

Memorandum

TO: HONORABLE MAYOR
AND CITY COUNCIL

FROM: John Stufflebean

SUBJECT: SEE BELOW

DATE: 06-06-06

Approved

Date

6-06-06

COUNCIL DISTRICT: City-Wide

**SUBJECT: COUNTYWIDE AB 939 IMPLEMENTATION FEE AND
PARTICIPATION IN COUNTYWIDE HOUSEHOLD HAZARDOUS
WASTE PROGRAM**

RECOMMENDATION

Approval of:

1. An agreement with the County of Santa Clara for reauthorization of the Countywide AB 939 Implementation Fee for a three year term from July 1, 2006 to June 30, 2009 and increase the fee \$0.37 per ton, for a total fee of \$3.72 per ton to fund collection of Universal Wastes from San José residents by the countywide household hazardous waste program and implementation of various source reduction and recycling activities.
2. An agreement with the County of Santa Clara Countywide Household Hazardous Waste Collection Program for the term July 1, 2006 through June 30, 2009 at no cost to the City of San José.

OUTCOME

With the approval of these agreements, the City of San José will continue to provide its residents with free household hazardous waste disposal. The City will also continue to provide a means for reducing the amount of toxics that enters the City's landfills, storm sewers, and sanitary sewers and which could threaten groundwater supplies.

BACKGROUND

Countywide AB 939 Fee

The California Integrated Waste Management Act of 1989 (AB 939) authorizes local jurisdictions to impose fees to recover the costs of implementing and administering source reduction and recycling programs. In consultation with the cities, through the Santa Clara

County Recycling and Waste Reduction Commission and its Technical Advisory Committee, staff of the County's Department of Environmental Health has prepared an agreement for the continuation and increase of the AB 939 Implementation Fee. Upon approval of all participating jurisdictions, the fee will be increased \$0.37 per ton to a total fee of \$3.72 per ton. Once approved by Council, the fee increase will take effect July 1, 2006.

Household Hazardous Waste Program

The Countywide Household Hazardous Waste (HHW) Program provides the only legal means for residents to dispose of most of these types of wastes. The County administers all operational aspects of the HHW Program and is responsible for recycling and waste disposal. The Countywide Program also provides drop-off service for small businesses on a cost-recovery basis and is far less expensive than if the business had to contract out for service.

Since the beginning of the HHW Program in FY91-92, through the end of FY05-06, the Countywide HHW Program will have provided collection services to over 70,000 San José households. Over 9,000 households will be served in the current fiscal year.

ANALYSIS

Countywide AB 939 Fee

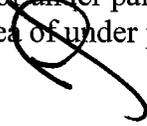
The proposed increase in the HHW portion of the fee will allow funding to increase with program growth in the area of Universal Wastes and other newly regulated special wastes beginning in FY2006-07. The County will continue to collect the fees from County landfill operators and distribute the funds to the City based on the tons of San José material disposed as reported by the landfills.

Funds collected from the HHW Program portion of the fee will be allocated to participating cities. A base service level of 3% of the total number of households within each City has been established. For San José, funds remaining after servicing a city's base service level are distributed back to the cities to fund city-specific household hazardous waste programs.

The proposed AB 939 Fee increase will fund the collection and recycling of Universal Wastes. A new state law that makes it illegal for households to dispose of "Universal Wastes" in the garbage. Universal Wastes are items such as: household batteries, fluorescent bulbs, computer and electronic components, and other mercury-containing devices.

Household Hazardous Waste Program

For the last four years, San José resident participation in the HHW Program has averaged over 9,400 per year. Staff expects demand to continue trending up as more of the public becomes aware of the program. While pockets of under participation can be identified in the north and east portions of the City, the largest area of under participation has been identified in the City's



geographic center. Staffs from both the City and County plan to continue targeted outreach in these communities.

Additionally, the County will continue to allocate funding to cover disposal costs associated with household hazardous waste left at facilities of local non-profit recyclers, such as Goodwill, the Salvation Army, and Hope Services. These funds will absorb costs previously covered by General Fund subsidies from both the City and County.

ALTERNATIVES

The City has the authority to impose its own AB 939 Fee at landfills within San José. The consequence of this action is that the City will need to develop its own capacity for servicing its own residents and small businesses. The City will lose the cost advantages of the economies of scale the City now enjoys from participating in a countywide program. There will also be negative cost effects for all other cities if San José no longer participates in the program. In addition, the non-profit recyclers will no longer receive free disposal for waste that is abandoned on their property by the public. Funding for this service would be eliminated.

PUBLIC OUTREACH

This program has been discussed at publicly noticed meeting of the Santa Clara County Recycling and Waste Reduction Commission. Agendas for these meetings are distributed to representatives of all cities in the County and to other interested parties. Agendas and minutes are also posted on the Commission's website.

COORDINATION

This memorandum has been coordinated with the City Attorney's Office, and the City Manager's Budget Office.

COST IMPLICATIONS

This program is funded through a landfill fee administered by the County of Santa Clara. This fee is passed through to the City for any City facility and Recycle Plus program waste disposed at Newby Island Landfill under the Disposal Agreement with International Disposal Corporation. The costs of the \$0.37 per ton increase in FY 2006-07 will be approximately \$87,000 in Fund 423 for disposal of residential waste and \$8,000 in the General Fund for disposal of City Wastes. These amounts are included in the Proposed Operating Budget and the Five-Year Forecast. There are no other cost implications to the City.

This recommendation is consistent with the Mayor's budget strategy, providing much needed services to San José residents and small businesses while protecting vital core services, managing recycling and garbage services and managing urban runoff quality.

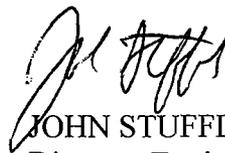
BUDGET REFERENCE

Fund #	Appn #	Appn. Name	RC #	Total Appn.	Amt. for Contract	2006-2007 Proposed Operating Budget (Page)	Last Budget Action (Date, Ord. No.)
001	2059	IDC Disposal Agreement	500600	\$551,000	\$8,000	VIII-42	N/A
423	2059	IDC Disposal Agreement	500600	\$9,975,811	\$87,000	VIII-42	N/A

Council action on the 2006-2007 Operating Budget is scheduled for the June 27, 2006 City Council meeting.

CEQA

CEQA: Not a project.



JOHN STUFFLEBEAN
Director, Environmental Services

For questions please contact Paul Ledesma, Environmental Services Specialist at (408) 975-2538.