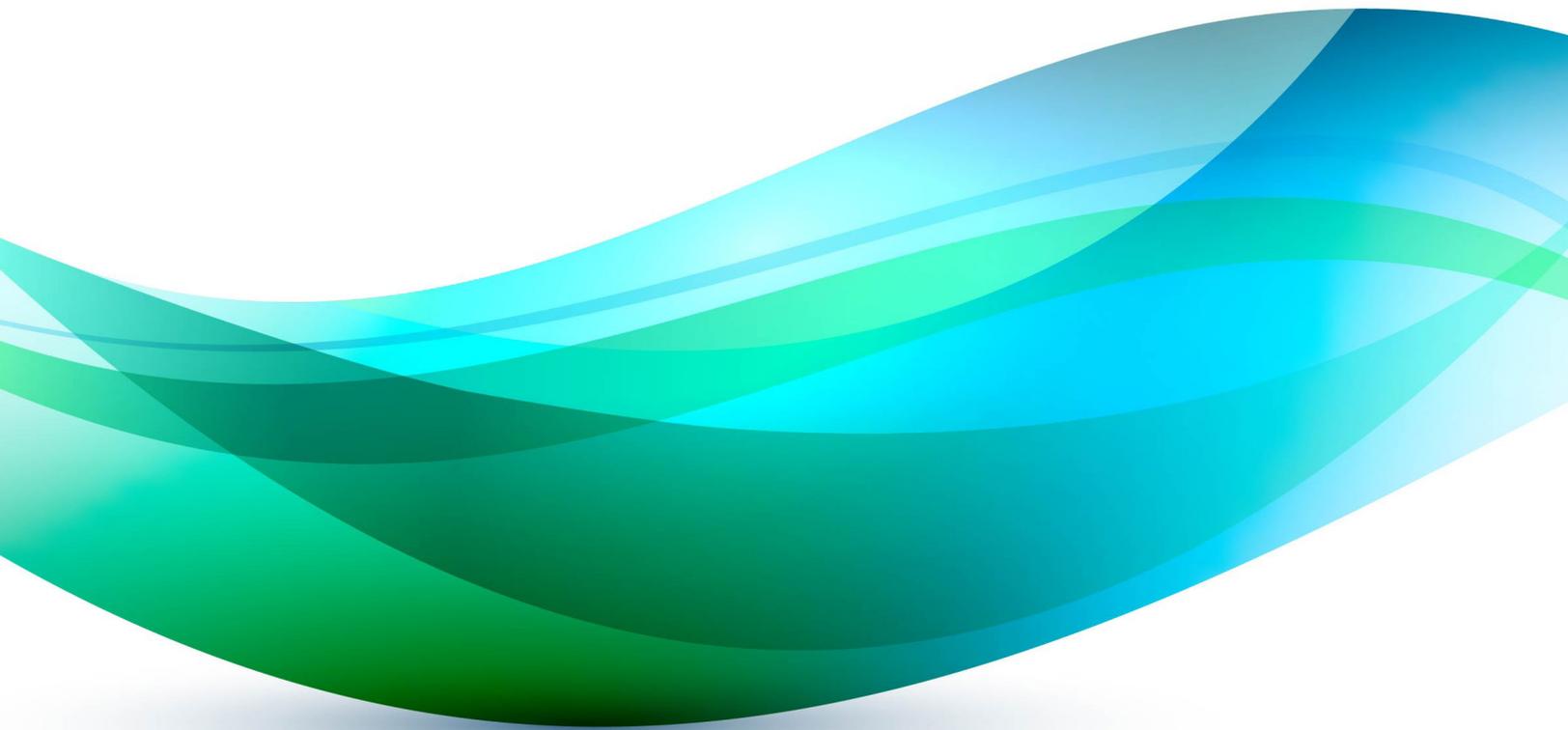


# ANNUAL REPORT

2025





# Message from Executive Director Matt Kennelly

At LOTT Clean Water Alliance, our work begins and ends with a simple commitment, to protect public health and the environment by cleaning water and recovering resources for our community. That mission is both practical and personal, because every day our neighbors count on us to do this work safely, reliably, and responsibly.

2025 was a meaningful year for LOTT. It was our first full year operating under the 2025–2030 Strategic Plan, and we made steady progress across our facilities and operations. We focused on improvements that build long-term strength, better performance, better planning, and better service.

We also continued strengthening our resilience. Emergency preparedness improved, safety work advanced, cybersecurity protections grew stronger,

## LOTT's Mission

To protect public health and the environment by cleaning water and recovering resources for our community.

and we allocated funding toward resiliency efforts. Just as importantly, we invested in our people through training, support, and opportunities for growth, because dependable service depends on a workforce that feels prepared, valued, and supported.

Connection to our community remained a central focus. Through workshops, tours, and education programs, we welcomed residents and students into learning experiences that build understanding and trust. We also continued moving forward on projects that reflect the future of clean water work, including expanding water reuse options

and efforts to reduce our carbon footprint. Being recognized as a Utility of the Future Today by our wastewater industry was an honor, and it reflects the dedication and professionalism our team brings to this mission.

Looking ahead to 2026, our focus stays steady, supporting our people, meeting our responsibilities, and maintaining the trust of the community we serve.

Thank you to our staff, Board of Directors, our partner jurisdictions, and our community members for your continued support.



Matthew J. Kennelly, P.E., Executive Director



# Message from Board Chair Tye Menser

LOTT is a partnership built on trust. Trust among our member jurisdictions, Lacey, Olympia, Tumwater, and Thurston County, and trust from the public that we will protect public health and the environment by cleaning water and recovering resources for our community. The Board takes that responsibility seriously, and 2025 was a year that reinforced just how important steady oversight and clear direction are to sustaining that trust.

Throughout the year, the Board focused on strong governance, accountability, and long-term readiness. We supported continued implementation of the 2025–2030 Strategic Plan and monitored progress across key areas of effective utility management, including resilience, asset stewardship, customer focus, financial planning, and regulatory compliance. This work matters because good governance is not just policy and process, it is how we ensure public resources are used well and services remain dependable.

We were also proud to see LOTT pair strong internal performance with meaningful community impact. Education and outreach efforts continued to reach thousands of residents and students, including programs connected to the WET Science Center. Partnerships deepened, strengthening environmental stewardship and local engagement. At the same time, LOTT continued investing in forward looking solutions, including treated water reuse, that will help our region plan wisely for the future.

The Board remains committed to prudent financial management and clear decision making, with the goal of maintaining excellent service and supporting rate stability over time. LOTT’s recognition as a Utility of the Future Today from our wastewater industry reflects real progress, shaped by teamwork, innovation, and responsibility, and it is a credit to the staff who deliver on this mission every day.

On behalf of the Board of Directors, thank you to the LOTT team for your professionalism and dedication, and to our community members and regional partners for your trust and collaboration. As we move into 2026, we are ready to keep working together to meet complex challenges, deliver essential services, and protect the waters we all rely on.

In partnership and purpose,



Tye Menser, LOTT Board Chair

## LOTT Board of Directors 2026



Carolyn Cox  
City of Lacey



Dani Madrone  
City of Olympia



Kelly Von Holtz  
City of Tumwater



Tye Menser  
Thurston County

# LOTT's Performance in 2025

Each year, LOTT evaluates its performance against 10 key attributes and 18 priority activities identified in the Strategic Plan. The plan spans the 2025-2030 planning period and is available in full at [www.lottcleanwater.org](http://www.lottcleanwater.org).

## Enterprise Resiliency

**Emergency Funds | Operational Capability | Emergency Planning | Cybersecurity | Physical Security | Emergency Preparedness**

Enterprise resiliency reflects our ability to withstand disruptions while continuing to deliver essential public services. In 2025, resilience remained a priority across multiple initiatives.

All critical equipment was maintained to ensure uninterrupted operations. The Emergency Response Plan was updated and reinforced through staff drills to strengthen preparedness. We upgraded physical security systems to strengthen facility protection, and our financial safeguards remained strong, including six months of operating reserves and \$3 million dedicated to emergency capital needs. In addition, 100% of our employees completed enhanced cybersecurity training, further fortifying our defenses against digital threats.



*All critical equipment was maintained to ensure uninterrupted operations.*

## Workforce Development

**Retention | Safety | Staff Engagement | Development**



A strong and engaged workforce is fundamental to our success. In 2025, we continued investing in recruiting, retaining, and supporting highly skilled employees while prioritizing safety and wellness. These efforts reduced our Labor & Industries experience rating to 0.9265, well below the target of 1.0.

Eighty-eight percent of staff participated in wellness activities, contributing to our recognition with our 15th consecutive WellCity Award. The WellCity Award recognizes organizations that demonstrate a sustained commitment to employee health through comprehensive wellness programming, leadership support, and high levels of staff participation.

Employee engagement remained high through the implementation of a two-way continuous feedback model between supervisors and staff, and the launch of the new LOTT Connections mentorship program. Knowledge sharing was strengthened through "Snack and Share" events, staff communications summarizing conference learnings, and peer-to-peer exchanges, all of which helped sharpen technical skills and foster collaboration across the organization. In November, we were notified we had received a National Environmental Achievement Award from the National Association of Clean Water Agencies for our workforce development program.

# Infrastructure Strategy and Performance

## Asset Management | Capital Planning | Capital Improvements

A robust infrastructure strategy ensures we manage wastewater equipment and processes effectively to deliver reliable service. In 2025, we dedicated more than 24,000 hours to corrective and preventive maintenance, with over half of that time focused on prevention across nearly 6,000 cataloged assets. We advanced a comprehensive project to prepare for the transition to a new asset management system in 2026, designed to improve efficiency and support data-driven decision-making. All new construction project assets were successfully integrated into the current system, ensuring consistency in asset tracking and management.



*LOTT manages wastewater equipment and processes effectively to deliver reliable service.*

We maintained an up-to-date capacity assessment tool, continued coordination with jurisdictional partners, and initiated technical analyses to support a future request for re-rating the Budd Inlet Treatment Plant. Together, these efforts strengthened our operational reliability and positioned us for long-term infrastructure sustainability.

Major Capital Projects	
Project	Status
Sludge Thickening System Improvements	100% Constructed
Centrate Building Rehabilitation	100% Constructed
Substation and Switchgear A/B Replacement	Equipment designed and purchased Installation 90% designed
Digester System Improvements: Phase 2	30% Constructed
Pumping and Emergency Power Improvements	30% Designed

# Customer Experience and Satisfaction

## Responsiveness | Public Engagement

Customer satisfaction reflects our commitment to responsiveness, transparency, and community engagement. In 2025, more than 12,000 people participated in our education and outreach programs, reinforcing the WET Science Center’s role as a valued community destination. Nearly 300 customer inquiries were addressed within two business days, achieving a 100% compliance rate. Our monthly service charges remain below the regional average and within U.S. Environmental Protection Agency affordability guidelines.

LOTT  
Monthly Rates  
**BELOW**  
regional  
average

# Community Understanding and Support

## Educational Partnerships | Community Engagement



*Our education program continued partnerships with all three school districts, reaching 2,700 students with water-focused environmental curricula.*

Community support is essential to sustaining our mission and advancing key projects. In 2025, LOTT’s education program continued partnerships with all three school districts, reaching 2,700 students with water-focused environmental curricula. We also strengthened relationships with neighboring organizations, including the Port of Olympia and the Hands On Children’s Museum, through regular coordination, reviewing our joint efforts, and meetings at our facilities.

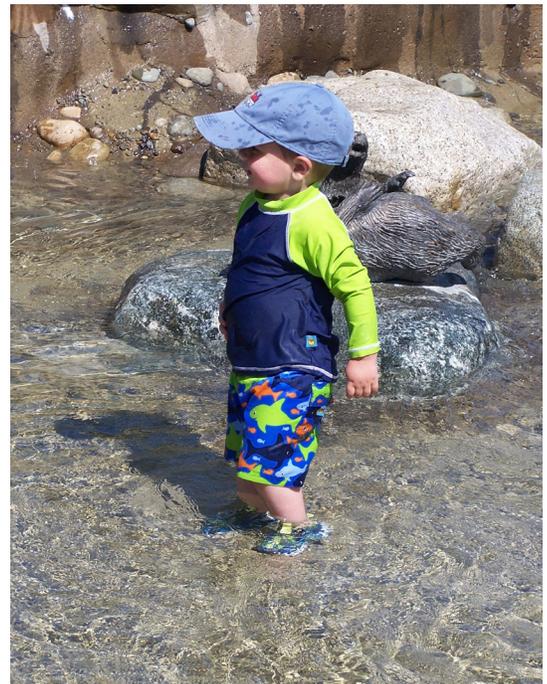
Building on our Accord with the Squaxin Island Tribe, we provided water quality funding for the Deschutes Estuary Project and welcomed the Tribe’s Chairman to share their long history and cultural connection to the region.

# Water Resource Sustainability

## Demand and Supply Planning | Beneficial Reuse

Sustainable water resource management is essential to ensure long-term availability and beneficial use. In 2025, we collaborated with the cities of Lacey, Olympia, and Tumwater on reclaimed water planning and production, reducing our reliance on local potable supplies. We also became the first utility in Washington to submit an application for a Class A+ reclaimed water pilot permit—an important milestone in advancing water reuse.

We achieved this milestone through the combined efforts of our planning, engineering, operations, and outreach teams, with support from the Washington State Departments of Ecology and Health, the Squaxin Island Tribe, legislators, partner jurisdictions, and others. These partnerships strengthen our region’s water sustainability and demonstrate our leadership in innovative resource management.



*Sustainable water resource management is essential to ensure long-term availability and beneficial use.*

# Community Sustainability

## Carbon Footprint



We are reducing environmental impacts while supporting broader community goals. Since 2015, we have cut greenhouse gas emissions per capita by 42%, reflecting significant progress in environmental stewardship.

In partnership with local jurisdictions, programs such as Affordable Housing Support and the Septic Conversion Incentive have advanced community priorities, while our funding for portable toilet facilities has helped reduce pollution reaching our receiving waters.

We have also contributed to regional resilience through our work in support of the Deschutes Estuary and Sea Level Rise initiatives, strengthening pathways for clean water and helping protect downtown Olympia from future climate impacts.

*LOTT's funding of portable toilet facilities has helped reduce pollution reaching our receiving waters.*

# Operational Optimization

## Treatment Performance

Operational optimization emphasizes maximizing efficiency, reliability, and overall performance. In 2025, we advanced this priority through several key initiatives. Our pilot team planned and tested new technologies to enhance treatment processes, while inventories of critical parts were strengthened to ensure operational continuity. We upgraded the Centrate Handling Facility improving treatment reliability and added a new source of solar energy to LOTT's renewable portfolio.

Most notably, we achieved zero instances of permit exceedances for pollutant discharge throughout the year, underscoring the organization's commitment to operational excellence and environmental compliance.

Combined  
Sewer  
Overflows  
**ZERO** since  
2009

Volume of Wastewater Treated*			
Budd Inlet Treatment Plant	2023	2024	2025
Daily Average Flow	11.8	12.2	12.0
Minimum Average Usage	9.5	9.8	9.5
Maximum Monthly Average	15.2	16.5	17.2
Peak Flow	64.1	58.8	60.4

\* Million gallons per day

# Financial Viability

Budget Management | Financial Planning | Liquidity | Financial Procedure Integrity | Debt Service Coverage



Financial viability ensures that we can sustain operations while investing in future needs. Our Board updated all our financial policies, marking significant progress in strengthening governance and oversight.

Our most recent state audit identified no control deficiencies or material weaknesses, affirming the integrity of our financial practices. We closely monitored debt service coverage and revenue ratios throughout the year to maintain fiscal stability and ensure long-term financial resilience. We also continued to closely track both the Operating and Capital budgets amid a continued environment of rising costs.

*The most recent state audit identified no control deficiencies or material weaknesses, affirming the integrity of our financial practices.*

# Regulatory and Reliability Performance

Regulatory Compliance | Treatment Reliability | Resource Recovery

Our regulatory and reliability performance reflects our ability to consistently meet or exceed compliance standards. In 2025, we advanced this priority by continuing to produce reclaimed water, biosolids, and biogas for beneficial reuse. Our treated water discharge levels remained well below permit limits.

We also maintained our recent record of zero combined sewer overflows to Budd Inlet. These results place us among the nation’s leaders in treatment performance and highlight our ongoing commitment to regulatory excellence and resource recovery.



*LOTT's treated water discharge levels remained well below permit limits.*

## Budd Inlet Treatment Plant

Type	Discharge Limits	Performance
Biochemical Oxygen Demand (BOD) November-March	30 mg/L 5640 lbs/day	5.43 mg/L 605 lbs/day
Biochemical Oxygen Demand (BOD) April, May & October	8 mg/L 900 lbs/day	6.16 mg/L 523 lbs/day
Biochemical Oxygen Demand (BOD) June-September	7 mg/L 671 lbs/day	3.85 mg/L 272 lbs/day
Total Ammonia (as N) November-March	26 mg/L	0.45mg /L
Total Inorganic Nitrogen (TIN) April, May & October	3 mg/L 338 lbs/day	1.95 mg/L 162 lbs/day
Total Inorganic Nitrogen (TIN) June-September	3 mg/L 288 lbs/day	2.09 mg/L 146 lbs/day
Total Suspended Solids (TSS)	30 mg/L 5265 lbs/day	7.17 mg/L 645 lbs/day
Fecal Coliform Bacteria	200/100 mL	5/100 mL

## Budd Inlet Reclaimed Water Plant

Type	Discharge Limits	Performance
Total Nitrate	10 mg/L	2.17 mg/L
Turbidity	2–5 NTU	0.57 NTU
Total Coliform Bacteria	< 23 MPN/100 mL	0 MPN/100 mL

## Martin Way Reclaimed Water Plant

Type	Discharge Limits	Performance
Biochemical Oxygen Demand (BOD)	20 mg/L	2.01 mg/L
Total Suspended Solids (TSS)	30 mg/L	0.08 mg/L
Total Nitrogen	10 mg/L	2.89 mg/L
Turbidity	0.2–0.5 NTU	0.04 NTU
Total Coliform Bacteria	< 23 MPN/100 mL	0 MPN/100 mL

mg = milligram, mL = milliliter, mg/L = milligrams per liter, lbs = pounds,  
NTU = Nephelometric Turbidity Unit, MPN = Most Probable Number

# Work Plan Priorities 2025-2030

The 2025-2030 Strategic Plan includes initiatives and actions that build on and sustain our current efforts. These priorities form the foundation of our 2025-2030 work plan, which is designed to support and bolster our ability to continually meet our mission. The work plan reflects our Culture of Excellence, which includes a commitment to continual improvement.

Our Work Plan identifies actions related to the Ten Attributes of Effective Utility Management. The following summary highlights our progress in these ten areas. Additional information is available in the 2025-2030 Strategic Plan at [www.lottcleanwater.org](http://www.lottcleanwater.org).

## Priority Activities

-  **Enterprise Resiliency**
  - Initiative 1. Improve Emergency Preparedness..... ongoing
  - Initiative 2. Proactively Address Unregulated Chemicals as an Emerging Risk Area ..... ongoing
-  **Workforce Development**
  - Initiative 1. Develop and Maintain a Highly Capable Workforce ..... on track
  - Initiative 2. Foster Employee Engagement, Belonging, and Retention..... on track
-  **Infrastructure Strategy and Performance**
  - Initiative 1. Update Asset Management Program..... ongoing
  - Initiative 2. Enhance Capacity Planning Processes..... ongoing
-  **Customer Experience and Satisfaction**
  - Initiative 1. Expand Communications and Outreach..... ongoing
  - Initiative 2. Formalize Affordability Review Process..... completed



## Community Understanding and Support

Initiative 1. Build and Strengthen Community Partnerships ..... on track

Initiative 2. Enhance Educational Programming..... ongoing



## Water Resource Sustainability

Initiative 1. Participate in Integrated Water Resource Planning..... on track

Initiative 2. Advance and Promote Resource Recovery ..... on track



## Community Sustainability

Initiative 1. Implement a Climate Action Strategy ..... ongoing

Initiative 2. Adapt Community Support Programs to Current Needs ..... on track



## Operational Optimization

Initiative 1. Increase Treatment Process Resiliency ..... on track

Initiative 2. Reduce Power Demands ..... ongoing



## Financial Viability

Initiative 1. Maintain Predictable and Affordable Rates ..... on track



## Regulatory and Reliability Performance

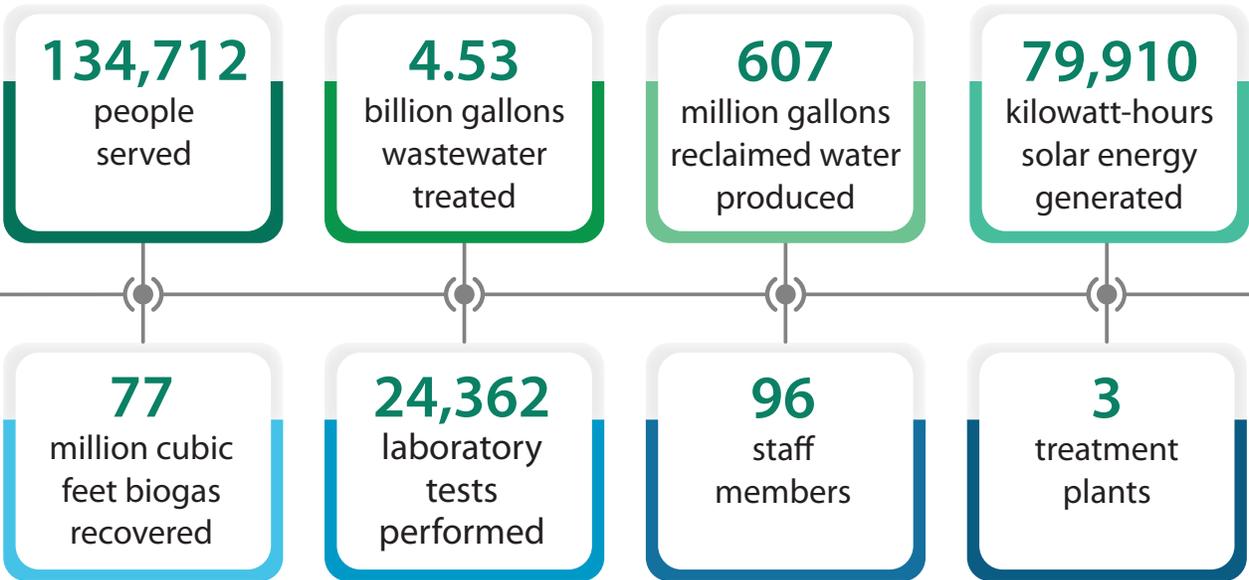
Initiative 1. Maintain Excellence in Permit Compliance and Resource Recovery..... on track

# Your Wastewater Utility

The LOTT Clean Water Alliance is a non-profit corporation responsible for wastewater treatment in the urban areas of north Thurston County, Washington. L-O-T-T stands for the four government partners – the cities of Lacey, Olympia, and Tumwater, and Thurston County – that form and govern our regional utility.

## A Brief Overview

In 2025, our dedicated staff worked diligently to treat and clean the water residents use every day while planning for the future, ensuring continued protection of water quality and public health for years to come.



# Our Mission

LOTT's mission is to protect public health and the environment by cleaning water and recovering resources for our community.



*The Budd Inlet Treatment Plant, located in downtown Olympia, is among the nation's leaders in treatment performance.*



