



# Memorandum

**TO:** HONORABLE MAYOR  
AND CITY COUNCIL

**FROM:** John Stufflebean

**SUBJECT:** SEE BELOW

**DATE:** 03-21-11

Approved

Date

3/25/11

**COUNCIL DISTRICT:** City-Wide

**SUBJECT: 2011-2012 COUNTYWIDE AB939 IMPLEMENTATION FEE AND PARTICIPATION IN THE COUNTYWIDE HOUSEHOLD HAZARDOUS WASTE COLLECTION PROGRAM**

## RECOMMENDATION

Approval of:

1. The Agreement with the County of Santa Clara for Countywide Household Hazardous Waste Collection Program for 2011-2012 at a cost of \$200,000, subject to appropriation of funds.
2. The Agreement with the County of Santa Clara for Countywide AB939 Implementation Fee for 2011-2012.

## OUTCOME

With approval of the agreements, the City will be able to accommodate the growing number of residents utilizing the household hazardous waste (HHW) drop-off service. The City will also continue to provide a means for reducing the amount of toxins that enter the City's landfills, recycling facilities, storm sewers, and sanitary sewers, and preventing these toxins from threatening both San Francisco Bay and local groundwater supplies. The HHW program supports the goals of the City's Green Vision, Zero Waste Plan, and Urban Accords by helping to divert hazardous waste from landfills and by protecting the ecological integrity of the Bay and the City's drinking water supply. This program also provides the only legal means that residents have available to dispose of such hazardous materials, as well as products classified as Universal Wastes (UW) that contain mercury, lead, cadmium, copper, and other substances hazardous to human health and the environment if not properly handled, such as batteries, fluorescent tubes, and compact fluorescent lamps.

**BACKGROUND****Countywide AB939 Implementation Fee and HHW Collection Program**

The California Integrated Waste Management Act of 1989 (AB939) authorizes local jurisdictions to impose fees to recover the costs of implementing and administering source reduction and recycling programs. The County has collected the AB939 Implementation Fee on behalf of all jurisdictions within the County since July 1992, when the initial per ton fee was established. The County Board of Supervisors and local cities approved the AB939 Implementation Fee as follows:

| <b>PERIOD</b> | <b>AB939 IMPLEMENTATION FEE<br/>PER TON LANDFILLED</b> |
|---------------|--|
| 1992 – 1993   | \$1.00   |
| 1993 - 1994   | \$1.15   |
| 1995 - 1996   | \$1.30   |
| 1999 - 2000   | \$2.80   |
| 2002 -2003    | \$3.35   |
| 2006 - 2007   | \$3.72   |
| 2007 - 2008   | \$3.55   |
| 2009 - 2010   | \$4.10   |

The 1999 – 2000 increase allowed the HHW Program to be funded by this fee, rather than by direct payments from individual cities. The 2006 – 2007 increase supported the anticipated increases in volumes of UW. The Fee was reduced in 2007 - 2008 and 2008 - 2009 to reflect the actual cost for collection of UW. The Fee was again increased in 2009 – 2010 to provide HHW program service to a minimum of 4% of the Countywide households, and to support the facility use fee for the HHW drop-off site located at the San Jose Environmental Innovation Center. The fee was unchanged for 2010 – 2011.

As the County collects the AB939 Implementation Fee on behalf of other jurisdictions, each jurisdiction contracts with the County for collection and distribution of these funds. All fifteen cities must approve the Agreement for Countywide AB939 Implementation Fee by June 30, 2011. Should one or more jurisdictions not approve this agreement, the AB939 Implementation Fee will not be collected, effective July 1, 2011.

To comply with state law and local needs, the County of Santa Clara and fourteen cities cooperated in the creation of the HHW Program. Since 1992, all cities except for the City of Palo Alto have contracted with the County to provide HHW services through an Agreement for Countywide Household Hazardous Waste Collection Program. The 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 was required to contract out for service.

## **ANALYSIS**

### **Countywide AB 939 Implementation Fee**

The County has prepared an agreement for the continuation of the AB939 Implementation Fee. This State mandated fee is charged by the landfills to the franchised haulers for each ton of material disposed. The haulers build this expense into their collection rates, which are paid by residents. For 2011 – 2012, there will be no fee increase. The rate of \$4.10 per ton established in 2009 - 2010 will remain unchanged. The fee is comprised of two components: \$2.60 per ton for household hazardous waste services, and \$1.50 per ton to assist in funding the costs of preparing, adopting, and implementing the County Integrated Waste Management Plan in the 15 cities and the unincorporated area of the County. Staff projected that waste disposed in Santa Clara County from San Jose will be approximately 566,187 tons for 2011 – 2012, representing half of the total countywide tonnage. The total annual revenue generated from the AB939 Implementation Fee to fund San Jose's share of County provided HHW services is estimated at \$1,472,000, in addition, the City should receive approximately \$849,000 for 2011-2012 from the County representing the City's share of the Countywide AB939 Implementation Fee revenue for the Integrated Waste Management Fund. Once approved by Council and the County Board of Supervisors, the fee will be effective July 1, 2011.

At the January 8, 2009 County Recycling and Waste Reduction Commission Technical Advisory Committee (TAC) meeting, the cities within the County agreed on providing service to a minimum of 4% of the households in each jurisdiction. However, as participation rises above 4%, the County requires budget augmentations from each municipality to fund the associated increases in costs.

The Recycling and Waste Reduction Commission (RWRC) of Santa Clara County voted to recommend approval to reauthorize the AB939 fee at their February 28, 2011 meeting. The RWRC serves as the principal advisory body to city councils and the Board of Supervisors on countywide solid waste planning issues, and sponsors countywide public outreach programs, activities, and limited cooperative media campaigns.

As part of the 2010-2011 Adopted Operating Budget, Council approved ongoing funding in the Sewer Service and Use Charge Fund (\$100,000) and the Storm Sewer Operating Fund (\$100,000) to accommodate approximately 3,000 additional HHW drop-off appointments from San Jose residents, and decrease the estimated average wait time for an appointment from six to four weeks. The recommended agreement will incorporate this additional funding.

### EVALUATION AND FOLLOW-UP

Upon approval of these agreements, the County shall collect the AB939 Implementation Fee on behalf of the City and shall provide HHW collection services for the City. Staff does not anticipate any additional Council action for the administration of this program during the term of these agreements.

### PUBLIC OUTREACH/INTEREST

- Criterion 1:** Requires Council action on the use of public funds equal to \$1 million or greater. **(Required: Website Posting)**
- Criterion 2:** Adoption of a new or revised policy that may have implications for public health, safety, quality of life, or financial/economic vitality of the City. **(Required: E-mail and Website Posting)**
- Criterion 3:** Consideration of proposed changes to service delivery, programs, staffing that may have impacts to community services and have been identified by staff, Council or a Community group that requires special outreach. **(Required: E-mail, Website Posting, Community Meetings, Notice in appropriate newspapers)**

Although this item does not meet the criteria listed above, this program has been discussed at publicly noticed meetings of the Santa Clara County Recycling and Waste Reduction Commission and its Technical Advisory Committee. 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. In addition, this memorandum is posted on the City's website for the Council Agenda of April 12, 2011.

### COORDINATION

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

### COST SUMMARY/IMPLICATIONS

The total cost for additional appointments in 2011 – 2012 is \$200,000 and will be funded from Fund 541 - Sewer Service and Use Charge Fund (\$100,000 ) and from Fund 446 - Storm Sewer Operating Fund (\$100,000) in Environmental Services Non-Personal/Equipment appropriations, subject to appropriation of funds.

HONORABLE MAYOR AND CITY COUNCIL

03-21-11

**Subject: Countywide HHW Program**

Page 5

**CEQA**

Not a Project, File No. PP10-066(e), Services that involve no physical changes to the environment.

/s/

JOHN STUFFLEBEAN

Director, Environmental Services

For questions, please contact Jo Zientek, Deputy Director, Environmental Services Department, at (408) 535-8557.