

King County Auditor's Office

Kymber Waltmunson, King County Auditor



King County

DATE: August 6, 2015

TO: Metropolitan King County Councilmembers

FROM: Kymber Waltmunson, King County Auditor

SUBJECT: Follow-up on Capital Projects Oversight 2014 Review of Brightwater Close Out

This memo provides an update on the status of two recommendations based on capital projects oversight (CPO) review of the *Brightwater Close Out Report* in 2014.

- King County anticipates a decision by the Court of Appeals Division One on the Central Tunnel litigation in fall 2015. The County Executive needs to keep County Council informed of major cost developments of the Brightwater project based on the outcome of litigation.
- The Wastewater Treatment Division plans to close out all Brightwater mitigation obligations by the end of 2015 and currently expects \$710,000 in close-out balance compared to budgeted amount in mitigation expenditures.

Of the two CPO recommendations:

DONE	0	Recommendation has been fully implemented Auditor will no longer monitor
PROGRESS	2	Recommendations in progress or partially implemented Auditor will continue to monitor
OPEN	0	Recommendation remains unresolved Auditor will continue to monitor

Please see below for details on the implementation status of these recommendations.

Implementation Status as of August 2015

#	Quick Status	Recommendation	Status Detail
1	PROGRESS	We recommend that the County Executive provide timely notice to the County Council when final resolution of the Central Tunnel Litigation occurs and that WTD quantify the resultant changes, if any, to their estimated lifetime project cost-to-complete from the 2013 Trend Report.	Final resolution of the Central Tunnel Litigation is expected to occur in fall 2015 based on written decision of the Court of Appeals Division One. The decision will indicate whether the case is finally resolved or will require further litigation. The final cost of Brightwater may not be known for some time. County Council needs to be informed of major cost developments based on the outcome of litigation.
2	PROGRESS	We recommend that WTD proceed with close out of all mitigation obligations before the end of 2015, working to keep expenditures at or below current forecasts and realize potential savings.	Close out of all Brightwater mitigation obligations are scheduled to occur 12/31/15. Mitigation expenditures at the time of closing are currently projected to be approximately \$710,000 below the amount budgeted for the Brightwater project.

Chelsea Lei, Management Auditor; and Tina Rogers, Capital Projects Oversight Manager, conducted this review. Please contact Chelsea at 477-6523 if you have any questions about the issues discussed in this letter.

- cc: Dow Constantine, King County Executive
 Fred Jarrett, Deputy County Executive
 Rhonda Berry, Assistant Deputy County Executive
 Dwight Dively, Director, Office of Performance, Strategy and Budget
 Eunjo Greenhouse, Interim Deputy Director, Department of Executive Services, Finance & Business Operations Division
 Christie True, Director, Department of Natural Resources and Parks
 Pam Elardo, Director, Department of Natural Resources and Parks, Wastewater Treatment Division
 Anne Noris, Clerk of the Council
 Shelley Harrison, Administrative Staff Assistant, King County Executive Office