

TO: City Council
FROM: Lisa Parks, City Administrator
DATE: October 28, 2025
SUBJECT: Pooling Opioid Settlement Funds with Thurston County, Lacey and Olympia - Discussion

1) Recommended Action:

This is a review and discussion item, only.

2) Background:

The abuse of prescription opioids is a growing problem, not just in Tumwater, but in the State of Washington and nationwide. Individuals have been harmed by entities within the Pharmaceutical Supply Chain who manufacture, distribute, and dispense prescription opioids and the toll opioid abuse and overuse causes on our resources is significant. Jurisdictions throughout the country sued multiple entities such as manufacturers and distributors in the opioid supply chain. As a result, multiple state and national settlements have been reached.

In Washington, local jurisdictions that were not parties to the litigation were given the opportunity to join the settlements by signing the One Washington Memorandum of Understanding. Tumwater joined the One Washington MOU, and is projected to receive approximately \$931,000 in settlement funds, some of which are paid in full, while others are paid in installments. As future settlements are reached, it is possible additional funds may be allocated to Tumwater, but those are as yet unknown.

The One WA Agreement requires the participating jurisdictions establish regional Opioid Abatement Councils (OAC). Tumwater is part of the Cascade Pacific Action Alliance Region which has a regional Interlocal Agreement (ILA). This regional ILA also delegates local authority to independent subcommittees, by County, that are established through another ILA which was implemented by Thurston County and the Cities of Lacey, Olympia, and Tumwater in the summer of 2023. The One Washington required purpose of the County committees is to ensure each jurisdiction is utilizing their funds in a manner consistent with the opioid settlement agreements and the One Washington Plan. The Thurston County independent subcommittee – the Opioid Abatement Council – has met 4 times so far in 2025, beginning in March. Council Member Dahlhoff is Tumwater's appointed representative to the OAC.

In the Thurston County region, at both the OAC and staff/management levels, there has been an expressed and agreed intention to utilize these one-time settlement funds in a way that will have the greatest positive impact on opioid abuse challenges in Thurston County. To that end, the original Thruston County OAC ILA is going through a review and update process that would more clearly outline and authorize a process whereby the jurisdictions can pool their settlement funds, if they choose, and to use the OAC to review projects and make recommendations to the County Commissioners regarding funding allocations. Those ILA revisions are currently being reviewed by legal counsel from each of the four jurisdictions, and it will then be forwarded to each legislative body for review, consideration and action, hopefully by the end this calendar year.

Concurrent with the ILA revision process, the OAC has requested County staff to draft a Request for Proposals (RFP) for projects consistent with the One Washington eligible activities list, so that once the ILA amendments authorizing pooling of settlement funds are completed, the RFP can be advertised and distributed for project sponsors to respond. The Board of County Commissioners has indicated a commitment to use \$500,000 of the County's settlement funds in each of the next two calendar years (2026 and 2027) towards this pooled funding RFP process.

The topic of discussion at tonight's work session is for the City Council to discuss whether Tumwater would like to pool our settlement funds as a part of the current proposed RFP process, and if so, how much of the City's funds. The OAC members are having a similar conversation with their respective legislative bodies, with the intent of coming to the next OAC meeting (scheduled for November 5th) with at least verbal answers to these two questions.

Currently, based on the completed settlement agreements, Tumwater is projected to receive a total of approximately \$931,000, of which approximately \$365,805 has already been received. Four of the settlement agreements have been paid in full, while five of them have annual payment schedules that include payments out as far as 2038. Two of the settlement agreements still have a dollar allocation for Tumwater that is outstanding (we don't yet know what that amount will be). The total amount of funds projected to be available from Tumwater's settlement agreements during 2026 is approximately \$415,784 (existing balance of \$365,805 + \$49,979 from 2026 annual payments), with another \$46,049 available in 2027.

In summary there is projected to be approximately \$461,833 settlement funds received by the City by the end of 2027. If Council were to decide to pool settlement funds with the other jurisdictions for 2026 and 2027, the projected annual available funds from Tumwater for each year would be \$231,000.

3) Policy Support:

Build a community recognized for quality, compassion and humanity.

4) Alternatives:

- ☐ Agree to pool Opioid Settlement Funds with the other jurisdictions, in a specified amount.
 - ☐ Choose not to pool Opioid Settlement Funds with the other jurisdictions and direct City staff to create a process to use the funds consistent with the One Washington Agreement.
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5) Fiscal Notes:

N/A

6) Attachments:

A: Opioid Abatement Strategies – One Washington MOU