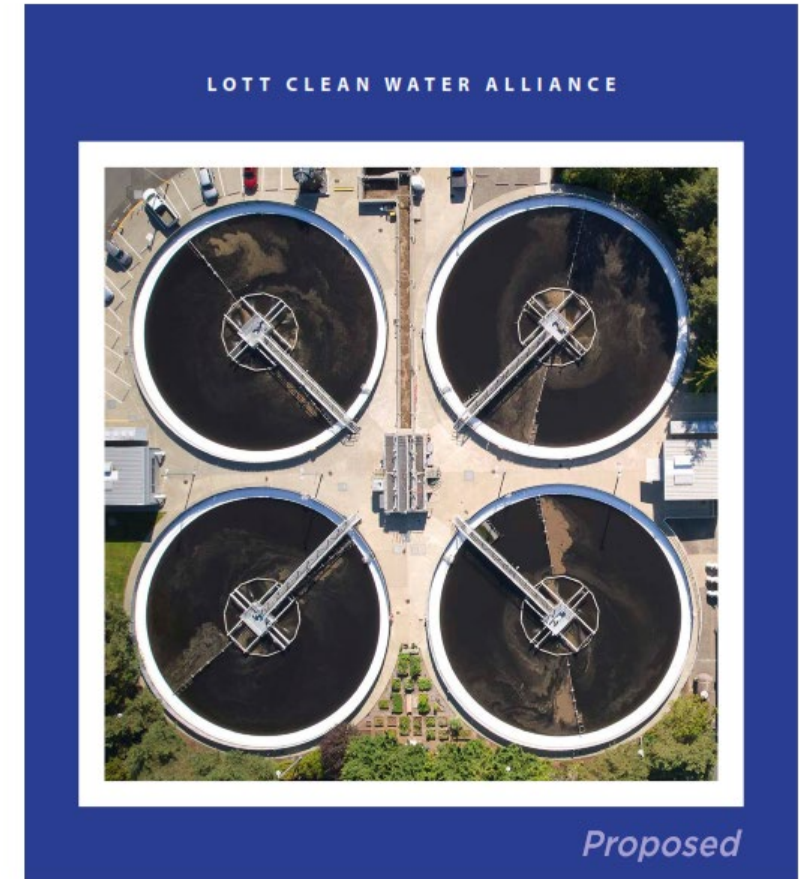




Proposed Budget

City of Olympia
Utility Advisory Committee
October 3, 2024



**BUDGET AND
CAPITAL IMPROVEMENTS PLAN**
2025-2026

LOTT Clean Water Alliance

Collaboration of four local governments

- Lacey
- Olympia
- Tumwater
- Thurston County



Dani Madrone, Olympia



Tye Menser, Thurston County

Board of Directors

- One elected official from each jurisdiction
- Meet monthly to oversee LOTT business



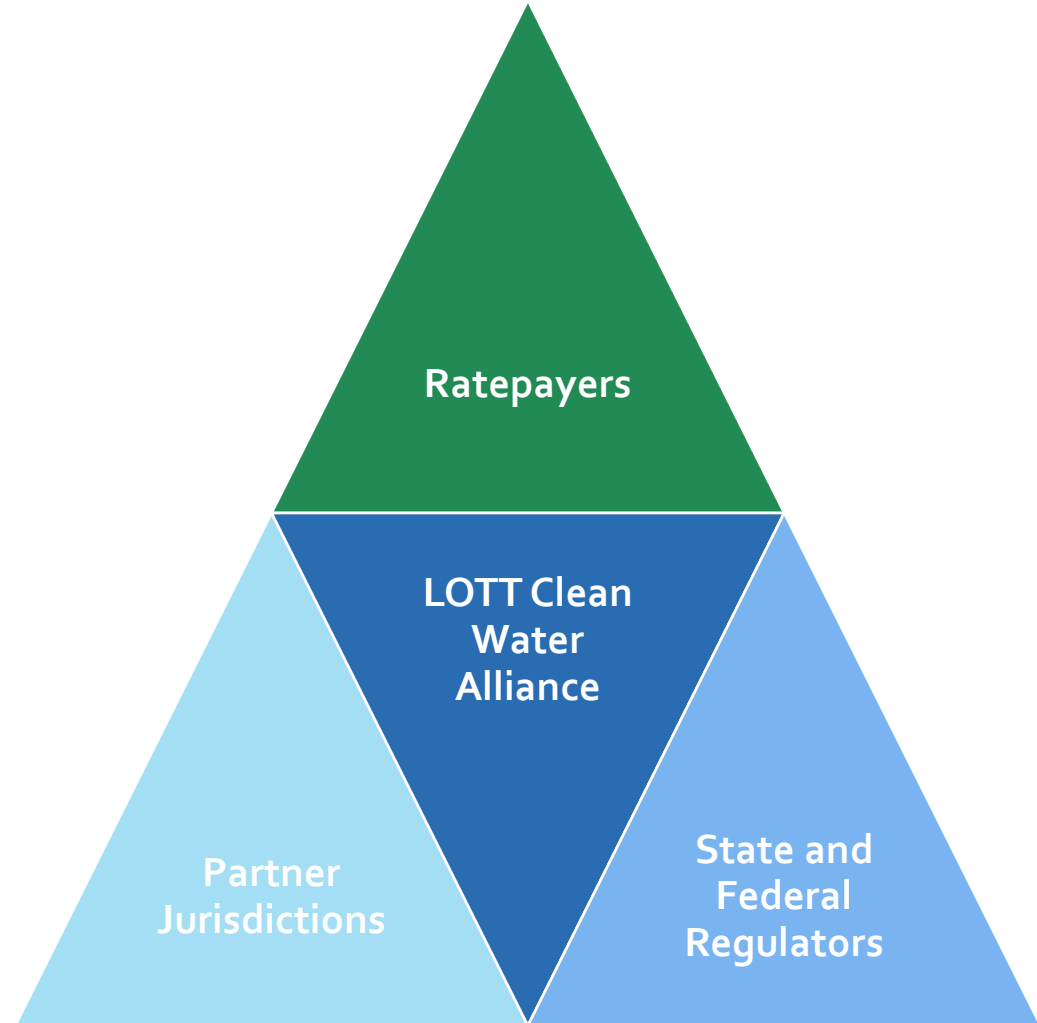
Leatta Dahlhoff, Tumwater



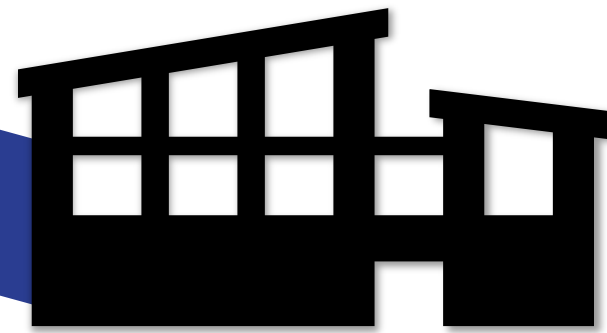
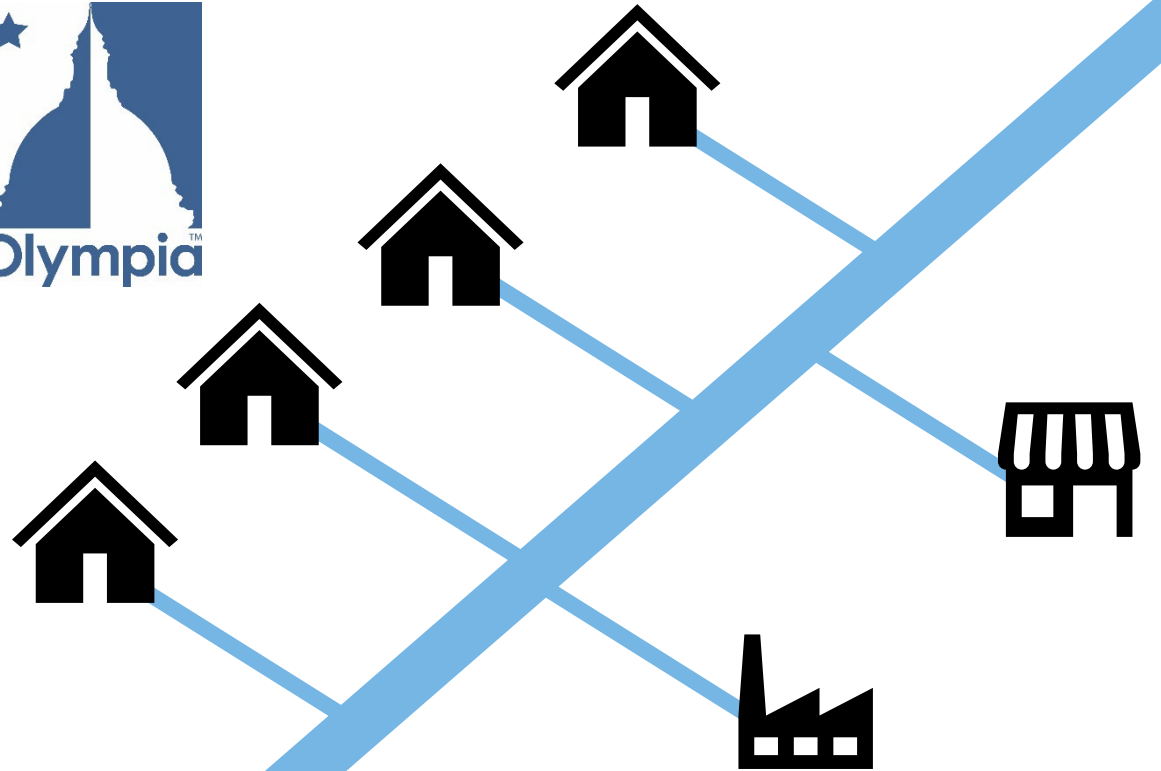
Carolyn Cox, Lacey

LOTT is Distinctive

- Regional utility
 - Non-profit corporation
 - Act as a public entity
- Failure not an option
 - Provide essential public service
 - Highly regulated
- Accountable on multiple levels
 - Ratepayers
 - Partner jurisdictions
 - State and federal regulators



Who does what?



LOTT

Why are we here?





Page 1 of 66
Permit No. WA0037061
Issuance Date: February 16, 2018
Effective Date: April 1, 2018
Expiration Date: March 31, 2023

NATIONAL POLLUTANT DISCHARGE ELIMINATION SYSTEM WASTE DISCHARGE PERMIT NO. WA0037061

State of Washington
DEPARTMENT OF ECOLOGY
Southwest Regional Office
P.O. Box 47775
Olympia, WA 98504-7775

In compliance with the provisions of the State of Washington Water Pollution Control Law, Chapter 90.48 Revised Code of Washington, and the State of Washington Reclaimed Water Act, Chapter 90.46 Revised Code of Washington, and the Federal Water Pollution Control Act (The Clean Water Act) Title 33 United States Code, Section 1342 et seq.

LOTT Clean Water Alliance
500 Adams Street Northeast
Olympia, Washington 98501-6911

And the Contributing Jurisdictions *
City of Lacey
420 College St SE
Lacey, WA 98503
City of Olympia
PO Box 1967
Olympia, WA 98507
City of Tumwater
555 Israel Road SW
Tumwater, WA 98501
Thurston County
2000 Lakeridge Dr SW
Olympia, WA 98502

are authorized to discharge in accordance with the Special and General Conditions that follow:
Receiving Water:
Budd Inlet/South Puget Sound

Plant Location:
500 Adams Street Northeast
Olympia, WA 98501
Treatment Type: Activated Sludge/Advanced
Treatment and Class A Reclaimed Water


Richard Doenges
Southwest Region Manager
Water Quality Program
Washington State Department of Ecology

* While the LOTT Clean Water Alliance is the primary Permittee and has day-to-day responsibility for the treatment plant and all permit conditions, except as otherwise noted, the cities of Lacey, Olympia, and Tumwater and Thurston County as contributing jurisdictions collectively share responsibility for permit issues involving the treatment plant and discharge, as well as being responsible for their respective collection systems and lift stations, and the discharge of waste from their systems to the LOTT system.

Preserve and protect public health and the environment by cleaning and restoring water resources for our community.

Budget Calendar



August

- Preliminary rate setting and letter



September

- Approval to Release Budget for Public Review



October

- Finalize Rates
- Public Hearing
- Possible action on Final Budget



November

- Final Budget
(if action not taken in October)

Budget Calendar



March

- Budget Introduction



April

- Board Retreat



May

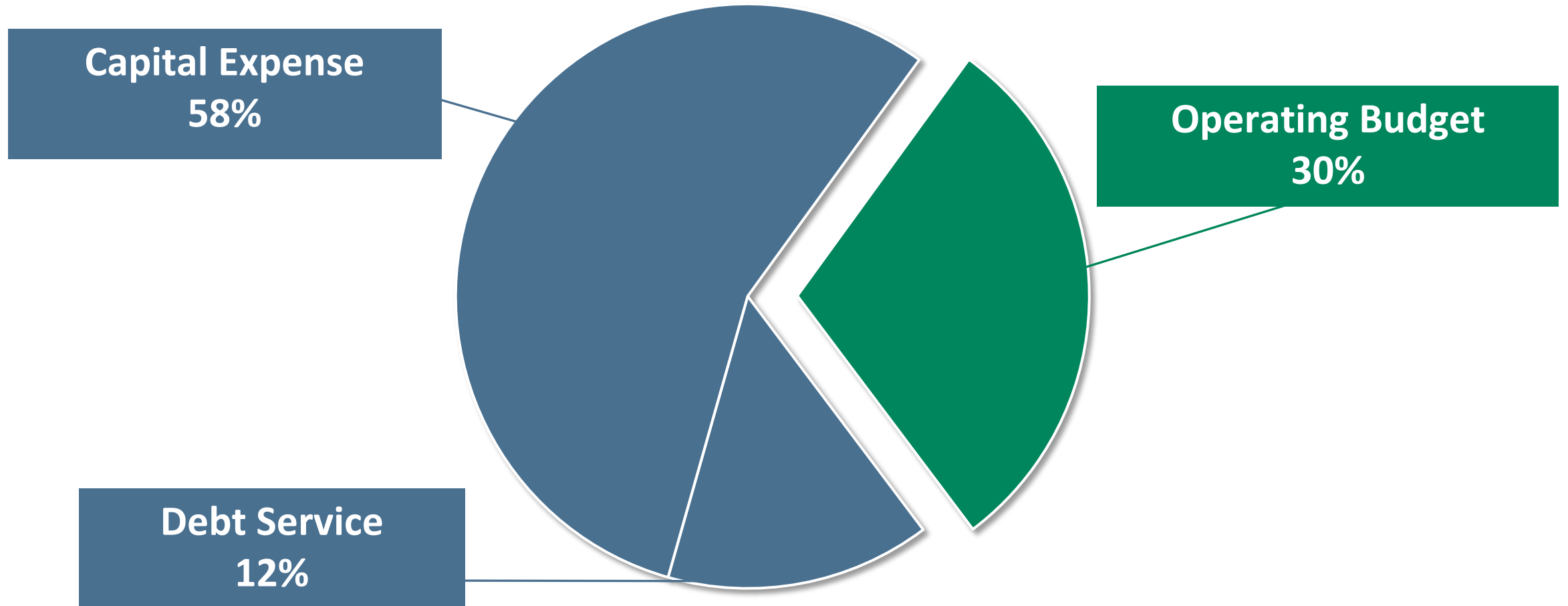
- Budget Elements



June

- Preliminary Budget

Overall Budget



Capital Budget



- ✓ Maintaining Capacity
- ✓ Maintaining Assets

**Capital Budget and
Capital Improvements Plan**

Capital Budget Categories



System Upgrades



New Capacity



Asset Management



Support Services and Projects

System Upgrades

Projects that include improvements to existing facilities

Digester System Improvements Phase 2




Project Type	System Upgrade
Location	Budd Inlet Treatment Plant
Description	The project includes refurbishment of aging components associated with the sludge digestion system. Improvements include replacement of the digesters' floating covers with fixed covers, upgrades to the sludge mixing system, replacement and relocation of the emergency waste gas burner, and replacement of aging mechanical equipment.
Background	The digesters were constructed in 1982 and much of the associated equipment is reaching the end of its useful life. There are four digesters, with three in-service and one off-line at any one time. This project will follow a rotational schedule to complete upgrades to one digester at a time.

Start	Complete	2025-2026 Expenditure	2025-2030 CIP
2023	2028	\$25,844,657	\$44,503,910

New Capacity


Projects that provide new facilities to serve added wastewater flows

North Pipeline Upgrade



Project Type	New Capacity
Location	Budd Inlet Treatment Plant
Description	This project upgrades a 1,250-foot section of north outfall pipeline from 30-inch to 48-inch diameter pipe to increase hydraulic pumping capacity. The pipeline runs north from the treatment plant, through the Port of Olympia log yard and Cascade Pole site, to the northernmost point of the Port peninsula.
Background	The original 30-inch diameter north outfall pipeline was constructed in 1952. In 1992 the outfall was replaced with a 48-inch pipeline, with the exception of a lined section running through the contaminated soils of the Cascade Pole site. That section is a hydraulic bottleneck, limiting outfall capacity. This project will resolve the bottleneck and improve LOTT's ability to manage high flow events.

Start	Complete	2025-2026 Expenditure	2025-2030 CIP
2023	2026	\$9,308,152	\$9,308,152




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Asset Management


Repair, Rehabilitation, and Replacement

Substation and Switchgear A/B Replacement



Project Type	Asset Management
Location	Budd Inlet Treatment Plant
Description	This project replaces substation and switchgear A/B. This equipment provides critical utility power to headworks, influent pumping, and the Budd Inlet Reclaimed Water Plant. Temporary power will be required to maintain service during construction, supplied through a combination of portable and plant generators.
Background	The substation and switchgear A/B was installed in 1980 and is reaching the end of its useful life. Replacement equipment with a lead time of nearly two years was ordered in 2023 in anticipation of this project.

Start	Complete	2025-2026 Expenditure	2025-2030 CIP
2023	2026	\$823,425	\$823,425



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Asset Management


- Over 5000 assets
- Efficiency from being proactive
- Potential extended use



Support Services and Project

Community programs and functions that support other categories

Septic Conversion Incentive Program




Project Type Support Services and Projects

Location Regional

Description This program incentivizes conversion from urban septic systems to sewer service through rebates for a portion of LOTT's connection fees.





Background Connecting properties served by onsite septic systems to the public sewer system helps protect LOTT's receiving waters by ensuring a higher level of treatment than can be provided by septic systems.

Start	Complete	2025-2026 Expenditure	2025-2030 CIP
2017	2030	\$360,000	\$1,200,000

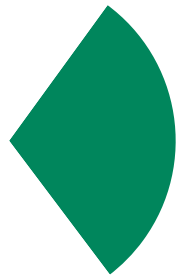


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Capital Budget and Short-Term CIP Summary

	2025-2026 Budget	2025-2030 CIP
 System Upgrades	\$37,386,379	\$111,513,353
 New Capacity	\$12,891,491	\$39,262,528
 Asset Management	\$4,389,880	\$14,832,782
 Support Services and Projects	\$21,217,949	\$62,607,316
Total	\$75,885,699	\$228,215,980

Operating Budget



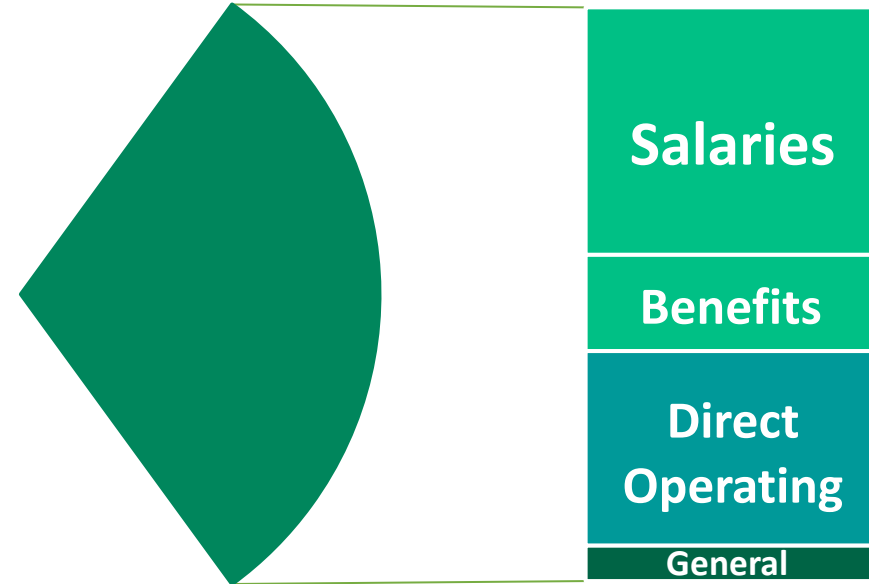
- ✓ Maintaining day-to-day operations

Operating Budget

Draft Operating Budget Overview



Capital & Debt Service - 70%



Operating – 30%

Draft 2025-2026 Operating Budget

	2025-2026 Budget
Personnel	\$23,000,973
Direct Operating Expense	\$13,012,033
General Expense	\$2,422,556
Total Operations Expense	\$38,435,562

Rates & Equivalent Residential Unit Estimates

Wastewater Service Charge	2025	2026
Proposed Monthly Rate/ERU 3% inflationary adjustment	\$47.52	\$48.95
Estimated ERUs	69,020	70,055

Capacity Development Charge	2025	2026
Proposed Charge/ERU 3% inflationary adjustment + 2% Affordable Housing Support	\$7,434.99	\$7,806.74
Estimated New ERUs	1050	1050



Wastewater Rate Comparisons				
	2024 Rate	2023 Rate	Percent Change	Flat or Volume
City of Shelton	\$135.89	\$130.02	4.5%	V
City of Seattle	\$128.10	\$123.41	3.8%	V
City of Tenino	\$125.66	\$125.66	0.0%	F
Thurston County*	\$120.31	\$119.71	0.5%	F
City of Bonney Lake	\$113.53	\$129.01	-12.0%	V
City of Bellevue	\$110.90	\$103.70	6.9%	V
City of Chehalis (in city limits)	\$98.50	\$98.50	0.0%	V
City of Centralia (in city limits)	\$91.85	\$89.08	3.1%	V
City of Yelm	\$89.27	\$89.27	0.0%	F
City of Renton	\$88.78	\$84.80	4.7%	F
City of Everett	\$87.53	\$87.53	0.0%	F
Average 2024 Rate: \$87.38				
City of Auburn	\$85.15	\$80.05	6.4%	F
City of Sumner	\$84.46	\$80.83	4.5%	V
City of Snoqualmie	\$83.76	\$82.16	1.9%	F
City of Puyallup	\$77.62	\$73.38	5.8%	V
City of Bremerton (in city limits)	\$77.57	\$74.96	3.5%	V
City of Lacey	\$76.39	\$72.43	5.5%	F
City of Longview (in city limits)	\$75.28	\$75.28	0.0%	V
City of Tacoma	\$74.85	\$69.64	7.5%	V
City of Olympia	\$72.95	\$70.59	3.3%	F
City of Aberdeen	\$72.00	\$66.00	9.1%	F
City of Kelso	\$70.42	\$68.37	3.0%	F
City of Tumwater	\$69.48	\$66.64	4.3%	F
City of Orting	\$69.41	\$64.87	7.0%	F
City of Mount Vernon	\$63.03	\$60.23	4.6%	V
Pierce County Sewer	\$61.57	\$59.06	4.2%	F
Lakehaven Sewer District	\$60.60	\$52.24	16.0%	V
City of Bellingham (in city limits)	\$56.43	\$53.54	5.4%	F
City of Edmonds	\$53.06	\$53.06	0.0%	F
City of Vancouver	\$48.44	\$45.71	6.0%	V

Rate Comparison

* Thurston County utilities are combined into a single line in the table. Actual 2023 and 2024 amounts are: Tamoshan: \$147.36, \$152.10; Boston Harbor: \$119.10, \$117.67; Olympic View: \$114.14, \$114.14; Grand Mound: \$100.62, \$94.91.

Revenue Summary

REVENUE	2025-2026 Budget	2023-2024 Budget	Annual % Change
Wastewater Service Charge	\$80,508,448	\$72,555,094	5.5%
Capacity Development Charge	\$16,003,817	\$16,010,795	0.0%
Miscellaneous Revenue	\$8,633,119	\$1,850,169	183.5%
Net Revenue from Rates and Charges	\$105,145,384	\$90,416,058	8.1%
Debt Funding	\$10,000,000	\$10,000,000	0.0%
Use/(Saving) of Cash on Hand	\$15,484,027	\$21,260,611	(13.6%)
Total Resources	\$130,629,411	\$121,676,669	3.7%

Budget Calendar



March

- Budget Introduction



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- Budget Elements



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- Preliminary Budget

Budget Calendar



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- Finalize Rates
- Public Hearing
- Possible action on Final Budget



November

- Final Budget
(if action not taken in October)

For More Information

Budget Document:

lottcleanwater.org/budget-finances

Comments & Questions:

info@lottcleanwater.org