



TO: Hyun Kim, City Manager
FROM: Keri Burchard-Juarez, Tacoma Water Superintendent
Jackie Flowers, Director of Tacoma Public Utilities
COPY: Tacoma City Council and City Clerk
SUBJECT: Request Approval of Interlocal Cooperation Agreement between the City of Tacoma and King County – Conservation Futures Tax (CFT) Levy Grant Funds. Council Meeting August 5, 2025.
DATE: July 8, 2025

SUMMARY AND PURPOSE:

Tacoma Water is looking for Public Utility Board and City Council approval to enter an interlocal cooperation agreement between the City of Tacoma and King County necessary to receive \$1,914,510 in Conservation Futures Tax (CFT) Levy Grant funds. These funds allow Tacoma Water to purchase approximately 600 acres of forest land within the Green River Municipal Watershed in King County, WA to further protect our high-quality drinking water source and reduce the financial impact to our downstream customers.

BACKGROUND:

This Department's Recommendation is Based On:

The Green River Watershed is the source of high-quality drinking water for nearly 1 million downstream residents and it retains some of the last and best salmonid habitat in King County. Tacoma Water has been working to strategically acquire land in the watershed as part its Watershed Management Plan under the 2018 Water System Plan (SD 5, Measurement 2. Adherence to Watershed Management Plan). Acquiring these lands improves source water protection and control. To reduce the financial impact of land acquisition on our ratepayers, Tacoma Water applied for and was awarded funds available through King County's CFT Levy Grant Program in the amount of \$1,914,510. The CFT Funds are reimbursable and require a 25% match from Tacoma Water in the amount of \$638,170. Tacoma Water will pay the full purchase price up front and be reimbursed with the CFT Funds. Therefore, Tacoma Water will acquire approximately 600 acres of strategically important forest lands at a substantially reduced cost.

COMMUNITY ENGAGEMENT/ CUSTOMER RESEARCH:

Community Engagement

To protect public health and ensure a safe drinking water supply, it is necessary that the water be maintained at the source in a state of the highest natural quality. That is why we work closely with watershed landowners, including the Muckleshoot Indian Tribe, and other interest groups to assess and prioritize lands for acquisition to improve source water protection and control.

2025 STRATEGIC PRIORITIES:

Equity and Accessibility:

Leveraging grant funds to acquire land in the Green River Watershed reduces utility capital and operating costs for our retail customers while improving source water protection and control.



Explain how your legislation will affect the selected indicator(s).

Tacoma Water's mission is to provide clean and reliable drinking water as well as provide natural resource stewardship. Leveraging grant funds to reduce utility capital and operating costs helps keep rates stable for all retail customers and ensure Tacoma Water can continue to meet its mission for the long-term and ensure safety and quality of life for the community it serves.

ALTERNATIVES:

Alternative(s)	Positive Impact(s)	Negative Impact(s)
1. Don't pursue grant funding opportunity		This would be a missed opportunity to leverage grant funds to acquire land to reduce the financial impact to ratepayers and improve source water protection and control.
2.		
3.		

EVALUATION AND FOLLOW UP:

Tacoma Water has a strategic initiative goal to assess prospective land acquisitions within the Green River Watershed. We've completed a comprehensive Geographic Information System (GIS) analysis prioritizing lands for acquisition or protection according to criteria critical to the utility.

STAFF/SPONSOR RECOMMENDATION:

Staff recommends approval of the proposed interlocal cooperation agreement between the City of Tacoma and King County.

FISCAL IMPACT:

Fund Number & Name	COST OBJECT (CC/WBS/ORDER)	Cost Element	Total Amount
1. 4600 Tacoma Water Fund	WTR-00633	5330100	\$2,552,680
2.			
TOTAL			

What Funding is being used to support the expense?

N/A

Are the expenditures and revenues planned and budgeted in this biennium's current budget?

YES



City of Tacoma

City Council Action Memorandum

Are there financial costs or other impacts of not implementing the legislation?

YES

Will the legislation have an ongoing/recurring fiscal impact?

No

Will the legislation change the City's FTE/personnel counts?

No

ATTACHMENTS:

- Interlocal Agreement between City of Tacoma and King County