

RESOLUTION NO. 3201

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF BONNEY LAKE, PIERCE COUNTY, WASHINGTON, AUTHORIZING THE MAYOR TO SIGN THE INTERLOCAL AGREEMENT BETWEEN PIERCE COUNTY AND CITY OF BONNEY LAKE FOR OPIOID SETTLEMENT FUNDS

WHEREAS, cities and towns with a population of over 10,000, are engaged in litigation with opioid Distributors and Pharmaceutical Supply Chain Participants; and

WHEREAS, Bonney Lake will be receiving settlement funds over the next seventeen years; and


WHEREAS, the Bonney Lake community has been impacted by the opioid epidemic; and

WHEREAS, Bonney Lake and Pierce County desire to collaborate on the utilization of the settlement funds to address opioid-related issues; and


NOW THEREFORE, THE CITY COUNCIL OF THE CITY OF BONNEY LAKE, WASHINGTON DOES HEREBY RESOLVE AS FOLLOWS:

Section 1. The City Council of the City of Bonney Lake, Washington, does hereby resolve that the Mayor is authorized to sign the Interlocal Agreement Between Pierce County and the City of Bonney Lake for Opioid Settlement Funds attached hereto and incorporated herein by this reference.

PASSED by the City Council this 26th day of March 2024.

DocuSigned by:

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Terry Carter, Mayor

AUTHENTICATED:

DocuSigned by:

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Sadie A. Schaneman, CMC, City Clerk

City of Bonney Lake, Washington
City Council Agenda Bill (AB)

Department/Staff Contact: Dena Burke/Deputy City Attorney- Prosecutor	Meeting/Workshop Date: March 26, 2024	Agenda Bill Number: AB24-23
Agenda Item Type: Resolution	Ordinance/Resolution/ Motion Number: 3201	Sponsor:

Agenda Subject: Interlocal Agreement with Pierce County for Opioid Abatement Settlement Funds.

Full Title/Motion: A Resolution Of The City Council Of The City Of Bonney Lake, Pierce County, Washington, Authorizing the Mayor To Sign An Interlocal Agreement Between the County of Pierce and the City of Bonney Lake for Opioid Settlement Funds.

Administrative Recommendation: Approve.

Background Summary: This Resolution Would Permit The Mayor To Sign The Interlocal Agreement Between Pierce County And Bonney Lake To Allow The Pooling Of Bonney Lake’s Settlement Funds With The County. The City Has Agreed To Two Opioid Settlements And A Third Is Anticipated. Assuming The City Agrees To The Third Settlement, The City Will Receive Approximately \$645,000 Over A 17-Year Period. The First Two Settlements Are Approximately \$500,000 Together And Payments Are Dispersed Over A 17-Year Period. The Third Settlement Will Be Disbursed In Two Lump Sum Payments Of Approximately \$73,000 Each. In 2023, The City Did A Request For Proposals To Utilize The Funds For Authorized Opioid Abatement Purposes, Specifically Treatment And Transportation, As Those Are Identified As Serious Needs In The City. The City Received No Responses. This Is Likely Due To The Funds Being Too Small Annually For There To Be An Interested Party. The City May Pool Its Funds With The County. With The Funds Combined, It Is More Likely That A Purpose For The Funds Can Be Determined. A Staff Or Elected Person From The City Of Bonney Lake Will Be Appointed To The Committee And That Person Will Vote On Fund Distribution Or Projects. Ten Percent Of Funds Must Be Retained To Cover Administrative Costs As A Requirement Of The Settlement Terms.

Attachments: PowerPoint Opioid Settlements; Draft ILA

BUDGET INFORMATION				
Budget Amount	Current Balance	Required Expenditure	Budget Balance	Fund Source
\$17k	\$19k	\$17k	\$2k	<input type="checkbox"/> General <input type="checkbox"/> Utilities <input checked="" type="checkbox"/> Other
Budget Explanation: Recommend Pooling 90% Of Received Opioid Funds With Pierce County, Retaining 10% For Mandatory Administrative Fees Per Settlement Terms.				

COMMITTEE, BOARD & COMMISSION REVIEW			
Council Committee Review: Finance Committee Date: 3/12/2024	<i>Approvals:</i>		Yes No
	Chair/Deputy Mayor Terry Carter		<input checked="" type="checkbox"/> <input type="checkbox"/>
	Councilmember Gwendolyn Fullerton		<input checked="" type="checkbox"/> <input type="checkbox"/>
	Councilmember Kerri Hubler		<input checked="" type="checkbox"/> <input type="checkbox"/>
Forward to:	Consent Agenda: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
Commission/Board Review:			
Hearing Examiner Review:			

COUNCIL ACTION	
Workshop Date(s):	Public Hearing Date(s):
Meeting Date(s): 03/26/2024	Tabled to Date:

APPROVALS		
Director: <i>John Vodopich</i>	Mayor: <i>Terry Carter</i>	Date Reviewed by City Attorney: (if applicable)

Interlocal Agreement Between Pierce County and the City of Bonney Lake for Opioid Settlement Funds

This Interlocal Agreement made and entered into between Pierce County and the City of Fife.

SECTION 1. RECITALS

WHEREAS, Pierce County and cities and towns with a population of over 10,000, are engaged in litigation with opioid Distributors and Pharmaceutical Supply Chain Participants (“Opioid Litigation”); and

WHEREAS, the Parties acknowledge the receipt of settlement funds related to opioid litigation; and

WHEREAS, the Parties recognize the impact of the opioid epidemic on the communities; and

WHEREAS, the Parties desire to collaborate on the equitable distribution and utilization of the settlement funds to address opioid-related issues; and

NOW, THEREFORE, in consideration of the mutual covenants contained herein, the Parties agree as follows:

SECTION 2. DEFINITIONS

1. “Approved Purpose(s)” shall mean the strategies specified and set forth in the Pierce County Behavioral Health Improvement Plan.
2. “Behavioral Health Advisory Board (BHAB)” shall refer to the board that serves in an advisory capacity to assist the County in meeting the behavioral health planning responsibilities required by Chapter 8.101 PCC.

SECTION 3. PURPOSE

The purpose of the Agreement is to establish a framework for the distribution, allocation, and utilization of the opioid settlement funds for addressing opioid-related issues within the respective jurisdictions of the Parties.

SECTION 4. ADMINISTRATION

1. **Formation of Subcommittee:** The County shall establish a subcommittee, hereby known as Behavioral Health Opioid Committee (BHOC), under the Behavioral Health Advisory Board (BHAB) responsible for overseeing the distribution and use of the settlement funds allocated to Pierce County.
 - a. **Committee Composition:** The Committee shall consist of representatives appointed by each Party. The County shall ensure that members reflect the diversity of the affected communities, if possible. Each Party shall select their representative for the Behavioral Health Opioid Committee from qualified persons and the representative shall be appointed by the Party’s governing body. A Party may choose to leave its position vacant. Using the same process as the primary member selection process, each Party

may also appoint an alternate to serve where the primary appointment is not available to serve.

- b. **Structure of BHOC** – The BHOC created in this Agreement is not a separate legal or administrative entity within the meaning of RCW 39.34.030(3).

SECTION 5. Duties of Parties

1. Pierce County Human Services Behavioral Health Staff, with the assistance of the parties represented on the BHOC, is responsible for:
 - a. Developing a methodology for obtaining proposals for use of Opioid Funds.
 - b. Ensuring there is opportunity for community-based input on priorities for Opioid Fund programs and services.
 - c. Receiving and reviewing proposals for use of Opioid Funds for Approved Purposes.
 - d. Approving or denying proposals for Opioid Funds for Approved Purposes.
 - e. Reporting to the PCOAC, in accordance with data reporting guidelines, all decisions on Opioid Fund allocation applications, distributions, and expenditures.
2. Partnering jurisdiction representatives are responsible for:
 - a. Retaining 10% of settlement funds to cover administrative expense incurred by Pierce County Auditor, per the Agreement with PCOAC.
 - b. Transferring a mutually agreed amount of its settlement allocation with Pierce County Human Services.
 - c. Assigning a representative to sit on the BHOC board.

SECTION 6. RECORD RETENTION

1. All records related to the receipt and expenditure of Opioid Funds shall be retained in accordance with Washington State retention laws for no less than five (5) years and shall be made available for review by other Parties, the PCOAC, the BHAB, or the public.
2. Each party to this Agreement shall be responsible for retaining and producing the records it creates, owns or uses, in accordance with applicable public records access and retention laws and regulations. Nothing in this section is intended to require a Party to collect or produce records that are not prepared, owned, used, or retained by that agency as defined by the Public Records Act (RCW 42.56), other than as provided for herein. **SECTION 7. CHAPTER 39.34 REQUIREMENTS.**

3. **Duration** – This agreement shall be effective for the time period that the Parties receive allocations of Opioid Funds under any current Opioid Litigation claims and shall continue to be effective until 36 months after the final distribution of such funds.
4. **Structure** – The organizational structure of this agreement is set forth in Section 4 above.
5. **Powers** – Each Party’s powers of this agreement are set forth in Section 5 above.
6. **Purpose** – The purpose of the agreement shall be to ensure future remediation of the opioid abuse epidemic and the distribution and management of the funds identified herein.
7. **Termination** – This Agreement shall be self-terminating 36 months after the final distribution of funds through or by the Parties to the Agreement. Either Party may also terminate this Agreement and shall provide written notice of forty-five (45) days advance notice of such event.

Either Party may terminate the Agreement in whole or in part whenever the County determines, in its discretion, that such termination is in the interests of either Party. Whenever the Agreement is terminated in accordance with this paragraph, each party shall be entitled to proportional repayment of any unspent funds. Termination of this Agreement at any time during the term, whether for default or convenience, shall not constitute a breach of contract.

SECTION 8. INDEMNIFICATION

Parties agree to fully indemnify all other Parties, for all court awarded penalties, costs, and attorneys’ fees incurred by another Party resulting from any claims, including under the Public Records Act, brought against a Party/Parties, where the liability is premised upon the sole acts or omissions by the Party or its appointed Council Member. If more than one Party is held to be at fault, the obligation to indemnify and to pay costs and attorney’s fees, will be only to the extent of the percent of fault allocated to each respective Party by a final judgement of the court.

SECTION 9. MODIFICATIONS OR AMENDMENTS

This Agreement may be modified or amended upon written agreement by all Parties.

SECTION 10. ENTIRE AGREEMENT

This Agreement may be executed in any number of counterparts, each of which, when so executed and delivered, shall be an original, but such counterparts shall together constitute but one and the same.

This Agreement sets forth the entire Agreement between the Parties with respect to the subject matter hereof and supersedes all previous discussions and agreements. Understandings, representations, or warranties not contained in this Agreement, or a written amendment hereto shall not be binding on any Party.

SECTION 11. SEVERABILITY

In the event any term or condition of this Agreement or application thereof to any person or circumstances is held invalid, such invalidity shall not affect other terms, conditions, or applications of

this Agreement which can be given effect without the invalid term, condition, or application. To this end the terms and conditions of this Agreement are declared severable.

In the event any portion of this Agreement should become invalid or unenforceable, the remainder of the Agreement shall remain in full force.

SECTION 12. NON-DISCRIMINATION

The Parties, their employees, and agents shall not discriminate against any person based on any reason prohibited by Washington state or federal law as adopted or subsequently amended.

SECTION 13. COMPLIANCE WITH LAWS

The Parties shall observe all federal, state, and local laws, ordinances, and regulations, to the extent that they may be applicable to the terms of this Agreement.

SECTION 14. GOVERNING LAW; VENUE


This Agreement has been and shall be construed as having been made and delivered within the State of Washington and it is mutually understood and agreed by each Party that this Agreement shall be governed by the laws of the State of Washington both as to interpretation and performance. Any action at law, suit in equity, or other judicial proceeding for the enforcement of this Agreement, or any provision hereto, shall be instituted only in courts of competent jurisdiction within Pierce County, Washington.

SECTION 15. APPROVAL

Adoption of this Agreement by each Party shall be by signature below.

WHEREFORE, the undersigned authorities do hereby approve and adopt the Agreement on the pooling of Opioid Settlement funds as set forth herein.

Done on this 26 day of March, 2024.

DocuSigned by:

339AD7C13E9E492...

Terry Carter, Mayor

Opioid Settlement Funds

Dena M.P. Burke, Deputy City Attorney-Prosecutor

burked@cobl.us; (253) 447-3288

Background

- Three Settlements
- One Washington MOU established the framework for distributing and sharing the settlement proceeds
- Bonney Lake received 0.119% of settlement after attorney's fees and other costs
- Pierce County Opioid Abatement Council (PCOAC) will ensure compliance with Settlement Agreements



Overview of the Three Settlements

- First Settlement – payments have already started
 - Payments over 17-year time period
 - Approx \$250k total
- Second Settlement – payments have not yet started (Soon!)
 - Exact amounts not fully known as attorney's fees still need to be fully established
 - Should be similar to first settlement
 - Payments over 15-year time period
 - Approx \$250k total
- Third Settlement – not yet started
 - Exact amounts not fully known as attorney's fees still need to be fully established
 - Two lump sum payments
 - Approx \$146k total



Johnson & Johnson Settlement - NEW

- Settlement is two lump sum payments
 - This is different than other two settlements that pay over an approx. 17-year period.
- Approx. \$73k per-payment
- Similar terms:
 - Used for Opioid Abatement
 - 10% retained to pay for admin costs to Pierce County

Payments Received

Row	Beneficiary Name	State	Payment Type	Base
1.	Bonney Lake City	Washington	Distributor Payment 1	\$6,335.53
2.	Bonney Lake City	Washington	Distributor Payment 2	\$6,658.32
3.	Bonney Lake City	Washington	Distributor Payment 3	\$6,658.32

- Approx. \$19k received
- 10% should be set aside for admin/PCOAC costs

Projected Payments

1.	Distributor Projected Payment 4 (July, 2024)	\$12,235.58
2.	Distributor Projected Payment 5 (July, 2025)	\$12,235.58
3.	Distributor Projected Payment 6 (July, 2026)	\$12,235.58
4.	Distributor Projected Payment 7 (July, 2027)	\$12,235.58
5.	Distributor Projected Payment 8 (July, 2028)	\$16,524.58
6.	Distributor Projected Payment 9 (July, 2029)	\$16,930.02
7.	Distributor Projected Payment 10 (July, 2030)	\$16,930.02
8.	Distributor Projected Payment 11 (July, 2031)	\$14,231.39
9.	Distributor Projected Payment 12 (July, 2032)	\$14,231.39
10.	Distributor Projected Payment 13 (July, 2033)	\$14,231.39
11.	Distributor Projected Payment 14 (July, 2034)	\$14,231.39
12.	Distributor Projected Payment 15 (July, 2035)	\$14,231.39
13.	Distributor Projected Payment 16 (July, 2036)	\$14,231.39
14.	Distributor Projected Payment 17 (July, 2037)	\$14,231.39
15.	Distributor Projected Payment 18 (July, 2038)	\$14,231.39



Allocation of Settlement Funds

- To determine the allocation to a county, the formula utilized:
- (1) the amount of opioids shipped to the county;
- (2) the number of opioid deaths that occurred in that county; and
- (3) the number of people who suffer opioid use disorder in that county.

Allocation Regions

- 9 Allocation Regions based on the Washington State Accountable Community of Health Regions
- Each Allocation Region will have its own Regional Agreement, which will govern allocation, management, and distribution of funds within that Allocation Region.
- Bonney Lake is located in the Pierce Region





Pierce County Opioid Abatement Council

- PCOAC will ensure compliance with Settlement Agreements
- The PCOAC will be composed of representatives from cities in Pierce County
 - One Primary and Alternate representative from Bonney Lake to the PCOAC
- Review of expenditures and ensure compliance with use of funds



How Can Funds Be Used

1. Treatment

- Support People in Treatment and Recovery, Connect People to Services, etc.

2. Prevention

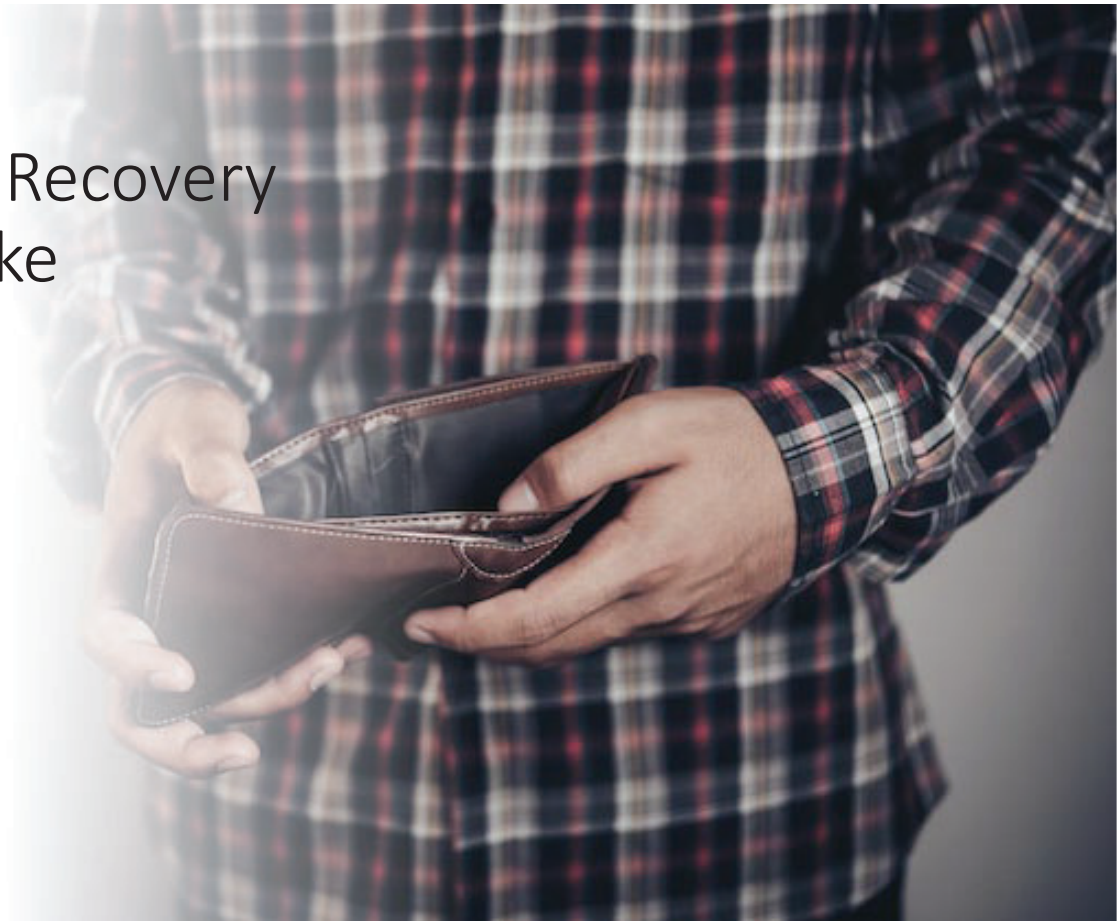
- Prevent Over Prescribing, Prevent Misuse of Opioids, Prevent Overdose Deaths, etc.

3. Other Strategies

- Training, Education, etc.

Hurdles to Treatment & Recovery in Bonney Lake

- Cost of Evaluation
- Cost of Treatment
- Transportation



Request for Proposals

- August 2023 the City issued an RFP for proposals to utilize the City's settlement funds to provide transportation or treatment within Bonney Lake
- The City received zero responses



Staff Recommendation

- Pool funds with Pierce County and other local cities.
 - Funds Bonney Lake receives are too small to be of interest to a company or organization to utilize
 - Partnering enables funds to be joined together to help
 - Bonney Lake representative selected by Council would be on the board to vote to decide how funds are utilized

Questions