



# KING COUNTY AUDITOR'S OFFICE

December 27, 2017

## Third Follow Up on Capital Projects Oversight of the 2014 Review of Brightwater Close Out Report

TO:

Metropolitan  
King County  
Councilmembers

**The Wastewater Treatment Division (WTD) has completed implementation of the recommendations from our 2014 report.** By implementing our recommendations, King County has improved clarity and transparency on costs associated with the Brightwater Project. All litigation involving Brightwater is complete, and cost recovery reduces the total project cost to \$1.829 billion.

This is our third follow up on these recommendations. The original report made two recommendations, the first was implemented in 2016. The implementation of the final recommendation completes our oversight of the Brightwater Project.

FROM:

Kymber Waltmunson,  
County Auditor



1  
**DONE**

**Fully implemented**

Auditor will no longer monitor.



0  
**PROGRESS**

**Partially implemented**

Auditor will continue to monitor.



0  
**OPEN**

**Remain unresolved**

Auditor will continue to monitor.

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



**King County**

## Recommendation 1

DONE 

**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.**

STATUS UPDATE: On December 15, 2017, WTD notified County Council that all litigation involving Brightwater was completed July 6, 2017. The Washington State Supreme Court upheld the trial court award to King County of its litigation costs and attorneys' fees against the Brightwater Central Tunnel contractor, totaling \$15,360,657. As of September 2016, total expenditures for the Brightwater Project were \$1.844 billion. Recovery of legal fees (noted above) reduces the 2013 Trend Report Total Project Cost from \$1.859 billion to \$1.829 billion. Implementation of this recommendation improves clarity and transparency associated with the litigation and total project costs.

Lynn Dewald, Capital Projects Oversight Analyst, conducted this review. Please contact Lynn at 206-263-6843 if you have any questions about the issues discussed in this letter.

cc: Dow Constantine, King County Executive  
Caroline Whalen, Interim Chief Operating Officer, Department of Executive Services  
Rachel Smith, Chief of Staff, King County Executive's Office  
Dwight Dively, Director, Office of Performance, Strategy & Budget  
Ken Guy, Division Director, Department of Executive Services, Finance & Business Operations Division  
Christie True, Director, Department of Natural Resources & Parks (DNRP)  
Mark Isaacson, Director, Wastewater Treatment Division, DNRP  
Julie Long, Executive Assistant, Department of Executive Services  
Melani Pedroza, Clerk of the Council  
Shelley Harrison, Administrative Staff Assistant, King County Executive Office