

TO: City Council
FROM: Lisa Parks, City Administrator
DATE: November 3, 2025
SUBJECT: Pooling Opioid Settlement Funds with Thurston County, Lacey and Olympia - Discussion

1) Recommended Action:

Confirm the Council's intent to pool Opioid Settlement funds with Thurston County and the Cities of Lacey and Olympia, in an amount not to exceed 100% of the funds received by the City through calendar year 2027 (projected to be approximately \$461,000), subject to approval of a revised Interlocal Agreement.

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, resulting in multiple state and national settlements.

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 committee 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, for projected total of approximately \$461,833.

If the Council chooses to pool resources, one option would be to agree to pool 100% of the settlement funds received by the City of Tumwater through calendar year 2027, in an amount projected to be approximately \$461,000. Once the draft, amended Interlocal Agreement is passed by the Council allowing for funds to be pooled, staff would then prepare a budget amendment to the 2025-2026 biennial budget to authorize the expenditure, and would include the remaining funds projected to be received in 2027 in the 2027-2028 Biennial Budget.

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:
N/A