



Bob Severns, Mayor

865 SE Barrington Drive Oak Harbor WA

PHONE (360) 279-4500

FAX (360) 279-4507

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PRESS RELEASE – FOR IMMEDIATE RELEASE

Wastewater Treatment Plant Update – New Cost Estimate

Mayor "Bob" Severns was recently informed by City staff that the estimated costs for the completion of the Oak Harbor Wastewater Treatment Plant have increased from the \$122 million dollar cost estimate provided to the Mayor and council in September of 2016, to over \$140 million dollars. The Mayor and members of the City Council were surprised by this report and the significant increase from the cost estimate provided in 2016. City staff have reassured the Mayor that the projected utility rates charged to Oak Harbor rate payers totaling approximately \$102.00 per month for the 2019 calendar year will not change, despite this increase. However, the Mayor has serious concerns about both the substantial increases in projected costs from earlier estimates as well as the lack of communication about these increased cost estimates that should have been provided to both the Mayor and City Council from persons responsible for monitoring this project. Mayor Severns will be conducting an "intense review" of the City Departments responsible for monitoring the costs of this project including the City Administrator, City Engineer, and Public Works. In addition, the Mayor has initiated an independent audit and review of the Wastewater Treatment Plant costs and the manner in which those costs have been monitored and reported. The audit will be conducted by a private firm with expertise in the area of public works contracts and will serve as a means to fulfill what Mayor Severns refers to as his desire to "trust but verify" the information he is receiving about the increasing costs of this project. Mayor Severns is extremely concerned about the significant increases in the estimated costs of this project from its inception to the present time. At the same time, the Mayor acknowledges that municipal building contracts of this nature are complicated, subject to contingencies, allowances, and market variations that are built into the contract. Regardless, the public deserves and needs answers to questions about why the costs have increased beyond earlier estimates and, perhaps more importantly, why these projections were not communicated to the Mayor and council when the information became available – in case action could have been taken much earlier to address the obvious concerns that all Oak Harbor citizens will have.

The City of Oak Harbor is committed to creating a vibrant community by delivering quality services, enhancing the quality of life, and fostering economic opportunities.