

TO: City Council  
FROM: Dan Smith, Water Resources & Sustainability Director  
DATE: January 21, 2025  
SUBJECT: Memorandum of Understanding (MOU) Between the City of Tumwater (CITY) and LOTT Clean Water Alliance (LOTT) Regarding a Purchase and Sale Agreement for Properties in the Deschutes Valley Amendment 2

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1) Recommended Action:

Approve and authorize the Mayor to sign Amendment 2 of the MOU Between the CITY and LOTT Regarding a Purchase and Sale Agreement for Properties in the Deschutes Valley. This agreement was recommended for approval on the Council consent agenda by the Public Works Committee at their January 9, 2025 meeting.

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2) Background:

LOTT acquired former Brewery properties in the Deschutes Valley in 2011, intended for the construction and operation of a satellite reclaimed water treatment plant. During its most recent master plan update, LOTT identified alternatives for reclaimed water production at existing facilities, and the Deschutes Valley properties are no longer needed. In November 2023, the City and LOTT signed a MOU allowing the City to conduct due diligence regarding potential acquisition of the properties. Amendment 1 provided additional time to complete the due diligence, and in June 2024, the City agreed to move forward with a purchase and sale agreement dependent upon no significant findings of an environmental site survey. Amendment 2 provides more time to negotiate terms for the purchase and sale agreement.

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3) Policy Support:

1. Opportunity | We seize opportunities to improve our community's social, environmental, and economic well-being. We endeavor to realize positive opportunities in adverse situations and periods of change.
  2. Environment | We act to preserve and enhance the natural environment and the social fabric of our community.
  3. Be a Leader in Environmental Sustainability – Include environmental protection in City projects.
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4) Alternatives:

- None. The intent of this amendment is to provide additional time necessary to negotiate terms of a potential purchase and sale agreement with LOTT.
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5) Fiscal Notes:

No additional costs are anticipated relative to this amendment.

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6) Attachments:

- A. Memorandum of Understanding Deschutes Valley Properties Amendment 2
- B. Original Memorandum of Understanding, plus previous amendments