

## AGENDA

### BOARD OF DIRECTORS ORANGE COUNTY SANITATION DISTRICT

ADMINISTRATIVE OFFICES  
10844 ELLIS AVENUE  
FOUNTAIN VALLEY, CA 92708

#### SPECIAL MEETING RE:

## 2010 Strategic Plan Update Board Workshop

Wednesday, October 21, 2009  
5:00 – 7:00 p.m., OCSD Board Room

- |           |    |  |   |
|-----------|----|--|---|
| 5:00 p.m. | 1. | Pledge of Allegiance<br>Welcome and Opening Remarks  | <i>Doug Davert, Chair<br/>Jim Ruth, General Manager</i>                 |
| 5:05 p.m. | 2. | Public Comments  |   |
| 5:10 p.m. | 3. | Where We Are Today – an Update on Last Year's Goals  | <i>Bob Ghirelli<br/>Assistant General Manager</i>                       |
| 5:30 p.m. | 4. | Where We're Going– Proposed New Goals  |   |
|           |    | <ul style="list-style-type: none"><li>• Leadership Development</li></ul>                         | <i>Jim Ruth, General Manager</i>  |
|           |    | <ul style="list-style-type: none"><li>• Branding Initiative</li></ul>                            | <i>Michael Gold, Public Affairs Manager</i>                             |
|           |    | <ul style="list-style-type: none"><li>• Chemical Supplies</li><li>• Full Cost Recovery</li></ul> | <i>Lorenzo Tyner, Director of Finance &amp; Administrative Services</i> |
| 6:15 p.m. | 5. | Discussion of Proposed New Goals and Direction to Staff  | <i>Board of Directors</i>   |
| 7:00 p.m. | 6. | Adjourn  |   |

**Agenda Posting:** In accordance with the requirements of California Government Code Section 54954.2, this agenda has been posted in the main lobby of the District's Administrative offices 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 all, of the members of District's Board, are available for public inspection in the office of the Clerk of the Board, located at 10844 Ellis Avenue, Fountain Valley, California.

**Public Comments:** Any member of the public may address the Board of Directors on specific agenda items. As determined by the Chair, speakers may be deferred until the specific item is taken for discussion and remarks may be limited to three minutes.

If you wish to speak, please complete a Speaker's Form (located at the table outside of the Board Room) and give it to the Clerk of the Board.

**Meeting Adjournment:** This meeting may be adjourned to a later time and items of business from this agenda may be considered at the later meeting by Order of Adjournment and Notice in accordance with Government Code Section 54955 (posted within 24 hours).

**Accommodations for the Disabled:** The Board of Directors Meeting Room is wheelchair accessible. If you require any special disability related accommodations, please contact the Orange County Sanitation District Clerk of the Board's office at (714) 593-7130 at least 72 hours prior to the scheduled meeting. Requests must specify the nature of the disability and the type of accommodation requested.

**NOTICE TO DIRECTORS:** To place items on the agenda for the Regular Meeting of the Board of Directors, items shall be submitted to the Clerk of the Board no later than the close of business 14 days preceding the Board meeting. The Clerk of the Board shall include on the agenda all items submitted by Directors, the General Manager and General Counsel and all formal communications.

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**Where We Are Today**  
*progress towards adopted goals*

Goal	Completed	Targeted for Completion				
		FY 10-11	FY 11-12	FY 12-13	FY 13-14	FY 14-15
<b>SARI Line Relocation</b> – Work in conjunction with the County of Orange and the Federal Government to relocate the SARI Line by 2012.			◆			
<b>Reclaiming SARI Line flows</b> – Meet with stakeholders, develop a list of obstacles that need to be overcome to reclaim the SARI Line and develop a strategy to obtain regulatory approval of reclaiming SARI Line flows.	This goal was cancelled					
<b>Groundwater Replenishment System</b> – Maximize the production of GWR System product water to a goal of 70 million gallons/day.	◆					
<b>Disinfection</b> – Develop a cost effective program to alter current disinfection program without sacrificing public health protection and gaining acceptance from various stakeholders.		◆				
<b>Management System for Environmental Compliance</b> –						
<ul style="list-style-type: none"> <li>Implement a management control system for environmental compliance information that incorporates a dashboard-style report.</li> </ul>	◆					
<ul style="list-style-type: none"> <li>Implement management control system for the scope of environmental requirements.</li> </ul>	◆					
<b>Contaminants of Potential Concern (CPC)</b> – Complete three phase testing and analysis of 550+ CPC, prepare report on findings and recommendations, develop initial source control strategy if there are CPCs identified that require control.	◆					
<b>Engine Emission Compliance</b> –						
<ul style="list-style-type: none"> <li>Complete study to evaluate alternatives for complying with lower emission limits in the South Coast Air Quality Management’s Rule 1110.2. Initiate planning and design of demonstration testing of the most promising technology(s) identified in the study.</li> </ul>	◆					
<ul style="list-style-type: none"> <li>Complete demonstration testing and negotiate engine emission limits and schedule with SCAQMD.</li> </ul>		◆				
<ul style="list-style-type: none"> <li>Implement capital improvements or operations modifications in order to achieve compliance.</li> </ul>					◆	

Goal	Completed	Targeted for Completion				
		FY 10-11	FY 11-12	FY 12-13	FY 13-14	FY 14-15
<b>Climate Change/Environmental Footprint Initiative –</b> Develop an overall strategy for responding to climate change regulations and proactively adapting to the affects of climate change including identification and mitigation of green house gases and adapting to any impacts to our facilities and operations associated with climate change.	◆					
<ul style="list-style-type: none"> <li>Outreach and Education - Working with the Climate Change Initiative Project Team, Public Affairs will identify opportunities to promote successes and educate audiences on the agency's progress related to Climate Change efforts. Public Affairs will create outreach materials to inform the public of these efforts.</li> </ul>	◆					
<ul style="list-style-type: none"> <li>Research and New Sustainable Initiatives – Research the Carbon Footprint of OCSD Activities; Energy Efficiency Related Research, Evaluation of Additional Alternatives, and Creating a Plan for Future Environmentally Sustainable Activities and ; Fuel Cell Technology</li> </ul>	◆					
<ul style="list-style-type: none"> <li>Maximize the use of digester gas for energy production</li> </ul>	◆					
<ul style="list-style-type: none"> <li>Greenhouse Gas Compliance Activities</li> </ul>						
<ul style="list-style-type: none"> <li>Adaptive Responses to Climate Change</li> </ul>						
<b>Sustainable Biosolids Program –</b>						
<ul style="list-style-type: none"> <li>Prepare proposal for selecting a technology to sustainably manage the remaining one-third of our biosolids capacity.</li> </ul>		◆	◆	◆	◆	◆
<ul style="list-style-type: none"> <li>Develop agreement</li> </ul>		◆				
<ul style="list-style-type: none"> <li>Monitor City of Los Angeles’ deep injection project and evaluate the regulatory and public relations components of undertaking the project</li> </ul>		◆	◆	◆	◆	◆
<ul style="list-style-type: none"> <li>Evaluate option of processing some of biosolids at the City of Los Angeles Terminal Island demonstration well.</li> </ul>	◆					
<ul style="list-style-type: none"> <li>Complete new in-county Compost Take-Back Program Plan strategy.</li> </ul>	◆					
<ul style="list-style-type: none"> <li>Conduct research to reduce the amount of biosolids produced</li> </ul>		◆	◆	◆	◆	◆

Goal	Completed	Targeted for Completion				
		FY 10-11	FY 11-12	FY 12-13	FY 13-14	FY 14-15
<b>North County Yard</b> – Open the North County Maintenance Yard and complete the relocation of selected staff and equipment to the facility. Implement flex space for added agency-wide needs as appropriate.		◆				
<b>Sewer Rate for Green Development</b> – Submit for board approval an amendment to sewer rate ordinance with incentives for green developments.	◆					
<b>Local Sewer Services</b> – Implement the Board’s four recommendations based on findings of staff’s revenue adequacy report. Continue to seek an asset transfer to other agencies. Also transfer other local assets back to cities that are not serving a true regional purpose.		◆	◆	◆		
<b>Odor Control</b> – Implement Odor Control Projects at Plant 1 (trickling filters) and Plant 2 (solids loading facility) by 2016.			◆	◆	◆	◆
<b>Review Interagency Agreements</b> –						
<ul style="list-style-type: none"> <li>Conduct a comprehensive review of agreements with the Santa Ana Watershed Project Authority, and, if appropriate, reopen for discussion.</li> </ul>		◆				
<ul style="list-style-type: none"> <li>Conduct a comprehensive review of agreements with the Irvine Ranch Water District and, if appropriate, reopen for discussion.</li> </ul>		◆				
<b>Strategic and Business Plan</b> – With Board concurrence, annually update and implement the Strategic Plan and Business Plan.	◆		◆	◆	◆	◆
<b>Enterprise Information Technology Strategic Plan</b> – Complete a District-wide information technology strategic plan.	◆					
<b>Complete Facilities Master Plan Update</b> – Complete a comprehensive update of the Facilities Master Plan and obtain Board approval.	◆					
<b>Implement Energy Master Plan</b> – After the completion of the plan, assess final recommendations to ensure adequate power resources and energy management.		◆	◆	◆	◆	◆
<b>Space Planning Study Recommendations</b> – Complete relocation of staff housed in Information Technology Trailers, Administration Building, Control Center and Building 6.	◆					

Goal	Completed	Targeted for Completion					
		FY 10-11	FY 11-12	FY 12-13	FY 13-14	FY 14-15	
<b>Human Resource Strategic Plan</b> – Design, develop and implement human resources systems and tools to ensure OCSD has workforce that meets future needs.	◆						
<b>Succession Plan</b> – Implement the succession management plan including management training and the creation of a Leadership Academy.	◆						
<b>Safety and Health Strategic Plan</b> – Develop and implement a Safety and Health Strategic Plan for all Sanitation District activities.	◆						
<b>Updating OCSD's Risk Register</b> – Review and update the risk register (annually) to include an assessment of possible risks and mitigation strategies	◆	◆	◆	◆	◆	◆	
<b>Business Accountability Charters</b> – Create BACs for each department consistent with BACs developed by managers and supervisors.	◆	◆	◆	◆	◆	◆	
<b>Levels of Service</b>	Total Key Performance Indicators			37	Total KPI's Met		29

## Providing ongoing leadership development

### *Why is this issue important to the District?*

As baby boomers begin to retire in significant numbers over the next five years, the nation's workforce will begin to experience a shortage in qualified leaders. OCSD will be impacted by this trend as well. While the District has pursued an aggressive strategy to strengthen and grow future leaders through its Profession of Management and Leadership Academy programs, this clearly will not be enough.

By next year all management staff will have completed these programs and the Succession Management program will be fully established. However, these tools are only a foundation and in order to maintain a world-class organization, the District needs to take its leadership development to the next level. A broader leadership development program needs to be implemented to identify and train future leaders.

### *Goals*

- Identify key employees that will lead OCSD into the future.
- Define and build upon the essential qualities needed to develop successful leaders for OCSD's future. These qualities will focus on dealing with change, motivating others, enhancing morale and promoting productivity and job satisfaction, among others.
- Identify what other organizations are doing and what incentives and training might be needed to build a talented and stable leadership team.
- Develop a new model for addressing OCSD's operational, environmental regulatory and leadership priorities in an era of limited resources and greater public scrutiny.

### *Desired Outcome*

- Maximize the development of a pool of dedicated and talented employees ready to lead OCSD into the future.

## Creating a unified branding identity for OCSD

### *Why is this issue important to the District?*

The District is involved in many important initiatives and programs that directly impact the lives of millions of people and the environment. It is important that the people served by OCSD feel confident in our ability to provide these services and programs that will continue to protect them and the communities we serve. Creating a consistent and branded look with well thought out key messages helps establish much needed credibility with our audiences and makes it easier to effectively convey important messages.

Currently, the District does not have a consistent look and feel that ties in collateral materials, an agency Web site, Intranet and all other ways that we communicate with our various audiences. Developing a consistent, branded look will significantly raise our credibility and continue to position OCSD as a leader in the wastewater industry. It will also help us when competing for grant and appropriation funding for future programs and projects and in our recruiting efforts as we attempt to attract and retain a talented workforce.

### *Goals*

- Develop a refreshed branded visual identity and key messages.
- Develop new printed materials and electronic media that will incorporate the new brand.
- Create a corporate identity manual that will clearly define appropriate uses on the new identity.
- Create a new policy that will ensure compliance and a consistent use of the new brand throughout the agency.

### *Desired Outcome*

- A consistent visual identity and key messages that will enhance OCSD's credibility and ability to communicate more effectively with ratepayers and other key audiences.



## Assessing and mitigating the risks of chemical supply shortages

### *Why is this issue important to the District?*

OCSD uses large volumes of several chemicals to mitigate odors, enhance primary settling of solids, reduce bacteria formation in the activated sludge plants, flocculate solids to enhance dewatering, and disinfect and then dechlorinate the effluent prior to discharge into the receiving waters. These wastewater treatment chemicals play a critical role in protecting public health and the environment.

OCSD and other large wastewater treatment agencies require large volumes of chemicals that can only be provided by one supplier or a very limited number of suppliers. All of these large agencies have also experienced price increases and chemical shortages in recent years.

### *Goals*

- Investigate the domestic and global chemical markets for typical wastewater and odor chemicals.
- Identify possible causes of disruptions in the chemical supply chain.
- Identify potential temporary suppliers capable and willing to provide chemicals during shortages.
- Identify viable alternative chemicals that can be substituted for current OCSD chemicals during shortages.
- Identify not only the procurement costs, but the transportations costs, of possible temporary or alternative chemical procurements.
- Identify quality control assurances of chemicals procured outside the country.

### *Desired Outcome*

- Develop a Chemical Sustainability Plan that provides OCSD with options for obtaining wastewater treatment chemicals during chemical shortages, emergencies or complete stoppages.

## Full Cost Recovery

### *Why is this issue important to the District?*

The District has several existing agreements with external agencies including the Santa Ana Watershed Project Authority (SAWPA) and the Irvine Ranch Water District (IRWD) which were originally signed in the 1970's and 1980's. There are other existing agreements signed between these agencies in the last 20 years.

When many of these agreements were signed, the District often provided funds and resources to assist other agencies in improving the water quality and health of the citizens of the watershed. In this pursuit, OCSD allowed benefits to agencies without fully developing an equitable cost-sharing model. While this was well-intended and generated results, the District's mission was overly broad. Now, through a series of more focused efforts, OCSD has developed a mission-specific Strategic Plan with detailed goals and objectives.

The combination of the District's new enhanced strategic focus, more stringent regulatory requirements (Federal Clean Water Act secondary treatment standards) and new economic realities (economic environment in general and requirements of Proposition 218), OCSD must review its external agreements and ensure that these agreements provide full cost recovery from the agencies with which it does business.

District staff has already began working with these agencies to ensure the District is recovering the full costs of services provided.

### *Goals*

- Continue to meet with SAWPA and IRWD staff for consensus or agreement on major issue resolution.
- Continue to include future planning issues that may impact new agreements.
- When possible, consolidate small agreements into more comprehensive future agreements.
- Negotiate new agreements that ensure all agencies are paying a fair share for services provided by the District.

### *Desired Outcome*

- Finalize agreements that are comprehensive and agreeable to all agencies and ensure a fair share for District services.

# Five-Year Strategic Plan Update



Board of Directors Strategic Planning Workshop  
October 21, 2009

# Current 5-Year Goals 50% Complete

## 2009 Accomplishments

- ◆ GWR System – maximize water production
- ◆ Engine Emission Compliance study
- ◆ Climate Change Initiative strategy
- ◆ Facilities Master Plan
- ◆ Space Planning Study
- ◆ Human Resources Strategic Plan
- ◆ Safety and Health Strategic Plan

# Strategic Goals and Levels of Service Monitoring Dashboard

LEVELS OF SERVICE GOALS	
Show Only Problems	
Indicator	Status
Environmental Stewardship Strategic Goals	
Business Principles Strategic Goals	
Wastewater Management Strategic Goals	
Workplace Environment Strategic Goals	

  

Levels of Service Targets	
Show Only Problems	
Indicator	Status
Protect public health and the environment.	
Be a good neighbor.	
Exercise sound financial management.	
Be responsive to our customers.	
Provide an effluent quality suitable for protecting public health and being a source for water recycling.	
Manage flows reliably.	
Effluent will be recycled.	
Implement a sustainable biosolids management program.	
OCS&D will take care of its people.	

# Four New Goals Proposed

- ◆ Leadership Development
- ◆ Branding Initiative
- ◆ Chemical Sustainability Plan
- ◆ Full-Cost Recovery

# Leadership Development

- ◆ Identify key employees to lead OCSD into the future
- ◆ Define and build upon the essential qualities needed to develop successful leaders
- ◆ Identify what other organizations are doing to build a talented and stable leadership team
- ◆ Develop a new model for addressing priorities
- ◆ **Recommendation:** Maximize the development of a pool of dedicated and talented employees ready to lead OCSD into the future



# Branding Initiative

- ◆ Update OCSD's visual identity and brand
- ◆ Develop strategy and new tools for communicating key messages
- ◆ Update printed and electronic materials such as Web site with updated identity
- ◆ Update the corporate identity manual to ensure consistency throughout the agency
- ◆ **Recommendation:** Move forward and update OCSD's identity and branding strategy





# Chemical Sustainability Plan

- ◆ Identify current chemical market and possible delivery disruptions / supply shortages
- ◆ Identify temporary backup suppliers
- ◆ Identify alternative chemicals
- ◆ Identify all costs of alternatives
- ◆ Identify quality control assurances for chemicals not produced in the U.S.
- ◆ **Recommendation:**  
Develop a chemical sustainability plan



# Full-Cost Recovery

- ◆ Continue to meet with SAWPA and IRWD on issue resolutions
- ◆ Clarify and include future issues that may impact new agreements
- ◆ Consolidate agreements when possible
- ◆ Ensure all agencies are paying their fair share
- ◆ **Recommendation:**  
Finalize remaining agreements to ensure a fair share for services



# Discussion



**Leadership  
Development**



**Branding  
Initiative**



**Chemical  
Sustainability  
Plan**



**Full-Cost  
Recovery**

**Other ideas?**