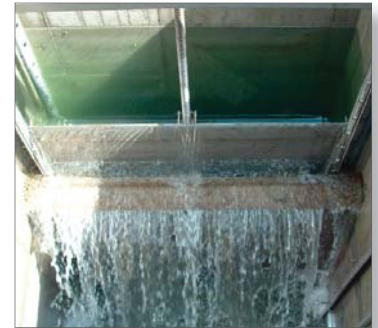


## Executive Director

### Noteworthy

- Employee Appreciation Luncheon – LOTT had an absolutely great Employee Appreciation event on October 21. Thanks to all the Electeds and guests that came and participated.
- Reclaimed Water Strategy and Land Acquisition Process – The Executive Director and General Counsel met with Thurston County Commissioners to discuss LOTT’s reclaimed water strategy and land acquisition process on property near the Deschutes River. The Commissioners agreed to participate in facilitating the land acquisition process. Final action took place at the November 17 Commission meeting.
- State Fish and Wildlife Property – Executive Director Mike Strub met with City Manager Steve Hall and Port of Olympia Marketing and Business Development Director Kari Qvigstad to discuss continued strategy for acquiring the State Fish and Wildlife property, which lies to the West of the Budd Inlet Treatment Plant. All of the agencies had been notified that the State may be moving to surplus the property in the near future. LOTT, the City, and the Port have agreed to approach the acquisition of this property as a team effort to maximize the public benefit. State General Administration (GA) has hired a consultant to develop information for GA and the Legislature in support of the surplus process. LOTT, the City, and the Port then each met with GA officials and their consultant separately to provide an overview of the needs. At this meeting the team agreed to develop a joint position paper detailing the public benefits that would accrue from the acquisition and development of the property by LOTT, the City, and the Port. This position paper would be provided to GA and their consultant as supporting material for the Legislative action.



## 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
October Status (83%)	\$8,594,533	\$6,094,433	\$15,184,825	N/A	\$29,873,791
Percentage	76%	96%	57%	N/A	67%
Cash on the Books	\$10,600,817	\$4,672,589	\$16,883,121	\$9,000,000	\$41,156,527

Revenue Through September	
WSC	\$13,451,237
CDC	\$2,583,058

Number of ERUs			
	Thru Sept 2008	Thru Sept 2009	% Change
Lacey	168,574	174,668	3.6%
Olympia	221,734	219,253	-1.1%
Tumwater	75,259	79,081	5.1%
Total	465,567	473,002	1.6%

Number of CDC Payments Received						
	2006	2007	2008	Thru Sept 2008	Thru Sept 2009	% Change
Lacey	1888	1129	688	552	375	-32 %
Olympia	439	219	201	108	210	94%
Tumwater	208	400	288	255	82	-68%
Total	2535	1748	1177	915	667	-27%

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 October.

### Safety Incidents

There were no recorded safety incidents in October.



## Recognition

The following employees received recognition at the annual Employee Appreciation Event, which was held on October 21:



### Annual Awards

Thanks A LOTT Merit Award: Kristine Smiley, Records Technician  
Innovation Award: Lisa Dennis-Perez, Public Communications Manager  
Leadership Award: Dale Ackley, Maintenance Technician  
Commitment to Excellence Award: Jim Howard, Control Systems Technician  
John DeYoung Inspirational Award: Borek Busta, Operator I  
Blooper of the Year: Tyle Zuchowski, Capital Planning Manager

### Service Awards

5 Years: Michelle Barnett, Rick Hughes, and Karen Tuomey  
10 Years: Karen Barr, Donna Bradshaw, and Mike Seelig  
15 Years: Steve Knight and Paula Williamson  
20 Years: John Damitio  
25 Years: Rene Herrera and Charles Roberts  
30 Years: Curt Miller

## Noteworthy

- Lawsuit Dismissal – The case of West v. LOTT Alliance, which was venued in the United States District Court in Tacoma, was recently dismissed. Washington Cities Insurance Authority Risk Pool defended LOTT under reservation of rights, meaning the cost of defense to LOTT was minimal.
- Property Purchase Completed – LOTT closed escrow on property adjacent to its Budd Inlet Treatment Plant on October 30, 2009 after several years of negotiation. The approximately two-acre property will allow LOTT to construct critical upgrades to the treatment plant.
- Financial Report Award – LOTT's Comprehensive Annual Financial Report for the year ended 2008 was awarded the Certificate of Achievement for Excellence in Financial Reporting by the Government Finance Officers Association of the United States and Canada. The Certificate of Achievement is the highest form of recognition for excellence in state and local government financial reporting. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.
- Certificate of Appreciation – LOTT received a certificate of appreciation from Community Youth Services for participation in the Career TREK Summer Youth Employment Program.
- Surplus – LOTT recently received a check from General Administration in the amount of \$936.39 for several items that were declared surplus by the Board.
- FEMA Reimbursement – LOTT recently received reimbursement from FEMA in the amount of \$92,760 for the emergency standby pumps at the Mottman Road site.

## Communications / Environmental

### News Stories

A feature story about LOTT's 2010 budget appeared in the November 17 Olympian.

The Community Foundation's fall newsletter, "Faces of Giving," included a feature story about establishment of the D. Michael Sharar Water Education Fund and how it will benefit LOTT's Education Center.

### Presentations and Tours

Six tours were conducted during October, five at the main plant and one at the satellite:

- Budd Inlet – Centennial Elementary School (10/5, 78); St. Martin's University microbiology class (10/6, 19); employee's family (10/16, 3); Cub Scouts to earn merit badge (10/19, 12); Avanti High School (10/27, 15)
- Martin Way Reclaimed Water Plant – Ft. Lewis Wastewater Program staff (10/2, 2)

### Inquiries

Staff responded to 84 requests for information received during October from citizens, agencies, contractors, and other cities and wastewater utilities.



### Reclaimed Water Highlights

Staff attended two meetings as part of the State Reclaimed Water Use Rule process:

- Reclaimed Water Use Rule Advisory Committee, October 28 – The group discussed text for commercial, industrial, and community uses; irrigation; wetlands uses; and surface water augmentation. The committee also reviewed water rights impairment recommendations.
- Trace Organics Subcommittee, November 16 – The committee developed recommendations for potential rule text regarding pharmaceuticals, personal care products, and endocrine disrupting compounds.

### Water Conservation

One WaterSmart rebate was awarded in October. Mountain View Church in Tumwater retrofitted five urinals with high-efficiency flush valves that use only 1/8 of a gallon per flush. The project is expected to reduce flows by 210 gallons per day. At a rebate of \$2,458.42, the project had a cost-effectiveness of \$11.70 per gallon of capacity gained.

Commercial customers have requested more than 400 toilets this year through the High Efficiency Toilet (HET) Replacement program. M&M Plumbing is busy with installations through the end of the year.

### Noteworthy

- Ecology Approving Budd Inlet Funding – With signing of the Interlocal Agreement completed between all the Budd Inlet Restoration parties, Ecology notified WSU Extension on November 17 that they are moving the Budd Inlet Restoration project funding forward and will be developing

an interagency agreement with WSU for the work. Once the agreements are in place, a Phase II kickoff meeting will be scheduled, probably in mid-December.

- Dissolved Oxygen Meeting with Ecology Staff – Several LOTT staff met with Ecology staff members on October 22 to get update briefings about the South Puget Sound Dissolved Oxygen Study and a statewide Evaluation of Nutrient Removal Technologies at Wastewater Treatment Plants.
- Pharmaceuticals and Personal Care Products Study – Staff attended a Coalition for Clean Water meeting on November 12 where Ecology and EPA staff members presented summary results of the Pharmaceuticals and Personal Care Products Study in which LOTT participated. The draft report is out for “external review,” with comments due November 24. LOTT staff is part of that review. The final report is expected by the end of the year.
- Education Tools – Staff worked with a graphic contractor to complete a new version of the Thurston County “Watershed Game,” updating the graphics and adding a component to the game for a water drop to become reclaimed water as it travels throughout the watershed. Staff also developed two new interactive floor games for teaching water conservation and the water cycle, and developed new PowerPoint presentations for school programs.

## Engineering

### Construction Change Orders

The Kaiser Road Pump Station contractor completed the final change order, which involved some large rock for vandal protection and some additional building flashing. The final contract total is \$1,908,809.44, a 6.7% total change for the entire project. This project is now ready to be closed out.

The Administration Building project is approximately 65% complete and is within budget and on-time. Change order package 6 was approved this month for \$8,663. The total cost is now \$13,081,666, with 0.84% change orders.

### Project Updates

Mottman Road Interceptor Replacement – Notice to proceed for construction was issued to Donovan Excavating, Inc. on November 2, 2009. Donovan has mobilized and is completing erosion control and protection measures.

Kaiser Road Pump Station – Staff is incorporating as-built drawings and the O&M Manual into the LOTT data systems and procedures.

Deschutes to Tumwater Reclaimed Water Pipeline:

1. Deschutes Parkway Reclaimed Water Modifications – Preparation contract with DLB Earthworks is complete.
2. Lakeridge Drive Reclaimed Water Pipeline – This segment is being completed as part of the City of Olympia’s water upgrade project with Rodarte Construction. Connection to the existing 20-inch pipe in Deschutes, sanitizing the 20-inch pipe, and piping connection to the future booster station are scheduled for this month. Pigging the 20-inch line and the 4-inch irrigation connections have been completed.
3. Heritage/Marathon Park Reclaimed Water Modification – Contract execution and submittal are currently underway. Meetings with Washington State General Administration are taking place this week for coordination of closing the foot bridge at Marathon Park.



4. Tumwater Reclaimed Water Pipeline – This project was re-bid, and bids were opened November 5. Award to Hos Brothers is an agenda item.

Mullen Road Extension Project – The City of Lacey is bidding this project this week. Construction will begin in spring of 2010. As a part of this project LOTT will have 3,400 feet of 12-inch reclaimed water pipeline from the future Mullen Road Reclaimed Water Plant to Ruddle Road installed. The engineers estimate is \$350,000 for LOTT's portion of the work. Additional costs for design and construction management will also be incurred for this project.

Cogeneration Project – Trane has completed all construction and is currently in start-up and commissioning. Training is being conducted and the punch list developed. O&M Manuals are being completed. An owner-requested site improvement change order is being developed.



## Noteworthy

- Primaries and Process Improvement Projects – LOTT staff have been meeting with consultants HDR and Brown and Caldwell to further refine the approach to Process Improvements.
- Pipeline Inspection Training – Three LOTT construction managers travelled to Vancouver, Washington, and attended excellent tunneling training, which is related to the Mottman Interceptor Replacement project.
- Budd Inlet Treatment Plant Fire Alarm System – This project is currently in final design. The project is scheduled to go out to bid in January.
- Martin Way Pump Station Reclaimed Water Line – Parametrix's scope of work has been approved and they are beginning design.
- Locates – Processed 47 utility locates in October to mark LOTT pipeline utilities for various construction projects throughout Olympia, Lacey, and Tumwater.

## Facilities

### Permit Compliance

Permit compliance was 99.7% at the Budd Inlet Treatment Plant and 100% at the Martin Way Reclaimed Water Plant for the month of October.

### Reclaimed Water Production

- Production at the Budd Inlet Reclaimed Water Plant averaged 0.38 million gallons per day (mgd) in October; 4.4% of treatment plant flow was used to produce Class A Reclaimed Water.
- Production at the Martin Way Reclaimed Water Plant averaged 1.19 mgd; 5.5% of the reclaimed water was reused (all by LOTT).
- LOTT Class A Reclaimed Water production averaged a total of 1.57 mgd. Total reuse was 28.3%; total infiltration 66.9%. The majority of the 4.8% difference is accounted for as excess reclaimed water from the BITP returned to the process, evaporation at the ponds, line loss, and/or meter accuracy.

## Biosolids Production

During October, 25 loads (764.08 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 30.56 tons per load.

## Methane Production

Of the 4,209,874 cubic feet of digester gas that was generated, about 45% was reused in the boilers, and 55% was flared or used in testing of the new cogeneration system. (Note – Digester gas is approximately 70% methane.)

## Odor Complaints / ORCAA

- ORCCA issued its final permit for the cogeneration project.
- Staff received no citizen complaints during the month of October.

## Noteworthy

- Satellite Plant Spill Update – There was 1 spill in October at the Martin Way Reclaimed Water Plant. The spill began at about 10:15 am on Wednesday, October 7, and ended at 10:32 am. Approximately 10,800 gallons of wastewater flowed down the driveway within the plant site, entering the stormwater treatment basin at the north end of the property. The spill occurred as a result of maintenance work at the nearby Martin Way Pump Station. A valve was inadvertently opened that directed all the flow from the pump station to the Martin Way Plant. Once the spill was discovered, LOTT staff worked quickly to correct the valve settings and cleanup the spill. City of Lacey staff responded with a vactor truck, which was used to collect water from the stormwater treatment basin. The area of the spill was washed down thoroughly and the wash water was collected by the vactor truck. The spill was reported to state and local officials. To prevent this type of occurrence in the future, the valves at the pump station will be relabeled to clarify destination and direction of flow. Additionally, operations and maintenance protocols for returning equipment to service have been revised to ensure positive contact between maintenance and operations staff.
- Plant Shut-Down – A 4-hour plant shutdown occurred on October 20 to allow the cogeneration and Administration Building contractors to perform work in substations C and D in support of their respective projects.
- Total Coliform Contamination – Operations and Process Control staff discovered a source of potential total coliform contamination of Class A Reclaimed Water at the Budd Inlet Treatment Plant. The source is offline chlorine contact basins in conjunction with dust from the construction project. A change to the procedure for bringing a sand filter and contact basin into service has been made ensuring that water sitting in the contact basin is retreated.
- Recharge Basin Investigation – In mid-August, across the street from the Hawks Prairie Pond site, the owners of Pacific Disposal noted water surfacing in their trailer storage yard. This water appears to be traveling from one of our recharge basins onto their site. After investigation, recharge basin 4 has been eliminated as a source of this water. Currently, basin 3 is on-line with no off-site effects noted as of November 3.



# Administrative Building / Education Center / Lab

## Environmental Cleanup

The first phase of ground disturbing activities is complete. The construction of the water feature will require additional soil sampling and potential groundwater monitoring.

## Construction Milestones

The building structure is complete. All floors are being framed with plumbing and electrical rough-in occurring. Roofing is nearing completion and glazing (glass) is being installed in the laboratory building.

The exterior siding on the building was unsatisfactory, and the siding material is being changed to a stiffer material with a slightly different appearance. The original siding was demonstrating what is called "oil canning" or bulges and dips in the metal. The oil canning is almost invisible with close inspection. Viewing from a distance, especially with sunshine makes the oil canning very evident. Careful examination showed that the materials were being installed properly and that some of the materials provided were unacceptable.

## Treatment Plant Adjustments

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

## Cogeneration Project

The Jenbacher engine is producing power and Phase One of training complete. Puget Sound Energy has finalized breaker settings, as-built drawings have been delivered, a punch list is being developed, and the commissioning process is in progress.

## Education Center

The exhibit fabrication contract has been signed with Pacific Studio of Seattle, Washington. A pre-construction meeting was held November 9 with the contractor, several subcontractors, the exhibit designers, and LOTT staff. The meeting was productive and the work is off to a good start. Installation of exhibits is tentatively scheduled to begin May 3 and end May 23. The contractor has until June 27, 2010, to correct and finalize the exhibit elements.



## Public Plaza

Work on the Plaza landscape design contract with Bob Droll is just beginning. A first pre-design meeting was held on November 4.

## East Bay Development

The Port's infrastructure construction project will be active throughout the winter and is expected to be complete by March 15, 2010.