

January 28, 2026

TO: Chairman and Members of the Board of Directors

FROM: Robert C. Thompson
General Manager

SUBJECT: General Manager's FY 2025-2026 Work Plan Mid-Year Update

I am pleased to present the mid-year update for my Fiscal Year 2025-2026 Work Plan. The Work Plan has 21 individual goals organized into four strategic categories: Business Principles, Environmental Stewardship, Wastewater Management, and Workplace Environment. At the mid-year point, five 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

- **CIP Staffing Plan** – Create a Capital Improvement Program (CIP) staffing plan by December 31, 2025, to minimize Supplemental Engineering Services, improve succession planning, and streamline the project delivery process.

Update: Complete. The staffing plan was completed and presented at the October Operations and Administration Committees.

- **Customer Service Portal** – Complete the project Scope of Work, conduct a Request for Proposal, and award a contract to create a customer service portal by June 30, 2026. The portal will allow external stakeholders to access information, manage accounts, and interact with OC San's services to improve convenience and service efficiency.

Update: In Progress. The Customer Service Portal is currently undergoing user testing on the Service Now platform. The first portal service area is the Easement Disposition. Additional services have been identified and will be added.

- **Small and Replacement Projects Funding Process Improvement** – Develop a new process for funding small replacement and repair projects to create more transparency, efficiency, and budget control by December 31, 2025.

Update: Complete. Finance and Engineering collaboratively developed the new process for small project funding. The process meets the needs of OC San and provides more transparency and budget control.

- **Operational AI Opportunities** – Identify and prioritize opportunities to optimize OC San administrative, operational and treatment processes through the application of Artificial Intelligence (AI). This may include leveraging historical SCADA data, CMMS data, LIMs data, and potentially visual information for an AI system that can prompt operators by June 30, 2026.

Update: In Progress. Operations & Maintenance and Engineering have met with vendors on AI technology applications for the wastewater industry. Internally, staff has met to develop and prioritize initiatives and feasibility of implementation. Additional discussions are underway to review and finalize the pertinent application of AI.

- **Cybersecurity** – Conduct a cyber penetration test and red team assessment of the process control systems by June 30, 2026.

Update: In Progress. A vendor has been selected and planning for the testing is underway. The penetration test / red team assessment will take place in February.

- **Delinquent Fee Policies for Discharge Permits** – Update OC San ordinances and policies regarding delinquent fees and penalties for discharge permits by March 31, 2026.

Update: In Progress. Finance, Environmental Services, and General Counsel have reviewed existing ordinances and policies to identify areas of improvement for completion by March 31, 2026.

- **Digital Asset Management** – Receive final technical memos for proposed asset database improvements and risk framework for major, critical assets by June 30, 2026.

Update: In Progress. The final technical memo for asset database improvements is being finalized by the consultant. The final risk framework technical memo is on track to be complete by June 30, 2026.

- **Debt Financing** – Identify and pursue debt refunding opportunities that reduce costs for OC San and its ratepayers. If refunding criteria are met, complete the transaction by March 31, 2026.

Update: Complete. Working with our financial advisor, we successfully refunded the 2016A debt issue saving OC San and its ratepayers approximately \$14 million over the life of the debt.

2. Environmental Stewardship

- **Vehicle Mobility Study** – Conduct a study to right-size OC San's transportation fleet and support compliance with clean air standards by June 30, 2026.

Update: In Progress. The study is currently underway and will be completed by the end of June 2026.

- **Fats, Oil, and Grease (FOG) Outreach** – Develop updated Fats, Oils and Grease outreach and compliance materials for food service establishments within OC San service area by June 30, 2026.

Update: In Progress. Material development is underway for the FOG binder to be shared with food service establishments in OC San's service area. The binder will include material in written form as well as graphical illustrations to help deliver the messages and will be completed before by June 30, 2026.

- **Pretreatment Information Management System** – Develop a Scope for Work (SOW) for a Pretreatment Information Management System to replace the existing system by June 30, 2026.

Update: In Progress. Staff developed a generic version SOW and are conducting pretreatment business process analyses to ensure alignment with ordinance and operating protocols.

- **Industrial Waste Survey** – Update the Industrial Waste Survey program to utilize information management tools to gather business licensing information to more effectively identify sewer users that are required to have discharge permits by June 30, 2026.

Update: In Progress. Staff performed initial screening of OC San service area and identified over 6,000 potential new industrial users. A work plan is being developed to enable screening of all potential users in a systematic and efficient manner.

3. Wastewater Management

- **Plant No. 1 Distributed Control System Human Machine Interface** – *(Carried over from FY 24/25)* Transition Plant No. 1 to the ABB Distributed Control System under project J-120 by March 31, 2026.

Update: In Progress. Completed the transition of the Plant No. 1 process areas. The transition of the Plant No. 1 electrical system will be complete by March 31, 2026.

- **Property Management** – Conduct surveys of properties with identified encroachments or access limitations to OC San's property rights by June 30, 2026.

Update: In Progress. The assessments are 90 percent complete and surveys in areas of discrepancy have begun. The effort is anticipated to be completed by June 30, 2026.

- **Supercritical Water Oxidization** – *(Carried over from FY 24/25)* Complete the six-month vendor demonstration of the six-ton Supercritical Water Oxidation unit by March 31, 2026.

Update: In Progress. Staff is coordinating for the pending receipt and installation of the SCWO unit and commissioning activities.

- **Biosolids Deep Well Injection** – (1) Initiate Phase 1 biosolids deep well injection permitting process by October 31, 2025, and (2) develop the outreach Scope of Work for Phase 1 of the biosolids deep well injection program by June 30, 2026.

Update: Complete. (1) Initiated the permitting process. (2) Completed the scope of work for outreach support. Request for Proposal expected to be released in early 2026. Contract award is anticipated by no later than summer 2026.

- **High Flow Exercise** – Develop and conduct a comprehensive high flow exercise by June 30, 2026, to evaluate Emergency Operation Center performance, processes, and operational efficiency. This exercise will simulate high influent wastewater emergencies and ruptures affecting the Santa Ana River Interceptor (SARI) trunkline to ensure preparedness and coordination among all relevant departments and agencies.

Update: In Progress. Staff received multiple bids and selected a vendor to facilitate multiple exercises designed to engage staff and strengthen emergency response capabilities. The exercise is slated for May 2026 and will include participation from the EOC team.

4. Workplace Environment

- **Physical Security Master Plan** – Develop a physical security master plan based on findings from past audits and surveys with a focus on mitigating risk, compliance with applicable regulations and standards, and enhancing security measures in OC San facilities and operations by June 30, 2026.

Update: In Progress. Staff received four competitive bids and selected the vendor in December 2025. The project will take 16 weeks to complete, and the plan will outline recommendations to enhance overall security measures.

- **Operator Certification Support** – Develop and implement a wastewater laboratory and data science training curriculum to support wastewater operator certification by June 30, 2026.

Update: In Progress. Training is being developed. O&M along with Environmental Compliance staff have coordinated to determine the scope and audience of the curriculum being developed.

- **Vocational Training** – Investigate partnership opportunities with vocational training institutions to enhance workforce sourcing efforts, with a focus on addressing hard-to-fill positions by June 30, 2026.

Update: In Progress. Staff actively participate in advisory councils with Long Beach City College and Summit College, providing guidance on curriculum development and career pathways for vocational and trade occupations within the wastewater industry. OC San hosted operator certification training to address the void in senior operator roles requiring advanced certification.