Biological wastewater treatment, particularly the activated sludge process, where bacteria and other microorganisms consume dissolved nutrients in wastewater.

**SLUDGE** – Untreated solid material created by the treatment of wastewater.

**TOTAL SUSPENDED SOLIDS (TSS)** – The amount of solids floating and in suspension in wastewater.

## **ORANGE COUNTY SANITATION DISTRICT GLOSSARY OF TERMS**

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**TRICKLING FILTER** – A biological secondary treatment process in which bacteria and other microorganisms, growing as slime on the surface of rocks or plastic media, consume nutrients in wastewater as it trickles over them.

**URBAN RUNOFF** – Water from city streets and domestic properties that carry pollutants into the storm drains, rivers, lakes, and oceans.

**WASTEWATER** – Any water that enters the sanitary sewer.

**WATERSHED** – A land area from which water drains to a particular water body. OCSD's service area is in the Santa Ana River Watershed.