

TO: City Council  
FROM: Dan Smith, Water Resources & Sustainability (WRS) Director  
DATE: November 3, 2025  
SUBJECT: Interlocal Agreement with LOTT Clean Water Alliance for the Class A+ Reclaimed Water Demonstration Pilot

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1) Recommended Action:

Approve and authorize the Mayor to sign the Interlocal Agreement with LOTT Clean Water Alliance for the Class A+ Reclaimed Water Demonstration Pilot.

This Interlocal Agreement was recommended for approval via the Council consent agenda by the Public Works Committee at their October 23, 2025 meeting.

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2) Background:

Water is not an indefinite resource in Western Washington. With both surface and ground water elevations declining from overuse, climate change creating extended droughts, and approvals for new water rights extremely unlikely, water purveyors must consider alternative sources to meet Growth Management Act requirements and growing community needs. In 2023, WRS completed a source assessment that evaluated alternatives for “new” water sources in the Tumwater area. Of the ten most realistic possibilities, an aggressive water conservation program and expanded use of reclaimed water topped the list.

Recognizing these challenges, LOTT and its partners started discussing the future state of water, with most acknowledging reclaimed water needs to be part of any portfolio. This project brings together purveyors and regulators to evaluate how Class A+ reclaimed water, treated to the highest potable standard, could be used in the future.

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3) Policy Support:

- We believe in PEOPLE: Opportunity, Partnership, Learning, and Environment.
  - Be a Leader in Environmental Health & Sustainability: Continue to ensure ample drinking water supply and support water reuse opportunities.
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4) Alternatives:

- ☐ Decline to participate in the pilot. While not required, participation allows utility staff to ensure proposed treatment methods meet our highest expectations and provide regulators insight into the abilities and limitations of meeting system demands.
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5) Fiscal Notes:

The ILA commits \$60,000 over two years as a voluntary contribution to the project estimated at over \$2,000,000 for the development of treatment methods, regulatory reviews, and community outreach. These funds were approved in the FY25-26 Water Fund budget.

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6) Attachments:

- A. Interlocal Agreement