

## Executive Director

### Noteworthy

- East Bay Infrastructure Project – On December 17, the Executive Director met with City Manager Steve Hall and Port of Olympia Executive Ed Galligan to update the status of the East Bay Infrastructure project. The project is behind schedule, but Port staff is working with the contractor to resolve issues and are now looking forward to an early spring completion. Further meetings have been held on with the State Department of Ecology to develop an environmental cleanup strategy. Work to resolve issues of contention with Ecology are moving forward, and the details for the cleanup of parcels 4 and 5 (Plaza and Hands On Children’s Museum) are now emerging. The good news is that for the most part the cleanup will proceed as envisioned in early design work, and be within those cost parameters.
- State Fish and Wildlife Property – Another step in the process for the State Fish and Wildlife property, which lies to the west of the Budd Inlet Treatment Plant, will be taken on January 29 with a work session to be held at the General Administration building. As stated by the Department of General Administration (GA), “As part of the scope of the study GA has asked staff to facilitate a process with all of the major stakeholders. The goal is to help provide a conceptual framework that focuses a vision for the three parcels as a whole and within the context of the community. This provides an opportunity for a collective discussion of potential uses of the properties and a starting place for developing the mechanics for the option of transferring the property. The expectation for your elected official and staff participation is to participate in the discussion, engage around ideas, and basically represent your jurisdiction. We recognize that you cannot make any commitments on behalf of your jurisdiction at this point.” At the January 13 Board meeting the Executive Director will ask for a Board member to attend the meeting.
- Martin Way Reclaimed Water Plant – The Executive Director met with Lacey Public Works Director, Scott Egger, at the Lacey property bordering the Martin Way Reclaimed Water Plant. This visit was to clarify what additional land LOTT would need to expand the plant to a full capacity of 8 million gallons per day. City staff has indicated that they were agreeable with the proposed acquisition, and will move forward to facilitate the sale to LOTT. (Drawings will be available at the Board meeting.)

## Budget / Revenue

Note: We are still closing the year, and these numbers are not final.

Budget Performance					
	Operations	Debt Service	Capital/AMP	Reserve	Total
2009 Budget	\$11,327,257	\$6,337,460	\$26,749,295	N/A	\$44,414,011
December Status	\$10,348,381	\$6,385,655	\$18,981,338	N/A	\$35,715,374
Percentage	91%	100.7%	71%	N/A	80%
Cash on the Books	\$7,425,624	\$4,672,589	\$13,779,206	\$9,000,000	\$37,923,538

Revenue Through November	
WSC	\$16,411,229
CDC	\$3,090,217

Number of ERUs			
	Thru Nov 2008	Thru Nov 2009	% Change
Lacey	206,268	213,105	3.3%
Olympia	270,721	267,801	-1.1%
Tumwater	92,903	95,831	3.2%
Total	569,892	576,736	1.2%

Number of CDC Payments Received						
	2006	2007	2008	Thru Nov 2008	Thru Nov 2009	% Change
Lacey	1888	1129	688	668	473	-29%
Olympia	439	219	201	116	231	99%
Tumwater	208	400	288	284	94	-67%
Total	2535	1748	1177	1068	797	-25%

The table above shows the number of new ERUs for which CDC payments have been received.

## Administration / Legal

### Personnel Vacancy Rate

The current vacancy rate is 1.6%.

### Time Loss

There were no employees on time loss in December.

### Safety Incidents

There were three recorded safety incidents in December. No medical attention was sought and no claims resulted from these incidents.

### Recognition

The following employees received "Thanks A LOTT" recognition at the December All Staff Meeting:

Shawn Redmond, Gary Guttormson, Terri Prather, Ed Schumaker, Justin Long, Farah Derosier, Michelle Barnett, Ben McConkey, Mike Seelig, and Ray Rodarte



## Noteworthy

- Fall Leadership Forum – LOTT’s Leadership Team attended the Fall Leadership Forum on December 11. The session was facilitated by Nancy Campbell from the University of Washington Evans School Of Public Affairs.
- South Deschutes Property Purchase – LOTT closed escrow on property located in the South Deschutes area of Thurston County. This property is expected to be used to help LOTT meet its discharge capacity requirements, including the possibility of groundwater recharge and a wetlands enhancement project. LOTT staff had negotiated with the owner and his attorney in excess of a year prior to closing.
- Staff Performance Reviews – LOTT Directors, Supervisors, and Managers are in the process of completing staff performance reviews for 2009 and establishing performance expectations for 2010. This is part of an annual performance review process that was instituted three years ago in conjunction with LOTT’s recruitment and retention initiative.
- QualServe Next Steps – LOTT staff is working on the next phases of the QualServe program, including an internal improvement report, benchmarking survey, and utility management conference to be held at the new LOTT Administrative Offices this summer.



## Communications / Environmental

### News Stories

A December 28 feature story in The Olympian recapping the Olympia City Council’s progress on their top goals for 2009 included a section about reclaimed water. The topic was also addressed as part of an editorial on January 7.

LOTT was also referenced in another editorial on January 8, addressing control of pills contaminating water. It noted that LOTT’s treatment plant offers higher retention times and, thus, better removal.

Cisco Systems, Inc. is featuring an online story about increased efficiencies as the result of LOTT’s upgraded surveillance system.

### Presentations and Tours

Staff made a presentation to Garfield Elementary School 4th graders on December 1 (50 students).

Seven tours were conducted during December, four at the main plant and three at the satellite:

- Budd Inlet Treatment Plant – Marshall Middle School 8th graders (12/2, 31 and 12/3, 32); Achieve Vocational Education Consulting staff member (12/23, 1); Wentworth, Western Washington University and Evergreen State College students (12/31, 7)
- Martin Way Reclaimed Water Plant – University of Washington (12/3, 4); Department of Ecology marine scientists (12/3, 10); Bonney Lake City Council Members and Public Works staff (12/5, 11)

## Inquiries

Staff responded to 51 requests for information received during December from citizens, sewer customers, a property neighbor, partner jurisdictions, and other communities.

## Reclaimed Water Highlights

The advisory committee process for the State Reclaimed Water Use Rule process is winding down as compilation of a draft rule is nearing completion. Staff participated in a day-long meeting of the Reclaimed Water Use Rule Advisory Committee on December 16, where the first complete draft of the rule and the revised groundwater recharge section were discussed. A complete copy of the draft rule was distributed for committee comment on December 30. Comments are due to Ecology by January 15. A final meeting of the Advisory Committee is scheduled for February 3.

## Water Conservation



This was a record year for the Water Conservation Program, with high participation in both residential and commercial flow reduction projects. Figures for the year are not yet final, but it appears that flow reduction achieved in the past year will surpass 100,000 gallons per day. Thirteen WaterSmart Technology rebates were awarded, with another five approved and pending final documentation. Commercial customers received 420 water-efficient toilets through the direct-install High-Efficiency Toilet Replacement Project. For residential projects, 1184 WashWise rebates were awarded for the purchase of water-efficient washing machines and customers received vouchers for 442 high-efficiency toilets. Final numbers for distribution of water saving kits will add to these savings when they are available next month.

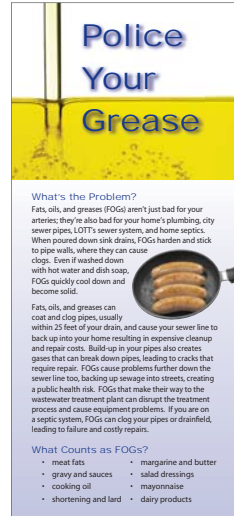
## Environmental Evaluations

Staff is preparing to begin work on SEPA Checklists for the East Bay Public Plaza project and a joint evaluation with Olympia on the environmental cleanup Interim Action Plan for the Hands On Children's Museum and Public Plaza sites.

## Noteworthy

- EPA Grant Proposals – LOTT has been invited to participate (in various roles) in three applications for federal EPA funding under the Puget Sound Watershed Management Assistance Program: 1) Serve as applicant for a Department of Ecology project that could lead to a method for tracking pharmaceuticals in wastewater treatment plants; 2) Participate in a Squaxin Island Tribe proposal to seek funding for our joint Deschutes watershed project, through which LOTT's project funding would provide the required grant match; and 3) Provide a letter of support for a Capital Land Trust project to acquire additional properties between Budd and Henderson Inlets.
- Orientation Program for New Board Members – Staff has developed a framework for an orientation program for new LOTT Board members. The program includes a mix of orientation meetings, tours, and background materials.
- Education Center Communications/Marketing Plan – Staff has prepared a draft Communications/Marketing Plan for the Water Education and Technology (WET) Center, including planning for the opening of the new Administrative/Education Center and Water Quality Laboratory building.

- Police Your Grease Program – A new handout, Police Your Grease, has been completed to explain the hazards of pouring fats, oils, and greases down the drain. The rack card provides alternative steps to take: Pour grease into a can; toss full cans into the trash; and wipe greasy pans with a paper towel. These will be distributed at the WET Center and other community events. A Police Your Grease kit was also developed, which includes a plastic lid (for covering cans of grease) and a plastic scraper, both with LOTT's logo and Police Your Grease message.
- Pacific Studio Tour – On December 15, LOTT staff visited Pacific Studio in Seattle, the contractors fabricating the exhibits for the Water Education and Technology Center. Staff reviewed construction drawings, discussed audio/visual elements, and tested prototypes for several of the exhibits. It was very exciting to see the Education Center exhibits start to come to life!



## Engineering

### Construction Change Orders

Administration Building/Education Center – This project is approximately 74% complete and is within budget and on-time. Change order packages 7 and 8 were approved this month for a credit of -\$16,187. The total cost is now \$13,065,479 with 0.724% change orders.

Tumwater Reclaimed Water Pipeline – The Tumwater Reclaimed Water Pipeline project with Hos Brothers Construction, Inc. has had one executed change order for \$15,846.00, 1.5% of the total contract amount. This change order is for special investigation and handling of contaminated soil, locating and identifying utilities not shown on the plans, and temporarily rerouting a storm water line for construction of the boring pit. This project has just begun and other change orders have been identified including additional contaminated soil removal, redesign of the pipe to avoid conflicts, rock removal from the boring under Capitol Boulevard, and delays due to the above-mentioned unforeseen problems.

### Project Updates

Mottman Road Interceptor Replacement – Dovovan Excavating, Inc. has employed a new subcontractor, Nelson and Sons Construction Company, Inc., which has caused a temporary delay. Subsequently they are now mobilizing again, and are currently digging the fist bore pit.



Deschutes to Tumwater Reclaimed Water Pipeline:

- Tumwater Section – As discussed in the change orders section, this project has not started as smoothly as we would have liked. The contractor, Hos Brothers, has worked well with LOTT identifying and working through changes including utility conflicts, contaminated soils, and rock under Capitol Boulevard. The boring across the roadway is nearly complete and all pipe is on site and ready for installation. HDPE pipe welding continues along Tumwater Valley Drive. Installation in Tumwater Falls Park is scheduled to start by the end of this week.

- Marathon Park Section – The contractor for this section is Donovan Excavating, Inc. (same contractor as Mottman Road). They are completing the submittals at this time, and are anticipated to begin work within the next two weeks.

Mullen Road Reclaimed Water Line – LOTT will have 3,200 lineal feet of 12-inch pipe installed as part of Lacey’s road construction project. The low bidder (bid opening was Dec 2) was Active Construction, Inc. The project is expected to be awarded on January 14, with construction to begin the latter part of February. LOTT’s portion of the bid was estimated to be \$327,000, but the bid came in at \$147,000. The overall engineer’s estimate was \$4.2 million, with a bid amount of \$2.8 million.

Aeration Blowers – LOTT’s application for an energy grant was received successfully. Puget Sound Energy has advised LOTT that they will award \$378,000 for this project, which is approximately 60%.

### Noteworthy

- Primary Sedimentation Basins – The second project design “workshop” with our selected General Contractor/Construction Manager (GCCM), Mortenson Construction, Inc., and engineering consultant HDR was completed January 6. The engineering design is proceeding beyond the 30% stage.
- Budd Inlet Plant Fire Alarm System – This project is currently out to bid. The project is scheduled for bid opening February 4.
- On-Call Planning and Engineering Support Contracts – The Martin Way reclaimed water system, for use at the pump station, is currently being designed.
- Locates – Staff completed 42 utility locates in December to mark LOTT pipeline utilities for various construction projects throughout Olympia, Lacey, and Tumwater.

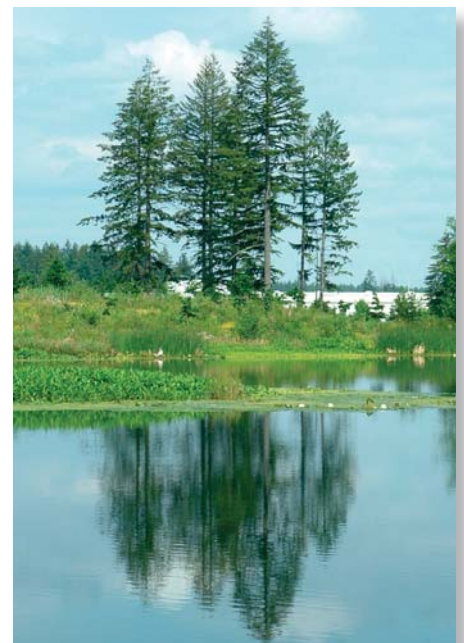
## Facilities

### Permit Compliance

Permit compliance was 100% at the Budd Inlet Treatment Plant and 100% at the Martin Way Reclaimed Water Plant for the month of December.

### Reclaimed Water Production

- Production at the Budd Inlet Reclaimed Water Plant averaged 0.37 million gallons per day (mgd) in December 2009; 3.4% of treatment plant flow was used to produce Class A Reclaimed Water.
- Production at the Martin Way Reclaimed Water Plant averaged 1.27 mgd; 4.9% of the reclaimed water was reused (all by LOTT).
- LOTT Class A Reclaimed Water production averaged a total of 1.64 mgd. Total reuse was 26.4%; total infiltration 46.7%. Additionally 22.5% of reclaimed water production at the Martin Way Plant was returned to the sanitary sewer while the distribution line to the ponds was repaired. The majority of the 4.4% difference is accounted for as excess reclaimed water from the Budd Inlet Reclaimed Water Plant returned to the process, evaporation at the ponds, line loss, and/or meter accuracy.



## Biosolids Production

During December 2009, 29 loads (871.87 wet tons total) of LOTT's biosolids were hauled by Groat Brothers, Inc. of Woodland, Washington, to Fire Mountain Farms, Inc. in Onalaska, Washington, for storage and eventual Class B land application, averaging 30.06 tons per load. A total of 9,455 tons of biosolids were produced by LOTT in 2009.

Staff secured the services of an additional biosolids beneficial use facility, Boulder Park, Inc. of Mansfield, Washington, which will be utilized once a week during the first quarter of 2010. Boulder Park land-applies biosolids to agricultural and range land in eastern Washington. Utilizing Boulder Park achieves LOTT's biosolids management goal of having at least two management options active at any one time. Boulder Park received the Excellence in Biosolids Management Award from the Northwest Biosolids Management Association in 2009 for their work with Class B Biosolids land application for King County.



## Methane Production

Of the 4,418,760 cubic feet of digester gas that was generated, about 13.3% was reused in the boiler, 69.1% was used in the new cogeneration system and 17.6% was flared. (Note – Digester gas is approximately 70% methane.)

The cogeneration facility was operating for all but 8 days during December, and produced 155,563 kilowatt-hours of power, which equates to about \$9,178. During the shutdown period the contractor was correcting punch list deficiencies. Operations of the engine-generator and control system will continue to be adjusted for maximum efficiency and power generation.

## Odor Complaints / ORCAA

Treatment Plant staff received one odor complaint during the month of December. It was determined to be coming from a series of five manholes on 14th Avenue that belong to the City of Olympia. City staff has installed rain guards in the manholes to remedy the problem.

## Noteworthy

- Reclaimed Water Leak – On December 23 a small leak was discovered on the Class A distribution line from the Martin Way Reclaimed Water Plant to the Ponds. Flow was diverted from the plant back to the sanitary sewer. Rognlin's was contracted to excavate and find the cause of the leak. A "Not To Exceed" contract for \$10,000 was prepared and executed with Rognlin's. To complete the repair, an \$8,000 cost for the fittings was added to the contract for a total of \$18,000. At 3:00, on December 31, flow was restored to the Ponds.
- Hauled Waste Discharge Permits – Staff drafted, finalized, and issued 23 Hauled Waste Discharge Permits for 2010.
- Hauled Waste – A total of 6 million gallons of hauled waste were received by LOTT in 2009, generating revenue in excess of \$678,000.

## Administrative Building / Education Center / Lab

### Environmental Cleanup

The construction of the water feature will require additional soil sampling and potential groundwater monitoring. Excavation for the water feature has begun.

### Construction Milestones

Installation of the siding is now 50% complete. Glazing (glass) is nearing completion and new ceilings are being installed in the Laboratory building. The project is approximately 74% complete. It is within budget, and change orders currently stand at +0.724%. Sheet rock work is nearly complete. The audio/visual contract is up for Board approval tonight.

### Education Center



Pacific Studio began fabrication of the exhibits in early January. Weekly conference calls between the exhibit designers (Aldrich Pears Associates), the fabrication contractors (Pacific Studio), the audio/visual production subcontractors (Boston Productions), and LOTT staff ensure that information is shared in a timely manner. Flow diagrams from Boston Productions show that the audio/visual elements are on track. Production Ready Files for the graphics are nearing completion.

### East Bay Development

East Bay Environmental Cleanup – Staff is working with the East Bay partners and the Department of Ecology to negotiate cleanup activities for parcels 4, 5, and 8. A new proposed Interim Action Plan for parcels 4 and 5, is being prepared by Brown and Caldwell, incorporating changes requested by Ecology, and should be complete by the end of January.



111 Market Street NE, Suite 250  
Olympia, WA 98501  
(360) 644-2333