

Procedures

E.10.PR.G - Hotline H-23-423

Procedure Step: Examination
Prepared By: CLM, 10/9/2023
Reviewed By: ACS, 11/2/2023

Purpose/Conclusion:

Purpose:

To document the examination of Hotline H-23-423 and address the citizen's concerns/questions.

Conclusion:

We documented the examination of Hotline H-23-423 and addressed the citizen's concerns/questions.

Record of Work Done:

H-23-243 submitted 10/1/2023

The citizen's concerns submitted 10/1/2023 can be seen at [H-23-423](#)

We noted many of the concerns included in the hotline submission relate to areas outside the scope of our audit authority, such as statements made in public meetings, the method of advertising for public meetings, management decisions, and funding that has not yet been spent.

The Audit Manager called and spoke with the citizen on 10/4/2023 to explain the scope of our audit authority and get clarification on the concerns the citizen had that were within our scope. The citizen later emailed the Audit Manager with additional information/concerns ([Towne Road Levee Setback Project](#) ([Sequim area](#)), [Towne Road Levee Setback project](#)) which we addressed as applicable.

We addressed the following items during our audit:

Concern 1 (original hotline submission): The County obtained grant funds from WA State Department of Ecology for the Dungeness River Floodplain Restoration Project. One element of the original plan was to relocate Towne Rd. The Citizen wants to know if the DOE grant required the road to be paved.

Concern 2 (original hotline submission): In an open public meeting on 2/27/2023 discussing whether to complete Towne Road resurfacing, Commissioner Ozias and Habitat Biologist Lear said that funds meant for resurfacing Towne Road could be redirected into creating parking areas and boardwalks through the salmon habitat. The Citizen wants to know if it was appropriate for them to reappropriate funds meant for surfacing to construct parking lots and trails.

Concern 3 (email dated 10/7/23): The DOE grant funding for the Floodplain Restoration Project was set to expire 6/30/2023. The grant included funding meant for resurfacing Towne Road. Citizen wants to know where the funds meant for resurfacing Towne Road went.

Concern 4 (email dated 10/10/23): The County's Transportation Improvement Plan showed an estimated \$1.2 million of costs related to Towne Road resurfacing. Citizen is concerned the County lost \$1.2 million

of grant funding when the DOE grant expired on 6/30/2023.

Work completed: We obtained the DOE grant agreement G146 OTGP-2021-CICoCD-00066 Lower Dungeness Floodplain Restoration, and Amendment 1 to the agreement. Total grant funding was \$7,114,132.46, of which the majority was spent in 2021 and 2022. The overall goal stated was to construct a setback levee, relocate Towne Road, install engineered log jams and side channels, and complete a riparian planting effort to support the reconnection of 112 acres of historic Dungeness River Floodplain. Per discussion with Mark Lane, CFO, the County encountered unexpected contaminants when completing work to relocate the road which required additional work and funding. The County could not complete the plan without this work and was at risk for the period of performance expiring 6/30/2023. The County worked with DOE to get approval to use grant funds for contaminated material removal. The County provided an email from Matt Gerlach, Floodplain Management Planner, WA Dept. of Ecology informing the County "the full cost of the contaminated material disposal will be eligible for reimbursement under Floodplains by Design grant #OTGP-2021-CICoCD-00066." [Clallam Cty DOE Approval for Contaminant Spending](#) . We also obtained the memo referenced in the attached email with an explanation to DOE from the County regarding why the County was asking for the grant funds to be spent on clean up of contamination, see [Prepared by County Summary of Situation 061623](#). We noted the summary mentioned that the project scope included intention for Towne Road to be relaid, but that those plans were on hold, and if the road was ultimately not re-laid, those funds would be deployed to other road-related projects. We also reviewed the County's spend down plan for the unspent portion referenced in the email, see [Prepared by County DOE Grant OTGP 2021-CICoCD-00066 Spend Down to 6-30-23](#) which lists the approximately \$1.09 M spent to remove contaminated materials, and shows the grant funding would be fully expended as of 6/30/2023.

As of October 2023, Mark Lane, CFO, stated the County has expended all the funding on the referenced DOE grant, and is seeking input from public to determine how to move forward with Towne Road and is looking at options for funding (grant funds, REET funds, other County funds).

Results (concern 1): The County obtained permission from the WA State Department of Ecology to use grant funds from agreement #OTGP-2021-CICoCD-00066 for removal of contaminated material. As part of the request, the County noted that the original scope included plans to re-lay Towne Road but those plans were on hold and may or may not be completed. As DOE approved the grant funding to be used on contamination instead, we determined completion of the road was not a requirement of the grant (only an allowable cost to the grant).

Results (concern 2): DOE approved the County to use grant funding previously intended for road resurfacing to be used for soil contamination removal instead. The County is allowed to change its plans regarding how it spends funds, as long as what it ultimately spends the funds on is an allowable expenditure (restrictions on allowable uses depend on funding source).

Results (concern 3): Grant funds that were originally intended for resurfacing Towne Road were expended on other costs related to the Floodplain Restoration Project. \$1.09 million was used to address unanticipated costs for soil contamination.

Results (concern 4): The County did not lose any of the DOE grant funding for the grant examined. The grant funding was fully expended as of 6/30/2023.

E.10.PR.G - Hotline H-23-423

Procedure Step: Reporting

Prepared By: CLM, 10/25/2023

Reviewed By: ACS, 10/31/2023

Purpose/Conclusion:

Purpose:

To report the results of the hotline examination to the citizen (if named in the referral) and to determine the method of reporting to the entity.

Conclusion:

We reported the results of the hotline examination to the county and the citizen via phone call.

Record of Work Done:

Teams are **required** to perform the following procedures to report the results of the hotline examinations:

Reporting to Entity:

- We determined the appropriate method of reporting to the entity based on the significance of the issue and the ability to timely report the results . We communicated the results to Mark Lane, CFO Clallam County, as part of our audit status meeting on October 17, 2023.
- We added a note regarding our communication to the entity to the communication log in the hotline database.

Reporting to Citizen:

- During an initial phone call with the citizen, he stated he'd prefer to receive the results via phone. The Audit Manager communicated the results to the citizen via phone on October 23, 2023. During the call, the citizen requested copies of the documentation cited in the call. The Audit Manager explained that we could not release any of the documents prior to completion of the audit, but submitted a public records request on the citizen's behalf, requesting the write-ups and workpapers related to the hotline.
- We added a note regarding our communication to the citizen to the communication log in the hotline database.