

Minutes
County Road Administration Board
October 29-30, 2015
CRAB Office – Olympia, Washington

Members Present: Dale Snyder, Douglas County Commissioner, Chair
 Brian Stacy, PE, Pierce County Engineer, Vice-Chair
 Andrew Woods, PE, Columbia County Engineer, Second Vice-Chair
 Rob Coffman, Lincoln County Commissioner
 Lisa Janicki, Skagit County Commissioner
 Kathy Lambert, King County Councilmember
 Todd Mielke, Spokane County Commissioner
 Bill Schulte, Lewis County Commissioner
 Mark Storey, PE, Whitman County Engineer
 Ann E. Salay, CRAB Counsel

Staff Present: Jay Weber, Executive Director
 Walt Olsen, PE, Deputy Director
 Steve Hillesland, Assistant Director
 *Karen Pendleton, Executive Assistant
 Randy Hart, PE, Grant Programs Manager
 Jeff Monsen, PE, Intergovernmental Policy Manager
 Derek Pohle, PE, Compliance & Data Analysis Manager
 Rhonda Mayner, Secretary
 Bob Davis, Systems Manager
 **Jim Oyler, Support Specialist
 **Kathy O'Shea, Database Specialist
 **Eric Hagenlock, Applications Specialist
 **Nhan "Jacky" Nguyen, Project Developer

Guests: *Scott Blonien, WACO Executive Director
 *John Snaza, Thurston County Sheriff
 *John Turner, Walla Walla County Sheriff
 *Rob Snaza, Lewis County Sheriff
 *Mark Nelson, Cowlitz County Sheriff
 *Robin Campbell, Assistant Thurston County Manager
 *Charles Beyer, Wahkiakum County Public Works Director
 *Kelli Connor, Kittitas County resident
 *Unidentified male member of the public
 *Unidentified female member of the public
 **Gary Rowe, WSACE Managing Director
 **Melissa McFadden, PE, Mason County Engineer
 **Frank Pinter, Mason County Budget Manager

**October 29, 2015 only*
***October 30, 2015 only*

CALL TO ORDER

Chair Snyder called the County Road Administration Board quarterly meeting to order at 1:04 pm on Thursday, October 29, 2015, at the CRAB Office in Olympia. He asked guests to sign the attendance sheet and to silence their cell phones.

CHAIR'S REPORT

Introductions

Chair Snyder introduced new CRAB Counsel Ann E. Salay, and welcomed her to the Board. Ms. Salay gave the Board a brief background on herself.

Approve Agenda for the October 29-30, 2015 Meeting

Second Vice-Chair Woods moved and Commissioner Coffman seconded to approve the agenda as presented. **Motion passed unanimously.**

Approve Minutes of July 16-17, 2015 CRABoard Meeting

Commissioner Schulte moved and Commissioner Janicki seconded to approve the minutes of the July 16-17, 2015 CRABoard meeting. **Motion passed unanimously.**

RURAL ARTERIAL PROGRAM

Program Status Report

Mr. Hart reported that there are 68 active RAP projects. Ten more are complete and awaiting final close-out. CRAB has total anticipated revenue of \$561,582,474 through the 2015-17 biennium. \$511,446,675 has been expended to date. There are outstanding obligations of \$131,427,906.

Project Request Actions Taken by CRAB Staff

Mr. Hart noted activities and requests handled by staff since the July 2015 CRABoard Meeting.

1. Douglas County requested a scope change to their Coulee Meadows Road project, extending the milepost limits from 4.00–7.35 to 4.00–7.44, with no change in RATA funding.

During design, the county discovered that the terminus of the previously completed and adjacent project ended at milepost 7.44, not 7.35. The county requested the limits for the current project be extended to that location so no gaps are left in the overall improvements. The county did not request any change in RATA funding of \$2,322,900.

CRAB staff found that the rating points for the increased length project decreases the score from 97.94 to 97.78, and the project retains its position in the funding array. After review and confirmation with the CRAB Director, on July 27, 2015 an amended contract was offered the county which revised the milepost limits to 4.00–7.44.

2. Whitman County requested an increase in project length to their Almota Road Phase 4 project, revising the milepost limits from 8.39–11.56 to 7.96–11.56, with no change in RATA funding.

As the county pursued design, it realized this location is near the top of a steep crest vertical curve that was listed for prospectus improvements. The county requested the limits be extended through the curve in order to flatten the grade for its entire length.

The county is not seeking a change in the RATA funding of \$2,738,700.

CRAB staff found that the rating points for the increased length lowered the project score from 70.38 to 69.76, still well above the next funded 3R project. After review and confirmation with the CRAB Director, on October 26, 2015 an amended contract was offered the county which revised the milepost limits to 7.96–11.56.

3. Columbia County requested a two year extension of the lapsing date of April 16, 2016 for their South Touchet Road project.

RAP funded Tucannon Road has been delayed due to environmental and right of way issues during WSDOT review. RAP funded Lyons Ferry Road was also delayed due to a lengthy permitting process involving the Army Corps of Engineers. These delays have had a domino effect on construction scheduling, and the county plans to build three RAP funded projects, including these two, in 2016. This pushes South Touchet, which is currently at 60% design level, to 2017. The county therefore requested a full two year extension of construction to April 16, 2018, assuring it will pursue the project to delivery by that time.

CRABstaff found the issues of project delay impacting South Touchet Road were unforeseen and beyond the county's control, and therefore granted an extension in construction lapsing to April 16, 2018.

Mr. Hart noted discussions with several counties regarding other potential project changes.

Resolution 2015-012 – Apportion RATA Funds to Regions

Mr. Hart presented Resolution 2015-012 – apportion RATA funds to regions, which approves that the accrued amount of \$1,634,704 now credited to RATA in July 2015 be apportioned to the regions by the established 2013-2015 biennium regional percentages after setting aside \$41,000 for administration.

Vice-Chair Stacy moved and Mr. Storey seconded to approve Resolution 2015-012.

Motion passed unanimously.

Resolution 2015-013 – Apportion RATA Funds to Regions

Mr. Hart presented Resolution 2015-013 – apportion RATA funds to regions, which approves that the accrued amount of \$5,275,992 now credited to RATA in August, September and October 2015 be apportioned to the regions by the established 2015-2017 biennium regional percentages after setting aside \$121,125 for administration.

Commissioner Schulte moved and Councilmember Lambert seconded to approve Resolution 2015-013. **Motion passed unanimously.**

Consider Call for Projects

Mr. Hart reported that per WAC 136-161-020, the RAP cycle begins at the fall odd-year CRABoard meeting, when the board considers the RATA balance, project payment schedules, and future revenue to determine if enough funds will be available to provide for a new array of projects for the ensuing biennium (2017–2019).

He noted that while the September 2007 and 2009 forecasts for the 2017–2019 biennium had been grossly over-estimated, the 2011 and 2013 forecasts ended up being more accurate, and actual fuel tax revenue increased in the 2013-2015 biennium. It appears the recent estimates may be more reliable. The gas tax revenue estimate for the 2017–2019 biennium, which would fund 2017-2019 projects, is \$38,925,500.

He summarized the RATA spending history and balance, reporting that the 2013-15 ending balance was \$16,800,000. Anticipated revenue for 2015-17 is \$39,500,000, which includes the anticipated \$1,094,000 Motor Vehicle Account transfer for the biennium. The available funds to spend in 2015-17 will be \$56,300,000.

He cautioned that although planned spending is scheduled at \$76,400,000, in order to maintain a \$12,000,000 balance by the end of the 2015–17 biennium spending must be limited to approximately \$44,300,000. Anticipated spending will likely fall between \$40,000,000 and \$45,000,000.

He noted that the RATA balance has been dropping since 2009 and the end of 2015 may see a year-end balance below \$10,000,000, which will prompt the delay of 2016 scheduled projects that are not moving toward advertisement as indicated by project development data from counties.

The obligation levels have affected the RATA balance over the years. When obligation levels are high, the balance drops; when they are lower, the balance increases. However, through the RAP Online web application, the counties have tracked project progress more closely, and this has encouraged higher spending rates even with lower obligation shown for years 2011–2014. The last allocation of funds, made by the CRABoard in April 2015, increased the obligation level to approximately \$133,000,000.

Mr. Hart noted the potential for additional allocation of \$39,000,000 in 2017-2019. Approximately \$24,000,000 of this would fully fund current, partially funded projects. The remaining \$15,000,000 would fund new projects. Many of the new projects would be smaller scope and move to construction quickly, requiring closer management of project schedules and greater assurances from counties of the accuracy of their spending plans.

He noted that as a first-in funding source, counties depend on the RATA to be able to pursue the time consuming design, permitting and right-of-way negotiations knowing that their project can arrive at and accomplish the construction phase as well. The

CRABoard has historically served this need by carrying a large over-obligation beyond the ensuing biennium's estimated revenue. If the current partially funded projects were fully funded at this time, the total obligation would be approximately \$133,000,000, requiring four biennia of revenue, 2015 to 2023, to cover this amount. Staff finds that CRABoard management of the RATA via over-obligation and timely delays of project construction, when necessary, has proven an effective way to keep the account balance low, while retaining enough funds to pay for projects that are ready for construction. Although most counties have expressed their general support for a call for projects, even if they are delayed reimbursement, there are issues with project scheduling that will become more pronounced with a new call.

Many large projects are currently scheduled out to 2020, which will continue to suppress the account balance. In addition, the current 2R and drainage projects will have a quick turn-around and will also keep pressure on the balance. Both of these factors are expected to suppress the balance to low levels. Adding new projects will apply additional undue pressure on the balance.

Some smaller counties expressed they cannot afford to carry the cost of their projects to support delayed RATA payment, and 2R projects especially would need immediate attention. Finally, new larger scope 3R and RC projects would increase in cost if a significant delay were imposed, making the original scope of work unattainable.

He summarized that the balance is at its lowest ever going into a biennium, and construction charges for the next three years, at least, are expected to keep it low; project scheduling and reimbursement for any new projects would be unstable given the already high over-obligation of RATA funds; the scope of work for projects delayed five to six years will be difficult to maintain by the counties, as has been evidenced in recent cost-induced scope changes; and overall delays benefit some counties that may be better able to leverage other fund sources to maintain a steady construction program, and yet harm smaller counties that rely more heavily on RAP and quick reimbursements to stabilize their programs and staffing levels, adversely affecting the competition and fairness on new applications.

Given the already high commitment to currently funded projects that need additional funding to complete, and to maintain parity of fund usage between counties and regions, staff recommends the CRABoard decline a call for new projects for the 2017-2019 biennium funding period; allocate the remaining 10% of the 2015-17 biennium revenue to current partially funded and new projects on the current array at the April 2016 CRABoard meeting; and allocate 2017–2019 estimated revenue to active partially funded projects from prior biennia at the April 2017 CRABoard meeting.

Staff further recommends that in the event the RATA balance should drop below \$10,000,000, projects which are scheduled for construction but have not accomplished the significant steps of permitting, design, right of way, etc., be delayed by the CRAB Executive Director prior to delaying projects that have accomplished the above listed project steps.

Second Vice-Chair Woods suggested that a call for projects be issued, but the Board determine at a future date whether to proceed with funding the new array.

Chair Snyder tabled the discussion until after the Public Hearing, and called for a brief recess.

PUBLIC HEARING

Chair Snyder called the public hearing on WSR 15-17-007 to order at 2:06 pm. Mr. Pohle presented staff's recommendations for WAC 136-25 Standard of Good Practice-Traffic Law Enforcement Expenditures.

WAC 136-25-010 is specific to WAC 136-150-020, 136-150-021, 136-150-022, and 136-150-030 relating to road levy, road levy diversion, and traffic law enforcement.

WAC 136-25-020 states that diversion of road levy funds may only be for traffic law enforcement within unincorporated areas of the county. To preserve RATA eligibility, road levy funds diverted pursuant to RCW 36.33.220 may only be used for traffic law enforcement within the unincorporated areas of counties, except those counties with a population of less than eight thousand, RCW 36.79.140 and WAC 136.150.030.

WAC 136-25-030 establishes eligible traffic law enforcement activities on county roads. For purposes of maintaining RATA eligibility, should the legislative authority vote and budget to divert road levy funds, the following traffic law enforcement activities occurring in unincorporated county areas are the only activities that can be funded by county road levy funds.

- (1) Speed limit and other traffic law enforcement;
- (2) Collision investigation documenting/reporting;
- (3) Oversize vehicle (weight, length, width, and height) enforcement;
- (4) Special emphasis patrols at the request of the county engineer or in cooperation with the WTSC or WSP;
- (5) Facilitating the removal of abandoned vehicles from the county road and rights of way at the request of the county engineer;
- (6) Facilitating the removal of roadway and right of way obstructions at the request of the county engineer;
- (7) Investigating illegal littering and dumping on county road rights of way at the request of the county engineer;
- (8) Sign damage investigation and enforcement at the request of the county engineer;
- (9) Road condition enforcement, including mud, water, debris, or spills;
- (10) Rights of way encroachment investigation and enforcement at the request of the county engineer;
- (11) Maintenance and construction zone traffic enforcement, typically at the request of the county engineer;
- (12) Road department vehicle collision investigation at the request of the county engineer; and

(13) Other activities clearly related to county road law enforcement needs, as mutually agreed upon in writing by the county road engineer and the county sheriff.

WAC 136-25-040 states that the certification required by WAC 136-150-022 shall be on a form provided by the county road administration board. Each county sheriff shall maintain adequate records of annual traffic law enforcement expenditures in such format and detail to demonstrate that the funds were used only for the traffic law enforcement activities set out in WAC 136-25-030.

WAC 136-25-050 states that the county road administration board shall provide model documents for counties to use to establish agreements (relationships) between the county legislative authority and the county sheriff and between the county road engineer and the county sheriff for the use of county road levy funds for traffic law enforcement. The agreements should list which activities set out in WAC 136-25-030 are subject to the agreement.

Chair Snyder opened the public comment portion of the hearing.

Mr. Blonien requested delay of adoption and formation of a workgroup to work toward consensus on the issues. This was supported by the all of the sheriffs present. Ms. Campbell noted that Thurston County supports the proposed WAC.

Chair Snyder closed the public comment portion of the hearing at 3:52 pm.

Commissioner Mielke suggested adding “the legislative authority” to WAC 136-25-030, Item 13. Second Vice-Chair Woods agreed, but noted that in that case “the county road engineer” should be removed, as he serves at the pleasure of the legislative authority.

Commissioner Mielke moved and Commissioner Schulte seconded to close the public hearing. **Motion passed unanimously.** Chair Snyder closed the public hearing on WSR 15-17-007 at 4:03 pm.

Commissioner Mielke moved and Commissioner Schulte seconded to form a committee comprised of sheriffs, CRABoard members, and CRAB staff to further discuss the issue, with the members to be appointed by Chair Snyder. **Motion passed unanimously.**

Chair Snyder appointed Commissioner Schulte, Commissioner Coffman, and Mr. Storey, and asked the sheriffs present at the meeting to appoint four sheriffs to the committee. He directed Mr. Weber to select members of staff to serve on the committee, and asked that the committee report at the January 2016 CRABoard meeting.

Chair Snyder called for a brief recess.

PUBLIC HEARING CONTINUED

Chair Snyder opened the public hearing on WSR 15-17-006 at 4:24 pm. He noted that WAC 136-150-022 is tied to the previous matter, so will not be considered at this hearing. He also noted that the correct number is WAC 136-150-025, originally we requested using number 150-025. 150-025 was repealed year's back, therefore we will use number 136-150-025.

Mr. Pohle presented staff's recommendations for WAC 136-150-025 Ascertaining the expenditures for marine moorage and navigation purposes; and WAC 136-150-030 Identifying eligible counties. These changes and additions are necessary to fulfill CRAB's directives in regard to recently passed EHB 1868 regarding the use of county road funds for marine navigation and moorage purposes.

WAC 136-150-025 states that in those counties in which road funds have been used for marine navigation and moorage purposes as specified in RCW 36.82.070, the county engineer shall submit a certification showing the amount of county road fund used for those activities related to marine navigation and moorage purposes performed contiguous with, adjacent to, or offshore concomitant to the county road right of way. Such certification shall be submitted to the county road administration board no later than April 1 of each year.

The proposed amendment for WAC 136-150-030 states that all counties with a population of less than eight thousand shall be eligible to receive RATA funds. Counties with a population greater than eight thousand shall be eligible to receive RATA funds only if, during the immediately preceding calendar year:

- (1) The actual expenditures for traffic law enforcement have been equal to or greater than either the amount of the diverted road levy budgeted for traffic law enforcement or the amount of road funds transferred to current expense to fund traffic law enforcement;
- (2) The amount of county road funds used beyond the county right of way for activities clearly associated with removal of fish passage barriers that are the responsibility of the county did not exceed twenty-five percent of the total cost of activities related to fish barrier removal on any one project and the total cost of activities related to fish barrier removal beyond the county right of way did not exceed one-half of one percent of the county's total annual road construction budget;
- (3) Any expenditures of the road levy for marine navigation and moorage by those counties eligible per RCW 36.82.070 were made from amounts deposited into a special account within the road fund for those purposes and, performed contiguous with, adjacent to, or offshore concomitant to the county road right of way.
- (4) All road funds that have been transferred to other funds have been used for legitimate road purposes;
- ((4)) (5) Revenues collected for road purposes have been expended on other governmental services only after authorization from the voters of that county under RCW 84.55.050; and
- ((5)) (6) County road levy funds

Chair Snyder noted that there were no members of the public present to comment, and no written comments had been received to date.

Second Vice-Chair Woods moved and Councilmember Lambert seconded to close the public hearing. **Motion passed unanimously.** Chair Snyder closed the public hearing on WSR 15-17-006 at 4:29 pm.

Following questions and discussion, Second Vice-Chair Woods moved and Commissioner Coffman seconded to adopt WAC 136-150-025 Ascertaining the expenditures for marine moorage and navigation purposes, and WAC 136-150-030 Identifying eligible counties. **Motion passed unanimously.**

Consider Call for Projects continued.

Following questions and discussion, Commissioner Schulte moved and Second Vice-Chair Woods seconded to issue a call for new projects in the 2017-19 biennium, but the Board determine at a future date whether to proceed with funding the new array. **Motion passed unanimously.**

DIRECTOR'S REPORT

Director's Activities

Mr. Weber reported on his recent activities. He noted that an SAO Accountability Audit will be conducted on CRAB for the fiscal year ending June 15, 2015. The audit is expected to begin in late November, and cost \$14,300.

2014 Meeting Schedule

Mr. Weber presented staff's recommendations for the 2016 CRABoard meeting schedule. Following discussion, the dates were set as January 21-22, April 14-15, July 28-29, and October 27-28.

Approve Annual Certification Form

Mr. Weber noted that the only changes are to reflect the current reporting period dates. Mr. Pohle noted that next year, the form will be modified to include the new reporting requirements for marine navigation and moorage. Vice-Chair Stacy moved and Mr. Storey seconded to approve the 2015 Annual Certification Form. **Motion passed unanimously.**

2015-17 Current Budget Status

Mr. Weber noted a report from Chad Johnson of DES stating that the September 2015 financial report shows the agency has spent \$14,161 less in operating funds than planned-to-date. The agency is right on track for spending. The following is a brief explanation from Mr. Johnson on the variances between allotment assumptions and the actual expenditures:

Salaries & Benefits: Very minor under-expenditures.

Goods & Services: **Object EB** Communications – This under expenditure is due to the change in how some bills are coded for DES. They are now coded to EL. **Object EL** Data Processing – This is the offset to the EB above. The plan of the two objects is underspent in total. Allotments will be adjusted in the future when a quarterly update is necessary.

Travel: Travel is over-expended overall but should come back into plan as the fiscal year goes on

Capital Outlays: A few expenditures to date, no plan for this because the transportation budget was not funded for the employee raises. When CRAB receives the funding for the pay increases this will be allotted in objects that are discretionary since we have already planned the labor expenditures.

Capital Funding: Mr. Johnson did a Capital allotment adjustment in the month of October to match the expenditure plan to Mr. Hart's plan. He has been working with Mr. Hart analyzing and making sure the fund balance is healthy enough for all distributions.

Decision Package Submittal

Mr. Weber reported that a supplemental budget request has been submitted, asking for an increase of spending authority of \$9.5 million to RATA, which agrees with the revenue estimate from OFM and projected program costs. The request notes that if the increase is not granted, \$15 million in overall project costs will be delayed or cancelled statewide.

Chair Snyder recessed the meeting at 4:54 pm on October 29, 2015. The CRABoard meeting will resume October 30, 2015 at 8:30 am.

**County Road Administration Board
Friday, October 30, 2015**

CALL TO ORDER

The second day of the fall CRABoard meeting was called to order by Chair Snyder at 8:30 am on October 30, 2015.

WSACE PRESENTATION

Mr. Rowe presented the draft agenda for the upcoming Washington State Association of County Engineers (WSACE) Annual Meeting, to be held in conjunction with the WSAC County Leaders Conference, November 17-20 in Skamania.

MASON COUNTY AUDIT UPDATE

Mr. Monsen reported that in a State Auditor's Office (SAO) Accountability Audit for 2012:

"The Equipment Rental and Revolving Fund did not charge funds equitably. Beginning in 2010, the rates developed through cost allocation plans were not applied equitably. From 2010 through 2012, the Board of Commissioners reduced the long-term vehicle, computer and telephone amounts owed for most Current Expense departments, and eliminated these charges in 2013. However, departments outside of Current Expense, and the remaining Current Expense departments continued to be charged based on the plan. ...

The ER&R Fund had funds available that allowed for reducing the amount charged. At the end of 2012, unrestricted funds were \$7.8 million, while expenses were less than \$3 million. However, all funds should have been reduced in an equitable manner. ..."

And in an SAO Accountability Audit for 2013:

Status of prior audit findings --- The Equipment Rental and Revolving Fund did not charge funds equitably.

"This finding has been partially resolved.

- The Equipment Rental and Revolving Fund revised its rates for 2014 and charged all departments in accordance with the plan.
- An interfund loan was established to repay the \$348,672 vehicle cash out over three years.
- The 2015 adopted budget includes repayment of the excessive markup of \$483,237 for Road Fund materials.
- While there is agreement to correct the \$2,911,752 underpaid by departments not charged full rates, a formal plan has not been adopted."

Mr. Monsen noted that since the detailed financial analysis, recommendations, and formal actions have yet to be finalized by Mason County, the financial values presented below, as well as in the SAO “findings” on the previous page, should be considered “order of magnitude” numbers meant for discussion purposes only.

It is clear from the review of various Mason’s Board of County Commissioner minutes that during 2009 and 2010, it was an intentional act to reduce equipment rental rates for selected vehicles and other Equipment Rental and Revolving (ER&R) services in order to reduce budget costs for Current Expense. That being said, it is also very clear that the rates previously charged by ER&R were intentionally set higher than actual needs in order to build a reserve, but without clarity as to its long term purpose or equity between financial contributors.

At the end of 2009, the ER&R Fund balance was approximately \$8 million. By the end of 2013, the fund balance had dropped to under \$6 million. Even though a number of factors and individual transactions ultimately affect this fund balance reduction, it is fair to say that the magnitude of the reduction can be attributed entirely to the reduction in charges to Current Expense.

The early internal analysis of this situation has focused on the historical undercharges. However, since the past fund balance is now recognized as being larger than actually needed, it does not make sense for the solution to simply be Mason County’s ER&R Fund collecting “back charges”.

Mr. Monsen noted that the statutory requirements of having an ER&R Fund is for county road related equipment and materials. A county “may” use the fund for other county fleet and operational purposes. While it is a “best management” practice to treat all ER&R managed resources exactly the same, the statutory requirements guiding his review focus on protection of the Road Fund.

Based on his analysis to date, and due to the excess fund balance that had been created in ER&R prior to 2010, it appears that the ER&R Fund undercharges likely consumed all of the Current Expense financial equity previously held within the fund, with the result being that no cash reserves are available today for any Current Expense vehicle replacements. It does not appear that Road Fund-related ER&R resources have been negatively impacted at this point, but the situation must be monitored very closely until finally resolved

Mr. Monsen has discussed the matter with Mason County and they concur with this general conclusion. The County also appears to be committed to finalize their financial and policy analysis in order to ensure there is clear short-term and long-term policy and guidance on the operational purposes of the ER&R Fund, and to regularly review and update; establish “equity shares” for the current ER&R Fund resources between the various fleet service users, based on historical use and contributions; and enhance

accounting practices to maintain an equity balance sheet in order to protect restricted fund contributions.

Mr. Monsen introduced Ms. McFadden and Mr. Pinter, who gave additional information to the Board. Mr. Pinter noted that the county has developed a plan to pay back the ER&R fund. The SAO had initially agreed, but recently decided they wanted to reconsider the method used to arrive at the beginning balance of the funds in 2010. He reported that the county intends to move forward, and will possibly hold a hearing on the issue on November 24.

DEPUTY DIRECTOR'S REPORT

County Engineers/Public Works Directors

Mr. Olsen noted the following changes in County Engineers since the July 2015 CRABoard meeting:

1. Benton County announced that County Engineer/PWD Dan Ford, PE would resign September 11, 2015. On September 4, 2015, Benton County appointed Matthew Rassmussen, PE as County Engineer, effective September 1, 2015.
2. Asotin County appointed Dustin Johnson, PE as County Engineer, effective October 12, 2015. As Mr. Johnson is not currently licensed in Washington State, Asotin County is working under an existing inter-local agreement for engineering services through Garfield County until he has obtained licensure.
3. Wahkiakum County announced that County Engineer/PWD Peter Ringen, PE would resign September 30, 2015. On October 13, 2015, Wahkiakum County appointed Paul Lacy, PE as Acting County Engineer, effective October 13, 2015. CRAB staff is currently working with Wahkiakum County to correct several issues regarding this process. Mr. Olsen noted that Mr. Lacy is a current WSDOT employee who is going to Wahkiakum County one day a week to perform the CE duties. The county's organizational chart also needs to be changed, as it does not meet statutory requirements.

County Visits completed since July 2015

Official County Visits were conducted in Columbia, Garfield, Whitman, Spokane, Douglas, Lewis, and Whatcom Counties.

Numerous contacts with County Engineers took place in other venues.

State Auditor's Report

The 1997 State Auditor Office (SAO) audit of CRAB concluded that the minutes of the Board meetings needed specific mention of SAO audits of the counties and of any findings that might relate to the statutory responsibilities of CRAB. The minutes also need to reflect any recommendations from the CRABoard to staff in response to the audits. This report details our staff procedures to satisfy the SAO.

CRAB has reviewed 60 audit reports representing 37 counties since the July 2015 board meeting. Thirteen audits contained a total of 15 new findings issued and four involved County Road Funds in some form. Any audits with “Y” under “Co. Rd?” column, reveal substantive findings involving County Road Funds.

Report #	Entity/Description	Report Type	Audit Period	Release Date	New Finding#	Co.Rd.?	PrevFind#	Status
1014621	Snohomish County	CAFR	01/01/2014 to 12/31/2014	7/20/2015				
1014660	Kitsap County	Financial and Federal	01/01/2014 to 12/31/2014	8/13/2015	1	N		
1014726	Skagit County	Financial and Federal	01/01/2014 to 12/31/2014	7/23/2015				
1014736	Yakima County	CAFR	01/01/2014 to 12/31/2014	7/24/2015				
1014758	Benton County	Financial and Federal	01/01/2014 to 12/31/2014	8/3/2015				
1014764	Clark County	CAFR	01/01/2014 to 12/31/2014	7/23/2015				
1014799	Skagit County	Accountability	01/01/2014 to 12/31/2014	8/17/2015				
1014846	Whatcom County	Accountability	01/01/2014 to 12/31/2014	8/24/2015				
1014853	Whatcom County	Financial and Federal	01/01/2014 to 12/31/2014	8/24/2015				
1014900	Lewis County GASB 68	Attestation Engagements	07/01/2013 to 06/30/2014	8/27/2015				
1014907	Wahkiakum County	Accountability	01/01/2013 to 12/31/2014	9/10/2015				
1014918	Wahkiakum County	Financial and Federal	01/01/2014 to 12/31/2014	9/10/2015				
1014920	King County AUP	Attestation Engagements	01/01/2014 to 12/31/2014	8/24/2015				
1014924	Asotin County	Financial and Federal	01/01/2014 to 12/31/2014	9/3/2015				
1014933	Lewis County	Accountability	01/01/2014 to 12/31/2014	8/31/2015				
1014953	Lewis County	Financial and Federal	01/01/2014 to 12/31/2014	8/31/2015				
1014974	King County	Financial and Federal	01/01/2014 to 12/31/2014	8/31/2015	1	N	1	NCR
1015006	Chelan County	Accountability	01/01/2014 to 12/31/2014	9/24/2015			1	NCR
1015017	Yakima County	Fraud	03/01/2013 to 01/31/2015	9/17/2015	1	N		
1015018	Snohomish County	Financial and Federal	01/01/2014 to 12/31/2014	9/17/2015				
1015047	Columbia County	Financial and Federal	01/01/2014 to 12/31/2014	9/21/2015				
1015090	San Juan County	Accountability	01/01/2014 to 12/31/2014	9/14/2015				
1015092	San Juan County	Financial and Federal	01/01/2014 to 12/31/2014	9/14/2015				
1015094	Yakima County	Financial and Federal	01/01/2014 to 12/31/2014	9/17/2015	1	N		
1015103	Pacific County	Accountability	01/01/2013 to 12/31/2014	9/24/2015			1	PC(CR)
1015109	Clark County	Financial and Federal	01/01/2014 to 12/31/2014	9/21/2015			1	NCR
1015110	Adams County	Financial and Federal	01/01/2014 to 12/31/2014	9/17/2015			1	NCR
1015130	Pacific County	Financial and Federal	01/01/2014 to 12/31/2014	9/24/2015				
1015142	Garfield County	Financial and Federal	01/01/2014 to 12/31/2014	9/24/2015				
1015143	Lincoln County	Financial and Federal	01/01/2014 to 12/31/2014	9/28/2015				
1015144	Lincoln County	Accountability	01/01/2013 to 12/31/2014	9/28/2015				

Report #	Entity/Description	Report Type	Audit Period	Release Date	New Finding#	Co.Rd.?	PrevFind#	Status
1015156	Whitman County	Financial and Federal	01/01/2014 to 12/31/2014	9/21/2015	1	N	1	NCR
1015162	Grays Harbor County	Financial and Federal	01/01/2014 to 12/31/2014	9/30/2015			1	NCR
1015163	Grays Harbor County	Accountability	01/01/2014 to 12/31/2014	9/30/2015				
1015180	Klickitat County	Accountability	01/01/2014 to 12/31/2014	9/28/2015				
1015195	Klickitat County	Financial and Federal	01/01/2014 to 12/31/2014	9/28/2015	1	Y	1	FC(CR)
1015198	Spokane County	Financial and Federal	01/01/2014 to 12/31/2014	9/28/2015	1	N	2	FC(CR)
1015199	Kittitas County	Financial and Federal	01/01/2014 to 12/31/2014	9/28/2015	1	Y		
1015204	Pend Oreille County	Financial and Federal	01/01/2014 to 12/31/2014	9/28/2015				
1015205	Pend Oreille County	Accountability	01/01/2014 to 12/31/2014	9/28/2015				
1015209	Walla Walla County	Financial and Federal	01/01/2014 to 12/31/2014	9/24/2015				
1015226	Chelan County	Financial and Federal	01/01/2014 to 12/31/2014	9/28/2015	2	N	1	NCR
1015231	Jefferson County	Financial and Federal	01/01/2014 to 12/31/2014	9/28/2015	1	N		
1015234	Island County	Financial and Federal	01/01/2014 to 12/31/2014	9/28/2015			1	PC(CR)
1015242	Pierce County	Financial and Federal	01/01/2014 to 12/31/2014	9/30/2015				
1015250	Franklin County	Financial and Federal	01/01/2014 to 12/31/2014	9/28/2015				
1015277	Douglas County	Financial and Federal	01/01/2014 to 12/31/2014	9/28/2015				
1015281	Ferry County	Financial and Federal	01/01/2014 to 12/31/2014	9/28/2015			2	NCR
1015282	Grant County	Financial and Federal	01/01/2014 to 12/31/2014	9/28/2015				
1015286	Skamania County	Financial and Federal	01/01/2014 to 12/31/2014	9/28/2015	1	N	2	NCR
1015310	Clallam County	Financial and Federal	01/01/2014 to 12/31/2014	9/30/2015				
1015312	Mason County	Financial and Federal	01/01/2014 to 12/31/2014	9/30/2015	1	Y	2	PC(CR)
1015313	Mason County	Financial and Federal	01/01/2013 to 12/31/2013	9/30/2015	2	Y	1	NCR
1015323	Cowlitz County	Financial and Federal	01/01/2014 to 12/31/2014	9/30/2015				
1015333	Clallam County GASB 68	Attestation Engagements	07/01/2013 to 06/30/2014	10/8/2015				
1015361	Douglas County GASB 68	Attestation Engagements	07/01/2013 to 06/30/2014	10/15/2015				
1015377	Kittitas County GASB 68	Attestation Engagements	07/01/2013 to 06/30/2014	10/15/2015				
1015379	Yakima County GASB 68	Attestation Engagements	07/01/2013 to 06/30/2014	10/15/2015				
1015407	Pierce County	Attestation Engagements	07/01/2013 to 06/30/2014	10/15/2015				
NCR	Non County Road							
FC(CR)	Fully Corrected (Co. Rd.)							
PC(CR)	Partially Corrected (Co. Rd.)							

Deputy Director's Activities

Mr. Olsen reported on his activities since the August 2013 CRABoard meeting.

Maintenance Manager's Report

Mr. Olsen noted that Bob Moorhead, CRAB Maintenance Manager, was attending the American Public Works Association Conference in Yakima. He reported on Mr. Moorhead's recent activities, progress on the Gravel Roads Study, and training hosted by CRAB since July 2015, as well as training sessions scheduled for November and December. Mr. Moorhead will present a draft report on the Gravel Roads Study at the January 2016 CRABoard meeting, and a final report at the April 2016 CRABoard meeting.

INFORMATION SERVICES REPORT

Mr. Hillesland presented the agenda for the 26th Annual Road Design Conference, to be held November 3-5 in Chelan.

He reported on the recent Mobility release, which included report modification abilities and added the Systemic Safety Tool.

Mr. Hagenlock reported on the Systemic Safety Tool and gave a brief demonstration. Staff is pursuing grant opportunities to assist in data collection for the next phase of the project.

COMPLIANCE AND DATA ANALYSIS REPORT

Mr. Pohle reiterated the changes in County Engineers' offices since July 2015 as noted in Mr. Olsen's prior report.

He provided detail on three county audits for 2014:

Klickitat County: the county had one finding that was road fund related. They did not comply with allowable cost requirements on a federally funded road project and requested \$16,637.00 reimbursement for a contractor that did not work on the project. Once the county was aware of the mistake, they promptly notified the granting agency and repaid the funds.

Pacific County: from a prior audit for 2011-2012, the county has one finding, partially corrected, that was road fund related. The county allocated shared services costs in excess of \$8.3 million without adequate documentation that the costs were fair and equitable. This finding also contained a component of \$493,466.00 of traffic law enforcement costs without adequate documentation to prove proper use of restricted funds. This has been partially resolved and staff continues to monitor the issue.

Skamania County: Staff has been monitoring a continuing finding which affects the Road Fund. For at least three consecutive audits, the SAO has issued a finding that the county's financial condition continues to decline and is at risk of not being able to meet its current obligations and maintain services. Staff continues to support the county's Public Works staff on a consultative basis.

Mr. Pohle reported on his other activities since July 2015.

INTERGOVERNMENTAL POLICY

Mr. Monsen noted travel to and general discussions since the July 2015 CRABoard meeting at the Mason, Chelan, Benton, Grant, Okanogan, Skagit, and King County Engineer offices.

He reported on his other meetings and activities.

He noted that the County Engineers' Training scheduled for December 8-10 at the CRAB offices has 13 participants registered from eight counties, with four more on a waiting list. Customized training was held in Whatcom County on October 8 with 23 participants, and again on October 20 with nine participants.

Meeting adjourned by Chair Snyder at 10:56 am.

Chairman

ATTEST: _____