

# ISLAND COUNTY PUBLIC WORKS

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Bill Oakes, Director

## INTERNAL MEMORANDUM

DATE: September 3, 2010

TO: Board of County Commissioners  
Budget Director

FROM: Bill Oakes

SUBJECT: Proposed 2011 Public Works Department Budgets

Budgets administered by this department and submitted to the Budget Director are summarized as follows:

Fund Name	Total
Parks & Recreation	\$137,188
County Roads	\$19,266,521
ER&R	\$2,514,500
Paths & Trails	\$244,000
Public Works	\$444,465
Storm & Surface Water Utility	\$26,040
Solid Waste	\$5,575,167
Capital Drainage	\$410,000
Cornet Bay Dock	\$17,000
Four Springs	\$24,100
Boat Ramp Maintenance	\$16,000
Total Budget	\$28,674,981

### Fund 001-050 PARKS & RECREATION

#### Parks Cuts - Implications

Per the Boards direction, we are proposing a 30 percent reduction of the Parks Department budget for 2011 below 2010 levels. This cut in addition to the

previous rounds will reduced our budget from the 2008 level of \$355,000 to \$137,000 proposed in 2011. You can view this as over a 62% reduction to the department. In any business, cuts that large would have drastic impacts and parks and recreation is no different. These cuts will have devastating consequences for the entire department. Drastic reductions in services will occur, namely reduced working hours for the two Technicians, no seasonal help, the removal of trash cans and port-a-potties, no watering, and shutting off external lights. Lack of funding will prohibit repairs of facilities and cause the closing of some parks and restrooms. No new purchases of equipment or tools, since funds will be allocated to consumables such as gas, toilet paper and minor equipment repairs. The two technicians will revert to emergency maintenance only and limited mowing. These cuts put the parks system below a prudent caretaker status. Deferring all significant maintenance is not a sustainable long term solution. Eventually that maintenance bill will come due.

### **Parks 2010**

The Parks Department's greatest accomplishment this year was the hiring of a consultant to write a comprehensive Parks Plan that can be used for the next seven years. Whidbey Camano Land Trust, provided one third of the funding in a joint effort to position the County so that it will be able to apply for state and federal grants in 2011.

In an effort to lessen the work load and cut costs associated with 50 Parks, an Adopt-a-Park program was instituted, enlisting numerous volunteers to assist in the upkeep of several parks. Other cost cutting efforts included the removal of trash cans, seasonal use of port-a-potties and limited weeding.

### **Camano Island**

In an effort to preserve the boat launches on Camano Island, a launch fee pilot program was established in July and three launch fee collection boxes were installed at each of the boat ramps. The proceeds are used to support the three launches operational costs and to build up cash reserves for ramp repair and replacement.

In Camano View Park, the observation platform was rebuilt and shored up. The Camano Ball Park had a new well pump installed and a new picket fenced was installed at Pioneer Cemetery. Also, an older lawn mower was traded in and a new one purchased.

### **Whidbey Island**

Rhododendron Park road was chip sealed and striped, the concession stand was remodeled and new sidewalks poured, new fencing was installed at Marguerite Brons Dog Park and two old farm buildings were demolished and removed from Saratoga Park.

Parks & Recreation Fund – 2011	
Revenue	
76810 Inter-Dept / Fund	\$2,500
76813 Rentals Short-Term	\$4,000
<b>Total Revenue</b>	<b>\$6,500</b>

Parks & Recreation Fund – 2011	
Expenditures	
76810 General Parks	\$137,188
<b>Total Expenditures</b>	<b>\$137,188</b>

### **Fund 101 COUNTY ROAD**

RCW 36.82 establishes a special revenue fund called the “Road Fund” that is to be used for road purposes. The County Commissioners have the ultimate responsibility for county roads and ensuring that the road fund is used for proper road purposes.

RCW 36.75 clearly states that the County Engineer is the agent of the commissioners in accomplishing their responsibilities in road matters.

The Roads Division of the Public Works Department is charged with the task of designing, constructing, and maintaining a safe and effective public road network for Island County. There are 588 miles in the roadway system that requires continual maintenance and improvement due to increasing traffic volumes, high public expectation, and changing safety and environmental standards. The Roads Division occasionally provides engineering services and support for other county departments and has become increasingly involved in the maintenance and management of surface water systems and the repair or reconstruction of public roadways impacted by coastal and steep slope failures.

In order to accomplish these tasks, staff manages; transportation planning, grant funding, improvement programs, surveys, acquires and maintains public rights-of-way, administers design and construction contracts, utility franchises, and assists the Planning and Community Development Department with developmental review and clearing/grading permits. District crews located at Coupeville, Bayview, Oak Harbor, and Camano Island perform road maintenance and some road and storm drain construction. Crews typically work within their districts, but are assigned as needed to other areas of the county. They are also available at any time to respond to traffic hazards or road closures caused by

wind, snow, and rain or to requests from the Sheriff's and Emergency Services offices.

Budget cuts made in 2009 and 2010 and continuing in 2011 have reduced our level of service we can provide. The most visible is our reduced ability to do roadside mowing in our vegetation management program. We are doing what we can wherever possible to hold down costs and live within our means in 2010. As fortunate as we were to anticipate the downturn in revenues starting in 2008 and implement measures to survive, predicting an uncertain future is difficult. Although we are planning this year on a six year horizon, even charting the course for next year's budget is challenging. While our costs have appeared to stabilize or even decrease, our revenues remain uncertain. The basic budget assumptions for next year are that our revenue picture will not get any worse and that our cost trends will remain stable. Even though there are signals of a local and regional economy starting to right itself from perhaps the bottom of this recession, we are not counting on a turn around in revenue in 2011. We feel that makes our budget conservative and sustainable through 2011. The budget cuts we have already made impact the level of service we can provide in the county road system. As evidenced by recent high profile failures, the collapse of the infrastructure can have dire consequences on life, the economy, and the community as a whole.

By far the largest capital asset held by Island County is the county road system. The system has a replacement cost in the billions. To protect this public investment, we conduct annual maintenance programs to preserve the existing system. To improve the safety and operability of the system, we invest in an annual construction program. We must continue to make prudent investment in maintaining the system at levels that adequately protect the asset.

The proposed annual road construction program for 2011 comprises of approximately \$5.4 million of local funds that are programmed in design, right-of-way, and construction leveraged towards \$2.5 million of Federal, RAP, CAPP, and REET funds. To accomplish our goals, we will be utilizing local and off-island consulting firms for design, specialty services (archaeology, environmental, etc.), survey, and right-of-way (appraisals and negotiation) to augment our own staffing.

In 2008, the Camano Hill Road project was our focus. This two-year construction project included installation of a traffic signal at East Camano Drive/ Camano Hill Road intersection and practically rebuilt 3.5 miles of roadway. Numerous smaller projects were also completed including the signalization of Ault Field Road / Oak Harbor Road intersection and the widening of Ault Field Road.

The 2009 and 2010 construction program returned to a more modest number and size of construction projects. Rhododendron Trail Project Phase I was completed; Terry's Corner Realignment Phase 3 and Ault Field Road Widening

contract was constructed. We applied for Federal Stimulus money and are able to apply it towards completion of Ault Field Road and the overlay of Maxwellton Road. A number of safety improvement projects were also initiated including Taylor Road and Polnell Road guardrail, Zylstra and Hastie Lake Road Intersection Improvements and striping and rumble strip installations on various County arterial and collector roads. The design of Frostad Road Improvements is progressing and most of the right of way required has been acquired. We are awaiting completion of the permitting process from various state and federal regulatory agencies in order to begin construction on Frostad Road. Design work will be completed in 2010 on Woodard Road Improvements, West Beach Shoulder Widening and East Camano Drive/McElroy Drive Intersection. The widening project on Crescent Harbor Road as part of the bicycle touring enhancement grant will be constructed in 2010. An unplanned project addressing the damages caused by the April 2, 2009 flood of Glendale Creek is also moving forward and is schedule to be constructed in 2010.

We continue to hone our processes to collect and manage information about our roadways and inventory our assets including striping, signage, guardrails, drainages and maintenance paving. We are also revising our transportation planning process to enhance it with GIS, visual elements (incorporating aerial imagery and project photos), project profiles and a streamlined work flow linking priorities to benefits.

We are also addressing the national challenges of a reduced worker pool and an aging workforce through a continuing emphasis of training opportunities, networking with other agencies and focusing on unmet needs of employees to enhance their working life.

## **REVENUE**

Road Levy/Property Tax. As the largest of our three major funding sources, this local property tax provides 41% of the revenues for Road Fund. Property taxes are levied for many state and local purposes and are arranged in a complex hierarchy. The authority to levy property tax is codified in RCW 84.52.043

CAPRON. This is the second largest source of Road Fund revenue. This is the source of "sums required to be repaid to counties composed entirely of islands (Island County and San Juan)" generally known to us as the "CAPRON refunds." The on-going CAPRON payment provides 23% of Transportation revenues.

State Motor Vehicle Fuel Tax (MVFT). This is the last of the three major sources of local road revenue. The "gas tax" in addition to the "regular" distribution, it also provides funds for the Rural Arterial Program (RAP), the County Arterial Preservation Program (CAPP), and the Transportation Improvement Board programs. Some MVFT funds are allocations while others are awarded on

competitive merits. The total anticipated MVFT provides approximately (11%) of county transportation revenues.

Federal Grants In the 2010 budget and the 2011 plan, several construction projects are heavily leveraged with unsecured federal funds. If those grants do not become a reality, the planned construction program will need to be scaled back, with some projects reduced in scope or eliminated. Those projects are Honeymoon Bay Intersection and New County Road. Federal grants make up 11% of the 2011 budget.

Safe Accountable Flexible and Efficient Transportation Equity Act – Legacy for Users (SAFETEA-LU). We expect that there will be continuing federal legislation passed to maintain this program at near existing levels. This program provides approximately 2% of county transportation revenues. Programming of the revenues is competitive with all the other transportation agencies and entities in the state eligible to receive funds. The four primary categories of funds available to counties are the surface transportation program (STP), transportation enhancement (such as non-motorized transportation projects), hazard elimination (HES), and statewide competitive grants.

CAPP & Other Grants. County Arterial Preservation Program funds come in a small portion for preservation of the roads, used mainly in our overlay program. Several state grants are received annually for construction projects. The percent varies and in 2011 are about 10% of revenues.

Operating Revenues. A portion (about 2%) of the Road Fund's revenue comes from the sale of maps, permits, franchise applications, and other fee based services etc.

## **EXPENDITURES**

Maintenance Activities. The staff and crews of the Roads Division spend a considerable amount of time maintaining existing roads. Maintenance consists of work directly on the road surface, such as maintenance paving, chip sealing, or patching, designed to prolong the life of the road surface; drainage maintenance including ditches and culverts; vegetation management including mowing, brush and tree limb cutting; and work to keep the road prism clear of hazards and obstructions, such as ice, fallen trees, or flooded ditches. All maintenance and construction paving is contracted to private firms; all asphalt materials (mix or oil) and most rock products are obtained from contracted sources.

Design Activities. The Roads Division utilizes local and regional engineering firms for assistance with road design projects. During 2011, design work is expected to be continue on Boon Road, New County Road (Race Road to

Houston Road), Arrowhead Road, Hastie Lake Road/Zylstra Road Intersection and Terry's Corner Phase 4. An evaluation of possible improvements to Arrowhead Road, Boon Road, and Terry's Corner Phase 4 will be shared in a Public Forum. Public input will help with the decision to proceed with some or possibly none of the proposed improvements. Right-of-way work will continue for the shoulder widening program.

Construction Activities. The Roads Division relies primarily on contractors for construction projects but uses its own crews occasionally for small projects, depending on the efficiency relative to the project. Projects are budgeted each year from the Six Year Road Program, the Capital Facilities Plan, the Transportation/Capital Facilities Plan, and policies originating from the Board of Island County Commissioners. Construction projects scheduled for 2011 include Frostad Road Improvements, Woodard Road Section 1, West Beach Shoulder Widening, and East Camano Drive / McElroy Road intersection improvements.

Planning Activities. The Roads Division participates in the planning of transportation services through the Skagit-Island Regional Transportation Planning Organization and also actively collects data related to roadway drainage and other surface water sources. This data is used to prioritize maintenance needs and construction projects. The Roads Division is responsible for the production of the Transportation Planning requirements of the GMA and the maintenance and monitoring of related implementation programs, such as concurrency. Next year, 2011, will be the first year that we operate a digital version of the Project Prioritization/TIP/ACP processes. As with most software conversions we expect to encounter a few bugs. However, we are confident that the system will improve in a brief period of time and benefit the County for years to come.

Transfers to Other Funds. The Road Fund assists in supporting road-related activities in other departments, such as traffic safety in the Sheriff's Department. A percentage of the revenues of the Road Fund are allocated to the Current Expense Fund. The Road Fund also helps support the Public Works Fund, and contributes to projects in the county's Capital Improvement Program. Cable franchise fees, which are collected as a result of approved road right-of-way use franchises, are also transferred to Current Expense.

Land Development. Public Works has two engineering employees involved full-time with engineering review of development proposals and clearing and grading work; the employees are detailed to Planning and Community Development. We also finance half a FTE in that department for review and monitoring of erosion control practices on road construction and maintenance activities.

Reserves. Our intention is to maintain a minimum beginning of the year fund balance of \$5.2 million. \$2.7 million of the reserve is for emergencies and extraordinary events, such as landslides, flooding or other unanticipated events.

This is based on the 1996 – 1997 flood and slide response delay in FEMA reimbursable \$1.5 million adjusted to 2008 dollars. \$2.5 million is the required January 1<sup>st</sup> cash flow fund balance.

<b>Road Fund 101 - 2011 REVENUES</b>	
Use of Beginning Fund Balance	\$13,113
Real & Personal Property Sources	\$7,917,400
County Arterial Preservation Program	\$264,277
Operating Revenues (Permits) and Miscellaneous	\$153,942
STP and RTPO & Federal & State Grants	\$2,458,020
CAPRON Refunds	\$4,450,000
Road Fuel Tax	\$2,189,769
RATA	\$1,820,000
<b>Revenues</b>	<b>\$19,266,521</b>

<b>Road Fund 101 - 2011 Expenditures</b>		
40100	Processing Claims	\$9,922
40000	Other Jobbing & Contract Work	\$119,667
40150	Weed Control	\$29,895
40200	Mosquito Control	\$1,350
41300	Roadway	\$1,849,893
42300	Roadway Prism	\$798,352
42400	Roadway Drainage	\$598,753
42500	Roadway Structures	\$8,961
42600	Traffic & Pedestrian Services	\$9,463
42610	Sidewalks	\$498
42620	Path & Trail Maintenance	\$13,946
42630	Street Lighting	\$19,198
42640	Traffic Control Devices	\$595,872
42650	Parking	\$998
42660	Snow & Ice	\$249,396
42670	Street Cleaning	\$299,147
42700	Vegetation	\$798,214
42800	Vehicle Towing (ROW)	\$1,993
42900	Maintenance Administration	\$373,618

43100	Management	\$648,211
43300	General Services	\$836,730
43500	Facilities	\$100
43600	Training	\$169,432
43700	Miscellaneous Overhead	\$2,991
44200	Engineering Road & Street	\$398,760
44400	Plans/Analysis of Road Information	\$274,355
44700	Road & Street Miscellaneous	\$5,000
19920	OH Shop Loan	\$90,000
19920	Interest On Debt	\$4,545
43500	Road/Street Admin	\$124,830
44200	Capital	\$46,088
49100	Engineering	\$1,404,626
49200	Right of Way	\$201,886
49300	Road Construct	\$7,525,234
49400	Storm Drainage	\$0
49650	Traffic Devices CRP	\$175,000
	Transfer to Current	
19920	Expense	\$15,397
	Transfer to	
	General	
19920	Government	\$659,200
49640	Transfer to Law Enforcement	\$616,000
49650	Road Construction Parking	\$0
19920	Transfer to Public Works	\$193,000
19920	Transfer to Planning	\$37,000
49620	Transfer to Paths and Trails	\$59,000
	<b>Total</b>	
	<b>Expenditures</b>	<b>\$19,266,521</b>

### Fund 501 EQUIPMENT RENTAL & REVOLVING FUND

RCW 36.33A requires counties to establish an ER&R fund for the purchase, maintenance, and repair of County Road Department equipment and the purchase of materials, supplies, and services needed by the county road department.

The Equipment Rental and Revolving Fund is an internal service fund established to account for the financing of equipment, materials (road materials and signs) and facilities provided to the Road Fund. This fund currently fully supports one employee, the ER&R Administrative Assistant and a part-time Accounting Technician. Other employees of the Road Fund, mainly mechanics (4), sign shop employees (1), sign shop temporary employee (1), and maintenance workers (2), are paid out of the fund when they work on activities related to ER&R functions. There are no major changes proposed for the general salaries/benefits and maintenance/operations areas of the 2010 ER&R budget. No major purchases are planned for 2011 and changes to our gravel pit operations have reduced the budget. Our rental rates have been reduced to maintain our intended emergency fund balance.

Reserves: Our intent is to maintain a \$780,000 minimum cash balance for emergencies and unexpected events such as fire or vandalism at the shop.

E.R. & R. Fund – 2011 Revenue		
48100	Sales of Merchandise	1,710
48100	Materials, Cities & Out	369,386
48100	Sales of Road Materials	278,622
48100	Fuel Sales (Internal)	183,572
48100	Interfund Equip Rent	1,680,960
48100	Other Misc. Revenue	250
48100	Sale of Fixed Assets	0
	Total Revenue	2,514,500

E.R. & R. Fund – 2010 Expenditures		
48100	General Administration	120,000
48250	Pits & Quarries Maint. & Facilities	11,730
48280	Pits & Quarries General Operations	204,520
48290	Pits & Quarries Other Expenses	6,750
48350	Sign Shop, Maintenance	8,699
48380	Sign Shop, General Op	24,116
48490	Culvert	6,229
48580	Fuel Depot General Op	940,555
48650	Shop Overhead	377,230
48680	Equipment Repair	465,060

48690	Other Expenses	33,211
48680	Other Small Equipment	86,000
48690	Capitalized Expenditures	60,000
48680	Transfer to Other Fund	3,000
48680	Interfund Transfer	1,000
19920	Transfer to Gen. Gov.	126,400
19920	Transfer to Public Works	40,000
	<b>Total Expenditures</b>	<b>2,514,500</b>

## FUND 321 CAPITAL DRAINAGE FUND

Surface Water Management. Protecting private and public property from the impacts of flooding and surface water runoff continues to be the focus of the Storm and Surface Water Division. Storm and Surface Water also prepares and submits the entire county's outfall and culvert permit requirements and monitors construction for compliance to drainage regulations.

The Board of Island County Commissioners approved a six year SWM drainage CIP plan with an annual capital budget of approximately \$600K per year with a 50/50%+/- split of revenue from REET and Road funds

The county has a modest and limited surface water program. County drainage improvements are typically made to fix old failing infrastructure or to install systems that were needed, but they may not have been built in the past.

In 2010 the division has responded to two emergent and significant culvert failures on Bob Galbreath Road and Beach Drive. These repair projects have postponed most of the planned work for this year.

The capital budget has decreased from 2010 by \$150,000 to approximately \$410,000 for 2011 due to the decrease revenue from REET 2 and each year drainage complaints generate more projects than we can fund. Therefore, most project proponents and neighbors are told they will have to wait. We estimate that this waiting list of unmet need represents a project list in excess of \$10 million. We prioritize projects with a clear threat to life or property, but the unfunded need remains. With the downturn in the real estate markets, the excise tax used to fund drainage project outside of the road system have severely dropped off to the point that the program will focus on in road right-of way projects next year and try to minimize the expenditure of excise tax funds.

The REET 2 funds are being used mainly to design neighborhood flood control and trunk drain pipe replacement projects. The Road fund is being used for culvert repair and replacement that qualify as capital projects in road right-of-way. Much of the work that SWM will do in 2011 will be performed as maintenance for culverts within the County road right-of-way. Numerous deep culverts exist in Island County that are in need of inspection, assessment and rehabilitation. Many of these deep culverts can be rehabilitated and given new life if found in time. Rehabilitation is much less costly and time consuming than culvert replacement. SWM will be working with the County Road Shops and contractors for performing the inspections, assessments, and the rehabilitations.

Miscellaneous drainage improvements will be made as the need arises, typically as abutter's agreements with property owners affected by adverse or non-existent drainage infrastructure.

Following is a list of revenues and expenditures proposed for the 2011 budget for the Capital Drainage Fund:

Capital Drainage Fund – 2011	
Revenue	
47500 Transfer from Road	\$300,000
47500 Operating Transfers In	\$110,000
Total Revenue	\$410,000

Capital Drainage Fund – 2011	
Expenditures	
49100 Engineering	\$295,000
49200 Right of Way	\$50,000
47500 Storm Drainage	\$65,000
Total Expenditures	\$410,000

## Fund 137

## PATHS & TRAILS FUND

The Paths & Trails Division of the Public Works Department designs, constructs, and maintains the growing network of non-motorized trails in Island County. In order to accomplish these tasks, the Public Works Engineer manages the planning and improvement programs with assistance from the Roads Division.

### REVENUES

Transportation Efficiency Act for the 21<sup>st</sup> Century (TEA-21). The enhancement program is directed specifically at non-motorized transportation projects. Regionally, projects are prioritized by the RTPO's and forwarded to the Department of Transportation for selection by a statewide multi-jurisdictional committee. The sponsors of the projects are responsible for the design, construction, and maintenance in perpetuity. This category of the TEA21 funds is the primary source, approximately 65%, of state money for the Paths & Trails Fund.

Transfer from the Road Fund. The Road Fund is the secondary source, approximately 35%, of revenue for the preliminary engineering, right-of-way acquisition and construction of paths and trails. In addition, the Road Fund annually contributes to the Paths & Trails Fund for maintenance.

### EXPENDITURES

Planning and Design Activities. Design and planning activities for maintenance and construction use Public Works engineers or consultants as needed. This activity may also include right-of-way acquisition and survey. Planning and design for the Rhododendron Trail Project Phase II and Freeland Trail will continue on from 2010 into 2011.

Construction Activities. Construction of the Island County Bicycle Enhancement Project is scheduled for late 2010. This project is grant and Road funded.

Maintenance Activities. All maintenance activities are usually performed by the Road Shop crews. The Paths & Trails Division of the Public Works Department designs, constructs, and maintains the growing network of non-motorized trails in Island County. In order to accomplish these tasks, the Public Works Engineer manages the planning and improvement programs with assistance from the Roads Division.

<b>Paths &amp; Trails - 2011 Revenue</b>		
49620	Federal Grant Indirect	\$159,000
49620	Transfer from Roads	<u>\$85,000</u>
	Total Revenue	\$244,000

<b>Paths &amp; Trails - 2011 Expenditures</b>		
49100	Engineering	\$229,000
49200	Right of Way	<u>\$15,000</u>
	Total Expenditures	\$244,000

## **Fund 139 PUBLIC WORKS FUND**

The Public Works Department, in operation since January 1994, consists of the divisions of Parks and Recreation, Roads, Solid Waste, Engineering, Equipment Rental & Revolving, Fiscal/Personnel, Surface Water, and Special Operations. The five employees funded by the Public Works Fund (the Director, Engineer, Assistant Director, Business/Financial Manager, and Project Manager) oversee budgets, planning and operations for the divisional activities.

In addition, the department prepares the Capital Facility Plan, updates the 6-year Capital Improvement Plan, manages capital construction and planning grants, drafts regulations pertinent to the department's operations and mission, and provides administrative budgetary, and financial support for assigned land acquisition and planning projects for the county.

### **REVENUES**

Funding for the Public Works function comes from funds to which Public Works provides services, including the various public works departmental funds and construction funds.

### **EXPENDITURES**

#### Salaries & Benefits

Salary and benefits for five staff members are programmed in the expenditures.

**Public Works Fund - 2011****Revenue**

32100	Transfer from Capital Imp. Fund	\$49,300
32100	Transfer from Capital Fac. Fund	\$49,300
32100	Transfer from ER&R Fund	\$40,000
32100	Transfer from Road Fund	\$193,000
	Transfer from Solid Waste	\$90,000
19920	Beginning Fund Balance	<u>\$22,865</u>
	<b>Total Revenue</b>	<b>\$444,465</b>

**Public Works Fund - 2011****Expenditures**

32100	Public Works Admin Facility	<u>\$444,465</u>
	<b>Total Expenditures</b>	<b>\$444,465</b>

## Fund 144 STORM & SURFACE WATER UTILITY

The Storm and Surface Water Utility was established in the Marshall Drainage Basin in 1995 for the purpose of relieving local flooding by planning and constructing a storm and surface water drainage system.

The SSWU, through an engineering consultant, devised a system of capital charges as a way of apportioning the cost among the members of the utility in 1997. Each parcel owner had the option of paying the entire amount up front for his or her respective capital improvement charge, or making an annual payment for 20 years, which includes interest on the unpaid principal. Changes made in 1998 allowed parcels to pay off the principal early without penalty and end their 20 year payment schedule.

**REVENUE SOURCES**

Maintenance & Operation Charges. Maintenance and operation charges were discontinued in 2007, because there was a sufficient balance in the fund. Bond

Storm & Surface Water Utility Fund - 2011 Revenue		
47183	Storm Drainage Payments	\$110
47183	Transfer from Cap	\$25,930
	Total Revenue	\$26,040

Storm & Surface Water Utility Fund - 2011 Expenditure		
47183	Utility Gen Ops	\$110
19920	GO Bonds	\$20,100
19920	Interest on Interfund Debt	\$5,812
47183	Interest on LT Debt	\$18

payments have reduced the fund balance below a maintenance reserve and therefore we recommend reinstating the \$30.00 per year maintenance fee.

Capital Charges. Almost all parcel owners opted to use the 1998 provision in the code that ended their capital charge once the principle was paid. There are only a handful of parcels that have capital charges outstanding.

Investment Interest. As with other funds in these tough economic times, very little interest income is realized.

Transfer from REET 2. REET 2 was used to level out the parcel payments in the original formation of the utility and since the majority of the parcels have met the 1998 prepayment provisions, REET 2 is paying the majority of the interest on the bonds.

## Fund 401 SOLID WASTE FUND

### Solid Waste

Solid Waste is a trailing economic indicator, as people buy less they have less to dispose of. After several years of 8% growth in volume, we have seen a decrease in volume in 2009 of about 5% followed by a 4% drop in 2010. For 2011, we are projecting that the downturn in volumes will not get any worse and budgeting for 2010 volume levels to continue through 2011 with no growth. Budget cuts made this year will need to stay in-place to balance 2011 including holiday closures.

### Recycling

In 2011 the volume of County - processed recyclables on Whidbey and Camano will most likely remain relatively flat with a slight increase or decrease as a reflection of the economy. Recycled electronics ("E-Cycle Washington," a State reimbursed program) are expected to level out in 2011, as the new program seems to be leveling out after the initial "rush." In 2010, recyclable material

volumes were roughly the same level as in 2009, despite the slight decrease in solid waste volumes. Total tonnage handled at County facilities may fluctuate if proposed roadside recycling services are started in unincorporated Whidbey, Coupeville & Langley, and continued success of the Camano curbside recycling program. The County will continue to pursue this roadside recycling program option for unincorporated Whidbey Island in 2011 that may include offsite recycling for glass.

**Moderate Risk Waste:**

In 2011, moderate risk waste received at County facilities is expected to remain at 2010 levels or increase/decrease slightly depending on the economy. MRW volumes have remained constant despite decreases in both solid waste and recycled material volumes, perhaps a result of increased emphasis on residential remodeling and upgrade instead of new home purchasing.

**Biosolids Treatment**

Volume received at the County biosolids facility in 2010 remained about the same as 2009. (Volumes dropped significantly in 2008 due to the economic downturn and increased use of the Langley WWTP by south end pumpers. The City of Oak Harbor is expected to create future septage treatment capacity in their planned plant expansion in years after 2012. The County program will continue to work for cooperative rather than competitive system management to take advantage of coordinated inter-local system capacity; a benefit for homeowners relative to transportation and treatment costs.

We are still able to use the plant operator for solid waste duties thereby minimizing the need for additional staff. Septage volumes may increase slightly as on-site regulations enacted in 2009 continue to be implemented. Our program continues to look for additional areas for beneficial use for biosolids. Processes at the plant will be reviewed for continued efficiency & regulatory compliance. One capital improvement at the facility for 2011 will be retro-fitting three 75 horsepower electric motors (one of which is in use 24/7) with the latest technology energy efficiency. Payback in utility savings for the approximately \$21,000 cost is expected in about 3 years.

**System Wide**

The Solid Waste Division continues to aggressively adapt personnel, operations and facilities to meet changing service demands.

Minor upgrades at all facilities will continue in 2011. Purchase of a refurbished compactor in 2010 was completed; the unit will be ready for installation when the current unit ends its useful life or when downtime/repairs cause significant disruption of processing efficiency. New 40 yard steel boxes are needed to replace worn out units. Major equipment replacement is not anticipated for 2011.

The environmental containment system in Coupeville may require an additional gas extraction well and/or an additional monitoring well to replace N1S in 2011, if an observed trend in one particular analyte in one well easterly of the closed facility cannot be resolved with site improvements in 2010, and/or DOE requires replacement of (dry) N1S well, which we do not believe is necessary. (Estimated cost: \$25 - \$40,000). A statistical analysis for the groundwater may be required by DOE, although Solid Waste and its consultants believe that it is not necessary at this point. (Estimated Cost: \$20,000)

Freeland activities remain unresolved depending on Department of Ecology decisions about cleanup of impacted areas due mostly to vehicle metals handling and vehicle hulk processing. Regulatory and permit requirements will continue to be addressed, particularly at the Freeland site where additional expenses are expected. Budget \$15,000.

Hours of operation are affected by volumes of waste received. Holiday closures will continue in 2011. Hours of operation will not be increased unless volumes received increase significantly. A seasonal solid waste position was not filled in 2010, likewise three part-time attendant positions have not been filled, and a solid waste tech position at Coupeville has not been filled.

Long term savings must continue to ensure future facility upgrades and to maintain our current debt-free status.

## **REVENUES**

Small Quantity Generator (SQG) Fees. Small quantity generators of hazardous waste are charged a fee to cover the costs of handling and disposal. Revenue received in 2010 declined slightly from 2009 due to the economic downturn. The revenue stream to remain the same or decrease slightly in 2011.

Septage Fees. The 2011 septage revenue forecast assumed the current rate of \$0.145 gal. generating revenues of about \$250,000, the same as 2010. We will continue to pursue additional application areas in vicinity of Coupeville. Differential fees are applied to fully or partially treated biosolids accepted from Coupeville, N. Penn Cove and Holmes Harbor WWTPs.

NASWI. The Navy, through its privately operated facility corporation (Forest City Enterprises, Inc.) will pay the County an estimated \$8,000 in 2011 for base-housing access/use of the Household Moderate Risk Waste (MRW) program. The agreement was revised to reflect new private ownership in 2009.

Interest Earnings. Revenue assumes 25% of interest earned on Solid Waste Investments is returned to the fund in 2011.

Grant Revenues. The Coordinated Prevention Grant (CPG) will be in the first year of a two year cycle. County will actively pursue unexpended funds via an "offset grant" and/or other programs if available. This budget reflects the proposed grant amount. The litter control grant is expected to continue in FY 2011 as a pass through to Lighthouse Environmental Programs (LEP).

## **EXPENDITURES**

Salaries and Benefits: The budget shows a slight increase in the category reflecting mandated increased staff cost increases (Union wages and health insurance).

### Professional Services:

- *Transportation and Disposal services by Allied/ Rabanco, Inc. in 2011 reflect a no-change status in the contract-established CPI multiplier. The 2011 disposal rates are expected to remain at 2010 levels: \$ 21.30/ton plus transportation costs (truck, train, equipment) per container of \$964.50, \$ 1102.29, & \$879.71 for loads from Coupeville to Burlington, Coupeville to Everett, and Camano to Everett respectively.*
- *Recycle Services:* Island Recycling Inc. will continue to service Whidbey Island Recycle sites up to June 2014 at a slightly higher fee as a result of a multi-year contract signed in 2009. Camano will continue to be served by Waste Management of Skagit County until at least 2013.
- *Environmental Monitoring:* Solid Waste will continue attempts to identify possible decreases in expenditures required for groundwater, gas and soil monitoring and reporting at the Coupeville and other closed landfill sites, following major system upgrades in 2007-2008. We will continue our efforts to maximize monitoring efficiency while maintaining the high level of data coverage required to assess impacts of closed facilities. A decreased level of detected VC (vinyl chloride) may be important in this effort. Continue to adjust/balance gas extraction system for maximum efficiency. Additional budgeted costs for 2011 include a statistical analysis (\$20,000) and possible additional monitoring and gas extraction wells (\$40,000).

Freeland Facility will require continued investment in monitoring and cleanup under the Voluntary Cleanup Program (VCP) under which the County is addressing contractor-caused problems at that facility.

**CAPITAL OUTLAYS.** 2011 Anticipated Capital Expenditures Include:

- Biosolid Facility electric motors; retro-fit 3 for energy efficiency (\$21,000)
- 3 Self-tipping 2.5 cu.yd. Hoppers: (\$6,000)
- Potential installation of gas extraction well, Coupeville: (\$25,000)
- Well replacement at the Coupeville facility: (\$15,000)
- Two 40 cu.yd. steel boxes (\$16,000)

**MISCELLANEOUS:**

- Freeland recycle park: continue VCP to meet DOE concerns about operations impact on the site: (\$15,000);
- (Replacement of loader tires (\$15K) and other maintenance such as fencing/gates, paving, electrical, lighting and equipment upgrades-all facilities (\$25,000) are not included as new 2011 capital outlays.)

**PROGRAMS/INTER-GOVERNMENTAL SERVICES.**

- Health Department monitoring & permitting services.
- Moderate risk waste collection. Partial funding provided by CPG.
- Continue Waste Wise program, coordinated by WSU Cooperative Extension and Lighthouse Environmental Programs (LEP).
- Litter Grant program, cooperative effort with WSU and LEP; decreased by 50% for 2011.

**THE BUDGET:**

IFAS KEY	Revenues	2011 Proposed
19920	Use of BB	0
37800	Other Contributions (Navy HHW Contrib)	8,000
37800	Water Fees (Fire Flow)	600
35813	Septage Fees	250,000
37800	Solid Waste Fees	5,200,000
37920	SQG Fees	20,000
37710	Recycle Income (Scrap metal)	15,000
19920	Investment Interest	6,000
37800	Interest (Finance Charges) on A/R	500
37803	Overage/shortage	150
37803	Bad Debts/NSF	-8,000
37803	Other Misc+Shredding+WF	4,000
37800	Sales of Capital Assets	2,000
37610	CPG 10-11 OBJ S1500526	63,317
37610	Litter grant July09-June11 - OBJ S1500525	13,600
	<b>Total Revenue</b>	<b>5,575,167</b>

Expenditures	2011	Solid Waste	2011 Proposed
35813	Septage Management		185,680
37343	Landfill Post Closure Costs		153,855
53740	Training		7,000
37610	Litter Control		13,600
37920	HHW/CPG 2010/2011		208,385
37710	Recycling Hazardous Waste		654,760
37800	General Operating Expenses		3,857,282
84000	Capitalized Solid Waste		162,705
84000	Capital Env. Servc. (Recycle & non Grant MRW)		0
35813	Transfer to Current Expense		6,900
35813	Transfer to Current Expense		235,000
35813	Transfer To Public Works		90,000
TOTAL			5,575,167
Expenditures:			

### Fund 119 CORNET BAY DOCK FUND

#### Cornet Bay

The dock has successfully maintained a 95 percent occupancy rate through out the year, therefore providing a consistent source of revenue. Yearly contractual renters provide the bulk of income, coupled with daily usage fees. There was one derelict boat removed from the dock. No major repairs were required this year, yet planning and preparation for possible future pylon replacement is underway.

Cornet Bay Dock Fund – 2011		
Revenue		
75713	Rentals Short- Term	\$2,000
75713	Space & Facilities Leases	<u>\$15,000</u>
Total Revenue		\$17,000

Cornet Bay Dock Fund – 2011		
Expenditures		
75713	Recreational Facilities	\$16,400
47502	Interfund Transfer	<u>\$600</u>
Total Expenditures		\$174,000

**Fund 410  
FOUR SPRINGS FUND**

**Four Springs Preserve**

Rental incomes increased with a one year contract with a local church. Volunteer groups such as the Friends of Camano Island Parks (FOCIP) contribute numerous hours of labor in the upkeep of the grounds. Improvements in 2010 include; a new well pump was installed and new signs were made for the entrance and highway.

Four Springs Lake Preserve Fund - 2011 Revenue		
	76812 Rentals Short- Term	\$24,100
	Total Revenue	\$24,100

Four Springs Lake Preserve Fund - 2011 Expenditures		
	19920 Interfund Transfer	\$1,100
	76812 Recreation	\$23,000
	Total Expenditures	\$24,100

**NEW Fund  
BOAT RAMP MAINTENANCE FUND**

**Boat Launch Fees**

A special pilot program for boat launch fee collection was instituted for Maple Grove, Cavalero and Utsalady Parks on Camano Island. The daily and annual fees collected are used solely for the upkeep, maintenance and operation of the three launches. The purpose of the program was to ensure the viability of the launches for years to come and help mitigate the effects of recent budget cuts. A new capital fund is being established to protect the fees collected and preserve them if and when a time comes to replace a launch.

Boat Ramp Maintenance Fund – 2011		
Revenue		
76810	Rentals Short- Term	\$8,640
76810	Rentals Short- Term	\$2,560
76810	Rentals Short- Term	<u>\$4,800</u>
	Total Revenue	\$16,000

Boat Ramp Maintenance Fund – 2011		
Expenditures		
76810	General Parks	<u>\$6,450</u>
	Total Expenditures	\$6,400