



Joint Meeting Minutes

**Work Session of
5:30 p.m., Wednesday, July 27, 2005
LOTT Alliance Board Room, 111 Market St. NE, Suite 250, Olympia, WA**

- LOTT Alliance Elected Officials:** City of Lacey: Nancy Peterson
City of Olympia: Doug Mah
City of Tumwater: (no representative)
Thurston County: Cathy Wolfe
- Port Elected Officials:** Commissioner Bob Van Schoorl
Commissioner Steve Pottle
Commissioner Paul Telford
- Also Present:** Mike Strub, LOTT Executive Director; Karla Fowler, LOTT Program Manager; Howard Weisberg, LOTT Business Manager; Rick Hughes, LOTT General Counsel; Karen Barr, LOTT Executive Assistant; Laurie Pierce, LOTT Facilities Manager; Sally Alhadeff, Port Property Administrator; Kari Qvisgstad, Port Marketing and Business Development Director; Maureen Malahovsky, Port Staff; Tom Howdeshell, Citizen.
- Call To Order:** **Doug Mah called the meeting to order at approximately 5:35 p.m.**
- Mr. Van Schoorl called the Port Commission Meeting to order.**
- Welcome and Introductions** Meeting participants introduced themselves.
- Recap Last Joint Meeting:** Mr. Strub gave a brief overview of the May 17, 2004 Joint meeting of the LOTT Board of Directors and the Port Commission. Updates on the Port's East Bay Master

Plan and LOTT's Budd Inlet Master Plan were presented at that session. Opportunities for partnering were identified, including:

- Joint office space
- Joint maintenance facilities
- Shared parking
- Shared storage

Other topics of discussion were the possible use of the northeast corner of the Treatment Plant for a proposed administrative building, identification of reclaimed water recharge sites in Tumwater, and the addition of Chapter 14 to LOTT's Budd Inlet Treatment Plant Master Plan detailing administrative building options.

**· Port of Olympia
Activities and
Changes Since the
Last Meeting:**

Ms. Qvigstad gave a brief update on the Port of Olympia's Master Plan status:

- Planning and marketing the South Market Street property
- The sports event center is pending more information from the developer
- Completion of improvements to Marine Drive
- Completion of the North Point Master Plan, with Anthony's Home Port construction to begin in 2006 on the former Genoa's site, and possible retail and hotel development
- Discussions with the Department of Fish and Wildlife about a possible property exchange
- Potential joint purchase of West Bay property with the City of Olympia
- Expansion of infrastructure of the Marine Terminal (adjacent to the LOTT Plant)
- Other Market District development

Mr. Van Schoorl gave a brief summary regarding activity with Port property at Tumwater:

- Completion of the runway realignment project at the Olympia Airport
- Lease with Catellas and other plans to attract "heavy-hitters" to Tumwater in the next 4-5 years
- Construction is taking place on additional airport hangars
- Working with LOTT to site property for a future

reclaimed water recharge basin

He also noted recruitment for the Port Executive Director position is under way and should conclude by late fall.

A brief discussion ensued regarding the status of their office building review. Staff is currently evaluating what arrangement would be in the Port's best interest regarding the building's construction and maintenance (private, private/public, etc).

**. LOTT Alliance
Activities and
Changes the Last
Meeting:**

Mr. Strub gave a brief overview of the LOTT's Hawks Prairie Reclaimed Water Satellite Project. Construction is in progress on the Reclaimed Water Treatment Plant on Martin Way and is near completion on the Wetland Ponds and Groundwater Recharge Basins off Hogum Bay Road. Work on the Conveyance Piping Project has just begun. An invitation to tour the Project sites was extended to the Port Commission and staff.

Current status of work at the Budd Inlet Treatment Plant and other sites was summarized:

- Reclaimed Water has been provided to the Washington State Department of General Administration for pressure washing and will soon be provided for irrigation
- The \$5 million Secondary Clarifier Rehabilitation project is starting up
- Work will soon begin on the Primary Sedimentation Building (located near the Port Warehouse)
- Televising sewer line work is currently underway to determine the condition of LOTT sewer lines

An update was given on the Budd Inlet Treatment Plant Master Plan (Master Plan). The Capital Improvements Plan (CIP), which originally identified \$60 million of projects at the Treatment Plant, has been upgraded to \$105 million. The changes include:

- Reconstruction of the Primary Sedimentation Tank project
 - Development of Membrane Bioreactors and folded tanks to bypass the First Anoxic Basin, producing an additional six million gallons per day of Class A Reclaimed Water

- Development of a future biosolids project
- Eliminating the potential location of future secondary clarifiers across from the Budd Inlet Treatment Plant to the west. The Port had expressed concern during an earlier joint meeting about this location in the original CIP
- The need to purchase a piece of the property from the Port east of the Administration Building for future use.

Mr. Strub reviewed the alternatives for a new Administrative Center. Site A was identified as a possible LOTT-only facility south of the current parking lot, since it is not a desirable location for the Port. Site B, located on Marine Drive on the northeast side of the Treatment Plant, will not provide adequate parking and is the current location of two power substations, but does offer several site advantages.

Site C, located across from the north side of the Treatment Plant, previously a preferred site, is no longer considered a favorable site for LOTT. This is because of the direct line management separation it would create from Treatment Plant operations as well as construction management and engineering functions at the Treatment Plant.

LOTT has been going through substantial changes since the last joint meeting with the Port Commissioners. Effective in 2005, LOTT acquired the operations and maintenance function from Olympia, along with responsibility for all the Treatment Plant employees. In 2006, LOTT will acquire remaining treasury services and administrative functions from the City of Olympia, completing the consolidation process. Changes related to this are already taking place and include some line staff office location at the Treatment Plant and some management structure changes.

In addition, LOTT's treatment process control under its National Pollutant Discharge Elimination System (NPDES) Permit is about to become more complex. LOTT's Permit expired in 1997, but operation under terms of that Permit has continued until a new one is issued. The new Draft Permit, which was released in mid-July for a 30-day public comment period, will allow for flexible wintertime limits and substantially reduced summertime

limits. It also changes the way LOTT's discharge will be measured, shifting from a flow-based method to a loadings-based one.

Site D, across from the boat works, is currently in the Port's comprehensive plan for additional expansion. This was the most recent alternative identified by both LOTT and Port staff.

Timing is still a major concern. Construction of the Primary Sedimentation Tank Project needs to begin soon, to ensure the Administrative Building construction portion is completed by 2008.

LOTT has recently been able to access financing for future projects through State Revolving Fund and Public Works Trust Fund loans. Due to recent legislative changes, LOTT also now qualifies to do design-build. Staff is evaluating use of a design-build process for the Primary Sedimentation Tank (and possibly Administrative Building) project, enabling a shorter project design and construction time. This item will be presented at the upcoming LOTT Board business meeting for discussion.

. Discussion:

Questions were raised regarding LOTT's preferred site and what the remaining prospects were for a joint LOTT/Port administration building. Mr. Strub commented there were cost limits and timing issues associated with the Primary Sedimentation Tank design-build process. There may also be Port staff parking issues.

A discussion ensued regarding parking concerns. Site B would be feasible if parking concerns are addressed.

Site C could work if some administrative services are shared, but may be restrictive in implementing LOTT's need for direct interaction between management and operations staff. Ms. Peterson noted that one option might be a joint Administration Building on Site B, with training/Board room(s) on Site C.

Site B as a viable option was discussed. Because of its configuration, Site B is not a practical site for any other purpose, so an Administrative Center might be the highest and best use for that location. LOTT staff had a concern with the substations currently located at the site.

Growth in the boating industry and use of the boat yard was noted. It is necessary to preserve the water access. The Port is concerned that the Site D area, currently designated for boat works and water access, be preserved for those purposes. A discussion focused on building height limits.

Consensus was reached that Site B was a preferred site for both LOTT and the Port, dependent upon timelines, finances, and LOTT's recommendation for a design-build within the Treatment Plant footprint.

A discussion ensued regarding future LOTT acquisition of the space to the east of the existing Administrative and Lab Building. An update on the design-build progress will be provided to the Port as available.

The Port Commission will be having another Work Session in a couple weeks and will discuss this further. The LOTT Board will be meeting again on August 10.

. **Tumwater Area Reclaimed Water and Groundwater Recharge Planning Update:**

(No discussion took place.)

. **Adjournment:**

Doug Mah and Bob Van Schoorl adjourned the meeting at 7 p.m.

This meeting was tape-recorded. These minutes are a summary of the issues discussed at the meeting. No actions were taken. For the taped verbatim record of this meeting, please contact the LOTT Alliance Administrative Office.

Prepared and edited by LOTT staff. Approved by the LOTT Alliance Board of Directors on:
Approved by the
September 14, 2005

Port of Olympia Commission

President

Doug Mah, Board President

Vice President

Secretary-Treasurer

