

June 15, 2022

TO: Chairman and Members of the Board of Directors

FROM: James D. Herberg, General Manager

SUBJECT: **General Manager's Fiscal Year 2022-2023 Work Plan**

I am pleased to present my work plan for Fiscal Year 2022-2023. 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. The 17 work plan goals that I am proposing for next year support our efforts to ensure that our operations are safe; we continue to attract, develop, and retain a capable workforce; that we enhance our sustainability by maximizing water recycling; and implement sound financial practices. This forward-looking work plan is designed to position our agency to continue providing our customers with a high level of service while seizing opportunities and meeting future challenges.

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, and 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 December 31, 2022.
- **Asset Management Plan** – Create an annual Asset Management Plan documenting the condition for the collection system, treatment plants, and upcoming maintenance or capital projects by December 31, 2022.
- **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.

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.
- **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.
- **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.
- **Fleet Long-term Strategy** – The current fleet of vehicles is aging and will be subject to new regulations that will require a change in the way vehicles 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.
- **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.
- **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.
- **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.

3. Wastewater Management

- **Supercritical Water Oxidization** – Complete the commissioning and begin demonstration of the pilot project by June 30, 2023, subject to regulatory permitting.
- **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.
- **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 celebration to 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 by June 2023.

4. Workplace Environment

- **Scanning & Paper Reduction** – Continue implementation of the trusted system in the Contracts, Purchasing, and Finance divisions while incorporating a fully digital processes to reduce the use of paper by June 30, 2023.
- **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.
- **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 the 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.
- **Centralized Training Program** – Develop a Centralized Training Program with levels of service to be implemented by June 30, 2023.