

TO: City Council  
FROM: Kelly Adams, Assistant City Administrator  
DATE: March 17, 2026  
SUBJECT: Interlocal Agreement with the Cities of Lacey, Olympia and Thurston County for Opioid Abatement Council Independent Subcommittee

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1) Recommended Action:

Authorize the Mayor to sign the restated Interlocal Agreement with the Cities of Lacey, Olympia and Thurston County for the Opioid Abatement Council Independent Subcommittee.

The agreement was recommended for approval on the consent calendar at the March 10, 2025, Public Health and Safety Committee meeting.

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2) Background:

Prescription opioid abuse is a persistent and devastating problem nationwide. Pharmaceutical manufacturers, distributors, and dispensers contributed to this crisis, significantly impacting public health and resources. Lawsuits against these entities led to several state and national settlements. Washington jurisdictions not involved in the original litigation joined settlements by signing the One Washington Memorandum of Understanding (MOU). Tumwater joined and is projected to receive about \$931,000, paid in full or in installments. Future settlements may increase this amount.

The One WA Agreement requires the establishment of regional Opioid Abatement Councils (OAC). Tumwater participates in the Cascade Pacific Action Alliance Region, governed by a regional Interlocal Agreement (ILA). In 2023, Thurston County and local cities established a county-level OAC to ensure funds are used in accordance with settlement agreements. The Thurston County OAC met four times in 2025. Council Member Peter Agabi is the current representative to the OAC.

On November 3, 2025, the Council agreed to pool Tumwater's funds with the other Thurston County jurisdictions. To maximize the impact of funding, the OAC ILA is updated to clarify how jurisdictions can pool funds and how the OAC will recommend project funding. The OAC has asked County staff to draft a Request for Proposals (RFP) for eligible projects, to be announced once pooling is authorized. The County will commit \$500,000 in settlement funds to this RFP in both 2026 and 2027.

Tumwater is projected to receive about \$931,000 from settlements, with \$365,805 already received. Four settlements are paid in full; five have annual payments through 2038. Two settlements have unknown amounts for Tumwater. About \$415,784 will be available in 2026 and \$46,049 in 2027, totaling roughly \$461,833. After the ILA is adopted, staff will amend the 2025-2026 budget to authorize spending and include 2027 funds in the next biennial budget.

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3) Policy Support:

**Strategic Priorities & Goals 2026-2032**

Vibrant, Livable, and Inclusive Community:

Build a community recognized for quality, compassion, and humanity.

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4) Alternatives:

- 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

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6) Attachments:

- A. First Amended and Restated Interlocal Agreement for Opioid Abatement Council Independent Subcommittee