

January 17, 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 Mid-Year Update

I am pleased to present the mid-year 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. At the mid-year point, eight of the 21 goals have been completed and the remainder are on track for completion by the end of the fiscal year.

1. Business Principles

- **Asset Management Plan – (1)** 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. **(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) In progress. Development of major equipment list has begun with completion anticipated by March 2024. **(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: In progress. Outreach correspondence has been transmitted, via email, to member agencies and those managing public right-of-way access. Most agencies responded indicating their current processes that are in place. The permit process of each agency including current and active encroachment permits issued or held have been documented. OC San will

request additional information from select cities to evaluate if a regional fee structure can be established.

- **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: In progress. OC San and IRWD Management have begun to meet to explore collaborative opportunities that exist between agencies. Staff will continue to meet to develop ideas for improved service delivery to bring to our Boards of Directors.

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

UPDATE: In progress. The California Regional Water Quality Control Board affirmed OC San's audit responses in November. OC San is working with member agencies and others to update their ordinances to comply with changes required.

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

UPDATE: In progress. Various presentations have been given to groups of interest and news articles published over the last six 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 and the Board of Directors.

2. Environmental Stewardship

- **Food Waste Treatment** – Continue with a county-centric approach. Finalize the unified specifications and collaborate with OC Waste & Recycling 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 OC Waste and Recycling (OCWR) to discuss next steps concerning OCWR's strategic initiatives for developing a regional food waste processing facility. OCWR and other OC 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: In progress. Initial screening criteria has been developed and the initial list of potential urban runoff diversions has been identified. Initial meetings have been conducted with future project funding stakeholders and environmental stakeholders to review potential diversion locations.

- **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) In progress.** The project has completed a portion of the technical memorandums that are part of the overall study.

- **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 will be presented to the Executive Management Team for deliberation in early 2024.

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

UPDATE: In progress. Staff continues to work with the design consultant to develop a hands-on educational display following the grand opening of the building.

- **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: In progress. Staff have identified the Wastehauler Program or the Dry Weather Urban Runoff Discharge Program as potential additions to the Pretreatment Honor Roll program.

- **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: In progress. Staff have started developing the draft scope of work in preparation to advertise for a Request for Proposal in June 2024.

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: In progress. The SCWO project site preparation is scheduled to be completed by the end of January with some valve actuator deliveries that are outstanding. Factory demonstration testing is ongoing and the delivery and installation of the SCWO skids by 374Water is scheduled for March 2024. Delays in the completion of the factory demonstration testing are due to needed modifications to the control software to mitigate clogging of the

reactor from residual biosolids deposits or incomplete reaction. Start-up and commissioning activities are planned for April with demonstration testing scheduled to start in June 2024.

- **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: In progress. Staff have begun profiling changes in OC San's final effluent chemistry following GWRS Final Expansion (FE). A toxicity assessment study was also initiated to evaluate the effects of GWRS FE on effluent toxicity. Initial findings are on track for completion by June 30, 2024, with the possibility of additional studies in the event that GWRS does not achieve steady state of operation until after 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.

UPDATE: In progress. OC San is on track to issue a Request for Proposal (RFP) to secure professional services from qualified hauling contractors by the first quarter of 2024. This initiative seeks to ensure the ongoing adaptability, sustainability, and diversity within OC San's biosolids management program. Additionally, OC San has commenced discussions on a quarterly basis 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 have been prepared and delivered as of December 1 to each property owner within the identified area. Ongoing efforts will 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: In progress. A Purchase Order Agreement with ECS Imaging, Inc., utilizing the California Multiple Award Schedules (CMAS) 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. OC San staff have started on Phase II to meet with stakeholders, identify where data is currently stored, develop folder structure, and set up metadata in Laserfiche. A kickoff meeting with ECS Imaging, Inc. took place in December 2023. The project is slightly ahead of schedule.

- **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: In progress. Risk Management is actively planning and developing an emergency response exercise for June 2024. The exercise will simulate an earthquake that requires full building evacuation with roll call, building re-occupancy assessments, and medical team deployment. Staff assigned to OC San's EOC are actively completing prerequisite online ICS training. In-person ICS training will occur and be fully completed by June 30, 2024.

- **Centralized Training Program** – (1) 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. **(2)** 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: (1) Complete. The full-time position for this program was filled on July 28, 2023 through a competitive recruitment, ahead of schedule. Staff collaborated to identify and vet training requirements for regulatory and OC San-mandated courses to structure training profiles specific to roles, classifications, and workgroups. **(2) In progress.** Staff continues to work towards preparing the profile master plan and updating processes including course planning, training budget requests, and fund allocation for FY 2024-25.

- **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.