



2019-2024 Strategic Plan



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Introduction

The LOTT Clean Water Alliance is a nonprofit corporation responsible for wastewater management services for the urban area of north Thurston County, Washington. Our services include wastewater treatment and reclaimed water production. The acronym L-O-T-T stands for our four government partners – the cities of Lacey, Olympia, and Tumwater, and Thurston County. LOTT is governed by a Board of four elected officials appointed from these partner jurisdictions and operates under the authority of an interlocal agreement. LOTT's joint facilities include a large centralized treatment plant, a satellite treatment plant, three major pump stations, sewer interceptor pipelines, and reclaimed water distribution pipelines.



To efficiently and effectively manage this essential regional utility, LOTT has developed this Strategic Plan, which documents the organization's goals and objectives for the 2019-2024 planning period. The intent of this multi-part plan is to improve LOTT's ability to manage risk and to further optimize LOTT's resources, including people, assets, and processes. This plan has been developed with broad participation from the LOTT Board of Directors, senior management, and staff members across the organization. Input into the planning process was gathered through visioning exercises, topic team meetings, senior management meetings, and numerous Board work sessions.



Strategic Planning History

LOTT has conducted two previous rounds of strategic planning, and each round has had a slightly different focus. The first round, for the time period 2006-2012, was conducted with the goal of meeting the U.S. Environmental Protection Agency's (EPA) requirement that wastewater and water utilities have a Capacity, Management, Operation, and Maintenance Performance Program Plan. "Effective utility management contributes to infrastructure sustainability by institutionalizing management systems and other innovative approaches, which can lead to reduced infrastructure costs and improved performance across a full range of utility operations." This theme was an appropriate focus for that first plan, as it was a time of "building" the organization. Many of LOTT's employees had just transferred over to LOTT from the City of Olympia, and the building blocks of the organization were being set into place.



The second iteration of the strategic plan, for 2013-2018, focused on establishing many of the processes and procedures necessary for the organization to become fully functional. There was also a focus on accountability and identifying each staff member's integral role in the mission and success of the organization. This was accomplished through an ambitious effort that included active participation and input from nearly every employee in the organization.

This current planning effort, for 2019-2024, builds on the previous iterations. The focus is the overall sustainability of the organization, in the context of substantial changes facing LOTT in the next few years. These changes involve retirement of many key staff, including executive leadership and highly skilled technical experts, and regulatory changes like reduction in LOTT's discharge limits that are expected with the completion of the state's Deschutes River/Capitol Lake/Budd Inlet Total Maximum Daily Load (TMDL) study. The intent of this Strategic Plan is to ensure that LOTT is well positioned to adapt to these changes and effectively meet our mission well into the future.

Plan Framework

This plan renews LOTT's organizational values and sets a high bar for the levels of service that LOTT continually strives to provide to our communities. Performance objectives that reflect LOTT's values are identified in the plan. These objectives, along with additional metrics, provide a framework for accountability and a means of tracking and reporting organizational and operational performance.

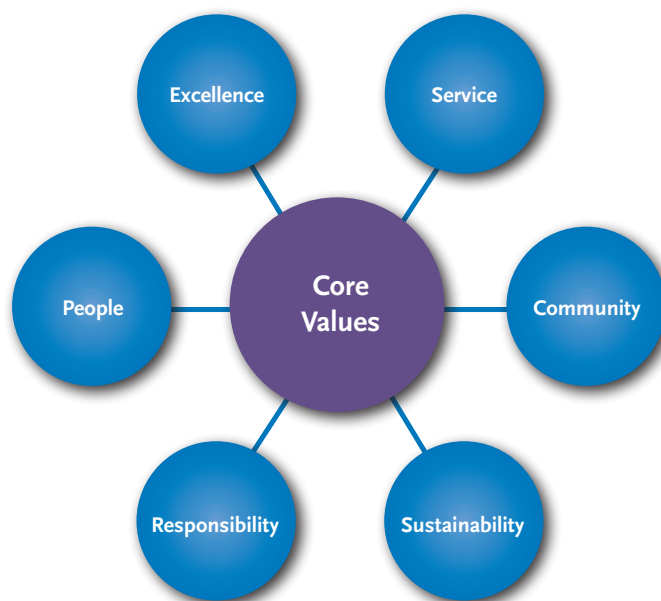
Priority activities are also identified in the plan. These activities come from a separate internal work plan that was developed as part of this planning process. The intent of the work plan was to identify actions needed to further refine LOTT's processes and procedures and ensure the utility is well positioned to proactively meet the challenges of the future. The work plan includes six focus areas: emergency preparedness, knowledge management, human resources, information technology, capital planning, and planning for emerging issues. The priority activities will be the focus of staff efforts over the planning period. Progress in completing these activities will be included in annual reporting.



Mission and Values

The mission of the LOTT Clean Water Alliance is to preserve and protect public health and the environment by cleaning and restoring water resources for our communities. LOTT operates under a set of six core values. Each of these values is multi-layered, touching on a number of concepts, and all of these values are interconnected.

- **Service** represents service in multiple ways: to LOTT's mission, to our customers, to our communities, and also to our regulators
- **Community** reflects LOTT's commitment to collaboration, public engagement, ratepayer trust and satisfaction, and value-added services
- **Sustainability** includes the concept of environmental sustainability, but also overall operational sustainability through reliable infrastructure and sound financial planning
- **Responsibility** represents financial accountability, effective utility management, and use of the triple bottom line – balancing environmental, social, and economic considerations
- **People** reflects LOTT's commitment to our workforce, to their support, development, wellness, and safety, to ensure an overall team that is sufficiently skilled, capable, and prepared to do the job and meet LOTT's mission
- **Excellence** is a common thread that runs through all LOTT efforts, with emphasis on efficiency, dedication, innovation, integrity, and leadership



Performance Objectives and Metrics

The 10 objectives that follow have been identified as meaningful indicators of organizational and operational performance. They each reflect multiple core values. Several of the objectives include a quantitative target by which to measure performance; others are qualitative in nature. This list of objectives is intended to serve as the foundation for annual performance reporting. Example metrics for each objective are provided to illustrate how progress will be tracked and reported.



Objective
1

Achieve at least 99% permit compliance

Permit compliance

100%

for Budd Inlet
Treatment Plant

100%

for Martin Way
Reclaimed Water
Plant

example metrics

Permit compliance is the most direct way to measure LOTT's effectiveness at meeting our mission of protecting public health and the environment through high quality wastewater treatment. LOTT's discharge permit is issued by the Washington State Department of Ecology on behalf of the U.S. Environmental Protection Agency. The permit requires limits on the levels of biochemical oxygen demand, total suspended solids, and total inorganic nitrogen levels released in the effluent from LOTT's treatment facilities. Other permit requirements relate to monitoring, planning, and reporting. A 99% level of compliance is a high standard that is difficult to achieve. Achieving this objective demonstrates that LOTT is taking the steps necessary to properly sustain its infrastructure, manage its processes, and develop and retain a skilled workforce. While LOTT always strives for 100% permit compliance, this objective recognizes that compliance also can be affected by factors outside of LOTT's control, such as major storm events or power outages.

Core Values

Service
Responsibility
Sustainability
Excellence

Objective
2

Avoid combined sewer overflows (CSOs) into Budd Inlet, with no more than one occurring annually

This objective is another direct way to gauge if LOTT is meeting our mission. Achieving this objective requires that the factors within LOTT's control – infrastructure, finances, workforce – are all functioning optimally. LOTT strives to avoid CSOs, but factors outside of LOTT's control, such as climate change, power outages, and large storms, play a role in CSO events. The EPA benchmark for CSOs is no more than one annually.

Sewer overflows
Zero

example metrics

Core Values

Service
Responsibility
Sustainability
Excellence

Objective
3

Engage the community proactively through public education, outreach, and involvement efforts

Core Values
Community
Service
Excellence

LOTT has a strong commitment to public outreach, education, and involvement, all of which improve public understanding of LOTT's role in our communities and contribute to ratepayer trust and satisfaction. The WET Science Center, Hawks Prairie Ponds and Recharge Basins, and East Bay Public Plaza are effective tools for public engagement, as well as valued community amenities. Formal partnerships with our local school districts and Saturday programming at the WET Science Center draw visitors to learn more about LOTT. Engagement through special public meetings and events, a community advisory group for LOTT's Reclaimed Water Infiltration Study, and other forms of outreach also play a role in meeting this objective.

WET Science Center

15,000
visitors

Tours

1,000
attendees

Outreach

5 special events & **3** public meetings

example metrics



Objective
4

Manage and utilize wastewater as a source of renewable resources

Treating wastewater as a resource is one of the public values identified during LOTT's long-range planning process. LOTT produces Class A Reclaimed Water from the treatment process. This valuable resource is fully utilized, and there is additional demand for more reclaimed water in the future.

Class B Biosolids are also generated from LOTT's treatment process and put to beneficial use as a soil amendment. Methane and other biogas are captured from the process and used to generate electricity and heat energy used by LOTT and the neighboring Hands On Children's Museum.

Reclaimed water produced

400
million gallons

Biosolids generated

9,000
wet tons

Energy generated

2
million kilowatts

Core Values
Service
Sustainability
Community
Excellence



example metrics

Objective
5

Utilize a formal process to evaluate, optimize, prioritize, and fund infrastructure needs

Core Values
Responsibility
Sustainability
Excellence



The EPA’s Capacity, Management, Operation, and Maintenance Performance Program requires wastewater utilities to demonstrate that they have a comprehensive, long-term plan for maintaining existing utility infrastructure and meeting future system needs. LOTT meets that expectation through a multi-layer formal process that includes development of an organizational strategic plan every six years and

continual review and adjustment of the Capital Improvements Plan (CIP). The CIP is informed by LOTT’s Asset Management Program, which proactively identifies project needs related to sustaining existing infrastructure, and by capacity planning, which forecasts future flows and loadings and identifies capital projects needed to accommodate growth. LOTT’s Capital Management Group continually re-evaluates information to refine and prioritize projects on the CIP. Projects are carefully vetted through a team process to identify efficiencies and optimize investment. The six-year finance plan, which is developed as part of the six-year CIP, ensures revenue necessary to complete the identified capital projects. LOTT’s

custom financial planning tool compiles asset management and CIP data to ascertain capital investments that will be needed over the long term.

Formal process utilized
Yes

example metrics

Objective
6

Complete capital projects necessary to effectively and reliably sustain existing infrastructure, build new capacity, and meet LOTT’s mission

LOTT’s complex system of treatment and conveyance facilities represents one of our communities’ largest regional investments, worth an estimated \$750 million. To sustain the existing system and accommodate future service needs, LOTT operates under a continual cycle of capital improvements planning, design, and construction. The CIP for the 2019-2024 planning period includes over \$130 million in investment and numerous major construction projects within the Budd Inlet Treatment Plant, Martin Way Reclaimed Water Plant, and the collection system. Keeping pace with this ambitious plan will require significant resources – both financial and staffing. The CIP is available on LOTT’s website at www.lottcleanwater.org. Progress on major projects in the CIP will be summarized annually.

Core Values
Sustainability
Responsibility
Service
Excellence

Project	Percent Complete	Status*
Washington Street Property Improvements	100% Constructed	Under Budget
Ultraviolet Disinfection Upgrades	50% Constructed	On Track
Biological Process Improvements	60% Designed	On Track

*status reflects schedule and budget considerations

example metrics

Objective
7

Manage utility finances in an economical, responsible, efficient, and sustainable manner

LOTT actively manages the utility and all related operations with constant attention toward cost management, cost control, and ratepayer value. Careful planning is the key to controlling costs, realizing efficiencies, and keeping rates manageable and predictable.

LOTT actively manages projects and programs to identify cost savings, optimize investments, and limit the need to increase rates. Cost control takes vigilance and effort, and is an integral aspect of how LOTT does business. Although rising costs of supplies and labor cannot be prevented, LOTT continually strives to control operational and capital costs through a variety

of efforts, including asset management, value engineering, favorable financing, energy reduction efforts, and optimized staffing resources. At the end of each biennium a summary of budget performance will be provided in an annual report.

Core Values
Responsibility
Service
Sustainability
Excellence

Energy reduction

2%

from lighting improvements

Cost savings

\$200,000

from bringing consultant work in-house

Monthly rates

below the regional average*

example metrics

**in comparison to 36 western Washington wastewater utilities*

Objective
8

Achieve an annual state audit that is free of findings

Demonstrating that LOTT is in compliance with financial controls and accurately tracks and discloses financial transactions reinforces public confidence that LOTT is managing finances in a responsible manner. Meeting all state requirements and standards for a findings-free audit is a challenge, and one that requires diligence and dedication on the part of all staff members to follow approved purchasing and contracting procedures.



Core Values
Responsibility
Community
Excellence

Annual state audit

Zero
findings

example metrics

Objective
9

Maintain an environment in which no more than 4% of staff voluntarily leave for similar work opportunities annually

A low voluntary exit rate demonstrates LOTT's commitment to developing and retaining quality employees. The complex and technical nature of wastewater management requires a

diverse, dedicated, well-trained workforce, and a healthy and productive workplace, to meet LOTT's goals and challenges. The focus on innovation, professional development, and employee wellness helps LOTT remain a workplace of choice.

Core Values
People
Sustainability
Excellence

Employee retention

2%

voluntary exits

example metrics

Objective
10

Maintain a safe work environment, achieving a safety experience rating at or below the industry standard of 1.0

The Washington State Department of Labor & Industries experience rating defines the industry standard for safety. LOTT's experience rating is determined by comparing Worker's Compensation claims to the levels expected in our industry. LOTT implements a proactive and comprehensive safety program, striving to achieve a safety record that is better than the industry standard.

Safety is important not only in LOTT's industrial facilities, but in all aspects of LOTT's work. Protecting the safety of employees, the public, and contractors is a top priority. This focus on safety also protects our communities' substantial investments in LOTT facilities.

Workplace safety

0.67
experience rating

example metrics



Core Values

People
Community
Responsibility
Excellence

Other Information to be Reported

While the objectives above and their related metrics form the basis for performance reporting to the LOTT Board of Directors and the public, they are not the full extent of what will be reported annually. Additional statistics and progress on work plan activities will be included in annual performance reports. Information of high interest to the public are facts, statistics, and accomplishments, such as:

- Population served
- Quantity of wastewater treated
- Performance during major storms or other treatment challenges
- Quantity of water conserved through regional programs
- Activities related to planning for future capacity needs
- Public engagement activities
- Water quality improvement projects
- Awards received

Work Plan Activities

An internal work plan was also developed as part of this planning process. The work plan is intended to build on past efforts to improve the way LOTT does business and keep LOTT agile and prepared to adapt to changing conditions. It includes six focus areas where additional improvements are needed: emergency preparedness, knowledge management, human resources, information technology, capital planning, and planning for emerging issues. The plan was developed with participation of staff from across the organization, primarily through topic meetings related to each focus area. The result was a comprehensive, ambitious list of work plan activities that could be undertaken during the planning period. The highest priority activities are included here as part of this Strategic Plan and will be the focus of staff efforts during the six-year planning period. The complete work plan will serve as an internal planning tool and is available as a separate document.



Emergency Preparedness Priorities

Emergency preparedness has been identified as the highest priority work plan area for staff to focus on over the next six years. Work in this area revolves around developing clear procedures, defining staff roles, and practicing readiness to ensure LOTT is ready to effectively respond to emergencies. The disaster at King County's West Point Treatment Plant in 2017, which resulted in release of over 300 million gallons of untreated wastewater into Puget Sound, millions of dollars of damage to essential infrastructure, and grave risk to plant employees, reinforced for LOTT the importance of readiness and the need to dedicate time and resources to this topic. The highest priority activities include:

- Develop response plans for a variety of emergency scenarios
- Establish a specific emergency response structure
- Assign staff to primary and back-up roles within the response structure

Knowledge Management Priorities

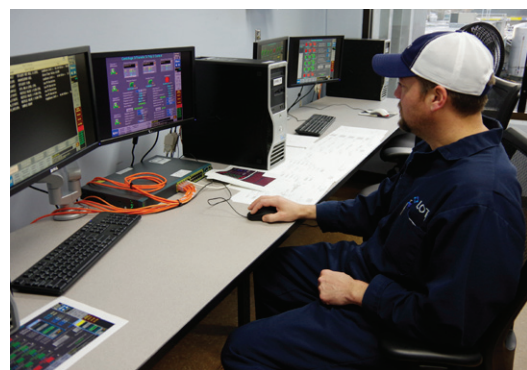
LOTT will experience a wave of retirements within the six-year planning period, including many highly skilled long-time employees and executive management. To prepare the workforce to manage future challenges, technical and institutional knowledge must be memorialized and shared in a consistent, systematic, and effective manner. LOTT has made significant strides in knowledge management over the last six years, but additional work is needed to document knowledge, ensure critical functions have redundancy, and optimize staff development. High priority activities in this focus area include:

- Complete succession planning for critical positions
- Establish a strategic training program for apprenticeships and Operator advancement
- Complete organizational development work for the Control Systems work group

Human Resources Priorities

Efforts will continue in the 2019-2024 planning period to develop a comprehensive Human Resources program that effectively supports a knowledgeable and highly skilled workforce. Much progress has been made in recent years, including the establishment of the Human Resources team and development of more consistent and inclusive recruiting, hiring, and on-boarding procedures. High priority activities in this focus area include:

- Complete a staffing and organizational assessment for the Operations work group
- Further develop LOTT's formal Human Resources Program
- Continue to evaluate and optimize staffing resources, including establishing back-up staff for critical functions and bringing consultant work in-house where efficiencies can be realized



Information Technology Priorities

LOTT will further efforts to assess and improve information technology systems functionality, support, and security. An Information Technology Strategic Plan was developed in 2017 that outlines a number of recommendations. High priority activities include:

- Conduct a network assessment and a system security assessment
- Complete an IT disaster recovery plan for LOTT's business network
- Complete an assessment of LOTT's current MAX control system
- Address priority needs identified in the system assessments

Capital Planning Process Priorities

LOTT develops and refines the Capital Improvements Plan (CIP) to support the intent of the Wastewater Resource Management Plan and meet the requirements of EPA's Capacity, Management, Operation, and Maintenance Performance Program and discharge permit requirements. The CIP is data-driven and capitalizes on the knowledge of the Capital Management Group and information from LOTT's Master Plan, annual Capacity Assessments, Asset Management Program, LOTT's financial

and capital planning tool, and a new staffing model. The capital planning process has been designed to prioritize projects and identify required resources, including funding, staffing, and consultant support. Activities to further refine the process include:

- Refine and update the new staffing model as a tool for projecting CIP-related staffing requirements
- Harness asset management data to prioritize CIP projects



Planning for Emerging Issues Priorities

Within the next six years, LOTT anticipates being affected by emerging issues such as changing regulatory requirements, environmental conditions, and community needs. These issues include:

- The Department of Ecology's Total Maximum Daily Load (TMDL) Study will result in waste load allocations that require a reduction in nutrient loading from the Budd Inlet Treatment Plant, Capitol Lake, non-point sources, and sources to the north of Budd Inlet.
- Sea level rise and associated flooding will increasingly affect downtown Olympia and the Port Peninsula where the Budd Inlet Treatment Plant is located, potentially flooding the plant site, overwhelming the plant's hydraulic capacity, and upsetting biological treatment processes.
- LOTT's Reclaimed Water Infiltration Study will be completed in 2020. The study addresses community questions about residual chemicals that may remain in the reclaimed water after treatment. Results of the study could have a significant impact on LOTT's long-range plan for managing wastewater.
- Washington State's new Reclaimed Water Rule (chapter 90.46.RCW) became effective February 23, 2018. The new rule clarifies that reclaimed water is a valuable resource, and it is not considered wastewater. The rule also provides for a new class of reclaimed water designated as Class A+, which could open the door to demonstration projects for direct potable reuse.
- LOTT's partner jurisdictions are working closely with public, private, and non-profit organizations to address a regional shortage in affordable housing. Many factors add to the cost of residential development, including utility connection fees for water and wastewater service.



LOTT must be informed and well prepared to respond to emerging issues by developing feasible options for various scenarios. Activities for this focus area involve compiling existing information and completing additional analyses to inform future decision-making about various alternatives. High priority activities include:

- Complete a master planning effort in two phases: the first to establish a long-range plan for the Budd Inlet Treatment Plant and the second to update LOTT's plan for overall system capacity through expansion of reclaimed water production, conveyance, and disposition
- Develop step-by-step procedures in coordination with the City of Olympia for responding to surface flooding that could convey floodwaters into the combined storm/sewer system
- Establish LOTT's baseline energy usage and greenhouse gas emissions for use in tracking future reductions
- Encourage community conversations on results of the Reclaimed Water Infiltration Study, future levels of treatment and uses of reclaimed water, and broader water management issues
- Reassess and adjust monthly service fees and connection fees for both residential and commercial customers as a result of the cost of service study findings, and propose associated updates to LOTT's Intergovernmental Agreement

Conclusion

This Strategic Plan includes values, objectives, and priority activities that will guide LOTT's efforts through the six-year period of 2019-2024. Performance objectives were developed to reflect LOTT's values and provide meaningful indicators for monitoring LOTT's performance. Work plan activities were carefully prioritized to focus staff efforts on essential work, recognizing that LOTT staff must first and foremost meet their mission of effectively treating our communities' wastewater. The result is a plan that keeps LOTT accountable and that ensures the utility is well positioned to successfully adapt to changing conditions while continuing to effectively serve our communities.





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