

Executive Director

Noteworthy

- QualServe Peer Review – The QualServe Peer Review Team was at LOTT the week of July 13-17. The three team members had a full schedule of tours, interviews, and group meetings. LOTT was presented with the final report upon completion of the week. This report will be presented to the Board along with a visit from the head of the QualServe program, John Anderson, at the September work session. The week was a great success and several times the QualServe team members referred to LOTT as “Best in Class” in many areas.
- East Bay Development – Representatives from the Port, City of Olympia, Hands on Children’s Museum, and LOTT met to interview the three firms proposing on the Plaza design. Ultimately, Robert Droll from Lacey was selected. The contract is being prepared and should be ready for Board action at the September meeting.



Budget / Revenue

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
July Status (58%)	\$5,944,038	\$5,175,284	\$8,605,863	N/A	\$19,725,185
Percentage	52%	82%	32%	N/A	44%
Cash on the Books	\$13,763,697	\$4,672,589	\$16,363,096	\$9,000,000	\$43,799,382

Revenue Through June	
WSC	\$8,784,933
CDC	\$1,581,336

Number of ERUs			
	Thru June 2008	Thru June 2009	% Change
Lacey	109,335	113,334	4%
Olympia	143,445	143,216	-0.2%
Tumwater	48,355	52,669	9%
Total	303,979	314,760	4%

Number of CDC Payments Received						
	2006	2007	2008	Thru June 2008	Thru June 2009	% Change
Lacey	1888	1129	688	374	211	-44%
Olympia	439	219	201	55	139	153%
Tumwater	208	400	288	80	58	-28%
Total	2535	1748	1177	509	408	-20%

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

Administration / Legal

Personnel Vacancy Rate

The vacancy rate for July was 1.6%.

Time Loss

There were no employees on time loss in July.

Safety Incidents

There was one recorded safety incident in July. Medical attention was sought, resulting in a claim.

Recognition

There were no recognition events in July.



Noteworthy

- **Collective Bargaining** – On July 10, the labor and management bargaining teams met to go over information related to potential negotiation issues. On August 6 and 7, the teams received joint training in collaborative negotiation. The first bargaining session will take place on August 14. Nine additional bargaining sessions are scheduled through October 29. LOTT's current collective bargaining agreement, its first as a separate entity, will expire on December 31, 2009.
- **Office Lease Extension** – LOTT legal staff is currently negotiating with The Rants Group to extend its office lease beyond its current expiration date of February 28, 2010, in anticipation of the completion of LOTT's new Administrative building and Education Center later in 2010.
- **Lawsuit Dismissal** – The U.S. District Court for the Western District of Washington granted LOTT's motion to dismiss on August 7 in litigation brought by plaintiff West against various entities for alleged violations of the Clean Water Act (CWA). The motion was based on the insufficiency of the 60 day notice required under the CWA. WCIA has been defending LOTT under reservation of rights. It is not known whether the ruling will be appealed or the remaining state law claims will be filed in state court.



Communications / Environmental

Presentations and Tours

Eight tours were conducted during July, four at the main plant and four at the satellite:

- Budd Inlet Treatment Plant – MA Mortenson (7/7, 3); Kellogg Family (7/7, 7 family members); St. Martin's University Microbiology class (7/21, 11); YMCA Aquatic Adventures (7/22, 21)
- Martin Way Reclaimed Water Plant – HD Fowler (7/21, 7/23, 7/28, and 7/29, total of 24 individuals)

Inquiries

Staff responded to 50 requests for information received during July from citizens, agencies, businesses, consultants, and other cities.

Reclaimed Water Highlights

Staff attended the state Reclaimed Water Use Rule Advisory Committee on July 22. The group reviewed draft provisions related to submittals; permits; commercial/industrial, irrigation, and impoundment uses; and water rights impairment.

Water Conservation

LOTT's new residential toilet replacement program is off to a good start. During the first month, vouchers were provided for nearly 70 toilets for LOTT customers in all three of the city water utility service areas.



The high-efficiency toilet installation program for commercial and institutional customers continues to generate interest. Both Tumwater and Olympia have each installed over 100 toilets. The installation contractor, M&M Plumbing, is actively identifying eligible customers in Lacey.

LOTT provided a \$350 rebate for an Olympia customer who installed a composting toilet – the first of these rebates in over a year, and only the second since the program began in 1998!

Environmental Evaluations

Deschutes Parkway to Tumwater Reclaimed Water Pipeline – A joint Tumwater-Olympia public hearing on the Shoreline and Conditional Use Permit applications for the project was held on July 22. One property owner attended to learn more about the construction, but did not testify.

Noteworthy

- School District Coordination – LOTT staff met with a sub-committee of the Environmental Educators Technical Advisory Committee (EETAC) to begin work to strategically integrate non-formal educational programs into the formal curriculum of the North Thurston, Tumwater, and Olympia school districts. This work will initially focus on the Olympia School District, because they are currently updating their science curriculum. Volunteer teachers from the Olympia School District have agreed to help with this effort over the next several months. This work will ensure that LOTT staff create curriculum that fits with learning objectives, and the needs and interests of teachers, from all our local school districts.
- Sand in the City Booth – There will be a LOTT educational booth at the Sand in the City event on Saturday, August 22 from 10 a.m. to 7 p.m. Activities for kids will include sand filtering and a water conservation game.
- D. Michael Sharar Water Education Fund – Holly Gadbow and Linda Hoffman, working with the Community Foundation of South Puget Sound, have signed an agreement to establish the D. Michael Sharar Water Education Fund. The endowment fund will provide “long-term funding support for programs, activities, displays, and materials offered through the LOTT Alliance Education Center.” A shorter-term separate fund will support development of a display about the Highly Managed Plan. The agreements will be acted upon by the Foundation’s Board on August 27. Supporters plan to begin solicitation for donations immediately after that.



Engineering

Construction Change Orders

Kaiser Road Pump Station – The third change order package for \$47,482 was approved this month. This is an addition of 2.7% of the original contract amount. Total change orders total \$111,056 or 6.2% of the original contract amount. This change order package included adding razor wire to the fence, adding a fuel consumption reporting device, additional roof venting for the diesel tank, changing the hydroseed mix, and other staff-requested improvements.

Administration Building – The project is approximately 25% complete, and it is within budget. Change order package number four was approved this month. Through change order package three, the overall construction contract budget had a net credit of \$40,726. The original contract amount

was \$12,968,701. Change order package four, with a cost of \$74,865 (combination of 14 different elements) results in a total contract amount of \$13,002,840 or a change of +0.26%.

Project Updates

Kaiser Road Pump Station and Forcemain – This project is nearing completion with final paper work and as-built finalizations.

Deschutes to Tumwater Reclaimed Water Pipeline – This is a four phase project:

- Deschutes Parkway Reclaimed Water Modifications project is in the final paperwork stage and nearing closeout. Contractor DLB Earthworks completed construction last month.
- Lakeridge Drive Reclaimed Water Pipeline is being managed by the City of Olympia as part of a larger water pump station and pipeline project. Work on Lakeridge Drive is scheduled to start next week. LOTT staff are attending weekly meetings and are being kept apprised of progress. The contractor is Rodarte Construction.
- Heritage/Marathon Park Reclaimed Water Modification to replace the 4-inch pipeline with a 12-inch pipeline is currently under design. Bidding for this project is anticipated for September.
- Tumwater Reclaimed Water Pipeline is under design, and required easements are being obtained. The hearing examiner has ruled favorably on this project and permitting is in the final stages. Bidding for this project is expected to begin before the end of August.

Mottman Road Interceptor Replacement – No comments were received on the issuance of a Determination of Nonsignificance following the environmental evaluation. Permitting and easement items are nearly all resolved. Final plans and specs are being completed. The project is ready to go out for bids.

Primary Sedimentation Facilities – LOTT completed the selection process for a General Contractor/ Construction Manager, and the highest ranking firm was Mortensen Construction Inc. Staff is still negotiating the preconstruction services contract.

Fire Alarm System – This project is currently in design. Bid documents should be available for staff to review in September.

Remote Security Cameras – This project is completed. Cameras have been installed at three remote sites – Kaiser Road Pump Station, Martin Way Pump Station, and Martin Way Reclaimed Water Plant.

Martin Way Satellite Plant Water System Upgrade – Parametrix has reviewed Brown and Caldwell's design modifications and has only a couple of recommendations. Maintenance will complete the work.

LOTT Fitness Room Remodel – This project is complete and the workout room is ready for use. The project increased the fitness room size from 500 sq ft to 1000 sq ft, and was completed under budget at less than \$38,000.

Locates – LOTT received 71 utility locate calls during the month of July.

TV and Clean Sewer Lines – Sewer lines cleaned and TV'd this year included westside interceptors on Mottman Road and Crosby Boulevard and at Black Lake Boulevard and Cooper Point Road. Everson's EconoVac completed the project in three nights, and LOTT has received the videos to review and archive. Television reports will be assembled for review with Granite XP software.



Monitoring Lacey Town Center Project – Staff is coordinating with the engineer for design to relocate the LOTT reclaimed water line at the southwest corner of Britton Parkway and Marvin Road. LOTT will oversee construction of the reroute when it begins.

Facilities

Permit Compliance

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

Reclaimed Water Production

- Production at the Budd Inlet Reclaimed Water Plant averaged 0.67 million gallons per day (mgd) in July; 7.7% of treatment plant flow was used to produce Class A Reclaimed Water.
- Production at the Martin Way Reclaimed Water Plant averaged 0.87 mgd; 6.7% of the reclaimed water was reused (all by LOTT). Note: During the first 2 weeks of July Class A Reclaimed Water was diverted back to the Martin Way Pump Station instead of being distributed to the Ponds. This was due to a malfunctioning wet well level sensor, which has been replaced (a backup sensor is now kept in stock at the plant).
- Total Class A Reclaimed Water production averaged 1.54 mgd. Total reuse was 36%; total infiltration 18%; total diverted back to the Martin Way Pump Station 29%. The majority of the 17% difference in July is accounted for as excess reclaimed water from the BITP returned to the process and for refilling the ponds; additionally small differences may accumulate from evaporation at the ponds, line loss, and/or meter accuracy.



Biosolids Production

During July, 26 loads (809.18 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 Class B land application, averaging 31.12 tons per load.

Methane Production

Of the 3,240,785 cubic feet of digester gas that was generated, about 40.5% was reused in the boilers and 59.5% was flared. (Note – Digester gas is approximately 70% methane.)

Odor Complaints / ORCAA

There were no odor complaints reported to treatment plant staff during the month of July.

Noteworthy

- Process Control – During the recent planned power outage, Process Control staff replaced a defective fan on the uninterrupted power supply system. Control Systems Technician Apprentice Gabe Brannon is nearing completion of his Apprenticeship. The laboratory will be conducting sampling for our whole effluent toxicity testing, which occurs twice per permit cycle.

- Operations, Maintenance, and Process Control prepared treatment train 2, membranes 2a and 2b, and related equipment at the Martin Way Reclaimed Water Plant for operation. The second train was placed in service on July 30. Additionally, staff prepared for demolition of existing systems to facilitate the Cogen project and prepared (procedure review and notifications) for our annual power outage on August 10 to perform substation maintenance.
- Environmental Compliance – Staff finalized arrangements with the City of Olympia Utility Billing Department to adjust the monthly sewer billing of Crown Cork & Seal, Inc. to account for the large amount of water evaporation that takes place at their facility. This arrangement was based on additional metering installed by Crown Cork & Seal in May 2008, and was retroactive to that time. As a result, Crown Cork & Seal received an initial sewer bill adjustment of \$14,740, and a June 2008 monthly adjustment of \$1,275.

Staff assisted the Washington State Department of Corrections with drafting a proposal letter to the Department of Ecology for a joint biosolids/food waste composting demonstration project at the Cedar Creek Correction Center. Staff met with Kyle Dorsey, biosolids coordinator with the Department of Ecology, to discuss the status of current and potential biosolids beneficial use options being utilized or considered by LOTT.

Environmental Compliance staff also completed the Dry Cleaner Outreach Campaign, which resulted in 100% response. Response rate was indicated by receipt of fully completed Industrial User Survey forms, distribution of “Best Management Practices” literature, and confirmation site visits to all 18 facilities. The Dental Office Outreach Campaign has begun; 102 survey forms and “Best Management Practices” literature has been sent to dental offices in the three cities.

- Maintenance - A planned power outage to repair a defective automatic transfer switch went off without a hitch on August 10. Pending Board approval of a centrifuge repair contract, the large centrifuge will be sent out for repair later this month. Also in August, Raymond Rodarte will be attending Mainsaver Training in San Diego as part of his career progression program.

Administrative Building / Education Center / Lab

Environmental Cleanup

The first phase of ground disturbing activities is complete. The connection to the main influent line and the digging of the pond will require additional soil sampling and potential groundwater monitoring.

Construction Milestones

Structural steel erection is almost complete. The concrete for the second floor was poured last Thursday. The third floor will be poured this Thursday. Rough-in of electrical, plumbing, and HVAC equipment is almost complete. The contractor will begin the installation of sheetrock within the next week. The project is approximately 25% complete and within budget.



Treatment Plant Adjustments

Plant staff have been coordinating closely with the contractor to provide assistance as necessary.

Cogeneration Project

All major equipment has been ordered and City of Olympia permits were obtained. The ORCAA application was submitted. Demolition of existing equipment at the Cogen site has started. Design is 95% complete. Trane's subcontractors have almost completed the phase 1 demolition of the project and have also installed the temporary bypass. Betschart Electrical will start laying conduit from the utilidor to substation C and D the week of August 10. The generator is due to arrive on September 8. The project is on schedule. The target date for completion is November 30.

Education Center

Aldrich Pears is finalizing the bid package for exhibit fabrication and installation, which is expected to be advertised later this month. LOTT staff members are working with Aldrich Pears to complete production-ready files that are needed for fabrication.

East Bay Development

The Port's infrastructure construction project is continuing and should be complete by early November.

Public Plaza

Robert Droll, Landscape Architect headquartered in Lacey, was selected as the most qualified firm for the design of the East Bay Plaza as well as the LOTT "Swoosh" property. Staff is currently negotiating a scope of work with Droll.

Staff is working with state and county regulators to determine requirements for use of Class A Reclaimed Water in the kinds of interactive water feature(s) we would like to incorporate into the Plaza.