

DRAFT SOLID WASTE OPTIONS
3/10/2010

Horizon: March 2010 thru November 2010 = Emergency Period

Guiding Principles:

- Operations:
 - Continue with staffing and operational day limitations to keep system operating in the black, accepting occasional delays and service inconvenience
- Capital:
 - Complete bond sale to place capital back on even footing and capitalize recent deficit spending on capital planning and development, and to meet our compliance obligations to the state
- Define and move citizen issues to a separate process, such as:
 - Self haul guarantee
 - Self haul rate
 - Litter program funding
 - Proposals to cut operating budget
 - Collection district and funding options
 - Pro/con of mandatory collection system

Options 1-3: Stay the Course with Three Facilities, Compliance and Property Acquisition

OPTION 1	OPTION 2	OPTION 3
No Tipping Fee Increase	Raise Tipping or Other Fees Sufficient to Cover New Debt Service	Raise Tipping Fees or Other Fees Enough to Cover All System Capital and Operational Needs (6 Years)
Exchange Properties	Exchange Properties	Exchange Properties
Declare Emergency	Declare Emergency	Declare Emergency
1. Institute \$15 Minimum SW Fee 2. Do Only Absolutely Essential Tasks for Compliance and Acquisition 3. Keep Current Fee Structure 4. Keep Reduced Hours of Operation	1. Institute \$15 Minimum SW Fee 2. Do Only Absolutely Essential Tasks for Compliance and Acquisition 3. Add Emergency Surcharge to Current Fee Structure Sufficient to Cover New Debt Service. (Est. 14%) 4. More Flexible Hours of Operation	1. Institute \$15 Minimum SW Fee 2. Substantially Increase Fee Structure to Bring Improved Solid Waste System into Balance in 6 Years Without Going to the Voters (See January 2010 Draft Ordinance)
Issue Debt for Compliance & Sutton Rd Acquisition to be Paid Back On Promise of Ballot Measure Passage	Secure Debt Service with Increased Revenues. Repeal Portion of Surcharge if Ballot Measure Passes.	Secure Debt Service with Increased Revenues
Prepare for Fall Election (60%)	Prepare for Fall Election (60%)	No Election
Failure to Pass, Go to Option 3 or 4	Failure to Pass, Go to Option 3 or 4	
1. Limits Flexibility, Most Unsecured Debt 2. Valid Legal Emergency? 3. Highest Downside Risk if Ballot Measure Fails	1. Greater Flexibility, More Pay as You Go 2. Valid Legal Emergency? 3. Unsustainable, Solves Only this Year's Problems	1. Most Flexible, Most Pay as You Go 2. Tipping Rates Too High Forcing Undesired Consequences 3. Continues business model misalignment

Option 4: Consolidate and Plan for Lower Cost Solid Waste System.

- Explore Options for Substantially Altered Solid Waste System.
 - Give Up on Current Level of Service as not Sustainable.
 - Bring into Compliance and Maintain Only 1 Transfer Station.
 - Debt still needed, but less
 - Consider Splitting Solid Waste District into 3 Sub-districts.

- Risks: Greatest Change from Status Quo
 - Guarantees Balkanization, as Orcas and Lopez Will Plan Own System with Disdain for County Seat.
 - Drives Town Back into Solid Waste Business with Earned Disdain of County.
 - Timing: Considerable study needed to determine savings and level of public inconvenience
 - Shifts Business Model in Fragile Business and Construction Climate.