

TO: Public Works Committee
FROM: Tyle Zuchowski, Water Resources & Sustainability Deputy Director
DATE: April 23, 2026
SUBJECT: Resolution No. R2026-005, Receipt Authority for the Water Quality Combined Financial Assistance Agreement (WQC-2026-Tumwat-00294) with the Department of Ecology for the Trospen Sewer Extension Project

1) Recommended Action:

Place Resolution No. R2026-005, Receipt Authority for the Water Quality Combined Financial Assistance Agreement with the Department of Ecology for the Trospen Sewer Extension Project on the May 5, 2026 City Council consent calendar with a recommendation to adopt.

2) Background:

Percival Creek was identified as a hot spot for fecal coliform and total nitrogen in the Total Maximum Daily Load (TMDL) assessments for both the Deschutes River, Percival Creek, Black Lake Ditch in 2018, and Budd Inlet 2022. The project extends the sewer collection system to the west along the Trospen corridor, making septic to sewer conversion available for roughly 32 parcels.

3) Policy Support:

- The proposed sewer extension is in alignment with Tumwater General Sewer Plan approved by Ecology in 2015.
 - Develop policies for the Septic to Sewer program to guide the extension of sewer mains and private properties to sewer.
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4) Alternatives:

- The council could reject the loan from Ecology, which would defer water quality improvements in Percival Creek and Budd Inlet and maintain financial barriers for septic to sewer conversions within the Trospen Road corridor.
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5) Fiscal Notes:

The current estimated total project is \$5,250,000, the amount of the Water Quality Combined Assistance loan allocated through this agreement. The loan has a 30 year term with an effective interest rate of 2.7%, and does not impact the city's overall debt capacity.

6) Attachments:

- A. Resolution No. R2026-005
- B. Agreement No. WQC-2026-Tumwat-00294
- C. Opinion of Recipient's Legal Counsel