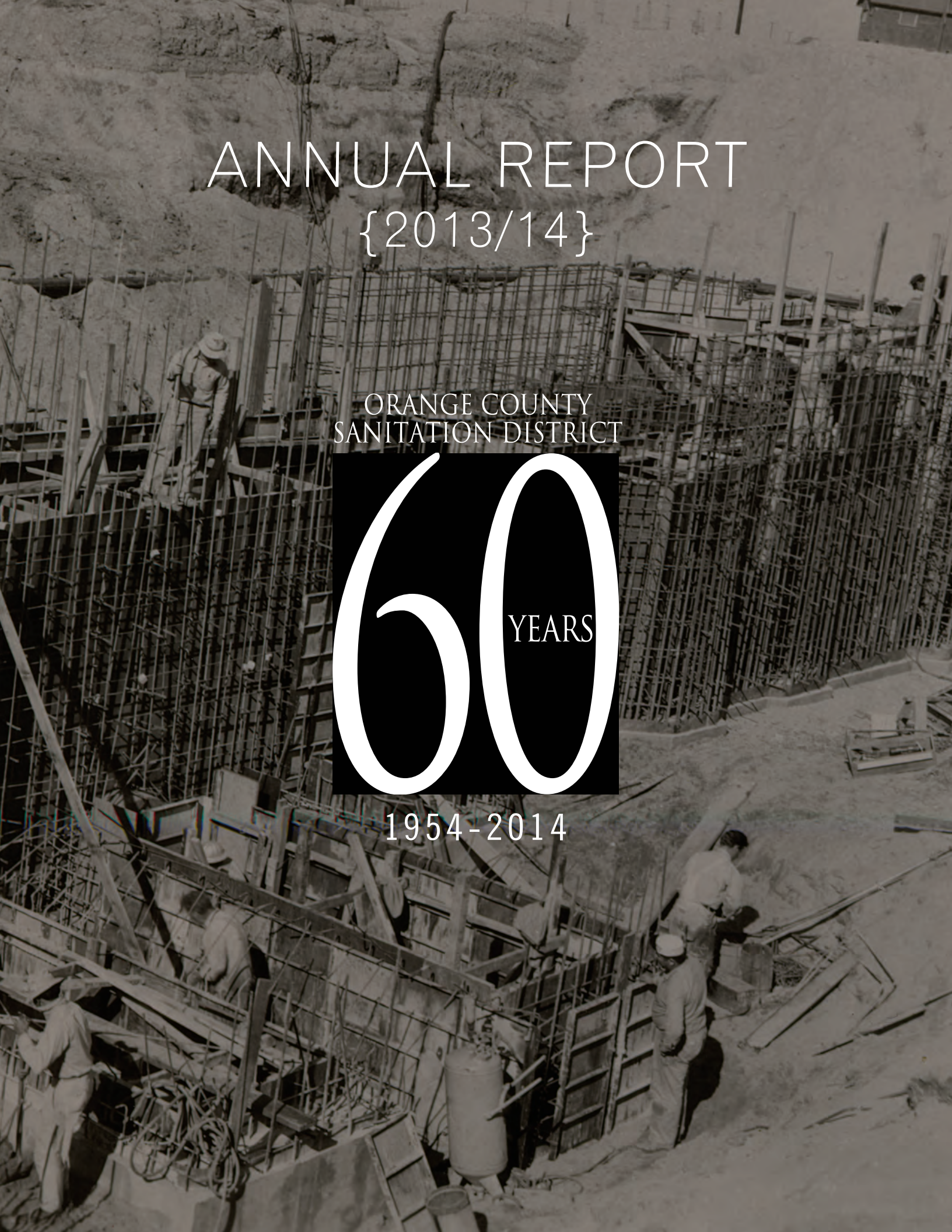


# ANNUAL REPORT {2013/14}

ORANGE COUNTY  
SANITATION DISTRICT

60  
YEARS

1954-2014



A photograph of James D. Herberg, General Manager of the Orange County Sanitation District, standing in a large industrial facility, likely a wastewater treatment plant. He is wearing a dark suit, a white shirt, and a blue patterned tie. The background shows large white cylindrical tanks and complex machinery.

## *From the General Manager*

In 2014, the Orange County Sanitation District (OCSD) celebrated its 60th year of service to the residents and businesses in north and central Orange County.

Looking back, it is clear that past and present OCSD Board of Directors and staff have made numerous long-term sustainable decisions even before today's concept of "sustainability" became part of the formal business management process.

More than ever, we recognize the need to operate the utility in a way that benefits not only our existing customers, but future generations as well.

In 1954, when the County Sanitation Districts of Orange County commenced operations, it would have been hard to imagine that OCSD's service would have evolved from collecting and providing basic treatment of 30 million gallons of sewage daily to a water resource recovery facility collecting, treating, and recycling 200 million gallons of wastewater per day for over 2.5 million people.

I wish to extend my sincere thanks to our Board of Directors for their leadership and vision, the public for their ongoing support, and OCSD staff for never forgetting whom we serve.

*James Herberg*

James D. Herberg  
General Manager  
Orange County Sanitation District

# ACHIEVING MILESTONES

This year we marked 60 years of service. We are building on our past success and have transformed the level of service that we provide to our ratepayers.

We are now operating at full secondary treatment standards. A level of treatment that provides high-quality water to the Orange County Water District (OCWD) for the Groundwater Replenishment System, as well as protecting the beaches as demonstrated by the Heal the Bay's 2013-2014 Annual Beach Report Card. Orange County beaches improved over the previous year with A or B grades during summer months. We attribute this improvement in part to programs such as OCSD's urban runoff treatment program which has been expanded this year to allow up to 10 million gallons per day, the maintenance of our collection system, as well as OCSD's nationally recognized ocean monitoring program.

The Santa Ana River Interceptor (SARI) relocation project is now complete, after many years of planning the project with various regulatory agencies. A joint partnership with the County of Orange and the Santa Ana Watershed Project Authority completed this critical infrastructure project that carries brine and industrial wastewater from the Inland Empire to OCSD.

Through a newly established legislative and public affairs committee led by the Board of Directors, District Act Legislation (SB 946) was signed by the Governor to amend the OCSD's charter enabling legislation to exchange seats to the Yorba Linda Water District (YLWD). This change reflects the transfer of local sewer service from the city of Yorba Linda to YLWD, and will take effect January 1, 2015.



# ACHIEVING MILESTONES

Similar to the nationwide trend, OCSD is faced with a workforce challenge. It is estimated that 80 million baby boomers will leave the workforce, with only 70 million expected to replace them.

OCSD is experiencing the predicted trends that were anticipated years ago. As of today, 34 percent of our employees are eligible to retire. In just three years, that percentage will increase to 48 percent, which is consistent with the trends that were predicted a few years back. OCSD is actively planning and working to ensure that we have a pool of talented candidates to operate, maintain, and administer our operation.

In support of this effort, we have developed programs such as job shadowing, mentoring, job rotations and leadership training. In addition, to help fill those vacated positions, we have partnered with external organizations to expand its workforce planning and development efforts such as the Orange County Workforce Investment Board and local colleges.

We are no longer a sanitation district treating, collecting, and disposing of wastewater. We are a water resource recovery facility looking to capture, recycle, and reuse the products resulting from the wastewater treatment process.

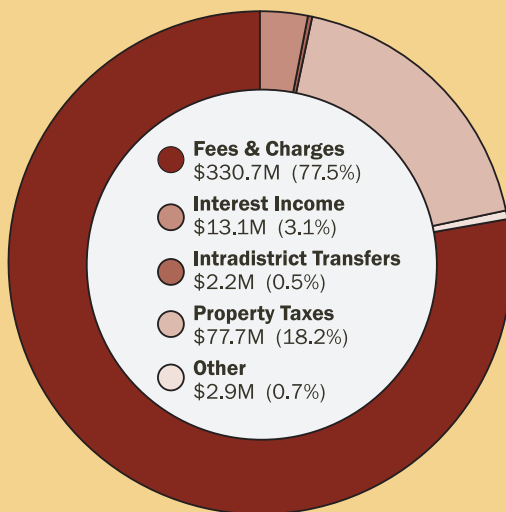


# FINANCIAL STRENGTH

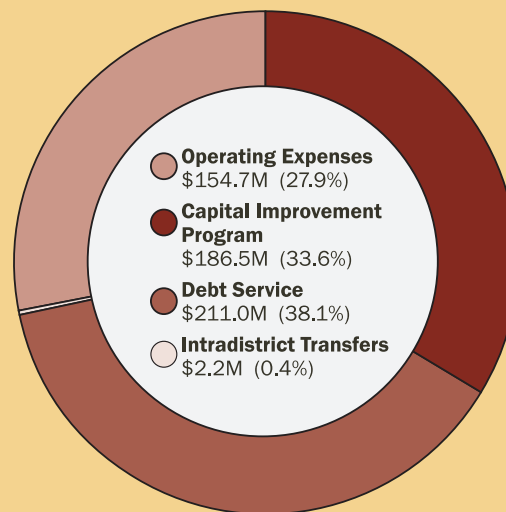
OCSD Board of Directors approved a new sustainable financial plan with no new debt, accelerated pay down of existing liabilities allowing all debt to be paid off by 2044, and in turn providing financial rate stability.

OCSD maintains a 'AAA' credit rating from both Fitch Ratings and Standard & Poor's. This is the highest possible rating assigned to the bonds of an issuer by credit rating agencies. This rating demonstrates that OCSD has an exceptional degree of creditworthiness and can meet its financial commitments.

**Where the money comes from**



**Where the money goes**



*OCSD is in the bottom third of the lowest user rates within our comparable agencies in California.*

# We're an important part of Orange County's

## 1921

Orange County Joint Outfall Sewer (JOS) is formed.

An agreement is made between the cities of Santa Ana and Anaheim to construct an ocean outfall and screening plant at this present location of Plant No. 1. Construction would take three years to complete.

By 1927, the ocean outfall is extended to 3,000 feet and a new screening plant and pumping station are added to the system. The Buena Park Sanitary District joins the JOS.



1946...Board of Supervisors orders Orange County Sewerage Survey Report. Report becomes basis for formation of original sanitation district.

1947...Districts Nos. 1, 5 and 6 are formally organized.

1948...Districts Nos. 2, 3, 7, 8 and 11 are formally organized.



1952...Construction begins on new 7,000 foot, 78" diameter outfall.

1954...County Sanitation Districts of Orange County (CSDOC) commence official operations; takes over duties of the (JOS).

1954...Sewage Treatment Plant No. 2 is completed in Huntington Beach.

1959...Headworks No. 1 begins operating at Plant No. 1.



1964...Districts Headquarters opens in Fountain Valley, with a workforce of 90 people.

1969...The Board of Directors adopts a resolution setting forth their participation as one of the five member agencies in the Southern California Coastal Water Research Project. The project was to examine man's effects on marine environment, particularly wastewater.

1970...Construction is completed on a new laboratory building at Plant No. 1 at a cost of \$229,000. Today this building is home to Human Resources.

1971...Construction is completed on the marine section of Ocean Outfall No. 2 at a cost of \$8.94 million.

1974...A Metering and Diversion Structure is placed in service at Plant No. 1 for diverting high quality water to Plant No. 1 for reclamation and saline flows to Plant No. 2 for treatment and ocean disposal.



1981...Construction of oxygen generation, storage facilities and dissolution facilities at Plant No. 2 are completed.

1983...A major storm hits Orange County. The Districts' combined influent flow reaches a record 450 MGD peak.

1984...Foul air scrubbing system at Plant No. 2 is completed. Two additional primary clarifiers at Plant No. 2 become operational. District No. 13 is formed.

1989...Primary clarifiers are covered and scrubbed to reduce offsite odors.



1991...The new Ocean Outfall Booster Station begins operation.

Green Acres Project (GAP) goes online. This project takes secondary treated effluent from Plant No. 1 and disinfects it to make it suitable for recycling as landscape irrigation water at parks in Fountain Valley, Costa Mesa, and Santa Ana.

100% recycling of biosolids is achieved.

1993...Central Power Generation facilities are dedicated.

1998...CSDOC consolidated into a single new district to be known as the Orange County Sanitation District.

2002...OCSD completes the comprehensive odor control master plan.

After a Board decision, OCSD begins its efforts to move to full secondary treatment processes.

2004...OCSD and Orange County Water District join forces on an innovative water purification project (GWRS) to provide enough water for 140,000 families.

2012...In October—full secondary treatment is achieved.

**On Time-On Budget.**



# PAST, PRESENT AND FUTURE

# THE FUTURE

In the years to come, we will be recycling more water, utilizing solids in new innovative ways, and producing additional energy in various forms.

The future of our organization is in recycling wastewater and the by-products of the process, rehabilitating infrastructure and researching new possibilities.

The initial expansion of the Groundwater Replenishment System is expected to be completed in 2015. OCSD will then be sending a total of 139 million gallons of highly treated wastewater to the Orange County Water District, which in turn will provide 100 million gallons per day of high-quality water to meet the needs of nearly 850,000 residents in north and central Orange County.

OCSD's capital improvement program for FY 2014-15 is \$186 million, an increase of \$93 million from the prior year. For FY 2015-16 the Capital Improvement Program budget is \$206 million, an increase of \$20 million.

Rehabilitation of our \$6 billion in infrastructure is critical. OCSD has over 580 miles of pipe that range from 8 to 120 inches in diameter and are up to 75 years old. It is crucial that we maintain Orange County's past and present investments well into the future.

The past ten years were focused on increasing treatment capacity and levels of service at our plant facilities. Over the next 10 years, we will focus on the rehabilitation and replacement of the collection system that transports north and central Orange County's wastewater to one of OCSD's two treatment facilities.

OCSD will also explore what future possibilities exist with regards to expanding water recycling beyond the Groundwater Replenishment System, as well as continually looking for areas to optimize our operations to provide our customers with the best value of any sewage collection utility in California.



# IN THE COMMUNITY

Public education is a critical part of our business. By engaging the public, they help us by becoming ambassadors for our agency as well as its efforts.

Education and awareness efforts regarding OCSD services and programs continued in 2013-14 reaching an estimated 8,000 people.

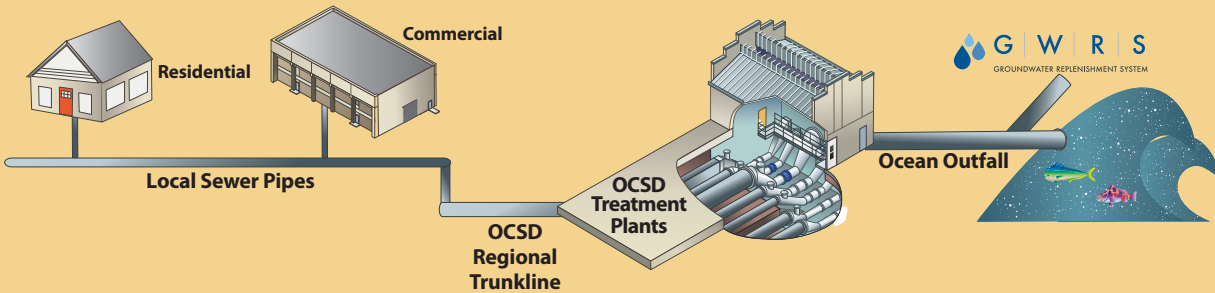
- **What 2 Flush** — an easily identifiable program that educates the public on what belongs in the toilet. The intent of the program is to stay away from telling people what not to flush such as wipes, pharmaceuticals and fats, oils, and grease and simplify the message by keeping it to the 3 P's – pee, poop and paper.
- **Fats, Oils and Grease (FOG)** — in portions of our service area where OCSD provides local sewer service, we reach out to businesses and homeowners to educate them on proper FOG disposal to prevent plugging of sewer lines that can cause sewage spills.
- **Social Media** — through Facebook and Twitter OCSD has expanded our social media presence, posted a minimum of two stories a week and increasing our followers by 100 and likes by 37 in 2013/14.
- **Construction Outreach** — OCSD spent an estimated \$72 million in capital projects last year, of that \$26 million was spent on the collection system. Since these projects take place in streets and can impact homes, schools and businesses, we have an active outreach program to inform the community of the project purpose, potential impacts and progress. These efforts take place through community meetings, notifications, website, social media, and with a designated community liaison.
- **Community Education** — OCSD's community education program includes participation in local community events, speakers' bureau and facility tours.





# THE FACTS

## OCSD WASTEWATER (SEWER) SYSTEM



## GENERAL INFORMATION

Formed in 1954

480 square miles service area

25-member Board of Directors

21 cities, 3 special districts and one Board of Supervisor Representative

2.5 million service residents

626 full time employees

Reclamation Plant in Fountain Valley, CA

Treatment Plant in Huntington Beach, CA

15 offsite pump stations

Owns and maintains 587 miles of sewer pipes

Generates 10,000 kilowatts of energy each day

200 million gallons of wastewater (daily average flow) treated

# AWARDS

## **2013 Achievement of Excellence in Procurement Award**

*The National Procurement Institute*

## **2014 Plant Safety Award**

*California Water Environment Association (for plants with more than 76 employees)*

## **Best Marketing Campaign Award (What 2 Flush)**

*California Association of Public Information Officers*

## **Certificate of Achievement for Excellence in Financial Reporting**

*Government Finance Officers Association of the U.S. and Canada*

## **American In-House Graphic Design Award (Fats, Oil, and Grease mailer)**

*Graphic Design USA*

## **2014 U.S. Water Prize (Ground Water Replenishment System)**

*U.S. Water Alliance (joint award with Orange County Water District)*

## **Plant No. 2 Headworks Replacement Project**

### **Wastewater Treatment Project of the Year Award**

*American Society of Civil Engineers, Orange County Division*

### **Project Achievement Award**

*Construction Management Association of America*

### **Engineering Project of the Year**

*Orange County Engineering Council*

## **20 Years of Excellence 1994-2013 Outstanding Achievements in Water Science and Technology**

*National Water Research*

## **Occupational Excellence Achievement Award**

*National Safety Council*

## **Operator of the Year - Joscelynn Gadzinski**

*Santa Ana River Basin Section of California Water Environment Association*

## **OCSA's Fleet Services Ranked 13th of the 100 Best Fleets in North America 2014**

*National Association of Fleet Administrators*

# 1954-2014 COMMENDATIONS

## **Commendation for 60th Anniversary**

*South California Alliance of Publicly Owned Treatment Works*

## **Commendatory Resolution Honoring the 60th Anniversary**

*Santa Ana Watershed Project Authority*

## **Certificate of Commendation in Honor of the 60th Anniversary**

*Senator Diane Feinstein*

## **California Legislature Assembly Resolution Commendation for the 60th Anniversary**

*Sharon Quirk-Silva, 65th Assembly District and Senator Lou Correa, 34th Senatorial District*

## **Resolution Commemorating the 60th Anniversary**

*Orange County Water District*

# BOARD OF DIRECTORS

## **Anaheim**

Lucille Kring

## **Brea**

Brett Murdock

## **Buena Park**

Fred Smith

## **Cypress**

Prakash Narain

## **Fountain Valley**

Steve Nagel

## **Fullerton**

Gregory Sebourn

## **Garden Grove**

Steve Jones

## **Huntington Beach**

Joe Carchio

## **Irvine**

Steven Choi

## **La Habra**

Tom Beamish  
(Board Chair)

## **La Palma**

Peter Kim

## **Los Alamitos**

Richard Murphy

## **Newport Beach**

Keith Curry

## **Orange**

Teresa "Tita" Smith

## **Placentia**

Scott Nelson

## **Santa Ana**

David Benavides

## **Seal Beach**

Michael Levitt

## **Stanton**

David Shawver

## **Tustin**

John Nielsen  
(Vice Chair)

## **Villa Park**

Brad Reese

## **Yorba Linda**

Gene Hernandez

## **Costa Mesa Sanitary District**

James M. Ferryman

## **Midway City Sanitary District**

Tyler Diep

## **Irvine Ranch Water District**

John Withers

## **Orange County Board of Supervisors**

Janet Nguyen



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