

June 26, 2024

TO: Chairman and Members of the Board of Directors

FROM: Robert C. Thompson
General Manager

SUBJECT: General Manager's FY 2023-2024 Work Plan Year-End Report

I am pleased to present the year-end update for my Fiscal Year 2023-2024 Work Plan. The Work Plan has 21 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 2023, and a mid-year update was provided in January 2024. 19 items in the work plan have been completed and two will carry over into fiscal year 2024-2025.

1. Business Principles

- **Asset Management Plan – (1)** Identify critical plant and collections assets that are currently in service or 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. **(2)** 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.

UPDATE: (1) Complete. Critical assets were identified, the criteria for spare equipment and parts were identified, Critical Asset Spare Inventory Tracking spreadsheets were developed for existing assets and assets under construction, and the next steps required to procure these equipment and parts were provided. **(2) Complete.** An approach to update the design scope of work template for current and future projects was developed.

- **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.

UPDATE: Complete. Outreach correspondence was transmitted via email to member agencies and those managing public right-of-way access. The

permit process of each agency, including current and active encroachment permits issued or held, has been documented. Staff assessed individual procedures and processes for each member agency and recommended coordinating and complying with each agency's individual requirements in lieu of a standardized process.

- **Interagency Agreements for Wastewater Service** – Expand on coordination opportunities with the Irvine Ranch Water District (IRWD) in anticipation of the expiration of agreements in 2026.

UPDATE: Complete. OC San and IRWD Management have met to discuss the impact of the expiration of the Green Acres Project Agreement which allows IRWD to discharge effluent to the OC San ocean outfall. OC San provided financial models with potential impacts to future discharges. IRWD is considering its options. OC San and IRWD will continue to investigate win-win opportunities for collaboration, including bringing the Orange County Water District in the discussions.

- **Pretreatment Management** – Work with member agencies to update waste discharge and pretreatment ordinance by June 30, 2024.

UPDATE: Complete. OC San has updated member agencies on the audit findings. OC San does not plan to require member agencies to make any changes to waste discharge and pretreatment requirement ordinance in FY 2023-2024.

- **Organizational Advocacy and Outreach** – Implement an integrated outreach strategy that will include industry and media coverage for the Supercritical Water Oxidation project.

UPDATE: Complete. Plan established resulting in various presentations given to groups of interest and news articles published over the last twelve months promoting and covering OC San's innovative project. All news articles are included in OC San's monthly outreach report presented to the Steering Committee.

2. Environmental Stewardship

- **Food Waste Treatment** – Continue with a county-centric approach. Finalize the unified specifications and collaborate with OC Waste & Recycling (OCWR) to support the construction and utilization of a regional food waste processing facility by June 30, 2024.

UPDATE: Complete. In March, OC San met with OCWR to discuss next steps concerning OCWR's strategic initiatives for developing a regional food waste processing facility. OCWR and other Orange County Publicly Owned Treatment Works digester owners were provided with a unified food waste slurry specification. A draft project MOU was provided to OCWR for consideration.

- **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.

UPDATE: Complete. Developed a list of locations for additional dry weather urban runoff diversions based on the final screening criteria.

- **Energy Resilience** – *(Carried over from FY 22/23)* **(1)** 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. **(2)** Complete the Study by June 30, 2024.

UPDATE: (1) Complete. An energy resilience information item was presented to the Operations Committee on October 4, 2023, and the Administration Committee on October 11, 2023. **(2) Complete.** The Energy and Digester Gas Master Plan was completed.

- **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.

UPDATE: Complete. OC San Regulatory Compliance staff has successfully engaged with California Association of Sanitation Agencies and Yorke Engineering, LLC to analyze California Air Resource Board's Advance Clean Fleet Regulations. Together with OC San Fleet Services, Regulatory Compliance has developed three viable pathways for fleet replacement. The viable pathways/recommendations were presented to the Executive Management Team for deliberation in January 2024.

- **Headquarters Educational Display** – Develop a Board approved design for the hands-on educational display for the outdoor patio by June 30, 2024.

UPDATE: Carry Over. Due to overall Headquarter delays, Phase 2 of the hands-on educational display will be carried over to the next fiscal year. This delay allows us the opportunity to evaluate Phase 1 thoroughly and determine the specific needs for Phase 2. Notably, as part of Phase 1, we successfully incorporated the first step by adding three agency manholes.

- **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.

UPDATE: Complete. An outreach toolkit including messaging and supporting graphics was distributed to our member agencies to share with their community regarding local issues affecting the regional system.

- **Industrial Users Award Program** – Identify opportunities to expand OC San Pretreatment Honor Roll Program beyond Significant Industrial Users by June 30, 2024.

UPDATE: Complete. Staff recommends adding the Wastehauler Program to the Pretreatment Honor Roll program in FY 2024-2025.

- **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.

UPDATE: Complete. Staff completed the seismic vulnerabilities planning study scope of work and sent out the request for proposal.

3. Wastewater Management

- **Supercritical Water Oxidization (SCWO)** – *(Carried over from FY 22/23)* Complete the commissioning and begin demonstration of the pilot project by June 30, 2024, subject to regulatory permitting.

UPDATE: Carry Over. OC San's work to prepare the test site and permitting work is complete. 374Water is continuing development work on the industrial machine. Positive progress and optimization are on-going in the machine design and control system. 374Water estimates delivery of the

system this fiscal year with on-site commissioning through the spring of 2025.

- **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 (GWRS). Complete initial chemical and toxicological evaluation by June 30, 2024.

UPDATE: Complete. OC San staff completed the initial chemical and toxicological evaluation by June 30, 2024. Staff will refine the study based on these findings in FY 2024-2025 to fully characterize the final effluent and its potential impacts on the receiving environment.

- **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.

UPDATE: Complete. OC San Issued a Request for Proposal to secure professional services from qualified hauling contractors by the final quarter of FY 2023-2024. This initiative seeks to ensure the ongoing adaptability, sustainability, and diversity within OC San's biosolids management program. Additionally, OC San has quarterly discussions with the Los Angeles County Sanitation District to explore potential biosolids management collaborations in the region.

- **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.

UPDATE: Complete. The outreach and coordination efforts began in August with briefings to our Board of Directors and city representatives. Individual packets of information were prepared and delivered on December 1 to each property owner within the identified area. Ongoing efforts continue in alignment with the Board's authorization, the 2023 Strategic Plan, and Resolution OCSD 07-14 to ensure unobstructed access with our easements.

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.

UPDATE: Complete. A Purchase Order Agreement with ECS Imaging, Inc., utilizing the California Multiple Award Schedules Contract, was approved by the Administration Committee on November 8, 2023. ECS Imaging, Inc. is the vendor that completed the first phase of the trusted system implementation. A kickoff meeting occurred in December 2023. OC San staff are working collaboratively with the consultant on Phase II and progressing through the work. The group is on schedule to 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.

UPDATE: Complete. Staff is on track to complete an emergency response exercise of an earthquake simulation on June 20, 2024. The drill will include building evacuations and re-occupancy assessments, in addition to medical team deployment. Staff assigned to OC San's Emergency Operations Center have completed online and in-person ICS training in support of OC San's emergency planning, response, and recovery efforts.

- **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.

UPDATE: Complete. Staff transitioned all compliance and essential training activities from individual departments to Human Resources ahead of June 30, 2024, which include all regulatory and OC San-mandated courses. The process included the development of comprehensive training profiles for all OC San positions which will support onboarding, career, succession, and budget planning efforts. A process was also established for the review of new requests as training and development needs evolve. The full-time position for this program was filled on July 28, 2023 through a competitive recruitment, ahead of schedule.

- **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.

UPDATE: Complete. The solicitation was completed, and contracts were awarded by the Board of Directors in October 2023, for services to be effective beginning November 1, 2023. Contracts were awarded to Liebert Cassidy Whitmore, and Payne & Fears LLP.