

# STRATEGIC PLAN

2025 - 2030





# Table of Contents

<b>Introduction</b>	<b>1</b>
Background	1
Strategic Planning History	2
<b>Planning Framework</b>	<b>3</b>
Mission and Guiding Principles	3
Organizational Culture	3
Plan Structure	5
<b>Ten Attributes of Effective Utility Management</b>	<b>6</b>
Enterprise Resiliency	7
Workforce Development	9
Infrastructure Strategy and Performance	11
Customer Experience and Satisfaction	13
Community Understanding and Support	15
Water Resource Sustainability	17
Community Sustainability	19
Operational Optimization	21
Financial Viability	23
Regulatory and Reliability Performance	25
<b>Conclusion</b>	<b>27</b>
<b>Appendices</b>	<b>28</b>
2025-2030 Work Plan Initiatives and Actions	29
2025-2030 Finance Plan	33
2025-2030 Staffing Plan	34
2025-2030 Success Indicators	36

## List of Common Acronyms

BOD	Biochemical Oxygen Demand	LOTT	Lacey, Olympia, Tumwater, and Thurston County
CDC	Capacity Development Charge (connection fee)	SOP	Standard Operating Procedure
EPA	United States Environmental Protection Agency	TIN	Total Inorganic Nitrogen
EUM	Effective Utility Management	TMDL	Total Maximum Daily Load
		WSC	Wastewater Service Charge (service fee)

# Introduction

## Background

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 and reclaimed water treatment, resource recovery, and community support. 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, reclaimed water distribution pipelines, a recharge site, and a storage tank. LOTT facilities are located within the ancestral lands of the Nisqually Indian Tribe and the Squaxin Island Tribe, the traditional stewards of this land since time immemorial.

To efficiently and effectively manage this essential regional utility, LOTT has developed this Strategic Plan. The intent of this plan is to ensure LOTT's resiliency and to further optimize our resources, including people, assets, processes, and partnerships. This plan has been developed with broad participation from the LOTT Board of Directors, senior management, and staff members across the organization, with input from our partner jurisdictions, community and tribal partners, and members of the public.

### Strategic Planning Key Terms

**Attributes** – The EUM framework identifies ten operational areas referred to as Attributes of Effectively Managed Utilities; these ten Attributes serve as the structure for LOTT's Strategic Plan.

**Culture of Excellence** – LOTT has defined the "LOTT Way" as a Culture of Excellence; our Culture includes six elements that reflect the ideals of who we are and how we operate.

**Guiding Principles** – LOTT's Guiding Principles include five overarching concepts that reflect our organizational priorities and intentions; these Principles serve as the umbrella under which the rest of this Strategic Plan has been developed.

**Initiatives and Actions** – Initiatives and Actions identified for each Attribute reflect opportunities to build on and maintain our current efforts. Initiatives are the broader concepts, while the Actions describe work that we will strive to accomplish under this Strategic Plan.

**Keys to Management Success** – The EUM framework identifies five Keys to Management Success that are proven approaches to maximizing resources and improving performance; these five Keys are integrated in LOTT's Culture of Excellence.

**Mission** – LOTT's Mission statement summarizes our core purpose to protect public health and the environment by cleaning water and recovering resources for our community; all aspects of the Strategic Plan are intended to support and bolster LOTT's ability to meet our Mission.

**Success Indicators** – Two tiers of indicator metrics play a role in helping us track our performance. *Key Indicators* are identified for each Attribute to provide a basis for accountability and reporting to our Board of Directors and the public. *Secondary Metrics* provide additional detail for internal tracking and benchmarking and are listed in the Success Indicators appendix.

**Work Plan** – The Work Plan is a summary of key priorities we wish to accomplish in the 2025-2030 time period. It is made up of the Initiatives and Actions identified for each Attribute.

# Strategic Planning History

LOTT has conducted three previous rounds of strategic planning, each with 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. Many of LOTT's employees had recently transferred 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.

The focus of the third iteration of the plan, for 2019-2024, was the overall sustainability of the organization, in the context of substantial changes facing LOTT within that time period. These changes involved retirement of key staff, including executive leadership and highly skilled technical experts, as well as regulatory changes anticipated with the completion of the state's Deschutes River/Capitol Lake/Budd Inlet Total Maximum Daily Load (TMDL) study.

The current round of planning builds on the previous iterations to establish a strategic plan for the period 2025-2030. This round employs management concepts from the Effective Utility Management (EUM) framework developed collaboratively by the EPA and several industry-wide associations, including the Water Environmental Federation, American Water Works Association, and the National Association of Clean Water Agencies. The EUM framework is centered around ten Attributes of Effectively Managed Water Sector Utilities and five Keys to Management Success. The ten EUM Attributes were used in this planning process to provide structure and industry benchmarks from which LOTT assessed its current performance and identified opportunities for continued improvement and resilience.



*The Effective Utility Management framework provides structure and industry benchmarks from which LOTT can assess its current performance and identify opportunities for continued improvement and resilience.*

# Planning Framework

## Mission and Guiding Principles

### Mission Statement

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

The framework for this strategic plan begins with LOTT's Mission. All aspects of the plan are intended to support and bolster LOTT's ability to meet our Mission. As part of the planning process, LOTT's Board of Directors reviewed the organizational mission statement and refined it slightly to reflect LOTT's evolving role in recovering resources for the benefit of our community.

The next key component of the planning framework is LOTT's set of Guiding Principles, which serve as the umbrella under which the

rest of this strategic plan has been developed. The Guiding Principles were also updated by the Board, expanding five key concepts to reflect organizational priorities and intentions. These Guiding Principles mirror many concepts embedded in our wastewater industry's EUM framework.

- Trusted and Reliable Service – Provide essential public services in a responsible way
- Community Connection – Engage and serve our community as an active partner
- Financial Responsibility – Ensure cost-effective and resilient operations
- Environmental Stewardship – Advance innovation for environmental benefits
- Organizational and Workforce Excellence – Foster a culture of excellence in all LOTT efforts



## Organizational Culture

LOTT's Culture of Excellence was formalized in late 2023 through an intentional, inclusive effort to define and articulate the "LOTT Way" – the foundation of who we are and how we operate. The elements of our culture already existed, but had yet to be formalized through the power of words to reinforce a shared sense of purpose and identity. To that end, leadership identified six elements of our culture and asked all staff members for their feedback, as well as examples of how their LOTT peers reflect these ideals in day-to-day efforts and interactions. From there, the elements and their respective example actions were further refined into LOTT's Culture of Excellence. While the culture is unique to LOTT, the six elements embody many of the concepts inherent to EUM's five Keys to Management Success: Knowledge Management, Leadership, Continual Improvement, Measurement, and Strategic Planning.





## Collaborating

EUM Key:  
Knowledge  
Management

We work together and help each other as a team for common goals, beyond individual job duties, to achieve excellence in our work. Actions we can take include:

- Be active on teams and committees
- Share knowledge
- Support the development of others
- Be responsive to questions
- Help each other
- Hold regular team meetings

## Taking Responsibility

EUM Key:  
Leadership

We are dedicated to, and take pride in, our work and the LOTT mission of cleaning water, and we accept responsibility for our individual role in its success. Actions we can take include:

- Care about the LOTT mission in service to our communities
- Communicate work updates frequently
- Represent LOTT well to outside audiences
- See tasks through to completion
- Think, plan, and act safely
- Empower others to take responsibility

## Fostering Belonging

EUM Key:  
Leadership

We are friendly, inclusive, and considerate of others, showing appreciation for each other's work and all of our important roles in the organization. Actions we can take include:

- Listen
- Be professional and courteous to all
- Seek to understand different viewpoints
- Respond quickly to concerns
- Share appreciation for our coworkers
- Remain aware of our words and tone

## Solving Problems

EUM Key:  
Continual  
Improvement

We are solutions-focused with a growth mindset, seeing challenges as opportunities and always learning for continuous improvement. Actions we can take include:

- Be solutions-focused
- Have the courage and drive to face challenges
- Share ideas
- Take corrective actions
- Be adaptable
- Learn from mistakes as an opportunity to grow

## Being Innovative

EUM Key:  
Measurement

We leverage our skills to be creative thinkers, developing new ideas and methods and building on proven concepts to advance the future of LOTT. Actions we can take include:

- Embrace experimentation
- Think creatively
- Accelerate concepts from ideas to reality
- Be curious and open to new methods
- Test, then discuss lessons learned
- Track related industry trends

## Ensuring High Standards

EUM Key:  
Strategic  
Planning

We set a high bar for quality work, integrity, and honesty, and we commit to doing every part of the job to the best of our collective ability. Actions we can take include:

- Communicate expectations
- Make it our best product
- Execute quality control measures
- Look to "walk the extra mile"
- Pay attention to detail
- See our work as customer-oriented

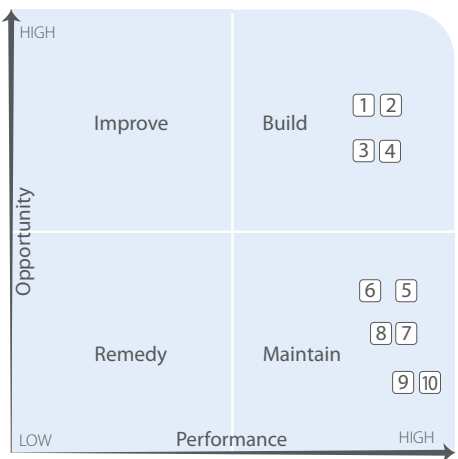
These six elements of LOTT's culture work together to guide our decisions, our actions, and our interactions with those we serve both internally and externally. They serve as a source of motivation, resilience, and integrity and as an organizational compass to remind us of what we stand for and to inspire us to be our best selves in service to our work. It is our hope that everyone – employees, customers, and partners alike – can see and feel the positive impact of our Culture of Excellence in action.

# Plan Structure

The planning framework is structured around the ten Attributes defined under the Effective Utility Management framework, with a plan section for each Attribute. In each section, the management concept is explained, as well as how LOTT puts the concept to work in our everyday efforts. Each section also includes Key Indicators to help us track performance related to the Attribute. Some of these indicators represent specific, measurable objectives, and others are qualitative measures to track changes over time. The Key Indicators provide a basis for accountability and performance reporting to our Board of Directors and the public. A secondary tier of metrics was also identified for each Attribute to provide additional detail for internal tracking and benchmarking. The secondary metrics are included in the Success Indicators appendix.

The sections for each Attribute also include Work Plan Initiatives and Actions that reflect opportunities to build on and maintain our current efforts. These are the priorities that form the basis for LOTT’s 2025-2030 Work Plan, designed with the ultimate goal of supporting and bolstering LOTT’s ability to continually meet our Mission.

One of the first steps in developing the Work Plan was an assessment of how LOTT is currently performing in each Attribute. The assessment considered Performance in terms of metrics, initiatives, and successes, and Opportunity for further improvement. Results showed that LOTT’s performance is high for all ten Attributes. We also found more opportunities to build upon our efforts in four of the Attributes. Those four Attributes are identified as focus areas in our 2025-2030 Work Plan.



Attribute	Category
1 Enterprise Resiliency	Build
2 Workforce Development	Build
3 Infrastructure Strategy and Performance	Build
4 Customer Experience and Satisfaction	Build
5 Community Understanding and Support	Maintain
6 Water Resource Sustainability	Maintain
7 Community Sustainability	Maintain
8 Operational Optimization	Maintain
9 Financial Viability	Maintain
10 Regulatory and Reliability Performance	Maintain

Maintaining a high level of performance in all Attributes takes continued effort. For that reason, this strategic plan includes priority Initiatives and Actions for all ten Attributes, with the most actions identified in the four areas that fall under the Build category. The six Attributes under the Maintain category remain very important to LOTT. The resulting Work Plan aligns with LOTT’s Culture of Excellence, which includes a commitment to continual improvement.



# Ten Attributes of Effective Utility Management



# Enterprise Resiliency

## What is Enterprise Resiliency?

Resiliency is identified as a key Attribute under the EUM framework. It also serves as an overarching concept that applies to the other nine Attributes because utilities must perform well in other management areas, such as financial viability and infrastructure strategy, to be resilient. In general, resilient utilities:

- Work collaboratively with staff and external partners to anticipate and avoid problems
- Manage a wide range of risks within established tolerance levels
- Respond to, adapt, and recover from service disruptions
- Plan for and maintain business continuity

## What Does It Mean at LOTT?

Resiliency has consistently been a focus area for LOTT, with previous strategic plan priorities to advance knowledge management, infrastructure planning, and emergency preparedness. In terms of business continuity, the LOTT Board of Directors has long recognized the importance of maintaining operational and capital reserves to ensure continuity following a natural disaster or other unexpected event.

With digital and automated systems an integral part of daily operations, LOTT recently developed an Information Technology Disaster Recovery Plan. A staff-led Emergency Preparedness Team meets regularly to keep our emergency response plan up to date, ensure staff are trained to support our emergency response structure, and develop protocols for our new, organization-wide emergency notification system. Similarly, a staff-led Safety Committee investigates and addresses incidents, hazards, and inspection concerns reported by staff through our safety database. Mutual aid agreements with partner jurisdictions and participation in the regional emergency response network allow LOTT to anticipate and plan coordinated responses to events.

Risk management is a cornerstone of our approach to capital planning, using asset management program data and risk thresholds to prioritize capital investments. Continual efforts to assess and improve physical and cybersecurity also focus on risk reduction. Issues such as residual chemicals in wastewater represent an emerging area of potential risk. LOTT closely follows industry research and responds to community concerns using a proactive approach that includes participating in research studies and conducting sampling of select unregulated chemicals to better understand possible risks and prepare for potential regulatory changes.



*Continual efforts to assess and improve physical and cybersecurity also focus on risk reduction.*

# How Do We Measure Success?

These key Indicators will be featured in monthly Program Reports, Annual Reports, or both to provide an overview of LOTT's performance with regard to Enterprise Resiliency:

Key Indicators		
Topic	Indicator	Target
Emergency Funds	Amount of reserve funds available	Equivalent of six months of operating expense and \$3 million for emergency capital expenditures
Operational Capability	Percent of time critical equipment available for essential operations	100% uptime
Emergency Planning	Frequency of review and updates to LOTT's Emergency Response Plan	At least annual review and update
Cybersecurity	Percent of staff who receive training	100% of staff receive training annually
Physical security	Number of staff trainings and drills	At least one offered annually
Emergency Preparedness	Number of staff trainings and drills	At least one offered annually

## What Are Our Work Plan Priorities for 2025-2030?

Enterprise Resiliency is in the **Build** category. Several priority Work Plan Actions to strengthen resilience are listed here, and others are included in the Attributes that follow.

### Initiative 1: Improve Emergency Preparedness

- Action** → Document assets and processes critical to managing operations during emergencies
- Action** → Develop standard operating procedures (SOPs) to run processes in emergency mode
- Action** → Train and drill staff on emergency mode SOPs

### Initiative 2: Proactively Address Unregulated Chemicals as an Emerging Risk Area

- Action** → Establish a standard framework to address emerging concerns in alignment with regulatory agencies
- Action** → Conduct follow-up residual chemical sampling and source control measures when indicated
- Action** → Explore options and benefits of expanding laboratory capabilities

# Workforce Development

## What is Workforce Development?

Under the EUM framework, commitment to employee and leadership development is essential. Success in this Attribute requires dedication to a culture of collaboration, continual learning, technical proficiency, safety, and innovation. There is a strong emphasis on recruiting, developing, retaining, and inspiring an inclusive, skilled, competent, motivated, and adaptive workforce reflective of the community served. Utilities that find success in this area:

- Emphasize and invest in staff through professional development and retention measures
- Build community relationships that foster a diverse pipeline of potential employees
- Retain, transfer, and improve upon institutional knowledge
- Establish a supportive, collaborative, and aligned senior leadership team

## What Does It Mean at LOTT?

LOTT has a long-standing focus on our people, which is reinforced in our guiding principle of Organizational and Workforce Excellence. A large percentage of our workforce is represented by a local chapter of the American Federation of State, County, and Municipal Employees, AFL-CIO (AFSCME) union. We have worked hard to develop a positive management-union relationship and support our represented and non-represented staff equitably.

Employee development programs for career development and apprenticeships build staff skills and advancement opportunities. Support for conference attendance encourages staff to build knowledge and share the industry insights they gain. Proactive succession planning has been essential to prepare for retirements in critical technical and leadership positions. LOTT's approach of planning ahead and developing qualified leaders in-house has ensured institutional knowledge is retained, incoming candidates are well-prepared, and transitions are smooth.

LOTT's Senior Leadership Team coordinates weekly and is the hub to share information between work groups to address challenges collaboratively. Initiatives to foster appreciation and belonging, a market-competitive approach to compensation, a team-based atmosphere, and long-standing safety and wellness programs contribute to high levels of staff engagement. All these efforts are supported by LOTT's Culture of Excellence, which articulates the organization's ongoing commitment to collaborating, taking responsibility, fostering belonging, solving problems, being innovative, and ensuring high standards.



*LOTT's Senior Leadership Team coordinates weekly and is the hub to share information between work groups to address challenges collaboratively.*

# How Do We Measure Success?

These key indicators will be featured in monthly Program Reports, Annual Reports, or both to provide an overview of LOTT's performance with regard to Workforce Development:

Key Indicators		
Topic	Indicator	Target
Retention	Percent of workforce that leave for similar work opportunities	No more than 5% annually
Safety	Labor & Industries safety experience rating	At or below 1.0 (the industry standard)
Staff Engagement	Percent of workforce that participate in LOTT's wellness program	At least 75% annually
Development	Number and type of promotions and career development activities	Track and trend

## What Are Our Work Plan Priorities for 2025-2030?

Workforce Development is in the **Build** category. The ongoing need for a well-prepared, capable, collaborative workforce makes continued work in this area a priority. Actions to support and develop staff and to plan for future workforce needs are essential to overall organizational resilience. Specific Initiatives and Actions to support our workforce include:

### Initiative 1: Develop and Maintain a Highly Capable Workforce

**Action** → Identify and develop strategic backup and succession plans for knowledge sharing and business continuity

**Action** → Establish additional junior-level positions to promote growth and stability

**Action** → Employ internships where possible to encourage and discover new talent

### Initiative 2: Foster Employee Engagement, Belonging, and Retention

**Action** → Create a consistent, intentional onboarding process so new staff feel welcome and supported

**Action** → Implement a new two-way continuous performance feedback model

**Action** → Complete salary surveys on a regular basis to ensure wages remain market-competitive



# Infrastructure Strategy and Performance

## What is Infrastructure Strategy and Performance?

To excel in terms of Infrastructure Strategy and Performance, the EUM framework suggests that utilities plan ahead and prioritize infrastructure investments to effectively manage risk, meet system reliability goals, provide for overall system capacity needs, and address environmental justice impacts. Infrastructure strategy must be designed to meet community needs, including anticipated growth, with flexibility to adapt to changing conditions. Utilities successful in this Attribute:

- Develop and implement a well-aligned and well-communicated asset management plan
- Understand the condition and associated costs of critical assets and acceptable risk thresholds
- Maintain and enhance assets over the long-term at the lowest possible life-cycle cost
- Meet customer, community, and regulator-supported levels of service
- Build a robust set of adaptation and resilience strategies utilizing innovative and cost-effective technologies

## What Does It Mean at LOTT?

LOTT's approach to capital improvement planning is centered on proactive and ongoing infrastructure investment, which is recognized as mission-critical. The overarching goal is to maintain reliable infrastructure and ensure adequate system capacity. LOTT's custom Capacity Dashboard is a new planning tool used to review the performance and capacity of each major treatment process. The tool is updated as conditions change, providing a systematic method to identify projects needed to address potential limitations to treatment capacity.

LOTT's asset management program involves the inventory of thousands of critical assets, of all types and sizes, and is the basis for preventative maintenance measures to optimize asset life-cycles. Capital investments are prioritized in the context of overall organizational risk reduction. Project business case evaluations and risk scores are considered, along with information from the asset management system and the Capacity Dashboard, to develop short-term (six-year) and long-term (20-year) capital improvement plans.

In 2023, LOTT completed its 2050 System Plan through a comprehensive analysis of capacity and upgrade needs. The plan charts a new course for future infrastructure investment that takes into account input from jurisdictional and other community partners and leverages opportunities to employ innovative technologies. Facility siting and design includes environmental justice and good neighbor considerations to ensure disadvantaged communities are not disproportionately affected and to minimize impacts such as noise and traffic disruptions for neighbors and the public.



*LOTT completed its 2050 System Plan through a comprehensive analysis of capacity and upgrade needs.*



# How Do We Measure Success?

These key indicators will be featured in monthly Program Reports, Annual Reports, or both to provide an overview of LOTT’s performance with regard to Infrastructure Strategy and Performance:

Key Indicators		
Topic	Indicator	Target
Asset Management	Progress in updating key asset areas in asset management system	Critical assets identified and updated in first biennium
		Second tier assets identified in first biennium
		Second tier assets updated in second biennium
		Continued progress in third biennium
Asset Management	Percent of newly completed capital projects that include full asset management system updates	100% of capital projects have associated assets updated in system prior to project completion
Capital Planning	Use of a formal process to evaluate, optimize, prioritize, and fund infrastructure needs	Biennial formal process to develop capital budget and Capital Improvements Plan (CIP)
		Monthly Capital Management Group meetings to adjust priorities based on changing conditions
Capital Improvements	Status of planned capital improvements	Phase of work and percent completion for each active major CIP project annually

## What Are Our Work Plan Priorities for 2025-2030?

Infrastructure Strategy and Performance falls under the *Build* category. LOTT’s work in this area is forward-thinking and robust and will remain an area of priority. Work plan Initiatives and Actions related to this Attribute include:

### Initiative 1: Update Asset Management Program

- Action → Evaluate options for an alternative asset management software system
- Action → Complete a comprehensive update of asset condition data in the system
- Action → Complete a comprehensive update of all related preventative maintenance tasks

### Initiative 2: Enhance Capacity Planning Processes

- Action → Initiate technical analyses and a request to Department of Ecology to rerate the Budd Inlet Treatment Plant
- Action → Standardize processes for twice-yearly review of multiple aspects of system capacity, integrating risk from evolving issues such as climate change
- Action → Establish regular check-ins with partner jurisdiction staff to coordinate infrastructure projects and share community development data

# Customer Experience and Satisfaction

## What is Customer Experience and Satisfaction?

Under the EUM framework, customer experience and satisfaction depend on a utility's ability to provide reliable and responsive services in line with customer-derived service levels. Proactive public outreach and ratepayer engagement help utilities maintain responsiveness to customer values, needs, expectations, and emergencies. Utilities that succeed in this Attribute and maintain a high degree of customer satisfaction:

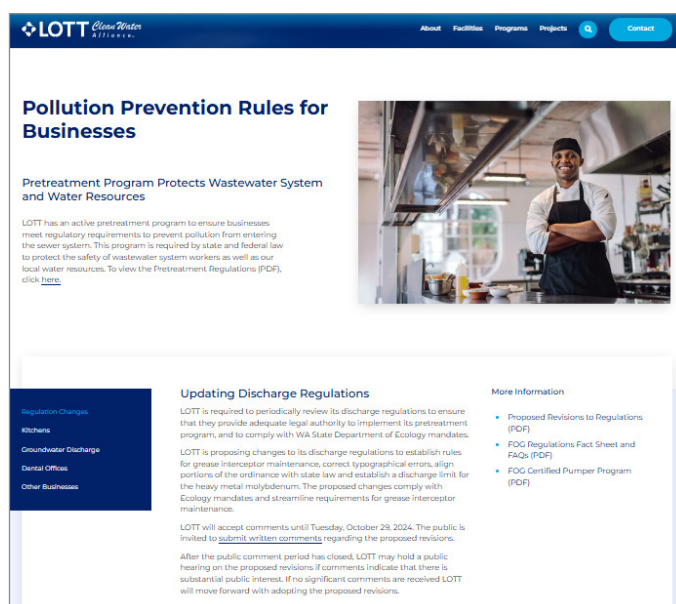
- Use a mix of evolving communication technologies to reach customers
- Encourage all staff to be aware of and responsive to customer needs, feedback, and emergencies
- Provide tailored customer service and outreach to different customer groups

## What Does It Mean at LOTT?

LOTT has a long-standing commitment to proactive public outreach, involvement, and customer satisfaction. Treatment performance and rates are two issues that greatly influence our customers' satisfaction. LOTT is a recognized leader in wastewater treatment, with an excellent record of permit compliance. The Budd Inlet Treatment Plant is one of the only plants on Puget Sound to employ biological nutrient removal. This high level of service, along with predictable rates that are consistently below the regional average, contribute to a high level of customer satisfaction.

LOTT employs unique outreach methods to reach customers because we do not have the advantage of a built-in communication line through utility billing. Our customers are billed through our partner jurisdictions, creating an intermediary. One way we overcome that challenge is our WET Science Center, a free education center dedicated to public outreach and raising awareness of the importance of clean water, wastewater treatment, and environmental stewardship. Integrating public spaces with necessary infrastructure is another strategy that raises awareness of LOTT's services and value to the community. An example of that is our East Bay Public Plaza which features a highly popular splashing stream fed by Class A reclaimed water.

Our comprehensive website is a key communications tool designed for information-sharing and transparency. The site also features information tailored to specific customer interests, including pretreatment outreach tailored to a variety of industries and offered in multiple languages. Online surveys, community presentations, public meetings, and social media all play a role in reaching customers and receiving feedback.



# How Do We Measure Success?

These key indicators will be featured in monthly Program Reports, Annual Reports, or both to provide an overview of LOTT’s performance with regard to Customer Experience and Satisfaction:

Key Indicators		
Topic	Indicator	Target
Responsiveness	Percent of public inquiries with timely response	100% of inquiries have initial response within two business days
Responsiveness	Percent of complaints with timely investigation and response	100% of complaints have response within five business days and are investigated
Public Engagement	Number of people reached through education and outreach efforts	At least 10,000 people reached through WET Center visits, school partnerships, presentations, and outreach efforts

## What Are Our Work Plan Priorities for 2025-2030?

Customer Experience and Satisfaction falls under the *Build* category. Sharing LOTT’s story and raising awareness about our mission and accomplishments is a priority during the planning period. Work Plan Initiatives and Actions include:

### Initiative 1: Expand Communications and Outreach

- Action →** Develop a strategic communications plan to expand reach and raise awareness of LOTT’s efforts, including value for the cost
- Action →** Establish routine check-ins and consistent rate-related messaging with partner jurisdictions
- Action →** Explore new, expanded methods to gather feedback from the public and community partners

### Initiative 2: Formalize Affordability Review Process

- Action →** Incorporate U.S. EPA and other industry benchmarks into rate affordability analysis
- Action →** Continue biennial comparison of regional utility rates
- Action →** Work with partner jurisdictions to explore methods to assist economically disadvantaged customers

# Community Understanding and Support

## What is Community Understanding and Support?

Success in this Attribute requires that utilities gain understanding and support from interested and affected parties for key utility management decisions, including levels of service, rate structures, operating budgets, capital improvement programs, and risk management strategies. Interested and affected parties may include oversight bodies, watershed interests, regulatory bodies, and the broader community. In general, support is achieved when utilities:

- Involve interested parties in the decisions affecting them and engender community dialogue
- Promote appreciation of the true value of water and water-related services
- Consider the full spectrum of impacts to ensure equitable service and quality to all communities served
- Understand what it takes to operate as a good neighbor
- Actively engage in partnerships
- Position the utility as a critical asset and anchor institution for the community

## What Does It Mean at LOTT?

LOTT fosters understanding and support by serving as an anchor institution providing community value beyond our core wastewater treatment function. Our free WET Science Center promotes appreciation for the importance of clean water to the social, economic, and environmental health of the community. Formal partnerships with our three local school districts build annual WET Center field trips into their science curricula, and LOTT provides financial support for bus transportation and substitute teachers to ensure all local students have equitable access to programming. Collaborations with community organizations for Saturday programming bring diverse audiences to the WET Center to amplify water-related messaging.

Community amenities like the East Bay Public Plaza also foster support. Online surveys, listserv updates, and public meetings help engage community members in planning processes that affect them, including the 2050 LOTT System Plan and this strategic plan. Ratepayers have the opportunity to engage in development of our biennial budget, rates, and the capital improvements plan through a series of public Board meetings and a public hearing. A good neighbor policy and proactive public outreach and dialogue about upcoming construction activities help us to minimize potential impacts, respond to concerns, and identify mitigation measures.

We also work closely with our Board of Directors, partner jurisdictions, the Squaxin Island Tribe, the Nisqually Tribe, and regulatory agencies. Staff maintain a strong working relationship with LOTT's Board members, keeping them fully informed of activities and issues through work sessions, business meetings, retreats, and reviews of key utility plans and reports. LOTT coordinates with partner jurisdictions at both the staff and elected official levels to gather input and shape projects and programs toward common goals. Tribal engagement and feedback have been integral to program development and long-term planning. Open and frequent coordination with the Washington State Department of Ecology, as our primary permitting authority, and the Department of Health, includes a partnership to plan the first Class A+ reclaimed water demonstration project in the state.

# How Do We Measure Success?

These key indicators will be featured in monthly Program Reports, Annual Reports, or both to provide an overview of LOTT’s performance with regard to Community Understanding and Support:

Key Indicators		
Topic	Indicator	Target
Educational Partnerships	Percent of local school districts offered programming through formal partnerships	100% of service area school districts
Educational Partnerships	Number of students reached through educational programming	At least 2,500 students annually
Community Engagement	Number of outreach events in which LOTT participates or leads	Track and trend

## What Are Our Work Plan Priorities for 2025-2030?

Community Understanding and Support falls under the *Maintain* category. These Work Plan Actions are intended to augment existing efforts.

### Initiative 1: Build and Strengthen Community Partnerships

- Action →** Raise awareness of the benefits of LOTT’s support for community-building programs
- Action →** Maintain strong relationships with partner jurisdictions, tribes, and local organizations such as the Port of Olympia and Hands On Children’s Museum

### Initiative 2: Enhance Educational Programming

- Action →** Expand engagement and programming for high school and adult age groups
- Action →** Update WET Center exhibits and amplify educational messaging shared with that of local partners

# Water Resource Sustainability

## What is Water Resource Sustainability?

Under the EUM framework, Water Resource Sustainability involves long-term integrated water resource planning, striving to sustainably and equitably meet customer, community, and ecological water-related needs. This may include analysis of long-term resource supply and demand, climate and water resource variability, and fit for purpose water reuse options, and public education. Utilities successful in this Attribute:

- Consider the utility's role in the complete water cycle
- Understand and integrate objectives and activities with other watershed managers and partners
- Utilize a full range of watershed investment and engagement strategies to plan for and meet community needs

## What Does It Mean at LOTT?

While LOTT's mission specifically centers on cleaning wastewater and recovering resources, we recognize the utility's vital role in integrated water resource management. For this reason, LOTT actively engages with community partners to understand community and ecological needs and to support overall watershed health and water resource sustainability.

Since 1997, LOTT has led a regional water conservation program that resulted in conservation of over 1.3 million gallons of water per day. This reduced municipal water supply needs and delayed the need to expand wastewater treatment capacity. With much of the community's indoor water conservation potential now realized, program efforts have shifted to public education and amplifying partner-driven messaging related to outdoor water conservation. At the same time, LOTT provides Class A reclaimed water to partner jurisdictions for non-potable reuse to augment water supplies and groundwater recharge to meet a portion of their water rights mitigation requirements. Groundwater replenishment at two sites – LOTT's Hawks Prairie Recharge Basins and Lacey and Olympia's Woodland Creek Groundwater Recharge Facility ultimately helps support in-stream flows in the Woodland Creek and McAllister Creek watersheds.



*Groundwater replenishment at the Hawks Prairie site and Lacey and Olympia's Woodland Creek facility helps support in-stream flows in the Woodland and McAllister Creek watersheds.*

LOTT proactively engages with the jurisdictions and other community partners to plan for climate change, flood response, and sea level rise, and to explore alternatives for meeting future water demand, such as potable quality recycled water. This engagement includes seeking input from watershed partners to identify resource management strategies that can serve multiple community needs. Input from partner jurisdictions regarding future reclaimed water needs and feedback from local tribes about their water resource objectives were integrated into development of the 2050 LOTT System Plan.



# How Do We Measure Success?

These key indicators will be featured in monthly Program Reports, Annual Reports, or both to provide an overview of LOTT's performance with regard to Water Resource Sustainability:

Key Indicators		
Topic	Indicator	Target
Demand and Supply Planning	Use of a formal process to evaluate community reclaimed water demands and opportunities to help address demands	Biennial partner coordination meetings Biennial review by Capital Management Group
Beneficial Reuse	Percent of reclaimed water produced that is reused or recharged for community benefit	100% beneficially reused or recharged

## What Are Our Work Plan Priorities for 2025-2030?

Water Resource Sustainability falls under the *Maintain* category. Although the utility's mission does not encompass overall responsibility for the region's water supplies, LOTT has opportunities to contribute to integrated planning and sustainable resource management. Work Plan Actions include:

### Initiative 1: Participate in Integrated Water Resource Planning

**Action** → Encourage and engage in regional conversations about water resource management, including water supply and septic planning

**Action** → Support improvements in local water quality and watershed health, including related public education

### Initiative 2: Advance and Promote Resource Recovery

**Action** → Advance a proof-of-concept Class A+ reclaimed water demonstration project

**Action** → Develop a cost-sharing formula for recycled water projects driven by water system and watershed needs

# Community Sustainability

## What is Community Sustainability?

The EUM framework envisions a leadership role for utilities in promoting and organizing community sustainability improvements through collaboration with local partners. Success in this Attribute requires a utility to consider watershed-based approaches when making management decisions affecting infrastructure planning and investment, remaining aware and attentive to potential impacts its decisions have on the broader community. Utilities that contribute to Community Sustainability:

- Take an active role in promoting community and watershed health
- Use operations to enhance the natural environment
- Efficiently use water and energy resources
- Offer support for disadvantaged households
- Support the economic, environmental, and social health of the community

## What Does It Mean at LOTT?

LOTT operates under a triple bottom line approach, with attention to environmental, economic, and social considerations for all utility decisions. Achieving multiple community benefits is front-of-mind, whether it is producing Class A reclaimed water for reuse and aquifer recharge, capturing biogas for energy generation, or planning for climate action. This broader perspective has led to programs and partnerships that enhance environmental and community health.

LOTT is conducting a climate action assessment to identify opportunities to move the utility toward carbon neutrality over time. We are an active member of the Sea Level Rise Response Collaborative, a partnership with the City of Olympia and Port of Olympia to implement a sea level rise response plan and protect downtown Olympia and the Budd Inlet Treatment Plant from future flooding. We have also entered into an agreement with tribal, state, and local entities to share in funding the long-term maintenance of a restored Deschutes Estuary. This unique collaboration provides a pathway for resolving a decades-long community challenge and greatly improving water quality in Budd Inlet. LOTT and the Squaxin Island Tribe have an ongoing collaboration to implement water quality and habitat enhancement projects to improve ecological health in local watersheds.

LOTT-funded Clean Water Community Connections programs help advance community-wide goals. Our Affordable Housing Support Program offers connection fee rebates for new housing units dedicated to low income or permanent supportive housing. The Septic Conversion Incentive Programs provide connection fee rebates for property owners converting from on-site septic systems to the sewer system and for municipally-funded neighborhood-scale conversion projects. These programs contribute to the regional goal of converting high-density urban septic tanks and improving overall watershed health. LOTT also provides small Public Health Support grants to partner jurisdictions to support proper management of human waste associated with the unhoused population. During the COVID pandemic, LOTT began participation in Washington State Department of Health's wastewater epidemiology program. Regular sampling of LOTT's untreated wastewater contributes to the broader understanding of disease status in the community.

# How Do We Measure Success?

These key indicators will be featured in monthly Program Reports, Annual Reports, or both to provide an overview of LOTT’s performance with regard to Community Sustainability:

Key Indicators		
Topic	Indicator	Target
Carbon Footprint	Greenhouse gas emissions	Annual emissions inventory
Carbon Footprint	Per capita greenhouse gas emissions	Track and trend

## What Are Our Work Plan Priorities for 2025-2030?

Community Sustainability falls under the *Maintain* category. LOTT’s performance in this Attribute is excellent, with a high level of support and appreciation shared by our Board members, partner jurisdictions, tribes, community partners, and the public. Work Plan Actions include:

### Initiative 1: Implement a Climate Action Strategy

**Action** → Complete a Climate Actions Assessment and develop an action plan

**Action** → Work with the Board to update LOTT’s climate policy

### Initiative 2: Adapt Community Support Programs to Current Needs

**Action** → Evaluate pilot programs such as Affordable Housing Support and Septic Conversion Incentive programs

**Action** → Optimize community investment through efforts such as joint projects and advocacy for sea level rise adaptation and watershed health

# Operational Optimization

## What is Operational Optimization?

Operational Optimization refers to ongoing, timely, cost-effective, reliable, and sustainable performance improvements in all facets of a utility's operations in service to public health and environmental protection. Under the EUM framework, utilities successful in this Attribute:

- Continuously incorporate innovative solutions
- Minimize resource use and loss from day-to-day operations
- Effectively utilize technological approaches and tools to optimize data management and analysis
- Strive for information technology and information system business alignment
- Remain attentive to supply chain vulnerabilities to allow for timely acquisition of critical parts and supplies
- Keep up on technological development and adopt improvements in a timely manner

## What Does It Mean at LOTT?

LOTT's Culture of Excellence embraces continuous improvement and innovation, encouraging staff to track industry trends, experiment with new methods, be solutions-focused, and be adaptable. A team of LOTT staff run our Future Technologies Pilot Program to test alternative and new technologies that offer potential efficiencies or improvements. An example of this was successful testing of an alternative to methanol for carbon supplementation that improves safety, lowers costs, and reduces the system's carbon footprint.

Treatment process optimization is a continual focus of our staff. The Biological Process Improvements project, completed in 2023, upgraded our nutrient removal system and provided staff with enhanced monitoring equipment and new process controls. The infrastructure improvements were only the first step, however, as it was up to staff to research industry trends and customize use of the new tools to leverage real-time data and optimize performance, achieving removal levels among the best in the country. An in-house Process Control Team meets regularly to review performance data, share knowledge, and identify opportunities to further refine treatment processes. They work together to master the use of cascading ammonia feedback for aeration air control and nitrate feedback for internal recycle control, two innovative strategies not commonly utilized in the industry. Through experimentation and research, they also developed an algorithm for dosing supplemental carbon that is more effective than the one provided by the product manufacturer.

Optimization efforts also benefit from our culture of responsibility – acknowledging when mistakes happen or things are not working as intended, learning from those situations, and problem-solving to prevent future issues. Energy reduction is another optimization focus. An electrical usage tracking program and collaboration with Puget Sound Energy help us review and reduce energy usage. Energy evaluations are incorporated into capital project design to review and identify opportunities for energy efficiency or generation. Staff are encouraged to share green and energy-saving ideas which have resulted in expansion of on-site electric vehicle charging stations and the first solar array installation at the Budd Inlet Treatment Plant.

# How Do We Measure Success?

These key indicators will be featured in monthly Program Reports, Annual Reports, or both to provide an overview of LOTT’s performance with regard to Operational Optimization:

Key Indicators		
Topic	Indicator	Target
Treatment Performance	Total inorganic nitrogen discharge relative to discharge permit requirements	Better than required
Treatment Performance	Biochemical oxygen demand discharge relative to discharge permit requirements	Better than required

# What Are Our Work Plan Priorities for 2025-2030?

Operational Optimization falls under the *Maintain* category. It is an integral part of LOTT’s culture, and performance in this area is solid. Work Plan Actions include:

## Initiative 1: Increase Treatment Process Resiliency

**Action** → Prioritize pilot testing of technological enhancements and operational efficiencies

**Action** → Identify critical parts and supplies and strengthen supply chain and spare inventories

## Initiative 2: Reduce Power Demands

**Action** → Investigate approaches to reduce peak energy loads within the limits of required permit compliance

**Action** → Include energy efficiency evaluations as part of large-scale capital project development

# Financial Viability

## What is Financial Viability?

This Attribute requires that a utility understand and plan effectively to meet the full life-cycle cost of utility operations, effectively balancing long-term debt, capital, operations, and maintenance expenditures with revenues. The EUM framework suggests that utilities successful in this Attribute:

- Exercise sound financial management
- Adopt financial practices to adequately recover costs, provide reserves, invest in future needs, and support favorable bond ratings
- Establish predictable rates to support current and future needs
- Implement strategies to address the needs of disadvantaged households

## What Does It Mean at LOTT?

LOTT has a proven track record of sound financial management, operating within the bounds of our defined budget, planning with long-term financial viability in mind, and keeping rates below average. Long-term financial planning is essential due to ongoing capital investments necessary to repair, replace, and expand critical infrastructure. LOTT uses a custom planning tool referred to as the Wizard to track projected timing and costs for short-term (six-year) and long-term (20-year) capital improvements.

We strive to manage rates within affordability thresholds, keeping rate adjustments reasonable and predictable. In 2012, the Board of Directors established a comprehensive finance plan based on a steady 3% annual rate adjustment to keep pace with rising costs while minimizing impacts to ratepayers. This approach has allowed us to weather periods of higher inflation without the need for unexpected, large swings in rates. LOTT also employs a variety of fiscal benchmarks to determine debt capacity and inform financial decision-making. We take advantage of low-cost state-managed loans to support capital improvements. Emergency reserves allow for roughly six months of operating expenses and \$3 million in emergency capital expenditures. These reserves are separate from, and in addition to, reserves required by debt covenants and help to ensure resiliency during unexpected events.



*LOTT uses a custom planning tool to track projected timing and costs for short-term and long-term capital improvements.*

Participation in our partner jurisdictions' financial assistance programs for ratepayers provides a uniform approach to addressing the needs of disadvantaged households. LOTT also implements community programs that provide connection fee assistance to disadvantaged households that need to convert an on-site septic system to sewer service and to those developing housing for low-income households. LOTT surveys 30 regional utilities and collects information for a biennial rate comparison. LOTT's rates remain below the average of these utilities, and within the affordability threshold recently outlined by the U.S. EPA.



# How Do We Measure Success?

These key indicators will be featured in monthly Program Reports, Annual Reports, or both to provide an overview of LOTT's performance with regard to Financial Viability:

Key Indicators		
Topic	Indicator	Target
Budget Management	Actual expenditures relative to budgeted totals	Expenditures less than budgeted amounts
Financial Planning	Formal process to account for full life-cycle cost of service and capital improvements	Biennial rate setting and budget and CIP development based on six-year rolling finance plan
Liquidity	Cash on hand relative to that required for net operations	Greater than 80 days of net operations
Financial Procedure Integrity	Number of control deficiencies or material weaknesses noted in annual state audit	No control deficiencies or material weaknesses
Debt Service Coverage	Debt payment obligations relative to WSC and CDC revenues	Less than or equal to 35% of revenue annually
Debt Service Coverage	Total debt relative to WSC and CDC revenues	Less than two times the revenue annually

## What Are Our Work Plan Priorities for 2025-2030?

Financial Viability falls under the *Maintain* category. LOTT will strive for continued excellence in this area. Work Plan Actions include:

### Initiative 1: Maintain predictable and affordable rates

**Action** → Employ purpose-built custom planning tools to track revenues, expenditures, and overall financial status

**Action** → Educate and advocate for the benefits of stable rate adjustments over time

**Action** → Pursue grants and low-interest loans for climate action and capital improvements

# Regulatory and Reliability Performance

## What is Regulatory and Reliability Performance?

Under the EUM framework, Regulatory and Reliability Performance refers to treating effluent and recovering resources in full compliance with regulatory requirements and providing reliable services with consistent and equitable outcomes for the community. It also requires that utilities understand customer expectations, as well as community and ecological needs. Utilities that excel in this Attribute:

- Produce “fit for purpose” water and other recovered resources
- Meet or exceed regulatory requirements
- Operate consistent with customer, community, public health, safety, ecological, and economic priorities

## What Does It Mean at LOTT?

LOTT consistently performs better than regulatory requirements, providing the highest level of wastewater treatment in the Puget Sound region and recovering resources for beneficial reuse and community benefit. LOTT has an outstanding record of meeting the most stringent discharge permit limits in the region, and of managing high flow events such that there has not been a combined sewer overflow at the Budd Inlet Treatment Plant since 2009. Biological nutrient removal has been in use at the Budd Inlet Treatment Plant for nearly 30 years, and a second-generation upgrade to the process has resulted in performance that ranks among the best in the country.

LOTT produces up to 3 million gallons of Class A reclaimed water a day, providing this resource to our partner cities for reuse and groundwater recharge. Since 2016, we have provided over 870 million gallons of Class A reclaimed water to the cities of Lacey and Olympia for use at their Woodland Creek Groundwater Recharge Facility to help meet requirements of their municipal water rights mitigation plan. Additional reclaimed water is used by the cities of Olympia and Tumwater and shared with customers for irrigation and other non-potable reuse. Helping to stretch our partner jurisdictions’ water supplies in these ways contributes to our community’s ecologic and economic priorities. We are also collaborating with our partner jurisdictions and state regulators on a proof of concept demonstration project to produce Class A+ potable quality reclaimed water to unlock future possibilities for fit for purpose water.

We produce nearly 8,000 wet tons of biosolids annually that are sent to a farmer-owned Boulder Park cooperative in eastern Washington. Farmers report that biosolids are an excellent soil conditioner that prevents soil compaction and increases wheat yields by over 25%. This use of biosolids also provides an annual net carbon offset of over 160 metric tons. LOTT also captures and uses biogas from the solids handling process for use in a heat and electrical cogeneration system. In 2023, we generated nearly 385,000 kilowatt hours of electricity and contributed energy to a district heat loop used to heat and cool LOTT’s administrative building and the neighboring Hands On Children’s Museum, and to meet a portion of the heat energy necessary to operate the digestion process at the Budd Inlet Treatment Plant.

# How Do We Measure Success?

These key Indicators will be featured in monthly Program Reports, Annual Reports, or both to provide an overview of LOTT's performance with regard to Regulatory and Reliability Performance:

Key Indicators		
Topic	Indicator	Target
Regulatory Compliance	Percent compliance with total inorganic nitrogen and biochemical oxygen demand discharge permit requirements	100% compliance with TIN and BOD limits  No instances where limits are exceeded for total amount of pollutant discharged to Budd Inlet
Treatment Reliability	Number of combined sewer overflows into Budd Inlet	No more than one annually
Treatment Reliability	Number of releases of only partially treated wastewater into Budd Inlet	No more than one annually
Resource Recovery	Total production of reclaimed water	Track and trend
Resource Recovery	Total production of biosolids	Track and trend
Resource Recovery	Total biogas reuse	Track and trend

# What Are Our Work Plan Priorities for 2025-2030?

Regulatory and Reliability Performance falls under the *Maintain* category. LOTT's performance in this Attribute is well proven. As the core of our utility's mission, maintaining this high level of performance is essential. Work Plan Actions include:

## Initiative 1: Maintain Excellence in Permit Compliance and Resource Recovery

- Action** → Explore alternative resource recovery options, such as Class A+ reclaimed water
- Action** → Work with partner jurisdictions to identify proposed timing for reclaimed water expansion
- Action** → Perform better than regulatory requirements to meet our high standards and capacity needs

# Conclusion

This Strategic Plan includes the mission, guiding principles, and initiatives that will guide LOTT's efforts through the six-year period of 2025-2030. The industry framework for Effective Utility Management provided guidance that LOTT used to review our performance with regard to ten Attributes. This exercise helped us to identify specific Initiatives and Actions to build upon our efforts and to maintain our solid performance. Work plan Actions were carefully prioritized to focus staff efforts on essential work, recognizing that LOTT staff must first and foremost meet our core mission of effectively treating our community's wastewater. Success Indicators were identified to track our performance through monthly and annual reporting. The result is a comprehensive Strategic Plan to serve as our roadmap through 2030. The Plan provides accountability and a related Work Plan to ensure LOTT remains resilient and adaptable to effectively serve our community well into the future.



# Appendices



# 2025-2030 Work Plan Initiatives and Actions

The Initiatives and Actions listed here reflect opportunities to build on and maintain our current efforts. These priorities form the basis for LOTT’s 2025-2030 Work Plan, designed with the ultimate goal of supporting and bolstering our ability to continually meet our Mission. The Work Plan aligns with LOTT’s Culture of Excellence, which includes a commitment to continual improvement.

<b>1 Enterprise Resiliency</b>
<b>Initiative 1. Improve Emergency Preparedness</b>
Action: Document assets and processes critical to managing operations during emergencies
Action: Develop standard operating procedures (SOPs) to run processes in emergency mode
Action: Train and drill staff on emergency mode SOPs
<b>Initiative 2. Proactively Address Unregulated Chemicals as an Emerging Risk Area</b>
Action: Establish a standard framework to address emerging issues in alignment with regulatory agencies
Action: Conduct follow-up residual chemical sampling and source control measures when indicated
Action: Explore options and benefits of expanding laboratory capabilities
<b>2 Workforce Development</b>
<b>Initiative 1. Develop and Maintain a Highly Capable Workforce</b>
Action: Identify and develop strategic backup and succession plans for knowledge sharing and business continuity
Action: Establish additional junior-level positions to promote growth and stability
Action: Employ internships where possible to encourage and discover new talent
<b>Initiative 2. Foster Employee Engagement, Belonging, and Retention</b>
Action: Create a consistent, intentional onboarding process to make new staff feel welcome and supported
Action: Implement a new two-way continuous performance feedback model
Action: Complete salary surveys on a regular basis to ensure wages remain market-competitive



### 3 Infrastructure Strategy and Performance

#### Initiative 1. Update Asset Management Program

Action: Evaluate options for alternative asset management software system

Action: Complete a comprehensive update of asset condition data in the system

Action: Complete a comprehensive update of all related preventative maintenance tasks

#### Initiative 2. Enhance Capacity Planning Processes

Action: Initiate technical analyses and a request to Department of Ecology to rerate the Budd Inlet Treatment Plant

Action: Standardize processes for twice-yearly review of multiple aspects of system capacity, integrating risk from evolving issues such as climate change

Action: Hold regular check-ins with partner jurisdictions to coordinate infrastructure projects and share community development data

### 4 Customer Experience and Satisfaction

#### Initiative 1. Expand Communications and Outreach

Action: Develop a strategic communications plan to expand reach and raise awareness of LOTT's efforts, including value for the cost

Action: Establish routine check-ins and consistent rate-related messaging with partner jurisdictions

Action: Explore expanded methods to gather feedback from the public and community partners

#### Initiative 2. Formalize Affordability Review Process

Action: Incorporate U.S. EPA and other industry benchmarks into rate affordability analysis

Action: Continue biennial comparison of regional utility rates

Action: Work with partner jurisdictions to explore methods to assist economically disadvantaged customers

## 5 Community Understanding and Support

### Initiative 1. Build and Strengthen Community Partnerships

Action: Raise awareness of benefits of LOTT's support for community-building programs

Action: Maintain strong relationships with partner jurisdictions, tribes, and local organizations such as the Port of Olympia and Hands On Children's Museum

### Initiative 2. Enhance Educational Programming

Action: Expand engagement and programming for high school and adult age groups

Action: Update WET Center exhibits and amplify educational messaging shared with that of local partners

## 6 Water Resource Sustainability

### Initiative 1. Participate in Integrated Water Resource Planning

Action: Encourage and engage in regional conversations about water resource management, including water supply and septic planning

Action: Support improvements in local water quality and watershed health, including related public education

### Initiative 2. Advance and Promote Resource Recovery

Action: Advance a proof-of-concept Class A+ reclaimed water demonstration project

Action: Develop a cost-sharing formula for recycled water projects driven by water system and watershed needs

## 7 Community Sustainability

### Initiative 1. Implement a Climate Action Strategy

Action: Complete a Climate Actions Assessment and develop an action plan

Action: Work with the Board to update LOTT's climate policy

### Initiative 2. Adapt Community Support Programs to Current Needs

Action: Evaluate pilot programs such as Affordable Housing Support and Septic Conversion Incentive programs

Action: Optimize community investment through efforts such as joint projects and advocacy for sea level rise adaptation and watershed health

## 8 Operational Optimization

### Initiative 1. Increase Treatment Process Resiliency

Action: Prioritize pilot testing of technological enhancements and operational efficiencies

Action: Identify critical parts and supplies and strengthen supply chain and spare inventories

### Initiative 2. Reduce Power Demands

Action: Investigate approaches to reduce peak energy loads within the context of required permit compliance

Action: Continue to include energy efficiency evaluations as part of large-scale capital project development

## 9 Financial Viability

### Initiative 1. Maintain Predictable and Affordable Rates

Action: Employ purpose-built custom planning tools to track revenues, expenditures, and overall financial status

Action: Educate and advocate for the benefits of stable rate adjustments over time

Action: Pursue grants and low-interest loans for climate action and capital improvements

## 10 Regulatory and Reliability Performance

### Initiative 1. Maintain Excellence in Permit Compliance and Resource Recovery

Action: Explore alternative resource recovery options, such as Class A+ reclaimed water

Action: Work with partner jurisdictions to identify proposed timing for reclaimed water expansion

Action: Perform better than regulatory requirements to meet our high standards and capacity needs

# 2025-2030 Finance Plan

The Finance Plan is instrumental to the success of the overall 2025-2030 Strategic Plan. It is developed with the intent of supporting the broad goals set forward in the Strategic Plan, specific projects and programs approved in each biennial Budget and Capital Improvements Plan, and long-term life-cycle costs of LOTT's critical infrastructure.

LOTT has two main sources of revenue – the monthly service rate or Wastewater Service Charge (WSC) and the connection fee or Capacity Development Charge (CDC). Both fees are charged based on Equivalent Residential Units (ERUs). For residential customers, one ERU equals one single family residence and 0.7 ERU for one unit of a multifamily structure (three or more units). For non-residential customers, one ERU equals 900 cubic feet of wastewater, typically measured by a water meter or a dedicated wastewater meter. As part of the strategic planning process, a detailed consultant and staff analysis was conducted to review the definition of the ERU. The Board determined that the current ERU definition remains appropriate. The Board also recognized that the definition should be reviewed in the future if new information becomes available.

LOTT's Finance Plan is designed and based on use of a 3% annual inflationary adjustment for both the WSC and the CDC. This methodology continues LOTT's historic approach of implementing modest, predictable rate increases each year, rather than sporadically implementing large, unforeseen rate increases. This method of rate setting was originally established by the LOTT Board of Directors in 2012. It also allows for a stable funding source and helps keep rates lower over the long term. The Board reviews this methodology and sets actual rates prior to each biennial Budget approval, as required in the Interlocal Cooperation Agreement for Wastewater Management (ILA). The ILA governing LOTT also addresses how funding for capital projects is allocated between the WSC and CDC and provides the Board with the authority to make changes to these allocations. The ILA defines two types of projects:

1. **System Upgrades:** Projects which improve and rehabilitate the existing LOTT system
2. **New Capacity:** Projects which create new capacity in the LOTT system

Historically, System Upgrade projects have been funded 91% from the WSC and 9% from the CDC. New Capacity projects have been funded 88% from the CDC and 12% from the WSC. This methodology ensured that growth would pay for growth, while also recognizing that each type of project benefits existing customers and system capacity.

In addition to System Upgrade and New Capacity projects, two additional categories of projects are funded by the Capital Budget:

3. **Asset Management:** Work and projects that focus on rehabilitation and replacement of existing assets. While similar to System Upgrade projects, these projects focus more on individual assets whereas System Upgrade projects focus on larger, overarching systems. Historically, Asset Management projects have been funded by the WSC.
4. **Support Services and Programs:** This category serves to support miscellaneous items in the Capital Budget which do not fall into System Upgrades, New Capacity, or Asset Management. It includes several community programs created by the Board, as well as LOTT's administration of the Capital Budget. Due to the diverse nature of these programs, a determination of funding sources has historically been made on a case-by-case basis.

The LOTT Board reviewed this methodology during planning for the 2025-2030 Strategic Plan. Based on this review, funding is planned to continue at the following levels:

1. System Upgrade Projects: 91% WSC / 9% CDC
2. New Capacity Projects: 88% CDC / 12% WSC
3. Asset Management Projects: 100% WSC
4. Support Services and Programs: Determined on a case-by-case basis using the above percentages as a guide

The Finance Plan methodology described above supports LOTT's ability to implement the 2025-2030 Strategic Plan and achieve our identified levels of service. LOTT's planning approach also allows for adaptability to meet changing needs, which may require future modification of the Finance Plan under the Board's direction.

# 2025-2030 Staffing Plan

The Staffing Plan described here summarizes our current understanding of the additional staffing resources needed within the 2025-2030 timeframe. As part of development of the Strategic Plan, leadership and the Board of Directors considered staffing levels necessary to maintain our current high levels of service and to implement our 2025-2030 Work Plan priorities. Staffing needs were evaluated through review of current and projected workloads, succession planning, backup of critical functions, and Work Plan implementation. Where a new staffing need was identified, a prospectus explaining the need and rationale for the position was developed. LOTT’s leadership team then reviewed the compiled staffing requests and prioritized the proposed position list. Leadership then worked with the Board of Directors over a series of work sessions to further develop the draft Work Plan and identify the key drivers for additional staffing resources. Drivers included priorities identified by the Board of Directors and others identified by staff as critical to LOTT’s mission.

Board Identified Needs	Additional Mission Critical Needs
Maintain security	Improve asset management
Expand communications efforts	Implement capital improvement plan
Expand outreach to high school and adults	Ensure staff resiliency (e.g. backups)
Evaluate expansion of lab testing capabilities	Safeguard permit compliance

Within the context of budgeting considerations, the list of proposed positions was then narrowed down to those necessary to meet strategic needs. The resulting Staffing Plan provides an outline of positions scheduled to be added over the six-year planning period. These positions are distributed over the period due to budgeting, recruitment, and onboarding considerations. Ultimately, the Board of Directors approves added positions in the biennial budgeting process. Several tentative positions were also identified as in need of further evaluation.



*As part of development of the Strategic Plan, leadership and the Board of Directors considered staffing levels necessary to maintain our current high levels of service and to implement our 2025-2030 Work Plan priorities.*

Staffing Plan		
Approved Positions	Strategic Need	Biennium
Security Officer	LOTT staff security level	2025-2026
Maintenance Technician	Asset management	2025-2026
Project Coordinator	Capital projects	2025-2026
Communications	Expand capabilities	2025-2026
Operator	Permit compliance	2027-2028
Project Engineer	Capital projects	2027-2028
Environmental Educator	Expanded outreach	2029-2030
Pretreatment	Permit compliance	2029-2030
For Future Consideration	Strategic Need	Biennium
Security Officer	Maintain security	Pending Further Review
Lab Technician	Expanded lab capabilities	Pending Further Review
Administrative Assistant	Organization-wide support	Pending Further Review

This Staffing Plan represents LOTT's best estimate of the additional staffing resources that will be needed over the six-year timeframe. Our planning model allows for continuous review of our utility needs, and we anticipate changes may be required over the course of the planning period due to changes in regulatory requirements, Board priorities, community expectations, and other factors.



## 2025-2030 Success Indicators

For each Attribute, performance will be assessed based on two tiers of metrics. The first tier includes Key Indicators that form the basis of reporting to the Board of Directors, partner jurisdictions, and the public. These Indicators will be featured in monthly Program Reports, Annual Reports, or both to provide an overview of LOTT's performance. The second tier, referred to as Secondary Metrics, will be used primarily for internal tracking and benchmarking. The full suite of Indicators is listed here by Attribute.

Enterprise Resiliency		
Key Indicators		
Topic	Indicator	Target
Emergency Funds	Amount of reserve funds available	Equivalent of six months of operating expense and \$3 million for emergency capital expenditures
Operational Capability	Percent of time critical equipment available for essential operations	100% uptime
Emergency Planning	Frequency of review and updates to LOTT's Emergency Response Plan	At least annual review and update
Cybersecurity	Percent of staff who receive training	100% of staff receive training annually
Physical security	Number of staff trainings and drills	At least one offered annually
Emergency Preparedness	Number of staff trainings and drills	At least one offered annually
Secondary Metrics		
Topic	Indicator	Target
Emergency Preparedness	Percent of emergency and security incidents that receive after action reviews	100% of significant incidents reviewed
Emergency Preparedness	Percent of time backup power available	100% uptime
Operational Safety	Corrective maintenance of safety equipment and components	Track and trend
Operational Capability	Frequency of review and updates to internal operational response plans	At least annual review and update of high flow SOP and power outage procedures
Emerging Concerns	Number of unregulated chemicals and other pollutants being actively tracked	Track and trend

## Workforce Development

### Key Indicators

Topic	Indicator	Target
Retention	Percent of workforce that leave for similar work opportunities	No more than 5% annually
Safety	Labor & Industries safety experience rating	At or below 1.0 (the industry standard)
Staff Engagement	Percent of workforce that participate in LOTT's wellness program	At least 75% annually
Development	Number and type of promotions and career development activities	Track and trend

### Secondary Metrics

Topic	Indicator	Target
Turnover	Number and type of staff exits by work groups	Annual review by Leadership Team
Technical Proficiency	Percent of professional and trade certifications obtained or maintained	100% of preferred and required certifications
Staff Engagement	Attendance at All Staff meetings and events	Annual review by Leadership Team
Safety Engagement	Percent of workforce that participate in LOTT's safety program	Track and trend
Safety Training Coverage	Percent of workforce that complete all required safety trainings	Track and trend
Safety Incidents	Number, type, and details of safety incidents	Annual review by Safety Committee and Leadership Team
Wellness Engagement	WellCity award eligibility	Earn WellCity award annually

## Infrastructure Strategy and Development

### Key Indicators

Topic	Indicator	Target
Asset Management	Progress in updating key asset areas in asset management system	Critical assets identified and updated in first biennium Second tier assets identified in first biennium Second tier assets updated in second biennium Continued progress in third biennium
Asset Management	Percent of newly completed capital projects that include full asset management system updates	100% of capital projects have associated assets updated in system prior to project completion
Capital Planning	Use of a formal process to evaluate, optimize, prioritize, and fund infrastructure needs	Biennial formal process to develop capital budget and Capital Improvements Plan (CIP) Monthly Capital Management Group meetings to adjust priorities based on changing conditions
Capital Improvements	Status of planned capital improvements	Phase of work and percent completion for each active major CIP project annually

### Secondary Metrics

Topic	Indicator	Target
Collection System	Percent of LOTT-owned pipelines inspected within six-year period	100% of gravity system inspected every six years
Inventory Coverage	Percent of critical assets inventoried within six-year period	Track and trend
Inventory Coverage	Number of assets in asset management system	Track and trend
Condition Assessment Coverage	Percent of critical assets with condition assessed within six-year period	Track and trend
Repair and Replacement	Percent of repair and replacement budget spent	Track and trend
Preventative Maintenance	Percent time spent on planned maintenance	Track and trend
Inflow and Infiltration	Inflow and infiltration rates	Biennial assessment and reporting
Capacity Planning	Status of treatment system capacity	Biennial assessment and reporting

## Customer Experience and Satisfaction

### Key Indicators

Topic	Indicator	Target
Responsiveness	Percent of public inquiries with timely response	100% of inquiries have initial response within two business days
Responsiveness	Percent of complaints with timely investigation and response	100% of complaints have response within five business days and are investigated
Public Engagement	Number of people reached through education and outreach efforts	At least 10,000 people reached through WET Center visits, school partnerships, presentations, and outreach efforts

### Secondary Metrics

Topic	Indicator	Target
Good Neighbor Efficacy	Number of LOTT-caused odor and noise complaints	Track and trend
Public Engagement	Number of outreach and involvement efforts	Track and trend
Ratepayer Engagement	Percent of ratepayer base represented by those reached through education and outreach efforts	Track and trend
Service Area Engagement	Percent of WET Center visitors who are residents of Thurston County	Track and trend
Public Feedback	Response to visitor satisfaction inquiries	Annual review by Leadership Team

## Community Understanding and Support

### Key Indicators

Topic	Indicator	Target
Educational Partnerships	Percent of local school districts offered programming through formal partnerships	100% of service area school districts
Educational Partnerships	Number of students reached through educational programming	At least 2,500 students annually
Community Engagement	Number of outreach events in which LOTT participates or leads	Track and trend

### Secondary Metrics

Topic	Indicator	Target
Media Coverage	Number of media articles that feature LOTT	Track and trend
Community Partnerships	Number and type of projects completed through community partnerships	Track and trend
Outreach Efficacy	Data related to message retention	Annual review by Leadership Team

## Water Resource Sustainability

### Key Indicators

Topic	Indicator	Target
Demand and Supply Planning	Use of a formal process to evaluate community reclaimed water demands and opportunities to help address demands	Biennial partner coordination meetings Biennial review by Capital Management Group
Beneficial Reuse	Percent of reclaimed water produced that is reused or recharged for community benefit	100% beneficially reused or recharged

### Secondary Metrics

Topic	Indicator	Target
Supply Management	Percent of wastewater flow treated to Class A reclaimed water	Track and trend
Demand Management	Percent of reclaimed water demand met from Budd Inlet Reclaimed Water Plant	Track and trend
Demand Management	Percent of reclaimed water demand met from Martin Way Reclaimed Water Plant	Track and trend

## Community Sustainability

### Key Indicators

Topic	Indicator	Target
Carbon Footprint	Greenhouse gas emissions	Annual emissions inventory
Carbon Footprint	Per capita greenhouse gas emissions	Track and trend

### Secondary Metrics

Topic	Indicator	Target
Green Infrastructure	Funds invested in green infrastructure like solar projects and electric fleet	Track and trend
Energy Generation	Percent of energy demand met by LOTT-generated renewable energy resources	Track and trend
Affordable Housing	Number of low income housing units developed under LOTT's Affordable Housing Support Program	Track and trend
Septic Conversions	Number of septic conversions approved under LOTT's Septic Conversion Incentive Programs	Track and trend
Public Health Emergency Support	Number of projects approved under LOTT's Public Health Support Program	Track and trend
Sea Level Rise Response	Number of active sea level rise response projects	Track and trend



Operational Optimization		
Key Indicators		
Topic	Indicator	Target
Treatment Performance	Total inorganic nitrogen discharge relative to discharge permit requirements	Better than required
Treatment Performance	Biochemical oxygen demand discharge relative to discharge permit requirements	Better than required
Secondary Metrics		
Topic	Indicator	Target
Resource Optimization	Overall energy reduction achieved and peak demand reductions	Track and trend
Resource Optimization	Percent of biogas beneficially used	Track and trend
Resource Optimization	Ratio of energy usage in kilowatts to volume of wastewater treated	Track and trend
Resource Optimization	Number and type of Green Team staff-generated ideas	Track and trend
Pretreatment	Number of pretreatment inspections	Track and trend
Process Optimization	Number of peer-learning events hosted or attended	Track and trend

Financial Viability		
Key Indicators		
Topic	Indicator	Target
Budget Management	Actual expenditures relative to budgeted totals	Expenditures less than budgeted amounts
Financial Planning	Formal process to account for full life-cycle cost of service and capital improvements	Biennial rate setting and budget and CIP development based on six-year rolling finance plan
Liquidity	Cash on hand relative to that required for net operations	Greater than 80 days of net operations
Financial Procedure Integrity	Number of control deficiencies or material weaknesses noted in annual state audit	No control deficiencies or material weaknesses
Debt Service Coverage	Debt payment obligation relative to WSC and CDC revenues	Less than or equal to 35% of revenue annually
Debt Service Coverage	Total debt relative to WSC and CDC revenues	Less than two times the revenue annually
Secondary Metrics		
Topic	Indicator	Target
Budget Management	Year-end cash balance	No less than \$5 million
Affordability	Service rates relative to the U.S. EPA affordability threshold	Within the EPA affordability threshold

## Regulatory and Reliability Performance

### Key Indicators

Topic	Indicator	Target
Regulatory Compliance	Percent compliance with total inorganic nitrogen and biochemical oxygen demand discharge permit requirements	100% compliance with TIN and BOD limits  No instances where limits are exceeded for total amount of pollutant discharged to Budd Inlet
Treatment Reliability	Number of combined sewer overflows into Budd Inlet	No more than one annually
Treatment Reliability	Number of releases of only partially treated wastewater into Budd Inlet	No more than one annually
Resource Recovery	Total production of reclaimed water	Track and trend
Resource Recovery	Total production of biosolids	Track and trend
Resource Recovery	Total biogas reuse	Track and trend

### Secondary Metrics

Topic	Indicator	Target
Regulatory Compliance	Percent compliance with all permit requirements	Track and trend by category
Regulatory Engagement	Process for tracking and addressing proposed legislation and regulatory issues with potential impact to LOTT	Annual state legislative tracking Issues addressed as needed



500 Adams Street NE | Olympia, Washington | [www.lottcleanwater.org](http://www.lottcleanwater.org)