



**2025 Annual Report
&
Transit
Development
Plan
2026 – 2031**

Adopted in Public Hearing by LPTBA Board:
August 25, 2026

TABLE OF CONTENTS

INTRODUCTION	3
PLAN ADOPTION, PUBLIC HEARING, AND DISTRIBUTION	4
<i>Plan Adoption</i>	<i>4</i>
<i>Public Participation Process</i>	<i>4</i>
<i>Plan Distribution.....</i>	<i>4</i>
DESCRIPTION OF SERVICE AREA, OPERATIONS, AND FACILITIES	5
<i>Organization</i>	<i>5</i>
<i>Service Area</i>	<i>6</i>
<i>Operations.....</i>	<i>6</i>
<i>Facilities.....</i>	<i>11</i>
<i>Intermodal Connections</i>	<i>12</i>
ACTIVITIES AS OF DECEMBER 31, 2025	14
STATE AND AGENCY GOALS, OBJECTIVES, AND ACTION STRATEGIES	30
LOCAL PERFORMANCE MEASURES AND TARGETS	41
PLAN CONSISTENCY	44
PLANNED CAPITAL EXPENSES.....	46
PLANNED OPERATING CHANGES	50
MULTIYEAR FINANCIAL PLAN	51
<i>Capital Improvement Program & Cash Flow Analysis</i>	<i>51</i>
<i>Operating Financial Plan & Cash Flow Analysis</i>	<i>55</i>
PROJECTS OF REGIONAL SIGNIFICANCE	64

For 50 years, Lewis County Transit has been proud to connect the people and communities of Lewis County. Since 1976, our services have grown and evolved alongside the communities we serve, expanding mobility, creating connections, and helping people reach work, school, healthcare, shopping, and other opportunities.

As we celebrate our 50th anniversary in 2026, we recognize the employees, Board members, community partners, and riders who have helped shape Lewis County Transit over the past five decades. Their commitment has built the foundation for the innovative, accessible, and sustainable transit system we continue to develop today.

*50 Years of Connecting Our Communities -
and we're excited for the road ahead.*



INTRODUCTION

As a requirement of RCW 35.58.2795, Lewis County Transit has prepared and submitted this Annual Report for 2025 and a subsequent Transit Development Plan (TDP) for years 2026 through 2031.

The purpose of the annual report is to summarize the major or significant events that affected delivery of transit services in the Lewis Public Transportation Benefit Area (LPTBA). Additionally, this document serves to illustrate changes in local transit services in the next five years based on known facts, forecasted trends, and political tendencies. Described in this plan are the methods and strategies proposed by Lewis County Transit staff and endorsed by the Authority Board of Directors necessary to fulfill the provisions contained in our Mission and Vision statements.

Mission Statement

- Provide equitable access to education
- Connect our clients with employment opportunities
- Stimulate economic growth
- Serve and support our community

Vision Statement

- To be a world-leading transit system
- To serve our community through strategic innovation
- To engage in customer-centric collaboration
- To provide purposeful thought leadership



PLAN ADOPTION, PUBLIC HEARING, AND DISTRIBUTION

Plan Adoption

The Lewis County Transit Board of Directors adopted the 2025 Annual Report and 2026-2031 Transit Development Plan on August 25, 2026.

Public Participation Process

Public Hearing: Lewis County Transit will hold a separate public hearing on the Transit Development Plan on September 29, 2026, at 3:30 pm in person at the Port of Chehalis, located at 321 Maurin Road, Chehalis, WA 98532. Any amendments to the Transit Development Plan following the public hearing will be distributed to WSDOT and other stakeholders by October 27, 2026.

Notice Posted to Website: Lewis County Transit will post a notice of the hearing on the Transit Development Plan to its website at <https://lewiscountytransit.org/authority-board/>.

Notice Published in Local Paper: Lewis County Transit will publish a notice of the hearing.

Requests for Digital Copies: Lewis County Transit allowed the public to request a paper or digital copy of the Transit Development Plan on and after August 25, 2026, by emailing info@lewiscountytransit.org or calling 360-330-2072.

Plan Distribution

On August 31, 2026, Lewis County Transit distributed the adopted Transportation Development Plan to:

- WSDOT Public Transportation Division online grants management system compliance module.
- The agency's assigned WSDOT Community Liaison, Bill Baumann
- The Transportation Improvement Board via:
 - Vaughn Nelson, Finance Manager at vaughnn@tib.wa.gov
 - Chris Workman, Engineering Manager at chrisw@tib.wa.gov
- All cities, counties, and regional transportation planning organizations within which Lewis County Transit operates.

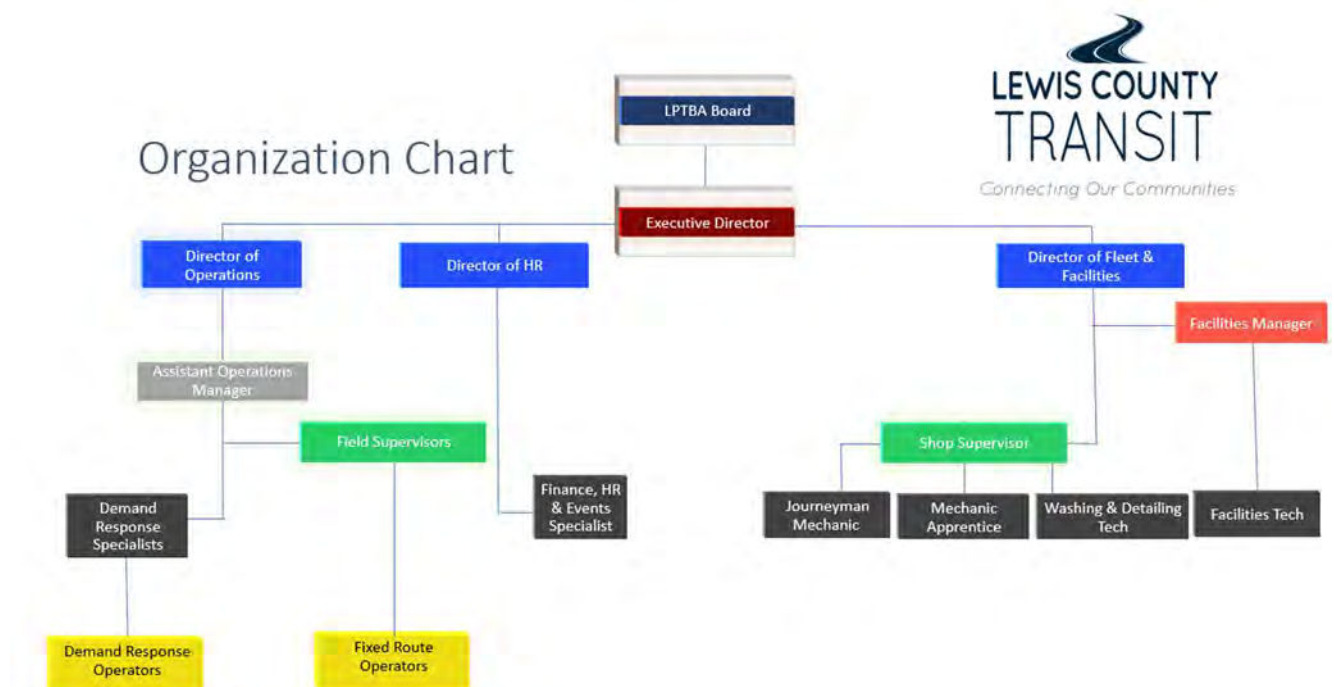
DESCRIPTION OF SERVICE AREA, OPERATIONS, AND FACILITIES

Organization

The Lewis Public Transportation Benefit Area was established by local voters in 1976 under the authority granted in Chapter 36.57A of the Revised Code of Washington (RCW). From 1977 to 1985, Lewis County Transit operated as a public transit agency funded through a “household tax.” Doing business as Lewis County Transit, the benefit area was established in order to provide public transit services in and around the communities of Centralia and Chehalis, Washington. Today, Lewis County Transit operates four in-city fixed bus routes, five corridor routes, paratransit (LIFTT) service, and dial-a-ride (DARTT) services. Lewis County Transit is governed by a three-member board of directors. The Board members as of August 25, 2026, are:

- Scott Brummer, Lewis County Commissioner
- Tony Ketchum, City of Chehalis City Council
- Ray Chapman-Wilson, City of Centralia City Council
- Debbie Lytle, Lewis County Transit Bus Operator (non-voting Labor Representative)

At 2025 year-end, Lewis County Transit employed 49 individuals (47.7 FTEs) throughout three divisions of responsibility common to the transit industry which include: Operations, Maintenance, and Administration. The Executive Director oversees daily operations and administrative affairs and ensures compliance with State and Federal laws and grant regulations. An organizational chart is provided below describing the organizational structure as of August 25, 2026.



Service Area

Centralia is the largest city in Lewis County and Chehalis, which serves as the County seat, is the second largest. The twin cities of Centralia and Chehalis combine for a total population of approximately 27,139 spread over 13.43 square miles, which translates into a population density of 2,021 residents per square mile. This density reflects the relatively compact development pattern of the Twin Cities while remaining less urbanized than larger nearby population centers such as Olympia and Vancouver.

Operations

At its inception, Lewis County Transit (previously known as Twin Transit) operated two coaches on its two routes. Today, the fleet has expanded to five 35' Gillig low-floor diesel buses, two refurbished 35' low-floor electric buses, and six new 40' low-floor hydrogen fuel-cell buses that are designated for fixed route. Additionally, there are five Ford Transit vans, eight ProMaster vans, and nine light-duty cutaway buses used on the corridor routes, demand response, or as spare. The ADA vans are used for the dial-a-ride program (DARTT) and for paratransit services (LIFTT). Lewis County Transit continues to advance its long-term transition toward a 100% zero-emission fleet. The agency is actively planning for future zero-emission vehicle replacements, pursuing state and federal grant funding, and investing in the charging, hydrogen fueling, and maintenance infrastructure necessary to support a sustainable fleet transition. These efforts will allow Lewis County Transit to replace vehicles as they reach the end of their useful lives while strategically expanding its battery-electric and hydrogen fuel-cell fleet as funding becomes available.

Lewis County Transit delivered 38,515 hours of public transit service in 2025, compared to 37,165 hours in 2024, representing an increase of 1,350 hours, or 3.6%. Lewis County Transit continues to operate from 6:00 a.m. to 8:00 p.m., Monday through Friday. Weekend service continues to operate from 7:00 a.m. to 4:00 p.m., Saturday to Sunday for all routes except for Purple to Longview, Brown to Morton/Packwood, and the frequency "Green B" route to Olympia. Lewis County Transit currently operates nine fixed/corridor routes after the addition of the Green B route in March 2025 and a pilot route between Morton and Packwood which began in July 2025.

Furthermore, what started as a pilot in November 2020 has led to a successful long-term adoption of dial-a-ride (DARTT) service throughout the Lewis County region. This service focuses on helping riders access work, medical appointments, grocery stores, and other essentials. The program provided 20 rides during its first month of operation; today there are 1,330 monthly rides on average. As demand increased, Lewis County Transit expanded the DARTT service area to encompass a much wider region, including Napavine, Morton, Pe Ell, Tumwater, Mossyrock, and Toledo. DARTT also began providing rides to the regional population centers of Lacey and Olympia, where the majority of medical specialists are based. Lewis County Transit operates its dial-a-ride service from 8:00 a.m. to 5:00 p.m. Monday through Friday. Lewis County Transit also continues to provide paratransit service (LIFTT) to help those living with a disability access these same essential services.

(Deviated) Fixed Route Transit

As of August 25, 2026, Lewis County Transit (LCT) provides an extensive network of local and regional public transportation connecting communities throughout Lewis County and Southwest Washington. LCT operates fixed-route service throughout the Twin Cities of Centralia and Chehalis; express weekday and weekend service between Centralia and Tumwater/Olympia, with connections to Intercity Transit, Grays Harbor Transit, Mason Transit, and Rural Transit; express weekday service to Kelso/Longview, connecting with RiverCities Transit and Cowlitz Tribal transportation services; and express weekday service east to Morton and Packwood.

This regional network represents a significant expansion from the transportation options available just several years ago. Historically, a major gap in public transit existed along Interstate 5 between Kelso/Longview and Tumwater/Olympia. Travelers could use public transportation north of Tumwater and south of Kelso/Longview, but there was no continuous transit connection between these key regional centers. Since 2019, LCT has worked toward its vision of establishing a Southwest Washington e-Transit Corridor and creating a permanent public transportation connection through this previously unserved portion of I-5.

LCT began piloting fixed-route and on-demand service south to Castle Rock in August 2022 and extended service to Kelso/Longview in March 2023, creating connections for passengers traveling farther south toward Vancouver, Washington. The Purple Line now provides an important regional mobility link between Lewis and Cowlitz Counties and connects passengers to a broader multimodal transportation network along the I-5 corridor. Combined with LCT's northbound service, this expansion effectively closed the longstanding I-5 "transit broken link," connecting transit networks serving Lewis, Thurston, Cowlitz, Grays Harbor, and Pacific Counties and contributing to a continuous network of public transportation connections extending from Vancouver, Washington north toward the Canadian border.

LCT has also continued expanding east-west mobility within Lewis County. A pilot corridor between Centralia and Morton began in March 2023, establishing the foundation for today's Brown Line. Following the cessation of LEWIS Mountain Highway Transit operations in July 2023, transportation gaps in East Lewis County became increasingly apparent. LCT continued working with communities to identify solutions, and in September 2025 expanded service beyond Morton to Packwood four days per week. This service provides East Lewis County residents with improved access to employment, healthcare, shopping, education, and connections to the broader regional transit network.

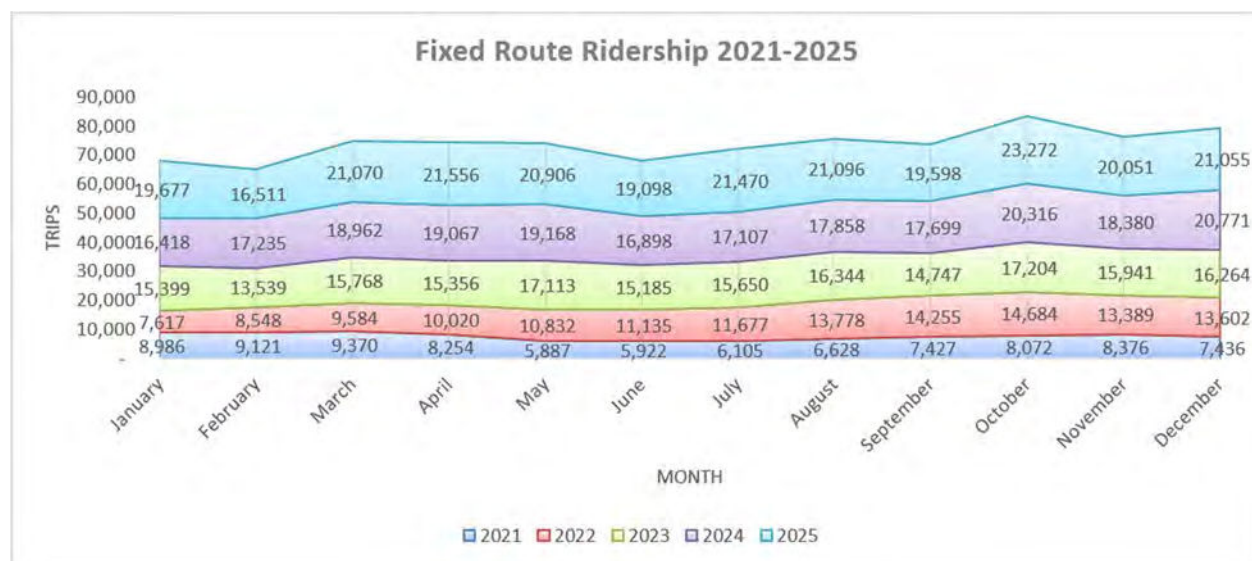
The Green Line between Centralia and Tumwater/Olympia has also experienced strong ridership and commuter demand. Originally established with support from a Regional Mobility Grant, the route has developed into a critical regional corridor for workers and residents. In response to growing demand, LCT introduced Green B service in March 2025, adding eight trips between 6:00 a.m. and 7:00 p.m. to improve frequency, capacity, and reliability.

Complementing its fixed-route network, LCT continues to operate and expand microtransit services, providing flexible transportation options for communities and trips that cannot be

efficiently served through traditional fixed routes. Together, LCT's fixed-route, regional express, and microtransit services have transformed the agency from a primarily local transit provider into a key component of Southwest Washington's regional transportation network.

As LCT continues to grow, the agency remains focused on strengthening regional connections, responding to unmet transportation needs, improving access for rural and underserved communities, and developing the infrastructure necessary to support long-term service expansion and its transition toward a 100% zero-emission fleet.

Total ridership in 2025 was 263,102 in comparison with 240,178 fixed route and demand response passenger trips during 2024. Ridership on Lewis County Transit's fixed route transit service has steadily increased since the COVID-19 shutdown, finally reaching pre-pandemic ridership levels in 2024. In 2025, Lewis County Transit experienced a 168.0% increase in total fixed route boardings in comparison to 2021 and an 11.6% increase in total fixed route boardings compared to 2024. Monthly fluctuations and comparisons in ridership are better reflected in the graph below.



Provided below is a table illustrating fixed route boardings by year:

Month	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026
January	19,128	18,303	19,899	19,394	19,956	19,165	8,986	7,617	15,399	16,418	19,677	20,045
February	19,335	19,241	18,794	19,182	18,507	20,212	9,121	8,548	13,539	17,235	16,511	17,480
March	20,132	19,574	20,110	20,311	19,418	13,233	9,370	9,584	15,768	18,962	21,070	22,843
April	19,466	18,993	17,503	18,561	18,700	4,315	8,254	10,020	15,356	19,067	21,556	23,550
May	17,728	18,340	19,847	19,635	18,322	4,858	5,887	10,832	17,113	19,168	20,906	24,016
June	17,669	18,043	19,004	17,227	16,333	6,173	5,922	11,135	15,185	16,898	19,098	22,001
July	18,722	15,903	15,669	15,336	16,972	5,922	6,105	11,677	15,650	17,107	21,470	
August	16,773	19,709	18,362	18,196	18,568	6,455	6,628	13,778	16,344	17,858	21,096	
September	18,291	17,651	17,054	17,088	15,313	6,705	7,427	14,255	14,747	17,699	19,598	
October	20,011	18,323	19,324	19,702	18,086	7,673	8,072	14,684	17,204	20,316	23,272	
November	17,136	18,434	18,642	17,730	17,187	7,166	8,376	13,389	15,941	18,380	20,051	
December	17,802	18,894	17,875	17,164	16,196	8,514	7,436	13,602	16,264	20,771	21,055	
TOTAL	222,193	221,408	222,083	219,526	213,558	110,391	91,584	139,121	188,510	219,879	245,360	129,935

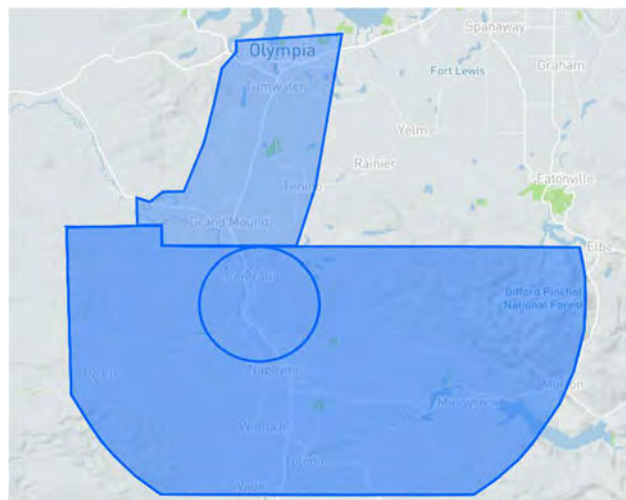
Lewis County Transit's DARTT service has seen a dramatic increase in riders since it first hit the streets in November 2020. During its first full month of operation, the service provided just 20 passenger trips. Following expansion of the service area in 2021, DARTT grew rapidly and now typically provides approximately 1,300 to 1,500 trips per month, demonstrating the continued demand for flexible transportation options throughout Lewis County.

Demand response ridership decreased 12.6% in 2025 compared with 2024, primarily due to staffing shortages and limited vehicle availability rather than a reduction in community need. DARTT continues to provide an important mobility option for residents who use the service to access medical appointments, essential shopping, social and community services, employment, and education. The service is particularly valuable for older adults, individuals with disabilities, households without reliable access to a personal vehicle, and residents of rural communities where traditional fixed-route transit may not be feasible.

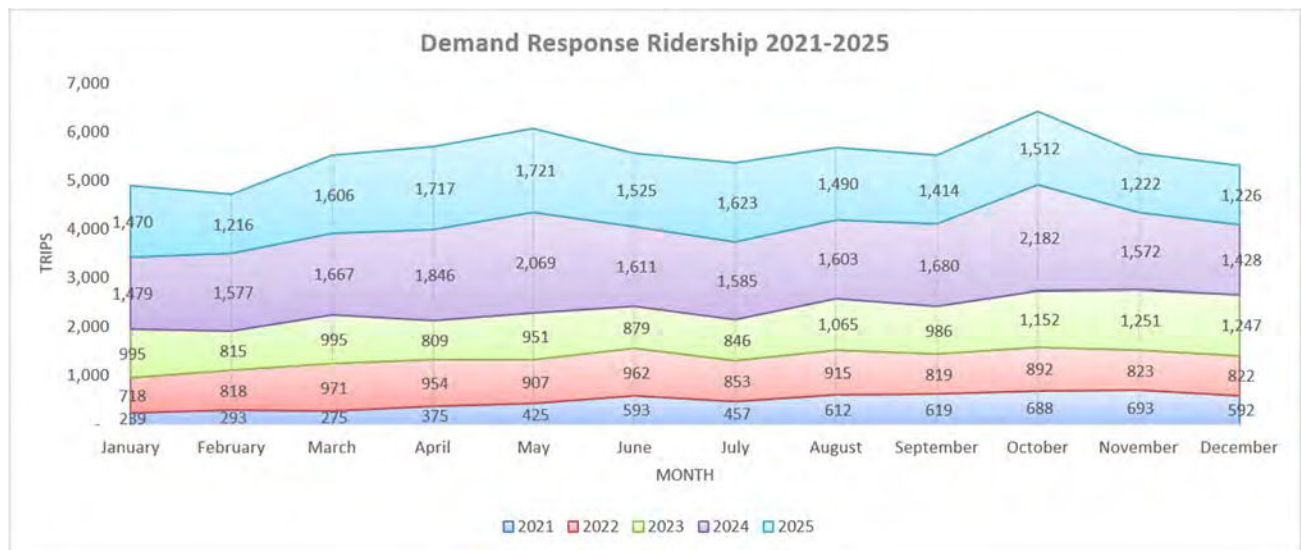
DARTT currently provides transportation within Centralia and Chehalis and to surrounding communities and regional destinations, including Napavine, Morton, Pe Ell, Mossyrock, Toledo, Tumwater, and Olympia. By connecting these communities with LCT's fixed-route and regional transportation network, DARTT helps extend the reach of public transportation beyond established transit corridors and provides residents with greater access to employment, healthcare, education, essential services, and regional transit connections.

DARTT operates Monday through Friday from 8:00 a.m. to 5:00 p.m. Reservations may be made by calling 360-330-5555 and must generally be scheduled by 4:00 p.m. the preceding day. As LCT continues to evaluate and expand its transportation network, DARTT remains an important component of the agency's strategy to provide accessible, flexible, and reliable mobility throughout Lewis County.

The DARTT service area map is divided into three zones, as pictured below:



Provided below are a graph and table illustrating demand response (paratransit and dial-a-ride combined) boardings:



Month	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026
January	1,001	933	736	779	502	593	239	718	995	1,479	1,470	1,342
February	1,029	913	728	686	420	501	293	818	815	1,577	1,216	1,270
March	1,036	1,085	755	897	553	313	275	971	995	1,667	1,606	1,451
April	1,105	975	621	821	523	30	375	954	809	1,846	1,717	1,390
May	971	996	683	795	535	49	425	907	951	2,069	1,721	1,288
June	972	944	651	561	425	116	593	962	879	1,611	1,525	1,239
July	955	765	527	520	478	207	457	853	846	1,585	1,623	
August	889	848	654	469	429	222	612	915	1,065	1,603	1,490	
September	899	805	700	441	436	301	619	819	986	1,680	1,414	
October	967	844	761	573	461	283	688	892	1,152	2,182	1,512	
November	776	772	794	464	439	203	693	823	1,251	1,572	1,222	
December	805	809	674	416	388	244	592	822	1,247	1,428	1,226	
TOTAL	11,405	10,689	8,284	7,422	5,589	3,062	5,861	10,454	11,991	20,299	17,742	7,980

Passenger Fare Structure

The MOVE Ahead Washington legislation provided funding for transit agencies statewide to transport all riders 18 years old and younger. Using this funding in conjunction with a minor surplus of sales tax revenue, Lewis County Transit has elected to go fare free for all fixed route and paratransit riders regardless of age. Initial feedback from our community has been very positive, particularly from those that are socio-economically disadvantaged and low-income senior households. For the foreseeable future, Lewis County Transit plans on collecting fares only on its DARTT premium service. As of October 1, 2022, Lewis County Transit no longer charges fares to passengers who are 18 years of age or younger, on all transit services. As of August 15, 2022, the price of each DARTT ride was simplified from a zone model and is now determined by a base cost of \$3 plus \$0.30 per mile each one-way trip.

Facilities

The Lewis County Transit administrative offices, maintenance garage, and bus storage yard are located at 212 E. Locust St. in Centralia, Washington. To supplement the funds available to finance its capital improvement projects, the Lewis County Transit Board of Directors passed a resolution in October 2019 to authorize the issuance of a limited sales tax general obligation bond not to exceed \$1,500,000 in principal. The bond will mature in ten years at a fixed rate of 2.99% per annum and is payable in semi-annual installments. Proceeds were used for capital construction and improvements only, primarily for the expansion and renovation of Lewis County Transit's current facility at 212 E Locust Street. The project was divided into four phases and was completed in early 2022. The purpose of these additional spaces was to provide more operations space, fleet management, and facilities shop spaces, although with a growth in fleet and staff, we are quickly outgrowing our existing space.

Currently, all fixed routes start/end from the Centralia Mellen Street e-Transit Station, newly commissioned in June 2021. Passengers may also transfer routes at several other common bus stops. Lewis County Transit owns 102 unique, signed bus stops/shelters throughout the service area and provides regular and routine maintenance on both a scheduled and as-needed basis.



Intermodal Connections

In June 2021, Lewis County Transit began to use the Mellen Street e-Transit Station at Exit 81 as the primary passenger transfer center. The Mellen Street e-Transit Station was restored from a dilapidated park and ride to a place of community pride, complete with electric public transit, induction charging, carpool, bicycle, and pedestrian access, and electric car charging. It also services the fixed route between Centralia and Olympia, Washington, where Lewis County Transit connects with multiple regional transit providers including:

- Intercity Transit
- Mason Transit
- Grays Harbor Transit
- Rural Transit

Beginning in August 2022, Lewis County Transit added an express route from the Mellen Street e-Transit Station to the Castle Rock Information Center at Exit 49; as of March 2023, the route now extends to Kelso/Longview at Exit 39. These new stop locations support connections with:

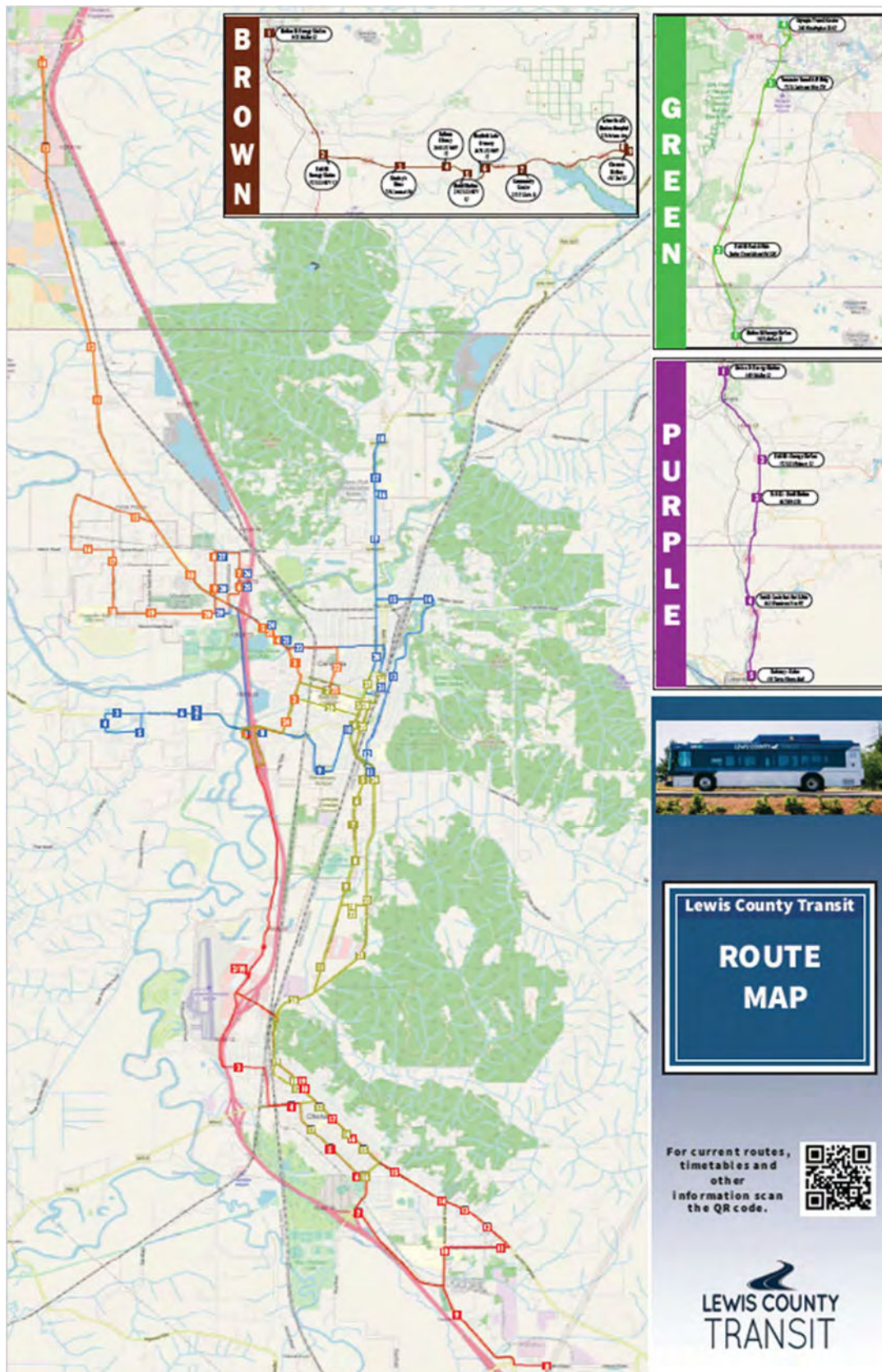
- RiverCities Transit
- Cowlitz Tribe transportation services

Regional service providers also continue to utilize the Centralia Amtrak Station to allow passengers traveling to/from locations outside Lewis County Transit's service area to connect with Lewis County Transit services. The Amtrak Station facilitates service connections with:

- Rural/Tribal Transit (Thurston Co.)
- Grays Harbor Transit
- Amtrak Cascades & Coaster trains



Lewis County Transit System Map – rider guide and timetables may be found here:
<https://lewiscountytransit.org/bus-routes/>



ACTIVITIES AS OF DECEMBER 31, 2025

Service

In 2025, Lewis County Transit provided an estimated 29,486 hours of fixed route service and 245,360 trips to residents and visitors to the community. In addition, Lewis County Transit provided 9,029 revenue vehicle hours and 17,742 demand response trips to passengers with its combined dial-a-ride (DARTT) and paratransit (LIFTT) services.



Revenue Miles and Hours

In 2025, Lewis County Transit recorded the following:

	Fixed Route (including Deviated)	Demand Response
Revenue Hours	29,486	9,029
Revenue Miles	769,973	212,565

Injuries, Fatalities, Collisions

In 2025, Lewis County Transit experienced seventeen minor accidents and collisions, three being non-fault. There were no major injuries or fatalities.

Facilities

With the completion of construction at our Fleet and Operations center, all Lewis County Transit employees are located in the same facility. All four phases of the project were completed in February 2022. Stormwater upgrades and paving at 212 E Locust Street were also initiated in 2021 and were completed in April 2023. Additional office space and a facility storage area was constructed in 2023, and a new training/conference area completed the renovation in January 2024.

Lewis County Transit is establishing a new system of electric public Transit along the currently unserved 50-mile section of the I-5 corridor between Thurston, Lewis, and Cowlitz Counties. This effort provides transportation to underserved communities, connects the service networks of four regional transit agencies, and implements zero-emission bus technology along this high-traffic corridor. The Southwest Washington e-Transit Corridor will be supported by the construction of five e-Transit Stations located off Interstate 5 at Exit 81, Exit 68, Exit 77, Exit 74, and Exit 88, as well as two e-Transit Stations along the Highway 12 Corridor at Morton and Mineral. Lewis County Transit has utilized three major capital grants to renovate the Mellen Street Park and Ride into Lewis County Transit's first innovative, green technology-infused transit station, which was completed in June 2021. Lewis County Transit was awarded a second Green Transportation capital grant to complete the second phase of this important endeavor at the Exit 68 and U.S. Highway 12 intersection. The Exit 68 e-Transit Station will facilitate zero-emission electric transit along the I-5 corridor from Centralia/Chehalis to Kelso/Longview. Lewis County Transit was able to complete the Exit 68 e-Transit Station under budget, allowing us to reallocate the grant resources to the Exit 77 e-Transit Station in Chehalis. Expected to be completed in September 2026, this site will feature transit cut-outs with connecting ADA-accessible paths and two electric vehicle chargers capable of supporting up to four electric road supervisors and fleet vehicles. These charging stations will also allow expansion for electric passenger vehicle use.

Phase 1 of the I-5 Zero-Emission Transit Corridor. Diesel Emission Reductions Act (DERA) and Volkswagen Settlement dollars were used to convert two diesel buses into electric. Meanwhile, a 2019 Green Transportation Capital Grant was awarded to fund the construction of Lewis County Transit's first e-Transit Station at the Mellen Street Park and Ride, just off Exit 81. Both electric buses arrived in May 2021 and the Mellen Street e-Transit Station was completed in early June 2021, Lewis County Transit's first innovative, green technology-infused transit station. The Mellen Street e-Transit Station was restored from a dilapidated park and ride to a place of community pride, complete with electric public transit, induction charging, carpool, bicycle, and pedestrian access, and electric car charging. It also services the new fixed routes between Centralia, Olympia, Kelso/Longview, and Morton, Washington, locations where Lewis County Transit connects with multiple regional transit providers. This has effectively expanded individual opportunity and economic development along this previously underserved section of I-5, also known as the northern half of the "transit broken link."

Phase 2 of the I-5 Zero-Emission Transit Corridor. In 2021, Lewis County Transit was awarded a second Green Transportation Capital Grant to fund the construction of a second e-Transit Station. Operationally complete as of January 2024, the Exit 68 e-Transit Station replicates the Mellen Street e-Transit Station model and includes intermodal connectivity such as electric car charging, bicycle and pedestrian access, and visual enhancements. This location also provides a parking area for carpool vehicles, a bus pull-out to pick up and drop off passengers, and a transit island with ADA-accessible pathways. The Exit 68 station links surrounding rural communities east of the Twin Cities with limited transit access to education and employment opportunities such as Mossyrock, Salkum, and Morton. The Green Transportation Capital Grant Program contributed more than \$2.1 million in the 2021-2023 biennium for Lewis County Transit's Exit 68 e-Transit Station as well as the purchase of two zero-emission buses, 80 percent of the project cost.



Also included in Phase 2 of the I-5 Zero-Emission Transit Corridor is the Morton e-Transit Station at Hwy 12 and Hwy 7. The town of Morton is a rural community, situated at the intersection of Hwy 12 East and Hwy 7. The town of Morton offers rural Lewis County residents access to a satellite campus for Centralia College, grocery and dining options, and is home to one of the largest lumber mills in Washington State. This portion of Hwy 12 belongs to the White Pass Scenic Byway and is heavily trafficked, year-round, by tourists from around the world. Over the last few years, the Eastern region of Lewis County has seen a considerable increase in highway congestion. Commencing in 2023, permits for this project have been awarded upon successful completion of SEPA, NEPA, and DAHP. Construction of the e-Transit station began in June 2024 upon successful bid award to a qualified contractor, and construction was completed in November 2024.



Phase 3 of the I-5 Zero-Emission Transit Corridor. Lewis County Transit is currently constructing the Exit 77 e-Transit Station in Chehalis, continuing the agency's development of a connected network of transit and zero-emission infrastructure along the I-5 corridor. Following completion of the Exit 68 e-Transit Station under budget, LCT was able to strategically reallocate remaining grant resources toward development of the Exit 77 location, maximizing the impact of the original funding award.

Expected to be completed in September 2026, the Exit 77 e-Transit Station will include dedicated transit pull-outs with connecting ADA-accessible pedestrian pathways, improving safety and accessibility for passengers transferring to and from LCT services. The site will also feature two electric vehicle charging stations capable of supporting up to four electric road supervisor and other fleet vehicles, providing important infrastructure as LCT continues its transition toward a 100% zero-emission fleet. The charging infrastructure is also being designed to accommodate future expansion, including potential use by electric passenger vehicles.

The Exit 77 location also creates an opportunity for future regional transit connections, including potential coordination with Pacific Transit System. A connection at or near Exit 77 could provide a convenient transfer point between Lewis and Pacific County services, expanding mobility for rural residents and improving access to employment, healthcare, education, shopping, and other destinations throughout Southwest Washington. Such a partnership could further integrate Pacific County into the regional transit network while providing connections through LCT to destinations north and south along the I-5 corridor.

Strategically located in Chehalis, the Exit 77 station builds upon the successful Exit 68 project and represents another important step toward LCT's broader vision for a Southwest Washington e-Transit Corridor. As LCT continues planning future e-Transit locations and working with neighboring transit agencies, these investments have the potential to create a network of accessible regional mobility hubs that support seamless transfers, expanded rural transportation options, and the continued deployment of zero-emission transportation throughout Southwest Washington.



Fleet & Equipment

During 2025, one administrative Ford Explorer was purchased to replace another that had reached the end of its useful life. This vehicle was procured with state Transit Support funding.

Also, during 2025, Lewis County Transit introduced three additional New Flyer hydrogen fuel-cell buses into its fleet. These vehicles build upon LCT's existing investment in hydrogen technology and provide valuable operational experience as the agency evaluates the performance, fueling requirements, maintenance needs, and long-term viability of hydrogen fuel-cell technology in rural and regional transit operations.

Lewis County Transit, as stated previously, has an ambitious goal of a fleet comprised of zero emission vehicles by 2030. To accomplish this, several fleet transition programs have been embarked upon to upgrade the capability and performance of our fleet. First, we added two refurbished electric buses in 2021. Secondly, we have migrated from a traditional cutaway bus for DARTT/paratransit services to the Transit Van and Pro Master style vehicle for greater fuel economy and an easier pathway to retro fitting these vehicles to battery electric in the coming years. Finally, we have surplus a number of vehicles to ensure we manage our fleet inventory and agency assets in a responsible and fiscally appropriate fashion.

Electric buses reduce carbon emissions, noise pollution, air space toxicity, and road congestion. In addition, they maximize taxpayer dollars and expand opportunities to improve service. However, hydrogen buses are ideal for long-distance corridor routes. As such, Lewis County Transit has accepted six total hydrogen fuel cell buses into its fleet as of 2025, which will be supported by the construction of the first hydrogen fueling station in 2026. The hydrogen fueling station will be constructed at the Port of Chehalis Research and Business Development Park, just off the I-5 corridor. Upon completion, this location will provide hydrogen fueling, electric vehicle charging, and access to zero-emission public transit. For the Port of Chehalis Energy Station, Lewis County Transit has a \$2.47 million legislative appropriation, a \$2.0 million legislative appropriation, a \$2.75 million Carbon Decarbonization grant from the WA Department of Commerce, and a \$1.8 million local appropriation for the purchase of a multi-dispenser hydrogen fueling station that incorporates both 350 and 700 bahr dispensers and an on-site electrolyzer.



Lewis County Transit seeks to replace as many vehicles as practicable with new electric or hydrogen fuel-cell vehicles. As stated throughout this document, Lewis County Transit intends to meet its 100% zero-emission goal by the year 2030. As of the end of 2025, we have reached an 18% transition to zero-emissions across the entire fleet, and 80% of the fixed route dedicated fleet.

From 2027-2030 the focus of Lewis County Transit's procurement strategy will shift to light-duty vehicles. Currently Lewis County Transit owns nine light-duty cutaway vehicles utilized for its fixed route corridor routes and ten light-duty vehicles designated for the purpose of LIFTT and DARTT services. Lewis County Transit also utilizes eight administrative vehicles that will be replaced with zero-emission models as well. Between 2027 and 2029, Lewis County Transit plans to purchase 22 zero emission vehicles with state grant funding (2 hydrogen fuel-cell buses, 4 electric cutaways, 8 electric demand-response vans, and 8 electric administrative vehicles). This will transition approximately 88% of LCT's total fleet to zero-emission technology. In conjunction with purchasing brand new BEV replacements for our light-duty fleet, Lewis County Transit is also exploring the option of retrofitting current gasoline powered demand response vehicles to BEV as technology continues to evolve.



The following equipment/property was declared surplus in 2025:

- 2015 Dodge Caravan #330
- 2015 Dodge Caravan #331
- 2015 Dodge Caravan #351
- 2015 Dodge Caravan #352
- 2012 VPG Gas Van Bus #108
- 2014 MV1 Van #110
- 2018 Ford Explorer #111
- Driver Training Station

Assets anticipated to be declared surplus in 2026 are as follows:

- 2018 T7 Tennant Ride Floor Scrubber
- 2005 Gillig Lowfloor Bus #447
- 2005 Gillig Lowfloor Bus #448

Safety

As part of our overall fleet and facility safety program a number of new practices have been established to ensure we keep our staff safe and operating in a more effective and efficient manner. To support these safety efforts Lewis County Transit introduced the following safety practices:

- Plexiglass barriers in all Demand Response Vehicles
- Driver barriers in all Fixed Route equipment
- Updated safety equipment, including medical and first aid kits, eye washing stations and first action response protocols
- Cleaning equipment including a floor scrubber, and other janitorial and cleaning supplies to keep workspaces better organized and safer for our personnel
- Training focused on first aid, bloodborne pathogens, fire safety, hazardous materials, and Lock Out Tag Out procedures.

Fuel & Energy Consumption

In 2025, Lewis County Transit consumed the following amounts of fuel (gallons) and electricity (kWh):

	Fixed Route (including Deviated)	Demand Response
Gasoline	49,153	13,619
Diesel	52,824	0
Electricity	4,023.4	0

Personnel

The total number of positions remained steady in 2025; provided below is the number of FTEs by department as of the end of 2025 and projected FTEs for years 2026-2031:

	2025	2026	2027	2028	2029	2030	2031
Administration	5	3	4	4	4	4	5
Maintenance	6	7	7	8	8	8	8
Operations Staff	7	7	8	8	9	9	10
Operators	31	34	43	48	51	53	55
TOTAL	49	51	62	68	72	74	78

In analyzing the effects of plans for county-wide route expansion and ongoing dial-a-ride service, management foresees that at least twenty-one additional full-time bus operators and eight supporting staff will be hired between 2027 and 2031 to accommodate future route and service expansions.



Financial Results

In 2025, Lewis County Transit (LCT) experienced a significant increase in net position of \$6,648,767, primarily driven by substantial capital investment activity throughout the year. Key completed projects included construction of a bus pullout at South Market Street and SW 16th Street in Chehalis, the purchase of three hydrogen buses and one administrative vehicle, and completion of three major repairs to revenue service vehicles. These assets are reflected on the Statement of Net Position as non-current assets.

As of fiscal year-end, several major capital projects remained in progress, including the Port of Chehalis Hydrogen Fueling and Production Facility, the Exit 77 e-Transit Station (Main Street, Chehalis), and the Mineral e-Transit Station (Front Street East, Mineral). Costs associated with design, permitting, and construction for these projects are reported as construction in progress, with completion anticipated in 2026.

Operating reserves decreased from \$608,652 in 2024 to \$262,172 in 2025, while capital reserves declined from \$251,067 to \$55,763. These reductions were primarily the result of timing differences in cash flow related to increased capital expenditures and delayed reimbursement of grant funds. To help stabilize cash flow, LCT transitioned its annual insurance payment from a prepaid structure to monthly installments and continued its practice of submitting grant reimbursement requests on a monthly basis rather than quarterly.

Grant receivables increased significantly from \$533,489 in 2024 to \$6,778,363 in 2025, reflecting \$6,244,874 in outstanding reimbursements at year-end. This increase is largely attributable to concentrated capital activity in the final quarter of the year, including construction milestone payments for the Port of Chehalis Hydrogen Facility, acceptance of three hydrogen buses, and initiation of construction on the Mineral e-Transit Station.

These receivables represent approved, reimbursable expenditures pending payment from funding partners, including the Washington State Department of Transportation, Department of Ecology, Department of Commerce, and the Economic Alliance through a federal Department of Commerce sub-award. Operating grant receivables were also elevated due to delays in executing WSDOT grant agreements for the new biennium, which began July 1, 2025. While agreements are typically finalized within the first two months, several contracts were not executed until November. Although LCT was able to submit reimbursement requests retroactive to July 1, funds were not received until agreements were in place. Additionally, reimbursement timelines have lengthened by approximately 30 to 45 days due to WSDOT's transition to a new financial system.

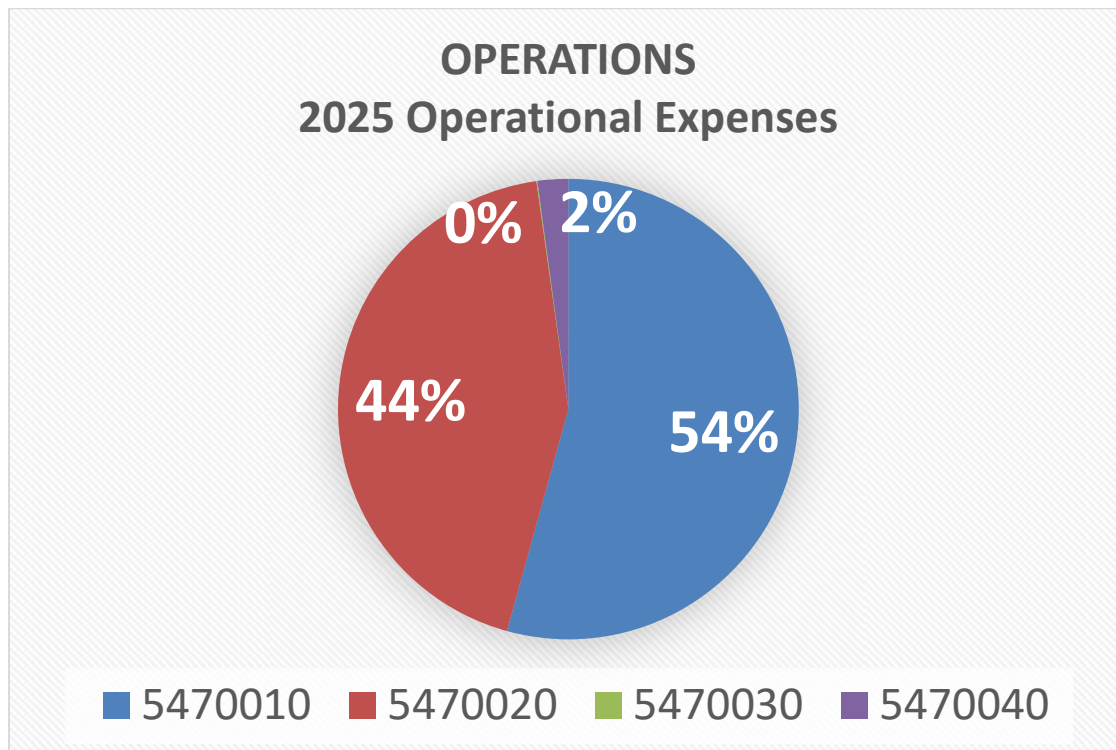
As explained throughout this analysis, Lewis County Transit continues to invest heavily in its capital facility improvements and zero-emission technologies. Lewis County Transit was able to use its capital cash reserves to fund projects not subsidized by grants, which included shop equipment purchases such as a tire balancer and small improvements to admin office spaces at 212 E Locust Street. Although these projects have an impact on cash flow, investments in capital assets help to improve Lewis County Transit's financial position. Lewis County Transit's debt ratio (total liabilities to total assets) equals 32.5%, and its current ratio (current assets to current liabilities) is 1.13. Typically, a debt ratio of less than 50% is considered healthy, as it implies that the organization is less dependent on debt to expand its resources. Although the current ratio has weakened slightly from 1.57 in 2024, a current ratio of more than 1 means that the entity is considered to have less financial risk because it can liquidate its current assets more easily to pay

down short-term liabilities. Lewis County Transit's interest coverage ratio is 0.90 for fiscal year 2025, a decrease compared to 1.35 in 2024. This means that it can pay its obligations using only its operating revenues (fares and advertising) for just under one full year. However, when only factoring interest payable on the bond liability and not interest related to leases and right-to-use assets, the interest coverage ratio is 1.73. A ratio of at least 2 is considered the minimum acceptable amount for a company that has consistent revenues.

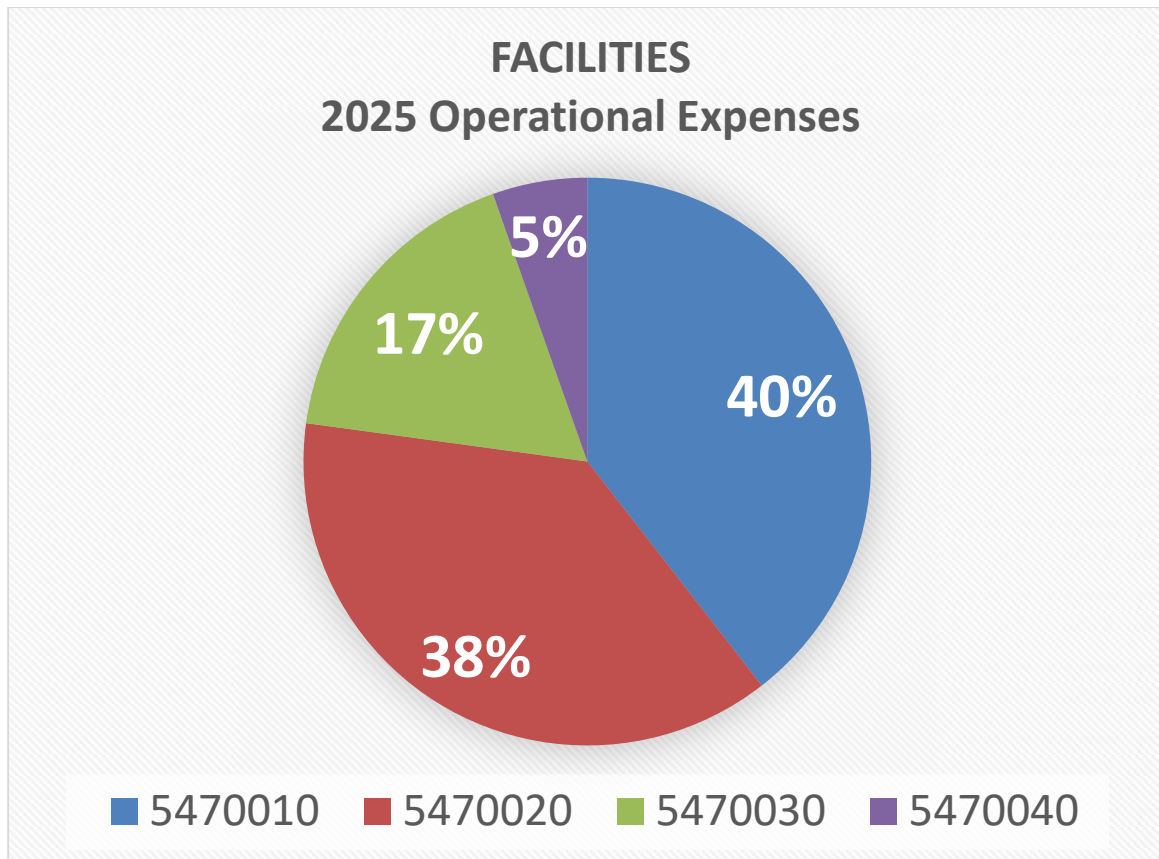
The initial adopted budget for FY2025 was \$7,749,998 for Operations—which did not include depreciation expense. In 2025, total operating expenses were \$8,766,393, less depreciation costs of \$1,287,141. The actual operating expenses were \$7,479,252; however, this includes a pension adjustment reduction of \$273,149 and a lease and subscription adjustment reduction of \$209,621. Included in administrative expenditures was \$303,630 in costs related to REVIT curriculum development and project management, as well as \$121,547 in wages, benefits, and supplies related to reimbursed Pacific Transit interim management services, not previously budgeted for. When comparing total operational expenditures without the adjustments, REVIT expenditures, or Pacific Transit expenditures, there was a \$213,153 savings in spending for the FY2025 budget. Although associated costs for fuel, tires/tubes, and salaries/benefits to support Lewis County Transit's fixed route, DARTT, and LIFTT services experienced a substantial increase, Lewis County Transit had adequately forecasted expenditures for the fiscal year based on planned service expansion and personnel levels as outlined in our 6-year Transit Development Plan. Fuel costs increased by \$121,534, and tires/tubes increased by \$7,303. However, vehicle supplies (prior to inventory adjustments) decreased by \$33,598 compared to 2024. As of the end of FY 2025, Lewis County Transit employed a total of 49 employees, compared to 48 employees in FY 2024. Lewis County Transit's cost of salaries and wages increased by \$253,001 or 9.1%, and benefits increased by \$172,380 or 8.2% (not including the pension expense adjustment of \$273,149). Lewis County Transit continues to provide Social Security coverage for all Lewis County Transit employees, which began in 2022; this equates to a contribution rate of 6.2% of the employee's gross wages. Per the 2025-2027 Teamsters Local 252 Collective Bargaining Agreement, wages for Operators and other union-represented employees also increased by 5% in fiscal year 2025.

Department-specific details are provided below:

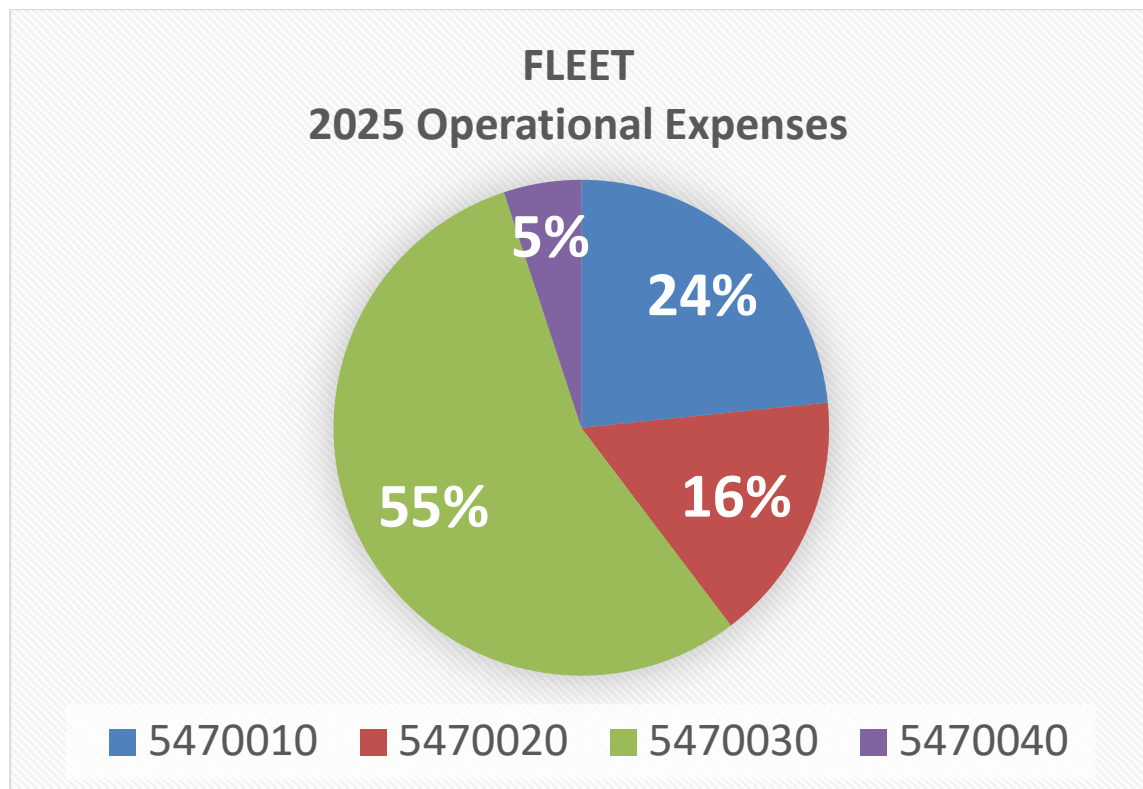
Operations Department expenses increased in the amount of \$387,750 in fiscal year 2025 compared to 2024. Operations expenses decreased slightly from 46.1% to 44.3% of the total operating expenses. Operator salaries and wages increased by 2.5%, but operations administration staff salaries increased by 48.2% after hiring a replacement Operations Manager and Assistant Operations Manager and remitting severance pay to two past Operations employees. FY 2025 also experienced a full year of expense related to the addition of two Field Supervisors and a second Demand Response Specialist, which occurred in mid to late 2024. Fringe benefits increased by 11.3% (disregarding pension expense adjustment). This increase was attributable to ongoing recruitment of Operators and Operations staff and the wage increases set forth in the 2025-2027 Collective Bargaining Agreement. Supplies decreased by 4.6%, and services increased by 39.4% compared to 2024. Supplies consisted of employee appreciation and on-board supplies such as gloves and sanitizer. Services included training and travel for Lewis County Transit staff and operators. At the end of 2023, Lewis County Transit purchased a driver simulation station and training software to assist newly recruited Operators in studying and preparing for Commercial Driving License certification, which would enable the employees to drive a fixed-route 30+ passenger bus. In addition, Lewis County Transit has enlisted the help of another local transit partner, Grays Harbor Transit, to train and certify newly hired Operators for their Commercial Driving License. This has expedited the amount of time it takes for Lewis County Transit staff to provide dedicated training to new Operators, now enabling them to complete CDL certification in a matter of 2-3 weeks.



Facilities Department expenses decreased in the amount of \$15,874 in the fiscal year 2025 compared to 2024. Facilities expenses decreased from 3.5% to 2.9% of total operating expenses. Salaries/wages decreased by 15.9%, and fringe benefits increased by 5.3% (disregarding pension expense adjustment). This was primarily due to the termination of a Facilities Tech employee; recruitment for a replacement was not completed until the last quarter of 2025. Supplies increased by 5.5%, and services decreased by 23.6% compared to 2024. Supplies consisted of route signage materials, landscaping supplies and gravel, first aid, and bus shelter maintenance supplies. Services consisted of equipment and fence rental, as well as outside landscaping and HVAC maintenance services.



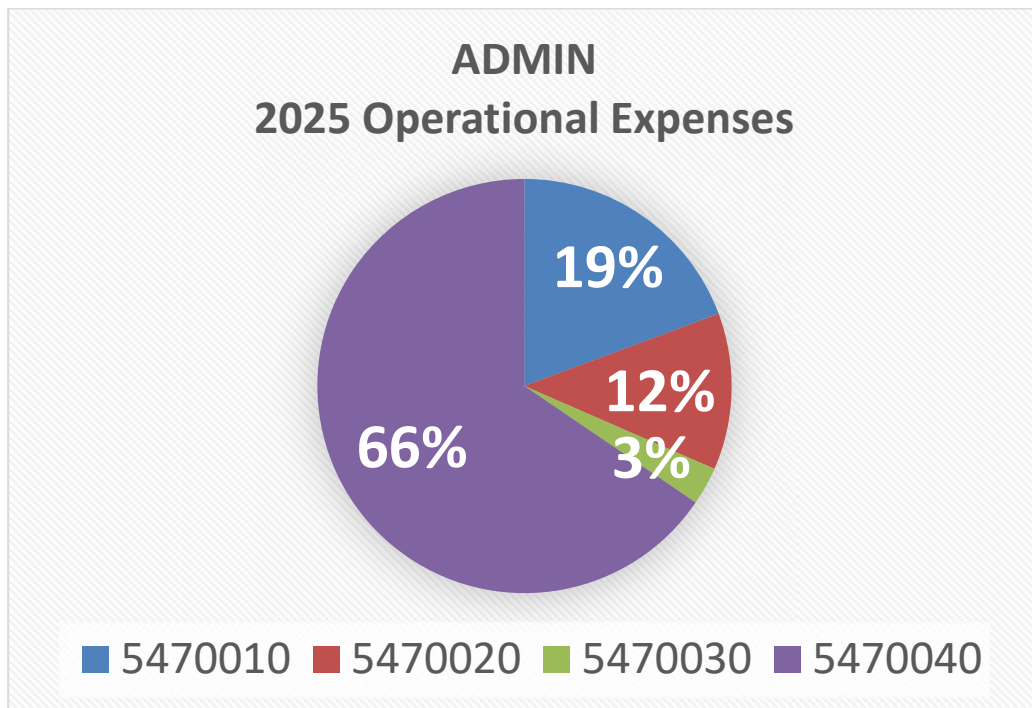
Fleet Department expenses decreased in the amount of \$66,262 in the fiscal year 2025 compared to 2024. Fleet expenses decreased from 16.4% to 13.4% of total operating expenses. Salaries/wages increased by 7.1%, and fringe benefits increased by 7.3% (disregarding pension expense adjustment) primarily due to an increase in workman's compensation rates and PTO cash outs during the year. Supplies decreased by 12.1%, and services decreased by 17.8% compared to 2024. The main contributors to the decrease in supplies included an inventory adjustment of \$64,205 which was recorded to decrease total vehicle maintenance costs for FY 2025 in comparison to an adjustment of \$116,926 that increased 2024 vehicle maintenance expenses. Expenditures related to services decreased in 2025 due to less extensive repairs outsourced to external vendors, less travel expenses, and a \$5,281 reduction in professional services related to handheld and base station radios that were replaced with push-to-talk models and are now budgeted for under the Utilities category of the Administration budget.



Administration Department expenses increased 15.3% in the amount of \$271,480 during the fiscal year 2025 compared to 2024, including the pension, lease, and subscription adjustments mentioned previously. Disregarding the adjustments, expenses increased 12.8% or \$253,117. Admin expenses increased from 23.1% to 24.8% of total operating expenses. Salaries and wages decreased by 9.0% due to the net effect of the loss of a full-time Communications Supervisor and annual salary adjustments for other staff, and fringe benefits decreased by 10.9% (disregarding pension expense adjustment). Supplies increased by 7.9%, and services increased by 29.1% compared to 2024 (disregarding lease and subscription adjustments). Overall, management elected to allocate its available resources to the following areas of need within the organization: legal and financial management, advertising, technology, and leased facilities for bus stops and e-Transit Stations. The professional services category experienced the most substantial increase of \$241,934, primarily due to Executive Director recruitment services, legal services relating to personnel matters, tax credit consultation, hydrogen fueling station contract review and procurement support, and a grant-funded ancillary hydrogen use study. Lewis County Transit also continued to contract for security officer services in 2025 and requested the services of one additional officer to ensure full coverage of weekday and weekend services.

Expenditures of \$303,630 were attributable to the development and pilot of the Renewable Energy Vehicle and Infrastructure Technician (REVIT) training program. The REVIT training program is a concerted effort to develop a statewide curriculum in grades 6-12 STEM programs in partnership with Centralia School District 401 and Chehalis School District 302. This program will introduce students to educational and career options in the renewable energy industry, raise awareness, and guide them in their exploration. The costs related to the curriculum are covered in full with grant funding received from the Washington Department of Ecology, the Employment Security Department (Career Connect Washington), and the TransAlta Coal Transition Board, which were used to develop the curriculum and resources for the REVIT program.

Beginning in early 2025, Lewis County Transit Executive Team staff were asked to provide interim management services for a neighboring transit agency, Pacific Transit System. A total of \$121,546 in additional expenditures were incurred but were reimbursed in full by Pacific Transit System through an interlocal agreement.



Depreciation Expense increased by \$457,176 in the fiscal year 2025 compared to the fiscal year 2024, or 55.1%. During FY2025, Lewis County Transit identified errors in the estimated useful lives assigned to certain capital assets. The previously assigned useful lives did not appropriately reflect the expected service lives of those assets. As a result, LCT corrected the useful lives of the affected capital assets and adjusted accumulated depreciation and net capital assets. The effect of the correction was an increase in depreciation expense of \$489,099 for the year ended December 31, 2025. Right-to-use asset amortization accounted for \$110,395, or 8.6%, of total depreciation expense in 2025, while amortization of subscriptions under the newly implemented GASB 96 accounted for \$99,200, or 7.7%, of total depreciation expense.

Construction Commitments

Lewis County Transit had multiple projects in progress as of December 31, 2025. These projects include:

Project	Expenditure as of 12/31/2025	Projected Cost	Status
Mineral e-Transit Station	\$164,382	\$354,149	Completed 05/2026
Lewis County Transit constructed the Mineral e-Transit Station, located at 104 East Front Street in Mineral, WA. An agreement for use of the designated parcel of land was negotiated with the private landowner. The Mineral e-Transit Station includes electric vehicle charging and was futureproofed for a new transit shelter adjacent to the Mineral Market.			
Port of Chehalis Energy Station	\$7,746,977	\$11,061,926	In progress - Estimated completion 09/2026
This hydrogen fueling station will be the first of its kind in Washington State and will be located at the Port of Chehalis Research and Business Development Park, just off the I-5 corridor at Exit 74. The station will incorporate 350 and 700 Bahr dispensers and an on-site electrolyzer that will allow Lewis County Transit to produce its own hydrogen fuel. The Port of Chehalis Energy Station will be used to serve transit buses, commercial truck traffic, drayage, and potential rail traffic currently located in the POC. Upon completion, Lewis County Transit will ultimately use the energy station for its electric hydrogen fuel cell buses. Additionally, Lewis County Transit, through an agreement with Bonneville Environmental Foundation and Toyota of North America, received four hydrogen fuel cell Toyota Mirai vehicles for in-use fleet testing to further establish their operating capabilities in the region.			
Main Street e-Transit Station at Exit 77	\$199,603	\$1,490,471	In progress - Estimated completion 09/2026
Lewis County Transit is currently in the construction phase for the Main Street e-Transit Station, located at Exit 77. Once complete, the Main Street e-Transit Station will include electric vehicle charging, vanpool, bicycle and pedestrian access, additional parking, and visual enhancements.			
Hydrogen Bus Service Bay	\$115,907	\$331,162	In progress - Estimated completion 12/2026
The Hydrogen Bus Service Bay project at Lewis County Transit's 212 E. Locust Street facility will provide a dedicated, hydrogen-compatible maintenance area for the agency's growing fuel-cell bus fleet. The project will incorporate specialized ventilation, hydrogen detection, electrical, and safety systems necessary to safely inspect, maintain, and repair hydrogen vehicles. The investment allows LCT to support its existing hydrogen buses while building the maintenance capacity needed for continued zero-emission fleet expansion.			

STATE AND AGENCY GOALS, OBJECTIVES, AND ACTION STRATEGIES

As part of the annual report and six-year transit development plan, the Washington State Department of Transportation (WSDOT) requires that transit agencies report their progress toward accomplishing the state's six Transportation System Policy Goals identified in RCW 47.04.280 as well as identify action strategies for upcoming years.

2025 Overview and Progress Update

Lewis County Transit (LCT) continued advancing its commitment to a growing service area and its goal of achieving a zero-emission fleet by FY2030. Service expansion remained a key focus, particularly in East Lewis County. Building on earlier efforts, LCT enhanced connections to Morton by extending service to Packwood, improving access for residents to education, family-wage employment, and essential services that were previously difficult to reach.

LCT initially piloted a corridor route between Centralia and Morton in March 2023, establishing the foundation for what is now the Brown Line. Following the cessation of LEWIS Mountain Highway Transit operations in July 2023, transportation gaps in East Lewis County became more pronounced. Addressing these unmet needs remains a top priority, and LCT continues to actively engage the community to identify and implement effective service solutions. In September 2025, LCT launched new service between East Morton and Packwood, operating four days per week, further strengthening regional connectivity.

The Green Line, connecting Centralia to Olympia, continues to experience strong ridership growth, driven by increasing commuter demand. Originally established through a Regional Mobility Grant, this route has become a critical corridor for workers and residents. In response to demand, LCT introduced the "Green B" service, adding eight additional trips between 6:00 a.m. and 7:00 p.m. to improve frequency and reliability. Similarly, the Purple Line serving Longview and Kelso continues to enhance regional mobility, providing connections to a broader multimodal transportation network along the I-5 corridor—from Vancouver, British Columbia, to Vancouver, Washington. These connections have significantly expanded economic and commuting opportunities for communities throughout the region. Complementing fixed-route growth, LCT's microtransit program continues to expand, further reinforcing its role as a reliable and flexible transportation provider.

Community engagement remained a cornerstone of LCT's approach in FY2025. Through a robust outreach and events program, LCT increased awareness of transit services while prioritizing support for transit-reliant populations. Partnerships with local school districts and senior centers provided critical education on system navigation and accessibility, helping students, families, and older adults use transit safely and effectively. LCT also strengthened coordination with healthcare providers and community service organizations to ensure patients, staff, and vulnerable populations have access to dependable transportation. Through consistent outreach and participation in local events, LCT continues to position itself not only as a transportation provider, but as a trusted community partner.

LCT made significant progress toward fleet electrification and zero-emission goals. After receiving its first three hydrogen buses in 2024, LCT added three more in 2025. With a reliable hydrogen fuel supply in place, these vehicles are scheduled to enter full service in Summer 2026, complementing the agency's existing battery-electric fleet. As of FY2025, LCT has achieved an 80% zero-emission fixed-route fleet and is on track to reach 100% by the end of calendar year 2028 with the addition of two more hydrogen buses.

Infrastructure development also advanced substantially. LCT continues to transform existing Washington State Department of Transportation (WSDOT) park-and-ride facilities into innovative e-Transit stations. During FY2025, efforts focused on planning, permitting, and design to prepare for construction in 2026. Projects underway at the close of the fiscal year include the Port of Chehalis Hydrogen Fueling and Production Facility, the Exit 77 e-Transit Station (Main Street, Chehalis), the Mineral e-Transit Station (Front Street East, Mineral), and the initial phase of the Exit 74 e-Transit Station. These facilities will incorporate electric vehicle charging, hydrogen fueling, and emerging induction charging technologies. Two related e-Transit stations located at Exit 68 and Morton were completed in FY2024. With only Exit 88 remaining in the planning phase, LCT is on track to modernize all I-5 park-and-ride facilities in Lewis County by 2028, supporting the transportation needs of approximately 80,000 vehicles traveling the corridor daily.



Economic Vitality – To promote and develop transportation systems that stimulate, support, and enhance the movement of people and goods to ensure a prosperous economy.

2025 Progress:

- Increased service hours and adjusted bus schedules to match ridership needs and grow ridership in our service area. We began this effort in 2024 by increasing our daily service hours to 14-hour service days, 6 am to 8 pm Monday through Friday, and 7 am to 4 pm Saturday and Sunday.
- Continued transit service to major employers in the community including the two industrial land ports.
- Lewis County Transit services every school along its fixed route system which allows for additional educational opportunities for all students.
- Lewis County Transit, by way of a legislative appropriation for \$4,550,000, is constructing the first Hydrogen fueling station in the state to facilitate the continued growth and use of renewable energy resources in transit operations. In 2024, Lewis County Transit completed the design and submitted for site construction permitting, and construction began Q3 2025.
- Ongoing development of bus stops and pull-outs to better serve the downtown, rural, and corridor areas of Lewis County.
- Ongoing expansion of advertising services to numerous businesses and business partners that provide a broader community outreach component platform.
- Enhanced the existing collaborative partnership with local municipalities, County and City governments, Chambers of Commerce, service organizations, and medical and mental health providers to extend our services further into areas to provide needed transportation services throughout the existing LPTBA designation.
- Applied for and received the Governor's Green Transportation grant which was used for the construction of an e-Transit Station at the intersection of Interstate 5 and State Highway 12, two major state traffic corridors and the purchase of one zero-emission bus. The original project was completed under budget, and remaining funds have been allocated to construction of another e-Transit Station located at Exit 77 in Chehalis.
- Applied for and received the Department of Ecology's DERA grant funding for the purchase of two zero-emission buses for \$1,166,458.
- Using consolidated grant funds, established an east Lewis County fixed route between Centralia at Exit 81 and the Morton e-Transit Station at the intersection of State Highway 12 and State Highway 7.
- Established a new corridor route between Centralia at Exit 81 and Longview/Kelso at Exit 39 where we connect with RiverCities Transit and Cowlitz Tribal Transit. The pilot was funded through Lewis County Transit local sales tax dollars and reserves. We have since applied for and were awarded Regional Mobility dollars in 2023 to cover operating costs of maintaining this route for a period of four years. Weekend service on this fixed route will be added based on increased vehicle inventory and ridership demand.
- Utilizing Paratransit Special Needs Formula funds to cover operating costs, we have continued to expand our dial-a-ride (DARTT) services, including a pilot weekend service.
- We completed our Zero-Emission Transition Plan, including our fleet replacement schedule that generates the pathway to our ZEV transition to be completed by 2035.
- Continued stakeholder engagement to determine location, size, and cost of a new fleet and operations center. Working with civil engineering and environmental engineering firms for

preliminary site layout in conjunction with hydrogen production and fueling station facilities at the same site in the Port of Chehalis.

- Applied for and received a WSDOT Bus & Bus Facilities grant used for the construction of an e-Transit Station at Mineral that will serve more rural transit users in east Lewis County.

2026 – 2031 Action Strategies:

- Assisting clients seeking employment, education, and essential life services by offering fixed route bus service and demand response service every day of the week in an equitable and inclusive fashion. As the labor market provides more hiring opportunities, Lewis County Transit will begin a transition to full fixed route and demand response service seven days per week.
- Expand Transit and demand response services throughout our service area that generate job opportunities in economic sectors previously not available in Lewis County. In addition, these same fixed route and demand response services bring needed trained workforce candidates into the greater Lewis County area to fill needed positions for a variety of businesses.
- As a local employer, Lewis County Transit will continue to increase its current number of employees earning and spending within the community. LCT has increased its employee numbers from 29 in 2019 to 49 in 2025.
- Lewis County Transit continues to support local businesses by purchasing goods and services within the community whenever possible. When possible, source DBE-certified business for Lewis County Transit needs, thereby stimulating small business activity and growth in our community.
- Continue work on a market feasibility analysis to determine the revenue opportunities for Hydrogen fuel throughout the western state's region. Develop off-take agreements with regional transits and municipal fleets that are in the process of transitioning to hydrogen fuels.
- Apply for capital grant funding from local, state, and federal resources to support the construction of an e-Transit Station at Exit 74 (Port of Chehalis), Exit 63 (Winlock-Toledo), and/or Exit 88, EV charging at e-Transit Stations, and the procurement of zero-emission vehicles.

Preservation – *To maintain, preserve, and extend the life and utility of prior investments in transportation systems and services.*

2025 Progress:

- Lewis County Transit continued to provide reliable, predictable, and sustainable bus service throughout Lewis County and surrounding areas.
- Lewis County Transit completed construction of the Mineral e-Transit Station which includes public EV charging. These stations are now online servicing east Lewis County and supporting tourism in the area. The site has also been future-proofed for a transit stop and will allow for enroute charging for future BEV buses and/or vans.
- Continued educational training for fleet service technicians on zero-emission bus maintenance to ensure standard of good repair objectives are met.
- Began the development of an enhanced organizational structure to support the increase in management of driver training, route monitoring, and service area oversight. Additional staffing requirements may need to be addressed including additional Field Supervisory staff, Demand Response support staff, and mechanical/technical service technicians.

2026 – 2031 Action Strategies:

- Apply for additional operating grant assistance in the forthcoming grant periods in order to improve financial stability in both the short- and long-term. One of Lewis County Transit's strategies to ensure financial sustainability will be to improve and increase our Operational and Capital cash reserves.
- Participate in discretionary grant programs offering funding assistance for bus and bus facilities. Funding may be sought for either unfunded projects contained in this plan or projects that were not adequately funded by other sources.
- Maintain an adequate number of vehicles by replacing vehicles that have reached their useful life with zero-emission vehicles. Between 2027 and 2029, Lewis County Transit intends to seek capital funding for eight (8) wheelchair-equipped transit vans, nine (9) cutaway buses, two (2) hydrogen fuel cell heavy-duty buses, and eight (8) administrative and maintenance vehicles.
- Budget accordingly each year to replace aged office equipment and information technology resources.
- Build a hydrogen electrolyzer to provide hydrogen fuel for both Lewis County Transit and non-Lewis County Transit hydrogen-powered vehicles.
- Create a community-based micro-transit system throughout Lewis County to provide a more customized transit solution to our client base.

- Continue to integrate technology-based solutions into our Fleet and Operations Divisions to increase the efficiency and effectiveness of our operational and agency goals.
- Continuously work and improve our 5-year strategic plan to guide and evaluate the efficacy of our agency.
- Update and involve our Board of Directors to assist them in making informed and productive decisions.

Safety – *To provide for and improve the safety and security of transportation customers and the transportation system.*

2025 Progress:

- Training was provided to employees on topics related to the following topics: daily vehicle inspections, drug and alcohol awareness, de-escalation, fire safety, human trafficking, and active shooter/workplace violence prevention. Lewis County Transit conducted two separate all-staff meetings throughout 2025 to communicate key issues and provide updates on strategic initiatives.
- Staff attended several training events including the Reasonable Suspicion training, FTA Drug & Alcohol training, and the State Transit Conference.
- Conducted monthly employee Safety Committee meetings with posted minutes.
- Refined the customer complaint procedure to ensure responsiveness on all safety-related comments and concerns.
- Vendor-sponsored training for fleet service technicians and area first responders on the technology and potential hazards related to our zero-emission buses.
- Continued a comprehensive evaluation of onboard digital recording systems (cameras) and initiated the replacement of damaged or outdated components.
- Improved overall facility safety through our remodeling process that includes code-compliant stairways, improved HVAC and air filtering systems, along with ADA access to ingress and egress of the building.
- Completely secured Fleet & Operations Center with fencing, alarm panels, cameras, lighting, and electronic door locks.
- Contracted professional security personnel to provide additional safety and security for our operators, riders, and transit centers.

2026 – 2031 Action Strategies:

- Participate in ongoing supervisory training necessary to stay current on industry standards and best practices, particularly ADA service delivery.
- Strengthen our safety committee practices as well as complete our agency safety plan.
- Develop metrics for tracking the effectiveness of our safety protocols as they relate to our Fleet, Facilities, & Operational processes.
- Continue to invest in all-staff safety and first-aid training and maintain stock of personal protective equipment.
- Monitor inventory of ADA-compliant stops and transit center amenities, as well as complete our ADA Transition Plan.
- Continue to train community first responders on the protocols for addressing vehicle crashes/incidents involving zero-emission vehicles.
- Remain actively involved in the Emergency Management Plan development with Lewis County and Cities of Centralia and Chehalis. With the expansion of our service area, we will reach out to other regional municipalities, cities, and unincorporated areas to provide first responder and emergency management information.

Mobility – *To improve the predictable movement of goods and people throughout Washington State.*

2025 Progress:

- Using expanded fixed-route service, provided additional collection and express routes to reduce time-on-bus travel to key areas of the community.
- Maintained weekend service hours to provide broader access to services during off-peak hours.
- The development and planning of a more comprehensive client-friendly paratransit system.
- Lewis County Transit constructed additional e-Transit Stations at existing park and rides along the I-5 Corridor. These stations allow LCT to broaden our collect-and-connect approach to corridor and rural ridership.
- Increased demand response services to improve ridership opportunities within and outside of current service areas.

2026 – 2031 Action Strategies:

- Continue to develop along the I-5 corridor e-Transit Stations focused on the use of existing and re-developed park and ride sites.
- Over the next three years, complete the construction of up to three e-Transit stations – the attributes of which are transit, parking, and electric car charging – to provide decongestion strategies in the growth areas of our current service footprint.
- Improve or maintain existing service connections with neighboring service providers. Working with the CWCOG, develop coordinated service models across multiple Southwest Washington transit providers.
- Identify underserved areas within the community and assess options on fixed route bus service. Begin the development of a route servicing the rural areas of Toledo, Winlock, Napavine in an effort to complete our county-wide service delivery model. Begin the route planning process for western Lewis County communities of Adna and Pe Ell in coordination with Pacific Transit.
- Continue to increase technological capabilities through the adoption of cloud-based and AI technology, client-based applications, route planning tools, and organizational management software.

Environment – To enhance Washington’s quality of life through transportation investments that promote energy conservation, enhance healthy communities, and protect the environment.

2025 Progress:

- Lewis County Transit reduced local carbon emissions by giving 245,360 fixed route rides in 2025 that may have otherwise occurred inside a single-occupancy vehicle.
- Lewis County Transit further reduced local carbon emissions by providing 17,742 demand response rides in 2025 that may have otherwise occurred inside a single-occupancy vehicle.
- Encouraged public knowledge of the transit system through a strong community presence, participation in non-profit and service organizations, and continued updates through online articles and social media.
- Through facility energy enhancement efforts, we have lowered our power consumption and improved our decarbonization efforts using LEEDS standards and guidance.
- Continued internal recycling of paper, plastic, aluminum, and steel; as well as reusing old engine oil to heat the vehicle maintenance shop.

- Completed our initial Zero-Emission Transition Plan which will guide us to our goal of a 100% zero-emission fleet by 2030. Updated our fleet replacement schedule to reflect our funding and procurement strategies.
- Received grants for the development of e-Transit Stations and the purchase of zero-emission buses. This initiative will continue to markedly reduce the number of vehicles on the road, resulting in demonstrable carbon savings. Preliminary calculations indicate that we have reduced carbon emissions by 102.35 tons per year per vehicle. In the first four years (2021- 2024) that equates to 818.8 tons. Over the next six years through the end of 2030, the elimination of eleven heavy-duty buses and twenty-three light-duty vehicles will result in the reduction of 12,883.1 metric tons.

2026 – 2031 Action Strategies:

- In the further development of our transit corridor model, the integration of multi-modal transportation components will enhance our riders' experience and provide broader access to our overall community.
- Additional integration of Blue Zone methodologies to allow human and vehicle interaction in a wellness-oriented environment will provide opportunity for a healthier community.
- Continue to increase public information and awareness of transit access in an effort to promote the use of public transportation as an alternative to the single-occupancy vehicle.
- Review our existing Zero-Emission Transition Plan and make revisions as necessary to our fleet replacement schedule to reflect our funding and procurement strategies.
- Continue to work toward our goal of reaching 100% zero-emission through the addition of zero-emission buses to the fleet, including BEV electric buses and hydrogen FCEV buses sourced through grant opportunities.
- Upgrading and replacing fleet and operations equipment that is beyond its useful lifetime and has certain detrimental qualities to the physical environment of our facilities and our community.
- Continue evaluating our shop management program that includes fluid management process, shop safety and organization, hazardous material management, training, and awareness.
- Continue to evaluate various energy options that can provide a reduction in dependence on grid power, further supporting our initiatives around clean energy usage.

Stewardship – *To continuously improve the quality, effectiveness, and efficiency of the transportation system.*

2025 Progress:

- Continued development of updated administrative policies and procedures that contain contemporary provisions and current industry best practices.
- Expansion of service area to increase and incentivize new ridership with fixed route upgrades, increased demand response availability, and ADA paratransit accessibility.
- Continued to develop more detailed financial and data models and reporting to provide a higher level of information and transparency to our board, our employees, and our community.

2026 – 2031 Action Strategies:

- Given the considerable change in our community’s demographic population, we continue to be mindful of accessibility when considering fixed route and demand response changes to service.
- Emphasize the importance of customer service in retaining passengers and continue to strive for improved quality.
- Continue to encourage transit-oriented development as well as develop, design, and maintain transit-friendly infrastructure to support reliable and accessible transit service.
- Effective community engagement continues to create awareness of our role as a transit agency to provide transportation support to those who are seeking education, employment, or economic opportunities.

Community Relations & Outreach – *To increase ridership and improve public perception and brand identity.*

2025 Progress:

Throughout 2025, Lewis County Transit engaged in extensive community outreach. This has taken several forms, including:

- Involvement in community events
- Community-based surveys
- Newspaper articles and ads
- Radio ads and special promotions
- Website and social media promotion
- Coverage in online news media

The goal of this community outreach has been to increase ridership and promote Lewis County Transit's new and expanded programs, such as:

- Dial-a-Ride Lewis County Transit (DARTT), our direct, door-to-door transportation service
- Lewis County Transit's new Brown Line, which provides express weekday service from the Mellen Street e-Transit Station to Morton and Packwood.
- The completed Exit 68, Morton, and Mineral e-Transit Stations that offer electric car charging, ample parking, and bicycle and pedestrian access.
- Lewis County Transit's 50-year anniversary

2026 – 2031 Action Strategies:

Moving forward, Lewis County Transit plans to continue promotion of these items and expand to include 2026-2031 projects, such as:

- Lewis County Transit's continued commitment of transitioning to a 100% zero-emission fleet
- Lewis County Transit's upcoming construction of Western Washington's first hydrogen refueling station, and what this milestone will mean for our local community
- Construction of Lewis County Transit's e-Transit Stations
- The anticipated roll-out of new routes to Pe Ell, Napavine, Winlock, Onalaska, and Toledo.
- Extensive community involvement in local events, parades, and organizations

We also plan to expand communications to include:

- Increased participation in community organizations such as our local Chambers of Commerce, Economic Development Council, Downtown Associations, and Civic Clubs
- An expanded advertising program
- Helpful videos and tutorials on how to ride the bus and how best to access various key destinations
- A series of articles detailing how to ride public transit to key locations throughout the region
- A Travel Trainer program which offers direct ridership education and promotion in schools, local colleges, senior centers, independent living centers, and organizations for those living with a disability in our community
- Lewis County Transit-sponsored events throughout our region.
- Continue to explore opportunities for engagement with our east Lewis County partners.

LOCAL PERFORMANCE MEASURES AND TARGETS

Lewis County Transit uses the following performance measures to evaluate progress toward the strategic goals and objectives noted above:

PERFORMANCE MEASURE	TARGET
Operations	
On-Time Performance of Transit Vehicles	Local Fixed Route: 80% Demand Response: 80% <i>On-time service is defined as follows:</i> • Any trips departing all non-terminal time points within zero minutes early and five (5) minutes late. • Any trips departing terminal time points within zero minutes early and one (1) minute late.
Amenities	Install shelters at the top 25% most active stops and benches at 50% of the most active stops by 2031. 102 stops = 26 stops/shelters, 13 stops/benches in shelters
Connectivity	On a percentage basis develop a scale to reduce from 28.7% to less than 5% in the next five years.
Collisions	2026: 13.20 collisions per 100,000 revenue miles (1,320,130 total miles) 2027: 15.82 collisions per 100,000 revenue miles (1,582,485 total miles) 2028: 17.01 collisions per 100,000 revenue miles (1,701,326 total miles) 2029: 17.34 collisions per 100,000 revenue miles (1,733,826 total miles) 2030: 17.81 collisions per 100,000 revenue miles (1,780,626 total miles) 2031: 17.81 collisions per 100,000 revenue miles (1,780,626 total miles)
Transit Productivity	Fixed route: Currently 8.32 passengers/revenue hour with a target of 10 passengers/revenue hour by end of 2031. Demand response: Currently 1.96 passengers/revenue hour with a target of 2.3 by end of 2031.
Coverage	Using GIS data and analysis, we are able to create demographic profiles of each stop and stop area. We will be using multiple concentric circles between 1-5 miles to provide the demographic and socio-economic attributes of our ridership.

Span of Service	2026: Complete 38,876 total revenue service hours (increase of 361) 2027: Complete 66,760 total revenue service hours (increase of 27,884) 2028: Complete 72,132 total revenue service hours (increase of 5,372) 2029: Complete 80,068 total revenue service hours (increase of 7,936) 2030: Complete 91,784 total revenue service hours (increase of 11,716) 2031: Complete 93,864 total revenue service hours (increase of 2,080)
Vehicle Utilization	Often ridership is used as a benchmark for measuring the efficacy of a transit system; our analysis shows that we are transporting more riders but in a more efficient and effective fashion. With this in mind, we are examining utilization rates as a metric for more accurately determining the measure of pre-pandemic versus post-pandemic levels. To that end, our utilization target is 30% of fleet capacity on a daily basis by 2026 and 38.5% by the end of 2031.

Fleet/Facilities	
Alternative Fuels	Convert 100% of the existing vehicle fleet to green, environmentally friendly propulsion technologies by 2035
Vehicle State of Good Repair	2026-2031: Maintain 95% or greater of the rolling stock within a state of good repair
Equipment State of Good Repair	2026-2031: Maintain 100% of non-revenue equipment vehicles and other equipment with greater than \$50,000 within a state of good repair
Facility State of Good Repair	2026-2031: Maintain a minimum overall state of good repair of 75% or greater

Finance	
Operating Capital	2026: Increase operating fund balance by \$39,180 2027: Increase operating fund balance by \$771,241 2028: Increase operating fund balance by \$632,434 2029: Decrease operating fund balance by \$16,745 2030: Decrease operating fund balance by \$161,913 2031: Increase operating fund balance by \$11,557
Asset Value	2026: Increase asset value by \$6,110,819 2027: Increase asset value by \$6,098,912 2028: Increase asset value by \$7,452,044 2029: Increase asset value by \$12,275,561 2030: Increase asset value by \$1,022,500 2031: Increase asset value by \$4,760,000
Budget Variance	2026-2031: Maintain operating budget variance of 4.5% or less of total operating expenditures
Cost/Revenue Service Hour	2026: \$132.89/revenue service hour 2027: \$91.11/revenue service hour 2028: \$95.34/revenue service hour 2029: \$94.44/revenue service hour 2030: \$88.11/revenue service hour 2031: \$93.37/revenue service hour
Current Ratio	2026-2031: Maintain current ratio (current assets to liabilities) of 2.0 or greater
Debt Ratio	2026-2031: Maintain debt ratio (total liabilities to total assets) of 30% or lower

PLAN CONSISTENCY

Coordination of our local comprehensive plans for transit begins with our Board of Directors. Our Board is represented by the Lewis County Board of County Commissioners, the City of Centralia, and the City of Chehalis. Each of our three Board Members is directly involved in the comprehensive plans, projects, and activities that we have developed and implemented over the last three years. This Board structure brings with it staff recommendations and expertise that provides recommendations and suggestions that have significant influence in the development and revision of our comprehensive plans. This ensures alignment between local transportation plans and Lewis County Transit's comprehensive transportation development plan.

Lewis County Transit is a member of the Southwest Washington Regional Transportation Planning Organization (SWRTPO). It is the responsibility of the RTPO to award funding to agencies within the five-county area for the Transportation Alternatives (TA) Program, develop the Regional Transportation Plan, develop a Coordinated Public Transportation – Human Services Transportation Plan and maintain the Regional Transportation Improvement program for the region. The RTPO also works with local agencies to ensure their comprehensive plan transportation elements are consistent with the Regional Transportation Plan. The Lewis County Commissioners, City of Centralia, and City of Chehalis are represented on the Lewis County Transit Board of Directors and as members of the SWRTPO, which provides further consistency in Lewis County Transit's planning development. As a member, Lewis County Transit participates in policy and programming decisions for transportation projects and services. Lewis County Transit coordinates with other member agencies to prepare and regularly update the regional transportation plan. This coordination promotes integration between land use, public transit, and other transportation modes.

In addition, Lewis County Transit's programs, services, and capital improvement priorities are consistent with the following transportation goal and policies in the 2045 Regional Transportation Plan:

- Goal 1: Promote and support a transportation system that strengthens the region's economic competitiveness.
- Goal 2: Preserve and enhance the region's existing transportation infrastructure and facilities.
- Goal 3: Develop an integrated non-motorized transportation system.
- Goal 4: Maintain, modernize, and enhance a sustainable and comprehensive public transportation system.
- Goal 5: Maintain and enhance a regional transportation system that is safe and accessible for multiple travel modes.

Lewis County Transit has committed to forming partnerships throughout the Southwest Washington region to expand service and support access to jobs, services, and other essential destinations. On February 7, 2020, Lewis County Transit hosted a gathering of Western Washington transit agencies and representatives from the Southwest Washington RTPO, WSDOT, the Department of Ecology, local government, and nonprofits at the first Southwest Washington Interagency Summit. Previous inter-agency coordination has been limited simply because there

were no connecting services. Due to this lack of service, there was no motivation to work in a strategic fashion to provide economies of scale, shared route planning, shared fare costs, or other important customer-centric collaborations. This event proved to be a turning point in the relationships between Lewis County Transit and other regional agencies; here it was determined that inter-agency connector service is desperately needed in our region. This further fueled Lewis County Transit's mission to develop the Southwest Washington e-Transit Corridor and bridging the gap in service between Lewis County, Thurston County, and Cowlitz County public transit. Phase I of the initiative began with the construction of the Mellen Street e-Transit Station and implementation of a new express route to Tumwater/Olympia; successful completion of this phase resulted in a real-world connection that stimulated coordination between regional public transit providers.

To continue the spirit of inter-agency collaboration, Lewis County Transit recently hosted a gathering of Western Washington transit agencies on July 15, 2026, to discuss coordinated route planning. This transit summit was designed to better link passengers seeking to travel between service areas. Also discussed was an I-5 corridor collect-and-feed model to link passengers from rural areas needing access to medical facilities. The plan is to bring passengers from Pacific, Grays Harbor, Mason and other transit agencies to stations along the I-5 corridor where they would catch a bus that travels north to medical facilities in Olympia and Tacoma or south to Longview/Kelso or Vancouver. This would meet a serious need and make simpler connections for residents in outlying areas. The effort would be funded by participating transit agencies.

Over the course of the last five years, Lewis County Transit held discussions with Rural Transit, Intercity Transit, Lower Columbia CAP, Cowlitz Tribal Transit, Grays Harbor Transit, Kitsap Transit, and RiverCities Transit to discuss route changes and service gaps.

Program support staff continue their involvement in the Transportation Advocacy Workgroup and partnership efforts with both the Thurston Regional Planning Council and the Cowlitz-Wahkiakum Council of Governments, collaboratively addressing transportation needs and improve transportation services to our partner agencies in Cowlitz, Grays Harbor, Thurston, Pacific, and Wahkiakum counties.

PLANNED CAPITAL EXPENSES

Over the last year and beyond, Lewis County Transit has made significant strides in addressing plans for increased service area coverage, capital projects, and transit-related infrastructure upgrades. Lewis County Transit has made a concerted effort to increase revenue allocations by engaging in a strong and intentional pursuit of federal, state, and local grant opportunities. The organization is in a solid financial position, as awards from various grants are already in place for the 2025-2027 biennium, providing a stable revenue stream for the upcoming biennium. Furthermore, our focus on grant writing has allowed us to secure sustainable funding for both our operational and capital costs through the 2027-2029 biennium.

Those opportunities to date include:

- Local sales tax
- WSDOT Consolidated & Formula grants.
- WSDOT Regional Mobility grants
- Federal Transit Administration's 5339B and 5339C grants
- Governor's Green Transportation grants
- Department of Ecology Diesel Emissions Reduction Act (DERA) grants
- Local agency grants, such as the TransAlta Centralia Coal Transition Board
- Washington State Capital Budget Legislative Appropriations
- Public-Private Partnerships (P3) with local, state, and national corporations
- An ongoing examination of the agency's bonding capacity

These investments will support a strategic, countywide expansion of transit services aligned with anticipated population and economic growth. In particular, the South Chehalis area and surrounding urban growth regions are expected to experience significant residential, commercial, and industrial development over the next two decades. Population projections indicate growth from fewer than 10,000 residents today to more than 23,000 by 2045. As a result, demand for reliable, affordable transit will continue to increase, particularly among working-age populations and new households entering the region.

LCT is already experiencing strong demand for its microtransit services, including LIFTT and DARTT. To meet this demand, the agency will prioritize increasing service capacity through additional vehicles and staffing. At the same time, LCT will continue to educate riders on the accessibility and convenience of fixed-route services, promoting a "collect-and-connect" model in which microtransit services link riders to higher-capacity routes. This approach will improve system efficiency while expanding trip availability for transit-dependent populations.

Infrastructure development remains a cornerstone of LCT's long-term strategy. The agency's e-Transit Station model has proven to be an effective and scalable solution for delivering modular, zero-emission infrastructure. As additional stations come online, LCT is helping establish a replicable framework for electrified transit systems along the Interstate 5 corridor. With the transportation sector rapidly transitioning toward electrification—and many manufacturers targeting 2035 as a milestone for phasing out new internal combustion vehicles—LCT is prioritizing the expansion of accessible electric vehicle (EV) charging infrastructure. Through partnerships with Energy Northwest, Lewis County, and local jurisdictions, LCT has already

advanced EV charging availability along the Highway 12 corridor and will continue working to ensure equitable access to charging infrastructure across the region.

LCT is also accelerating its transition to a fully zero-emission fleet. Electric and hydrogen-powered buses offer significant benefits, including reduced greenhouse gas emissions, improved air quality, lower noise levels, and long-term operational efficiencies. The agency remains on track to achieve a 100% zero-emission fleet by 2035, supported by an ongoing transition from diesel to battery-electric and hydrogen fuel cell technologies.

As the world begins to evaluate alternative fuel types, hydrogen has clearly become the leader in exploration, research, and, ultimately, adoption. Lewis County Transit is revolutionizing clean, eco-efficient transportation through the development of a hydrogen fueling network spanning Lewis County. This initiative will establish the first 20-mile corridor of hydrogen fueling along Interstate 5 in Washington State, marking the beginning of the zero-emission transition for transportation vehicles. It will also inject economic development from the emerging renewable energy market into the Lewis County community. The first hydrogen fueling station in the Pacific Northwest, the Port of Chehalis Energy Station, will be located at the Port of Chehalis Research and Business Development Park, just off the I-5 corridor on the Port of Chehalis (POC) property. Funding is partially secured through a capital legislative appropriation of \$2.55 million from the Washington State Department of Commerce and a \$1.8 million local grant awarded by the TransAlta Centralia Coal Transition Board for the purchase of an on-site electrolyzer. Lewis County Transit was also awarded a \$2.0 million legislative appropriation for completion of the fueling and production station in 2025. Immediately upon completion, Lewis County Transit will use the energy station for its hydrogen fuel cell buses, which will complement Lewis County Transit's fleet of low-emission diesel and electric buses. This provides an opportunity not only to see which are most economical but also how topography influences the efficiency of these three bus fuel types. As we obtain, operate, and evaluate our hydrogen buses, Lewis County Transit will contribute data and experience to the creation of a sustainable transit model. Additionally, Lewis County Transit, in an agreement with Bonneville Environmental Foundation and Toyota of North America, has received four hydrogen Toyota Mirai for fleet use and in-use testing to further establish their operating capabilities in the region.



As federal, state, and local governments incentivize the production of more energy from alternative sources, the nation could generate three to five million more green jobs over the next decade. These jobs are high-skill, high-wage, and in high demand. They are found in various industries, including automotive manufacturing, construction, and engineering. Unfortunately, there is a tremendous shortage of individuals with the essential skills to implement, repair, or utilize these technologies. Programs are needed to introduce, familiarize, and engage students and community members at large with the adoption of renewable energy technologies and strategies to fill the workforce gaps that exist for these green career paths.

A key component of this effort is the Renewable Energy Vehicle and Infrastructure Technician (REVIT) program, developed in partnership with Centralia School District and Chehalis School District. This program introduces students in grades 6–12 to clean energy technologies and career pathways through hands-on learning experiences involving hydrogen fuel cells, EV infrastructure, solar energy, and wind systems. Early results demonstrate strong interest and engagement, with program enrollment expanding significantly following initial pilot courses.



The REVIT program also establishes a direct pathway to post-secondary education through collaboration with the Pacific Northwest Center of Excellence for Clean Energy at Centralia College. This partnership will help align curriculum with industry needs, support student transitions into higher education and technical training, and contribute to a skilled workforce capable of supporting Washington's clean energy economy.

Through continued investment in service expansion, infrastructure, clean energy technologies, and workforce development, Lewis County Transit is well positioned to meet the evolving transportation needs of its communities while serving as a leader in sustainable transit innovation.



The table below outlines Lewis County Transit's planned capital expenses for 2026-2031:

Year Received/ Expensed	Type	Preservation/ Replacement (Quantity)	Expansion/ Improvement (Quantity)
Rolling Stock			
2025-2026	Fixed Route heavy-duty buses (with hydrogen vehicle)	3	
2026	Fixed Route cutaway buses (gasoline)		4
2026	Demand Response vehicle (gasoline)	3	
2027	Fixed Route cutaway buses (gasoline)		5
2028	Fixed Route heavy-duty buses (with hydrogen vehicle)	2	
2028	Demand Response vehicle (electric)	4	
2028	Fixed Route cutaway buses (with hydrogen/electric vehicle)	2	
2029	Demand Response vehicle (electric)	4	
2029	Fixed Route cutaway buses (with hydrogen/electric vehicle)	2	
2030	Demand Response vehicle (electric)	3	
2031	Fixed Route cutaway buses (with hydrogen/electric vehicle)	4	
2031	Fixed Route heavy-duty buses (with hydrogen vehicle)	2	
Equipment			
2026-2029	Electric Vehicle Chargers		12
2027	Bus/Vehicle/Equipment Lift		1
2026	Maintenance Vehicle - Gasoline	1	
2029	Admin Vehicle - Zero Emission	4	
2030	Admin Vehicle - Zero Emission	4	
Facilities & Infrastructure			
2026-2031	Bus Pullouts/ADA Improvements		1
2026-2027	Port of Chehalis Energy Station		1
2026	Exit 77 e-Transit Station		1
2027	Exit 74 e-Transit Station		1
2028	Exit 63 e-Transit Station		1
2028	Exit 88 e-Transit Station		1
2029	Lewis County Transit Operations & Fleet Center	1	

PLANNED OPERATING CHANGES

The table below outlines Lewis County Transit's planned operating changes for 2026-2031:

Year	Type	Reduction	Expansion/ Improvement
2025	Implement weekday service pilot between Morton and Packwood		X
2025	Additional frequency on weekday service to Olympia		X
2026	Start implementation of weekend demand response service		X
2027	Full implementation of weekend demand response service		X
2027	Implement micro-transit service in Mineral, Morton, and Packwood		X
2027	Implement weekday service to Napavine-Winlock-Toledo and Hwy 505 corridor		X
2027	Implement pilot weekday service to Pe Ell		X
2028	Implement express route for Veterans services		X
2028	Implement weekend service to Pe Ell		X
2028	Implement weekend service for Napavine-Winlock-Toledo		X
2029	Implement weekend service to Kelso/Longview		X
2029	Update frequency on two in-city fixed routes		X
2030	Update frequency on two in-city fixed routes		X
2031	Update frequency on Napavine-Winlock-Toledo		X

The diagram below outlines Lewis County Transit's strategic planning forecast over the next 3 years:



MULTIYEAR FINANCIAL PLAN

Capital Improvement Program & Cash Flow Analysis

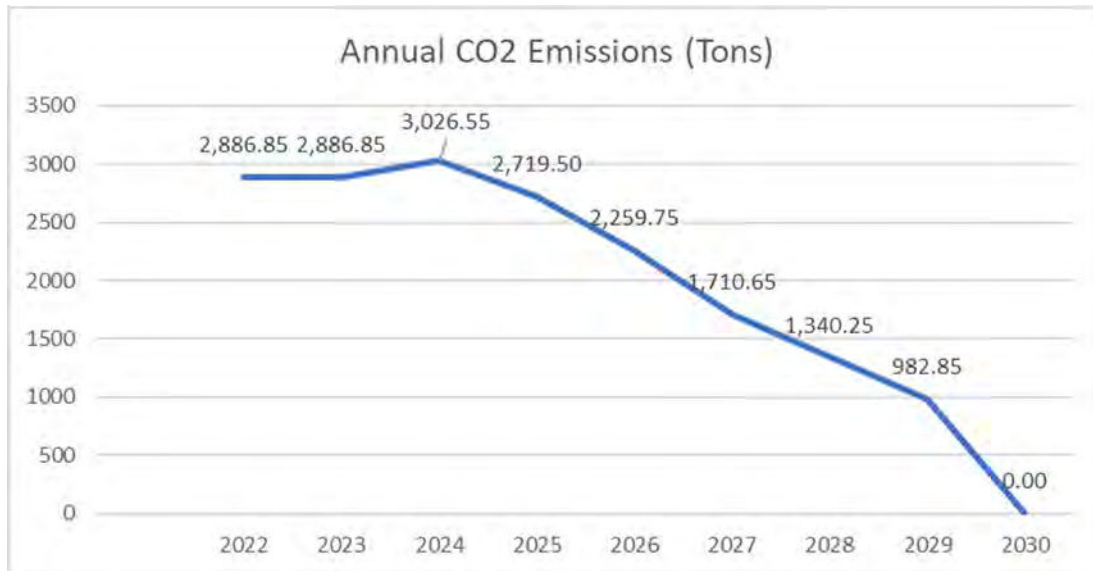
	2026	2027	2028	2029	2030	2031
Estimated Beginning Fund Balance	\$664,851	\$128,983	\$74,509	\$248,252	\$1,769,470	\$2,374,259
Revenue						
Grants						
WSDOT State Bus & Bus Facilities	\$468,534			\$9,928,365		
WSDOT Consolidated Capital	\$523,356	\$764,800	\$240,000	\$240,000	\$240,000	\$240,000
WSDOT EV Charging RAA			\$704,000			
WSDOT Regional Mobility*		\$1,107,612				
WSDOT Paratransit/Special Needs Formula	\$333,134					
Transit Support Grant*		\$679,903				
DOE Grant - Volkswagen Charge*			\$523,006			
DOE Grant - DERA*	\$1,166,458					
Green Transportation*	\$580,371	\$694,209	\$5,415,367	\$1,235,000	\$638,875	\$4,189,500
Commerce Capital Grant*	\$100,000					
Commerce Carbon Decarbonization	\$2,029,098					
Grants - Other*						
Grants Total	\$5,200,951	\$3,246,524	\$6,882,373	\$11,403,365	\$878,875	\$4,429,500
Local Transit Sales Tax (Matching Funds)	\$372,000	\$372,000	\$372,000	\$372,000	\$372,000	\$372,000
Interest & Other Earnings	\$2,000	\$2,000	\$5,000	\$5,000	\$10,000	\$10,000
Sale of Capital Assets				\$1,650,000		
Federal Tax Credits		\$2,423,914	\$366,414	\$366,414	\$366,414	\$366,414
Bond/Financing						
Transfer from Operating						
Total Revenue	\$5,574,951	\$6,044,438	\$7,625,787	\$13,796,779	\$1,627,289	\$5,177,914

Expenses						
Land						
Bus Pullouts/ADA Improvements*		\$300,000	\$300,000	\$300,000	\$300,000	\$300,000
Transit Stations*		\$730,746	\$1,400,387			
TRSTN - Exit 77 P&R	\$664,539					
TRSTN - Mineral	\$134,595					
Port of Chehalis Energy Station	\$2,905,391	\$403,000				
Hydrogen Tube Trailer	\$758,800					
Facility Improvements						
Lewis County Transit Fleet & Operations Center*				\$10,450,910		
212 E Locust Street Shop Roof Repair	\$80,000					
Temp. H2 Fueling/Maintenance & Safety Equipment	\$223,446					
Electric Vehicle Chargers*	\$93,157		\$1,227,006			
Revenue Service Vehicles (buses)						
Boom Lift	\$35,000					
Heavy-Duty FCEV*			\$3,200,000			\$3,360,000
Light-Duty Vehicles/Vans*	\$802,707	\$2,040,515	\$1,100,000	\$1,100,000	\$472,500	\$1,050,000
Fleet Contingency		\$50,000	\$50,000	\$50,000	\$50,000	\$50,000
Non-Revenue Service Vehicles						
Administrative Vehicle*				\$200,000	\$200,000	
Security Equipment, Shop Tools*						
Bond Payment	\$413,184	\$2,574,651	\$174,651	\$174,651		
Transfer to Operating						
Total Expenses	\$6,110,819	\$6,098,912	\$7,452,044	\$12,275,561	\$1,022,500	\$4,760,000
Estimated Ending Fund Balance	\$128,983	\$74,509	\$248,252	\$1,769,470	\$2,374,259	\$2,792,173
* Indicates that the project assumes successful grant award						

Vehicle Replacement

Lewis County Transit has developed a fleet replacement schedule to address vehicles and buses beyond their useful lifetime. Our fixed route fleet will be comprised of a combination of 35-foot Gillig battery-electric and hydrogen fuel cell and will be replaced on an incremental level. Our paratransit and DARTT fleet will begin to migrate away from the typical industry standard cutaway bus to a non-CDL transit-style van that provides much more versatility and flexibility in meeting the needs of our on-demand clients.

Department	Vehicle #	Cost	Zero-Emission Fleet Percentage	Vehicle Type	Timeline
Fixed Route	446	\$ 726,647.75	3%	Heavy-Duty BEV Fixed Route	2021
Fixed Route	445	\$ 726,647.75	6%	Heavy-Duty BEV Fixed Route	2021
Fixed Route	440	\$ 1,296,064.79	8%	Heavy-Duty HCFB Fixed Route	2024
Fixed Route	441	\$ 1,296,064.79	11%	Heavy-Duty HCFB Fixed Route	2024
Fixed Route	442	\$ 1,296,064.79	14%	Heavy-Duty HCFB Fixed Route	2024
Fixed Route	444	\$ 1,526,741.88	17%	Heavy-Duty HCFB Fixed Route	2025
Fixed Route	447	\$ 1,526,741.88	19%	Heavy-Duty HCFB Fixed Route	2025
Fixed Route	448	\$ 1,526,741.88	22%	Heavy-Duty HCFB Fixed Route	2025
Demand Response	108	\$ 86,393.00	25%	Light-Duty BEV Demand Response	2025
Demand Response	370	\$ 86,393.00	28%	Light-Duty BEV Demand Response	2026
Demand Response	373	\$ 86,393.00	31%	Light-Duty BEV Demand Response	2026
Demand Response	374	\$ 86,393.00	33%	Light-Duty BEV Demand Response	2026
Fixed Route	229	\$ 340,253.97	36%	Cutaway Fixed Route - Electric	2026
Fixed Route	449	\$ 1,572,544.14	39%	Heavy-Duty HCFB Fixed Route	2026
Fixed Route	450	\$ 1,572,544.14	42%	Heavy-Duty HCFB Fixed Route	2027
Demand Response	375	\$ 86,393.00	44%	Light-Duty BEV Demand Response	2027
Demand Response	376	\$ 86,393.00	47%	Light-Duty BEV Demand Response	2027
Demand Response	377	\$ 86,393.00	50%	Light-Duty BEV Demand Response	2027
Demand Response	378	\$ 86,393.00	53%	Light-Duty BEV Demand Response	2027
Fixed Route	443	\$ 1,572,544.14	56%	Heavy-Duty HCFB Fixed Route	2028
Demand Response	371	\$ 86,393.00	58%	Light-Duty BEV Demand Response	2028
Demand Response	372	\$ 86,393.00	61%	Light-Duty BEV Demand Response	2028
Demand Response	380	\$ 86,393.00	64%	Light-Duty BEV Demand Response	2028
Admin / Maint	106	\$ 50,000.00	67%	Light-Duty BEV Admin/Maint	2029
Admin / Maint	107	\$ 80,000.00	69%	Light-Duty BEV Admin/Maint	2029
Admin / Maint	109	\$ 80,000.00	72%	Light-Duty BEV Admin/Maint	2029
Demand Response	110	\$ 86,393.00	75%	Light-Duty BEV Demand Response	2029
Admin / Maint	114	\$ 80,000.00	78%	Light-Duty BEV Admin/Maint	2029
Fixed Route	230	\$ 340,253.97	81%	Cutaway Fixed Route - Electric	2030
Fixed Route	231	\$ 340,253.97	83%	Cutaway Fixed Route - Electric	2030
Fixed Route	232	\$ 340,253.97	86%	Cutaway Fixed Route - Electric	2030
Fixed Route	233	\$ 340,253.97	89%	Cutaway Fixed Route - Electric	2030
Admin / Maint	104	\$ 50,000.00	92%	Light-Duty BEV Admin/Maint	2030
Security	111	\$ 30,000.00	94%	Light-Duty BEV Admin/Maint	2030
Admin / Maint	112	\$ 30,000.00	97%	Light-Duty BEV Admin/Maint	2030
Admin / Maint	113	\$ 30,000.00	100%	Light-Duty BEV Admin/Maint	2030



Facilities

In the near term, the completion of the Locust Street remodel will allow for a minimal continued investment. The office building, paving, and facilities work area were completed in early 2024. In fiscal years 2025-2026, major projects include a hydrogen fueling station at the Port of Chehalis, a Mineral e-Transit Station, a Main Street e-Transit Station at Exit 77, and ADA/crosswalk improvements. These projects are anticipated to continue until Fall 2026. When awarded funding, Lewis County Transit plans to construct a new Fleet & Operations Center in the Port of Chehalis, adjacent to the hydrogen fueling and production site. From fiscal year 2027 through 2029, Lewis County Transit will transition to primarily a facilities maintenance mode and a limited number of large capital projects will be undertaken. Given the uncertainty of interest rates, budgeted revenues, and resources, it is difficult to determine the extent of these projects.



Operating Financial Plan & Cash Flow Analysis

	2026	2026	2027	2028	2029	2030	2031
	Budget	Projected	Forecast	Forecast	Forecast	Forecast	Forecast
REVENUE							
Beginning Fund Balance (estimated)	\$ 1,075,126	\$ 797,399	\$ 836,579	\$ 1,607,820	\$ 2,240,254	\$ 2,223,509	\$ 2,061,596
Revenue							
Sales Tax	\$ 2,039,827	\$ 2,039,827	\$ 2,088,064	\$ 2,137,265	\$ 2,187,451	\$ 2,238,640	\$ 2,290,852
Federal Grants*	\$ 4,138,068	\$ 4,138,068	\$ 4,127,242	\$ 4,616,358	\$ 5,040,142	\$ 5,368,834	\$ 6,714,944
Paratransit/Special Needs Formula*	\$ 1,364,257	\$ 1,364,257	\$ 2,006,999	\$ 2,206,999	\$ 1,806,999	\$ 1,843,139	\$ 1,843,139
Regional Mobility Grant*	\$ 911,892	\$ 911,892	\$ 858,073	\$ 804,253	\$ 804,253	\$ 804,253	\$ 402,127
Local/Private Grants	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Passenger Fare	\$ 55,308	\$ 55,308	\$ 27,656	\$ 28,209	\$ 28,773	\$ 29,348	\$ 29,935
Interest	\$ 5,569	\$ 5,569	\$ 5,680	\$ 5,794	\$ 5,910	\$ 6,028	\$ 6,149
Advertising	\$ 42,000	\$ 42,000	\$ 42,000	\$ 52,500	\$ 52,500	\$ 53,550	\$ 54,621
Other/Misc. Revenue	\$ 36,000	\$ 36,000	\$ 45,000	\$ 56,250	\$ 70,313	\$ 87,891	\$ 109,863
Transfer from Capital Investments		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total [new] Revenue	\$ 8,592,921	\$ 8,592,921	\$ 9,200,713	\$ 9,907,628	\$ 9,996,340	\$ 10,431,683	\$ 11,451,630
EXPENSES							
Administration Expenses							
Total Salaries & Wages	\$ 473,400	\$ 473,400	\$ 382,871	\$ 402,015	\$ 422,116	\$ 443,221	\$ 550,390
Total Fringe Benefits	\$ 258,094	\$ 258,094	\$ 120,922	\$ 126,844	\$ 133,061	\$ 139,589	\$ 173,362
Total Materials & Supplies	\$ 77,928	\$ 77,928	\$ 78,707	\$ 79,494	\$ 80,289	\$ 81,092	\$ 81,903
Total Services	\$ 1,441,610	\$ 1,470,442	\$ 1,485,147	\$ 1,499,998	\$ 1,514,998	\$ 1,530,148	\$ 1,545,450
Total Administration Budget	\$ 2,251,032	\$ 2,279,864	\$ 2,067,648	\$ 2,108,351	\$ 2,150,464	\$ 2,194,051	\$ 2,351,104
Facilities Expenses							
Total Salaries & Wages	\$ 125,898	\$ 125,898	\$ 131,702	\$ 138,287	\$ 145,202	\$ 152,462	\$ 160,085
Total Fringe Benefits	\$ 92,244	\$ 92,244	\$ 49,912	\$ 51,949	\$ 54,087	\$ 56,333	\$ 58,691

Total Materials and Supplies	\$ 70,754	\$ 70,754	\$ 72,169	\$ 73,612	\$ 75,085	\$ 76,586	\$ 78,118
Total Services	\$ 24,948	\$ 24,948	\$ 25,447	\$ 25,956	\$ 26,475	\$ 27,005	\$ 27,545
Total Facilities Budget	\$ 313,844	\$ 313,844	\$ 279,230	\$ 289,804	\$ 300,849	\$ 312,386	\$ 324,438
Fleet Expenses							
Total Salaries & Wages	\$ 366,382	\$ 366,382	\$ 394,155	\$ 477,156	\$ 501,013	\$ 526,064	\$ 552,367
Total Fringe Benefits	\$ 256,251	\$ 256,251	\$ 144,854	\$ 175,114	\$ 182,494	\$ 190,242	\$ 198,378
Total Materials and Supplies	\$ 758,600	\$ 773,772	\$ 789,247	\$ 805,032	\$ 821,133	\$ 837,556	\$ 854,307
Total Services	\$ 156,514	\$ 156,514	\$ 159,644	\$ 162,837	\$ 166,094	\$ 169,416	\$ 172,804
Total Fleet Budget	\$ 1,537,747	\$ 1,552,919	\$ 1,487,901	\$ 1,620,139	\$ 1,670,734	\$ 1,723,277	\$ 1,777,856
Operations Expenses							
Total Operator Wages	\$ 2,086,812	\$ 2,086,812	\$ 2,666,832	\$ 3,125,776	\$ 3,487,194	\$ 3,805,144	\$ 4,146,171
Total Other Salaries & Wages	\$ 414,900	\$ 414,900	\$ 577,671	\$ 606,555	\$ 715,027	\$ 750,779	\$ 874,472
Total Salaries & Wages	\$ 2,501,712	\$ 2,501,712	\$ 3,244,504	\$ 3,732,330	\$ 4,202,221	\$ 4,555,922	\$ 5,020,643
Total Fringe Benefits	\$ 1,850,817	\$ 1,850,817	\$ 1,295,060	\$ 1,468,887	\$ 1,632,579	\$ 1,751,158	\$ 1,908,663
Total Materials and Supplies	\$ 7,725	\$ 7,725	\$ 7,802	\$ 7,880	\$ 7,959	\$ 8,039	\$ 8,119
Total Services	\$ 46,860	\$ 46,860	\$ 47,329	\$ 47,802	\$ 48,280	\$ 48,763	\$ 49,250
Total Operations Budget	\$ 4,407,114	\$ 4,407,114	\$ 4,594,694	\$ 5,256,900	\$ 5,891,039	\$ 6,363,881	\$ 6,986,676
Total Expenses	\$ 8,509,737	\$ 8,553,741	\$ 8,429,472	\$ 9,275,194	\$ 10,013,085	\$ 10,593,595	\$ 11,440,074
Transfer to Capital Fund	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Change in Fund Balance	\$ 83,184	\$ 39,180	\$ 771,241	\$ 632,434	\$ (16,745)	\$ (161,913)	\$ 11,557
Ending Fund Balance (estimated)	\$ 1,158,310	\$ 836,579	\$ 1,607,820	\$ 2,240,254	\$ 2,223,509	\$ 2,061,596	\$ 2,073,153

* Indicates that the project assumes successful grant award

REVENUE

Lewis County Transit's operating reserves decreased from \$608,652 in 2024 to \$262,172 in 2025, while capital reserves declined from \$251,067 to \$55,763. These reductions were primarily the result of timing differences in cash flow related to increased capital expenditures and delayed reimbursement of grant funds. To help stabilize cash flow, LCT transitioned its annual insurance payment from a prepaid structure to monthly installments and continued its practice of submitting grant reimbursement requests on a monthly basis rather than quarterly.

Grant receivables increased significantly from \$533,489 in 2024 to \$6,778,363 in 2025, reflecting \$6,244,874 in outstanding reimbursements at year-end. This increase is largely attributable to concentrated capital activity in the final quarter of the year, including construction milestone payments for the Port of Chehalis Hydrogen Facility, acceptance of three hydrogen buses, and initiation of construction on the Mineral e-Transit Station.

Below is a table that displays operating and non-operating revenue sources as a percentage of Lewis County Transit's total revenue for the past two fiscal years:

Revenue Source	2025	Percent of Total Revenue	2024	Percent of Total Revenue
Operating Revenues:				
Passenger fares	\$36,719	0.2%	\$54,224	0.4%
Supplementary transportation	40,900	0.3%	41,050	0.3%
Total Operating Revenues	77,619	0.5%	95,274	0.6%
Non-Operating Revenues:				
Gain (loss) on disposal of assets	(66,967)	-0.4%	(2,263)	0.0%
Sales tax	2,619,141	16.4%	2,705,715	18.4%
External operating subsidies:				
Indirect federal grants	3,166,041	19.8%	2,199,466	15.0%
State grants	9,756,343	61.0%	8,588,849	58.4%
Local grants/capital contributions	270,800	1.7%	1,029,654	7.0%
Investment income	22,913	0.1%	38,406	0.3%
Other income	161,162	1.0%	46,427	0.3%
Total Non-Operating Revenues	15,929,433	99.5%	14,606,254	99.4%
Total Revenues	\$16,007,052	100.0%	\$14,701,528	100.0%

Sales Tax Forecast

A local transit sales tax of 0.2% remains a significant revenue source for Lewis County Transit (LCT), accounting for 16.4% of total revenues in 2025. Sales tax revenues decreased by \$86,574, or 3.2%, compared to 2024, reflecting broader economic variability and shifting consumer behavior.

According to forecasts from the Washington State Department of Revenue, total retail sales tax collections are expected to grow by 7.2% in FY2026, followed by more moderate increases of 4.5% in FY2027, 2.2% in FY2028, 3.8% in FY2029, and 4.7% in FY2030. Legislative changes expanding the sales tax base to include additional services are expected to support taxable activity growth of approximately 4.6% in FY2026 and 4.7% in FY2027, with growth stabilizing near 3.8% to 3.9% in subsequent years.

It is important to note that growth in taxable activity does not directly translate to growth in collections due to timing differences, including lags in remittance, tax deferrals, credits, refunds, and delayed payments.

Over the long term, taxable sales as a share of personal income have generally declined, reflecting a shift toward service-based spending, much of which remains untaxed. While this trend temporarily reversed during the COVID-19 pandemic—driven by increased goods purchases, construction activity, and federal stimulus support—the ratio has since resumed its downward trajectory. By FY2025, taxable sales accounted for approximately 35.7% of personal income and are projected to continue declining through FY2031 as income growth outpaces taxable consumption.

Given the inherent volatility of sales tax revenues and these long-term trends, LCT will continue to apply a conservative budgeting approach, assuming annual sales tax growth of approximately 2% to support financial stability and risk management.

Lewis County Transit directly deposits a portion of monthly sales tax revenue into a *Capital Replacement Fund*; the remaining amount is deposited into an *Operations Fund*. Between 2026 and 2031, Lewis County Transit expects to deposit a total of \$2,232,000 into the Capital Fund which will be used to fund significant facility improvements, as well as provide matching funds for grant-funded capital purchases.

	2026 Forecast	2027 Forecast	2028 Forecast	2029 Forecast	2030 Forecast	2031 Forecast
Operating	\$2,039,827.38	\$2,088,063.92	\$2,137,265.20	\$2,187,450.51	\$2,238,639.52	\$2,290,852.31
Capital	\$372,000.00	\$372,000.00	\$372,000.00	\$372,000.00	\$372,000.00	\$372,000.00
Total	\$2,411,827.38	\$2,460,063.92	\$2,509,265.20	\$2,559,450.51	\$2,610,639.52	\$2,662,852.31

Changes to Tax Rate: At .2% the LPTBA has the lowest tax of any of the public transit districts in the state of Washington. Given the geographic location, the Twin Cities enjoy an above-average amount of non-resident sales activity. Recognizing the volatility of the economy as well as the importance of keeping a competitive regional advantage, the current Board of Directors does not have any firm intentions of proposing to local voters an increase to the rate.

State & Federal Grants

Intergovernmental [Grant] awards continued to climb in 2025 compared to 2024 due to Lewis County Transit's success in competitively obtaining those awards for capital improvements. There was an increase in intergovernmental [Grant] awards and capital contributions for 2025 of \$1,375,215 or 11.6% than in 2024. The primary source of operating grant assistance in 2025 originated from Formula Grants for Rural Areas Section 5311 federal funding in conjunction with state WSDOT funding through the Rural Mobility and Paratransit Special Needs Formula grant

programs. State WSDOT funding through the Regional Mobility grant program also provided a significant portion of revenue, supporting the operations of three corridor routes to Olympia, Longview, and Morton/Packwood. 2025 capital grant assistance consisted of a variety of state grants from WSDOT and the Washington Department of Commerce. Lewis County Transit was also a subrecipient to a Tourism Regeneration Grant funded through an indirect federal allocation from the Department of Commerce to contribute to the construction of the Mineral e-Transit Station. Capital funds were utilized for a variety of projects, including the construction of the fourth e-Transit Station at Mineral, permitting and design of the fifth e-Transit Station at Exit 77 in Chehalis, and the purchase of replacement and expansion vehicles. Capital assistance in 2025 also consisted of state grant funding from the Department of Commerce and local funding from the Bonneville Environmental Foundation for equipment and installation of a hydrogen fueling and production station at the Port of Chehalis. Overall, capital assistance increased from \$7,528,216 in 2024 to \$7,899,677 in 2025 representing a \$371,461 increase.

Consolidated Transit Grant Program: Lewis County Transit will continue to participate aggressively in the *Consolidated Transit Grant* program administered by the Washington State Department of Transportation. The Consolidated Grant program combines State and Federal funds and has historically provided Lewis County Transit with 30-50% of the revenue necessary for Transit operations. Additionally, Lewis County Transit intends to purchase replacement and service expansion buses, fleet maintenance equipment, and ADA compliant bus pullouts through capital grants administered through WSDOT (i.e. Consolidated Program or Federal Discretionary) as much as practicable.

Lewis County Transit's active grant activity as of the publish date of this report is summarized below.

General Operating Assistance Awards 2025-2031 Biennia	2025-2027 (PTD1146)	2025-2027 (PTD1154)	2025-2027 (PTD0752)	2025-2027 (PTD0678)	2025-2027 (PTD0679)	2025-2027 (PTD0680)	2027-2031 Projected
Consolidated Grant - Operating	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 7,800,602	\$ 24,510,000
Consolidated Grant - Mobility Management	\$ -	\$ -	\$ -	\$ 475,534	\$ -	\$ -	\$ 50,000
State Formula (Special Needs)	\$ -	\$ -	\$ -	\$ -	\$ 1,986,170	\$ -	\$ 4,200,493
Regional Mobility	\$ 719,119	\$ 787,111	\$ 797,956	\$ -	\$ -	\$ -	\$ 3,217,012
Total Operating Awards	\$ 719,119	\$ 787,111	\$ 797,956	\$ 475,534	\$ 1,986,170	\$ 7,800,602	\$ 31,977,506

Capital Projects/Planning Awards 2025-2027 Biennia	2021-2027 (PTD0463)	2023-2027 (PTD0681)	2021-2027 Commerce	TransAlta Coal Transition Board	Bonneville Environmental Foundation	2023-2027 PTD0945	2024-2027 Department of Ecology Clean Diesel Program
State Formula (Special Needs)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Transit Support Grant	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 300,000	\$ -
State Bus & Bus Facilities	\$ -	\$ 907,720	\$ -	\$ -	\$ -	\$ -	\$ -
DOT Charging & Fueling Infrastructure	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Green Transportation	\$ 2,109,586	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Regional Mobility	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Dept. of Ecology DERA	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Dept. of Ecology Clean Diesel Vocational Training	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 477,497
ESD Career Connect Washington	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Legislative Local Community Projects	\$ -	\$ -	\$ 4,473,500	\$ -	\$ -	\$ -	\$ -
Transportation Alternatives	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Community Decarbonization	\$ -	\$ -	\$ 2,750,000	\$ -	\$ -	\$ -	\$ -
Private Local Grants	\$ -	\$ -	\$ -	\$ 1,807,500	\$ 812,400	\$ -	\$ -
Total Capital Awards	\$ 2,109,586	\$ 907,720	\$ 7,223,500	\$ 1,807,500	\$ 812,400	\$ 300,000	\$ 477,497

Capital Projects/Planning Awards 2025-2027 Biennia	Career Connect Washington Round 13	2025-2027 PTD1277	2025-2027 PTD1278	2025-2027 PTD1279	2025-2027 PTD1280	2025-2027 PTD1282	2025-2027 PTD1075
State Formula (Special Needs)	\$ -	\$ 398,310	\$ 560,374	\$ 435,941	\$ -	\$ -	\$ -
Transit Support Grant	\$ -	\$ -	\$ -	\$ -	\$ 200,000	\$ 234,552	\$ 625,472
State Bus & Bus Facilities	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
DOT Charging & Fueling Infrastructure	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Green Transportation	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Regional Mobility	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Dept. of Ecology DERA	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Dept. of Ecology Clean Diesel Vocational Training	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
ESD Career Connect Washington	\$ 166,339	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Legislative Local Community Projects	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Transportation Alternatives	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Community Decarbonization	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Private Local Grants	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Capital Awards	\$ 166,339	\$ 398,310	\$ 560,374	\$ 435,941	\$ 200,000	\$ 234,552	\$ 625,472

Capital Projects/Planning Awards 2027-2031 Biennia	2027-2031 Application
Consolidated Capital	\$ 1,058,348
Transit Support	\$ 1,732,904
FTA Bus & Bus Facilities 5339(b)	\$ 9,928,365
State Bus & Bus Facilities	\$ 9,928,365
Green Transportation	\$ 7,534,576
Regional Mobility	\$ 1,107,612
Dept. of Ecology DERA	\$ 337,500
Dept. of Ecology Clean Diesel Vocational Training	\$ 400,000
Dept. of Ecology Volkswagen Charge	\$ 523,006
Legislative Local Community Projects	\$ 4,246,000
Total Capital Awards	\$ 36,796,676

Regional Mobility Grant Program: As of 2020, there was no direct public transit on I-5 between Kelso/Longview and Tumwater/Olympia, Washington. One could ride public transit from Tumwater northward and from Kelso/Longview southward, but not between these two key points. Lewis County Transit's vision was to create a Southwest Washington e-Transit Corridor, establishing long-term public transit along this unserved section of I-5. Doing so will correct this "transit broken link" by connecting existing transit agencies in Lewis, Thurston, Cowlitz, Grays Harbor, and Pacific Counties.

As with any project of this size and scope, the Southwest Washington e-Transit Corridor was implemented in phases. The first phase was to establish a route between Centralia at exit 81 and Olympia at exit 101. Leveraging the capital funds gained from the Department of Ecology's Diesel Emission Reduction Act (DERA) Grant, Volkswagen settlement dollars, and a \$1.9 million Green Transportation grant, Lewis County Transit purchased two electric buses and completed the first I-5 e-Transit station at Exit 81 in Centralia. Lewis County Transit was awarded Regional Mobility Grant dollars to fund the operational costs of this route for the 2021-2025 project cycle. The requested funds of \$1,555,854 help to cover driver salaries, maintenance, and other associated expenses of operating this route for the duration of the project. Lewis County Transit was awarded

new Regional Mobility funds totaling \$719,119 for the 2025-2027 biennium to support operating costs for expansion of and the additional frequency on the Olympia route.

As of 2023, Lewis County Transit has been awarded additional Regional Mobility dollars to fund phase two of the project, \$1,662,142 over the 2023-2027 project cycle. Lewis County Transit piloted this route starting on August 15, 2022, and now that operating costs are funded by the Regional Mobility Grant, Lewis County Transit's anticipated window of route operation will extend through June 30, 2027, at which time management will complete an evaluation of route effectiveness and potential expansion. Also in 2023, Lewis County Transit was awarded capital Regional Mobility funding for the purchase of two hydrogen fuel-cell buses in the amount of \$2,772,480. As indicated above, Lewis County Transit received these buses in early 2024, and will be placed into service upon completion of the hydrogen fueling station.

Federal Discretionary Grants: Between 2025 and 2030, Lewis County Transit will participate in all applicable grant programs offered by the State and Federal governments that provide funding assistance for capital or operating projects contained in this plan. Of particular interest are programs such as the Green Transportation or WSDOT 5339(b) equivalent grant funding opportunities, which are intended to offer capital funding assistance for zero-emission vehicles and related infrastructure. In 2023, Lewis County Transit was awarded \$907,720 through the WSDOT Bus and Bus Facilities funding opportunity, for the purchase of one bus/vehicle/equipment lift, induction charging equipment, two bus pullouts, and 12 in-vehicle annunciators and monitors.

Emergency Preparedness Grants: Southwest Washington is subject to flooding as well as earthquake/volcano activity and fires. Moreover, Lewis County could be a refuge area during a large-scale evacuation of highly populated communities to the north/south or coastal communities. As a result, Lewis County Transit is a recognized local agency in the Lewis County Emergency Management Plan and owns a variety of unique and valuable resources that could be used during the recovery period following a natural disaster. Between 2025 and 2030, Lewis County Transit intends to explore emergency preparedness grants administered by agencies such as the Federal Emergency Management Agency (FEMA). Potential grant projects include the replacement of fuel tanks and pumps, property security, and flood/earthquake mitigation. In 2020, Lewis County Transit appointed a new Emergency Management Coordinator (EMC) to work with county and state agencies in coordinating emergency management efforts.

Energy Efficiency & Solar Grants: Between 2025 and 2030, Lewis County Transit intends to explore the Energy Efficiency & Solar Grants program administered by the Washington State Department of Commerce, the Department of Ecology, and the Department of Transportation. Potential project(s) would include the installation of roof-top solar panels on our existing Maintenance facility; the energy produced would be used to mitigate the expense of introducing 100% zero-emission vehicles into the bus fleet.

Passenger Fare

Passenger fares decreased in 2025 to \$36,719, compared to \$54,224 in 2024. With surging COVID-19 cases and the inability of our current technologies to adopt a contactless payment system, Lewis County Transit was forced to cease fare collection for its fixed route and paratransit services in 2020 and again in September 2021 through 2022. Given the demographics of our riders, it is unlikely that Lewis County Transit will reinstate fare collection for its fixed route and

paratransit services. At present, the funding amounts, provided in conjunction with the Move Ahead Washington program funds and Lewis County Transit reserve funds, have adequately covered the increase in operational costs. After exhausting the ARPA funds in 2023, additional revenues from the Transit Support and Climate Commitment Act grant funding, distributed through the Move Ahead Washington program, are being used to sustain operations. Lewis County Transit's dial-a-ride service (DARTT) generates a total passenger fare revenue of \$36,719 as Lewis County Transit continues to collect a fare per trip.

The forecast below assumes the continued collection of DARTT fares for passengers 19 or older.

2026 Projected	2027 Projected	2028 Projected	2029 Projected	2030 Projected	2031 Projected
\$ 27,113	\$ 27,656	\$ 28,209	\$ 28,773	\$ 29,348	\$ 29,935

Advertising

Lewis County Transit leases space temporarily on the exterior of buses and vans to organizations for the purpose of commercial advertising. As of 2020, advertising is primarily sold in the form of vehicle wraps or interior placards. Advertising revenue resulted in an estimated 0.26% of the agency's total revenues in 2025, or \$40,900. This was a decrease of \$150 or 0.4% in comparison with 2024. Lewis County Transit's goal over the next six years is to increase advertising revenues by 25% over the next five-year period.

EXPENDITURES

Several variables will impact expenditures between 2026 and 2031. The primary impacts will come from the addition of 29 employees in this timeframe due to the expected service expansion. In addition, approximately five employees, or 10.0% of the existing employee group, will have reached retirement age by the end of 2026. As a result, management is expecting increased costs related to recruitment, selection, and training.

Operating Expenses

Each fiscal year, management prepares a budget that outlines expected revenue and expenses, separating forecasted purchases between the Operations function and investments in capital assets. Throughout the year, as purchases are made, expenses are recorded by class (i.e., Administration, Fleet, Facilities, Operating) within the Operations function. Lewis County Transit, in conjunction with our external accounting firm, developed a new budget tracking format and method for tracing expenditures to specific budget categories. This has enabled management to project a more accurate representation of annual revenues and expenditures. These efforts also promote transparency and accountability throughout the operational departments.

The percent of each operating expense classification in relation to total operating expenses is presented in the following table:

Operating Expenses	2025	Percent of Total Expenses	2024	Percent of Total Expenses
Operations	\$3,881,416	44.3%	\$3,493,666	46.1%
Administration	2,170,215	24.8%	1,751,516	23.1%
Facilities	251,493	2.9%	267,367	3.5%
Fleet	1,176,128	13.4%	1,242,390	16.4%
Depreciation	1,287,141	14.7%	829,965	10.9%
Total Operating Expenses	\$8,766,393	100.0%	\$7,584,904	100.0%

Wages and Benefits

Lewis County Transit bus operators are represented by Teamsters Local No. 252 and are under a collective bargaining agreement through December 31, 2027. Modest increases for all positions are forecasted each year in order to compensate for changes due to inflation and cost of living. In 2015, Lewis County Transit increased the health and welfare benefits package offered to employees and began an employee contribution toward the insurance premium in January 2017. The Executive Director maintains an open-ended written employment agreement with the Authority Board that specifies annual increases to salary based on performance. In the fiscal year 2021, Lewis County Transit refreshed its policy and procedure for conducting annual performance reviews for non-represented staff. Each employee's performance review score dictates the percent increase of their gross pay for the following year. For forecasting purposes, Lewis County Transit has estimated an increase of 5% per employee each year, which is the maximum amount of wage increase that a performance review score may achieve.

PROJECTS OF REGIONAL SIGNIFICANCE

Projects identified with an asterisk in the table below are either federally funded or regionally significant. Lewis County Transit will coordinate with the Southwest Washington Regional Transportation Planning Organization (SWRTPO) to incorporate these into the Transportation Improvement Program.

Year Received/ Expensed	Type	Preservation/ Replacement (Quantity)	Expansion/ Improvement (Quantity)
Rolling Stock			
2025-2026	Fixed Route heavy-duty buses (with hydrogen vehicle)*	3	
2026	Fixed Route cutaway buses (gasoline)		4
2026	Demand Response vehicle (gasoline)	3	
2027	Fixed Route cutaway buses (gasoline)		5
2028	Fixed Route heavy-duty buses (with hydrogen vehicle)*	2	
2028	Demand Response vehicle (electric)	4	
2028	Fixed Route cutaway buses (with hydrogen/electric vehicle)	2	
2029	Demand Response vehicle (electric)	4	
2029	Fixed Route cutaway buses (with hydrogen/electric vehicle)	2	
2030	Demand Response vehicle (electric)	3	
2031	Fixed Route cutaway buses (with hydrogen/electric vehicle)	4	
2031	Fixed Route heavy-duty buses (with hydrogen vehicle)*	2	
Equipment			
2026-2029	Electric Vehicle Chargers		12
2027	Bus/Vehicle/Equipment Lift		1
2026	Maintenance Vehicle - Gasoline	1	
2029	Admin Vehicle - Zero Emission	4	
2030	Admin Vehicle - Zero Emission	4	
Facilities & Infrastructure			
2026-2031	Bus Pullouts/ADA Improvements		1
2026-2027	Port of Chehalis Energy Station*		1
2026	Exit 77 e-Transit Station*		1
2027	Exit 74 e-Transit Station*		1
2028	Exit 63 e-Transit Station*		1
2028	Exit 88 e-Transit Station*		1
2029	Lewis County Transit Operations & Fleet Center	1	