

**Council Meeting: June 10, 2008**

SUBJECT: Sunnyvale Pledge and Resolution in Support of Manufacturer Responsibility (“Product Stewardship”) Approach to Reducing Local Government Costs for Disposal of Electronic Waste and Other Hazardous Wastes

REPORT IN BRIEF

Consistent with existing City policies that support making manufacturers responsible for end-of-life management of their products, staff is recommending that Council pledge its support for the California Product Stewardship Council and adopt a resolution endorsing product stewardship.

Product stewardship is a policy approach that holds producers liable for the costs of responsibly managing their products at end of life. In 2002, Council passed a motion for the City of Sunnyvale to become a member of the national Product Stewardship Institute and to adopt a product stewardship resolution (Report to Council (RTC) 02-097).

In an effort to better coordinate state-wide product stewardship efforts, the California Product Stewardship Council (CPSC) was formed in response to the 2006 California Universal Waste Rule (CCR, Title 22, Division 4.5, Chapter 23) that made it illegal to throw in the garbage items identified as “universal waste”, such as household batteries, fluorescent bulbs or tubes, thermostats and electronic devices such as video cassette recorders (VCRs), microwaves, cellular phones, TVs and radios, computers and computer-related equipment.

In December 2007, the Santa Clara Basin Watershed Management Initiative (WMI) created a Product Stewardship Subgroup to address product stewardship in Santa Clara County. Goals of the Product Stewardship Subgroup include getting additional Santa Clara County cities to: 1) sign the CPSC pledge; 2) provide financial support through associate fees in Fiscal Year (FY) 2008-2009; and 3) pass a local resolution to adopt extended producer responsibility principles.

Staff recommends that Council authorize the City Manager to sign the pledge (Attachment A) to support the CPSC, pay \$2,000 in associate fees beginning in FY 2008-2009 (Attachment B) and adopt the CPSC model resolution (Attachment C.) By offering this support, the City of Sunnyvale will join forces with other local governments in California to facilitate current efforts to extend producer responsibility both in California and nationally. The City would also

benefit from reduced refuse disposal costs if the CPSC were successful in placing greater responsibility for products on the manufacturers of those products.

BACKGROUND

Product stewardship is a policy approach that holds producers liable for the costs of responsibly managing their products at end of life. Extending producer responsibility for products from "cradle to cradle" acknowledges that producers have the greatest control over product design and therefore have the greatest ability and responsibility to reduce toxicity and waste. The City of Sunnyvale has a history of supporting product stewardship – it became a member of the national Product Stewardship Institute and passed a product stewardship resolution at the April 16, 2002 City Council meeting (RTC 02-097).

Since that time, the California Product Stewardship Council (CPSC) formed with a mission to shift California's product waste management system from one focused on government-funded and ratepayer-financed waste diversion, to one that relies on producer responsibility in order to reduce public costs and drive improvements in product design that promote environmental sustainability. The CPSC is a coalition of local governments and regional associations across California, as well as statewide local government associations related to water quality and other cross-media issues.

CPSC works with participating local governments in two main ways:

1. Build capacity and knowledge to bring about producer-financed and managed systems for product discards, including those covered by the universal waste ban, and;
2. Develop and encourage the use of practical extended producer responsibility policy and educational tools such as model ordinances and legislation, newsletters, articles, policy briefings, and PowerPoint presentations.¹

The Watershed Management Initiative (WMI) is a community-based stakeholder process formed in 1996 that focuses on the protection and improvement of the Santa Clara Basin Watershed, which encompasses southern San Francisco Bay and the 840 square mile area that drains into the South Bay. The City of Sunnyvale has been a long-time participant in the WMI and a signatory to the WMI's mission and goals since April 1999. The support of the WMI was reaffirmed in September 2003, as it began implementation of the Watershed Action Plan (RTC 99-145 and RTC 03-324). As a signatory to the WMI, the City

¹ California Product Stewardship Council website, www.caproductstewardship.org, February 21, 2008.

supports its mission of protecting and enhancing our local watersheds by creating a sustainable future for the community and the environment.

In December 2007, the WMI formed a Product Stewardship Subgroup to address product stewardship at a county level. The Product Stewardship Subgroup states in its charter that its defined purpose is to promote, implement, and track local agency activities that advance the responsible management of product-associated waste streams that can affect watershed health. This report is prompted by a request from the Product Stewardship Subgroup for additional local government collaboration and active support for product stewardship in Santa Clara County.

The Product Stewardship Subgroup is working closely with the CPSC and has goals to increase the number of cities in Santa Clara County that: 1) make a pledge and offer funding to the CPSC; and 2) pass a resolution to adopt extended producer responsibility principles.

EXISTING POLICY

Resolution Of The City Council Of The City Of Sunnyvale To Support Principles Of Product Stewardship For Electronics Manufacturers And To Support Legislation Requiring Producer Responsibility For Cathode Ray Tubes (RTC 02-097)

Signatory Document for the Santa Clara Basin Watershed Management Initiative (RTC 99-145)

Adoption and Resolution Accepting the Santa Clara Basin Watershed Management Initiative Action Plan (RTC 03-324)

Solid Waste Sub-Element – Policy 3.2E.3: Minimize illegal and inappropriate disposal of Household Hazardous Waste (HHW).

Surface Runoff Sub-Element – Policy A.2, Action Statement A.2.b: Implement appropriate pollution prevention activities for targeted pollutants to comply with regulatory requirements.

Surface Runoff Sub-Element – Policy A.3: Ensure that Best Management Practices are implemented to reduce discharge of pollutants to storm water to the maximum extent practicable.

Legislative Advocacy Position 3.2. Solid Waste Management

(6) Support advance disposal fees (ADFs) on the purchase of hazardous household products, with revenues to help support local household hazardous waste management programs.

(7) Support cooperation between state and local jurisdictions on source reduction and recycling to meet state solid waste reduction goals.

(12) Support efforts to require vendors of sharps to take back and dispose of sharps that they sell, in order to protect the health and safety of the public and solid waste workers.

DISCUSSION

Given that the City Council has previously endorsed principles of product stewardship at the national level by becoming a member of the Product Stewardship Institute and passing a resolution to adopt its principals of product stewardship (RTC 02-097), the City would be consistent in signing a pledge of support for the CPSC. A pledge would show the City's continued support for incorporating end-of-life waste management costs into the purchase price of products, so that manufacturers, distributors, and consumers of those products pay such costs rather than cities.

If the City Manager signs the pledge of support for the CPSC, no financial commitment is required. However, by providing funding to this organization, the City of Sunnyvale would enable the CPSC to facilitate its goals to continue to build momentum around this issue and to create education and policy tools for its members. The CPSC suggests a fee range based on city size with a minimum suggested contribution of \$1,000, regardless of population size. Under this schedule, cities with populations of 50,000 – 249,000 would contribute \$1,500 - \$2,500. Given this, \$2,000 would be an appropriate fee for the City of Sunnyvale to pay.

When the City Council passed a resolution to adopt a product stewardship resolution in 2002, the main focus was on electronic manufacturers, given new legislation at that time which banned the disposal of cathode-ray tube containing devices. The CPSC model resolution will solidify the City's commitment to product stewardship principles while addressing general waste management costs and referencing current issues around universal waste (mercury-containing products, household batteries and electronic devices). The CPSC model resolution (Attachment C) discusses the desired roles of governments and product manufacturers in sharing responsibility, internalizing costs, sustainable product design, and collection and proper disposal. Staff has reviewed the principles and has found them consistent with the City's policies and its legislative positions on environmental issues.

FISCAL IMPACT

The CPSC advocates for cities with populations of 50,000 – 249,000 to contribute \$1,500 - \$2,500 with a minimum suggested contribution of \$1,000, regardless of population size. This results in a price range per capita from \$.02 (for the minimum contribution of \$1000 for a population of 50,000) to \$.01 (a contribution of \$2500 for a city with a population of 249,000). Given

this, \$2000 (approximately in the mid per capita range at \$.015) would be an appropriate fee for the City of Sunnyvale to pay for FY 2008-2009. Funding for the FY 2008-2009 dues would be paid for by the Wastewater Management Program (Program 344) as allocations in the City's budget for support of WMI-related activities are located there.

To the extent that manufacturers take on greater financial responsibility for the end-of-life disposal of products that they manufacture and/or sell, the City may realize a modest decrease in future refuse and household hazardous waste disposal costs.

PUBLIC CONTACT

Public contact was made by posting the Council agenda on the City's official-notice bulletin board outside City Hall, in the Council Chambers lobby, in the Office of the City Clerk, at the Library, Senior Center, Community Center and Department of Public Safety; posting the agenda and report on the City's Web site; and making the report available at the Library and the Office of the City Clerk.

ALTERNATIVES

1. Council authorize the City Manager to sign the California Product Stewardship Council (CPSC) pledge of support, pay \$2,000 for CPSC associate fees in FY 2008-2009 and adopt the model CPSC product stewardship resolution
2. Do not sign the CPSC pledge of support, provide funding or adopt the model CPSC product stewardship resolution
3. Other action as deemed appropriate by Council

RECOMMENDATION

Staff recommends Alternative 1: Council authorize the City Manager to sign the California Product Stewardship Council (CPSC) pledge of support, pay \$2,000 for CPSC associate fees in FY 2008-2009, and adopt the model CPSC product stewardship resolution

The City has already made a commitment to product stewardship through previous Council action. By pledging to support the CPSC, providing needed funding to this group and adopting its model resolution, the City would join other cities and counties in solidifying the local government position that producers should be liable for the costs of responsibly managing their products at end of life.

Reviewed by:

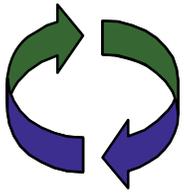
Marvin Rose, Director, Public Works Department
Prepared by: Julie Benabente, Administrative Aide

Approved by:

Amy Chan
City Manager

Attachments

- A. CPSC Pledge Form
- B. CPSC Associates Fee
- C. CPSC Model Resolution (altered to reflect Sunnyvale)



PLEDGE FORM – LOCAL GOVERNMENTS/ASSOCIATIONS

The California Product Stewardship Council (CPSC) is a coalition of local governments and regional associations across California, as well as statewide local government associations related to water quality and other cross-media issues (Associates). CPSC is a California nonprofit public benefit corporation operating through a Board of Directors. CPSC has applied for federal exempt status pursuant to Internal Revenue Code Section 501(c)(3).

MISSION: To shift California’s product waste management system from one focused on government funded and ratepayer financed waste diversion to one that relies on producer responsibility in order to reduce public costs and drive improvements in product design that promote environmental sustainability.

FUNCTIONS

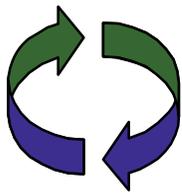
1. Build capacity and knowledge among local governments and relationships with stakeholders to bring about producer financed and managed systems for product discards, including those covered by the universal waste ban.
2. Develop practical local and statewide EPR policy and educational tools such as model ordinances and legislation, newsletters, articles, policy briefings, PowerPoint presentations, etc.

The undersigned supports the mission and functions of the California Product Stewardship Council and will advocate in support of Product Stewardship at the local and state level.

Signed:

Signature	Date
Name	Title
Organization / Department	City of Sunnyvale Jurisdiction
P.O. Box 3707, Sunnyvale, CA 94088-3707	
Mailing Address	
(408)	
Telephone	Email

Please mail signed letter to CPSC, P.O. Box 216381, Sacramento, CA 95821



California Product Stewardship Council Associates Fees: Fiscal Year 7/1/07 to 6/30/08

Fees are assessed each fiscal year starting July 1st and ending June 30th.

CPSC anticipates the need for a budget of about \$458,816 in FY 07-08 and \$500,000 in FY 08-09. We are devoting substantial staff resources to raising funds from foundations and other sources. Such funding sources look closely at the amount of revenue an organization is able to raise internally, so we are now also seeking financial support from local government CPSC Associates.

On October 3, 2007, the CPSC Board of Directors adopted a tiered Fee Schedule for CPSC Associates based roughly on a per capita rate of \$0.01, although the minimum suggested contribution, regardless of population size, is \$1,000, and no jurisdiction is expected to contribute over \$15,000 in any given year regardless of population size (although they are certainly not prohibited from doing so). Using this chart as a guide, each jurisdiction participating in CPSC is encouraged to self assess the amount of fee due, based on the population represented, and ability to pay.*

<u>TIER</u>	<u>POPULATION</u>	<u>SUGGESTED FEE</u>
I	LESS THAN 50,000	\$ 1,000
II	50,000 – 249,999	\$ 1,500 – 2,500
III	250,000 - 499,999	\$ 3,000 – 5,000
IV	500,000 TO 1,249,999	\$ 6,000 – 8,000
V	1,250,000 TO 4,999,999	\$ 8,000 – 15,000
VI	5,000,000 or more	\$ 15,000

Please determine the Associate Fee you agree to be invoiced for, complete the form on the back, and mail it to CPSC, P.O. Box 216381, Sacramento, CA. Or, if you've received this via email, send it as an attached document to Heidi Sanborn at hksanborn@comcast.net

Overlapping Jurisdictions: In some cases, CPSC participants' jurisdictions will overlap. CPSC leaves it to each jurisdiction to determine the appropriate Tier at which they should be assessed, given the value they place on CPSC's mission and our capacity to deliver on that mission, as well as their ability to support CPSC.

* No local government agency will be denied the ability to participate in and stay informed of CPSC initiatives due to financial reasons. We need every City, County and special District to participate in CPSC to ensure a continued strong collective effort on behalf of EPR initiatives.

California Product Stewardship Council
Associate Fees: Fiscal Year 7/1/07 to 6/30/08

1. Contact Name: _____
2. Agency: _____ City of Sunnyvale _____
3. Full Address: ___P.O. Box 3707, Sunnyvale, CA 94088-3707_____
- _____
- _____
4. Phone: ___(408) _____
5. Email: _____@ci.sunnyvale.ca.us _____
6. Tier # and Specific Amount of CPSC Associate Fee: _Tier II, \$2000_____

(You may select a higher or lower Tier than suggested, based on your ability to pay).

Invoicing: Once we receive this form, we will invoice the Agency, via the contact person noted above, for the amount noted in line 6 above. Although we prefer to invoice for CPSC Associate Fees, we recognize that jurisdictions vary in their capacity to pay fees versus other payment methods (i.e., for goods and services). If you would prefer an invoice other than one for Associate Fees, please advise us in the space provided below or by contacting Heidi Sanborn by phone or email – (916) 485-7753/hksanborn@comcast.net and we will develop an invoice appropriate to your jurisdiction.

Please complete this form and return it to Heidi Sanborn, Executive Director CPSC, P.O. Box 216381, Sacramento, CA 95821. Or, if you've received this via email, return it as an attached document to Heidi Sanborn at hksanborn@comcast.net.

RESOLUTION NO. _____

**RESOLUTION OF THE CITY OF SUNNYVALE SUPPORTING
EXTENDED PRODUCER RESPONSIBILITY**

WHEREAS, approximately 87,000 tons of discarded materials and products are currently sent to disposal from our community on an annual basis at a cost of \$54 per ton; and

WHEREAS, on February 8, 2006, California's Universal Waste Rule (CCR, Title 22, Division 4.5, Chapter 23) became effective; and

WHEREAS, the Universal Waste Rule bans landfill disposal of certain products that are deemed hazardous, including household batteries, fluorescent bulbs and tubes, thermostats and other items that contain mercury, as well as electronic devices such as video cassette recorders, microwave ovens, cellular phones, cordless phones, printers, and radios; and

WHEREAS, it is anticipated that the list of Universal and other waste products determined to be hazardous and therefore banned from landfills will continue to grow as demonstrated by the ban of treated wood effective January 2007 and sharps in September 2008; and

WHEREAS, state policies currently make local governments responsible for achieving waste diversion goals and enforcing product disposal bans, both of which are unfunded mandates; and

WHEREAS, Universal Waste management costs are currently paid by taxpayers and rate payers of the City of Sunnyvale area and are expected to increase substantially in the short term unless policy changes are made; and

WHEREAS, local governments have no input on the design of the products, make no profit from the products, and do not have the resources to adequately address the rising volume of discarded products; and

WHEREAS, costs paid by local governments to manage products are in effect subsidies to the producers of hazardous products and products designed for disposal; and

WHEREAS, costs paid in Fiscal Year 2006/2007 for managing household batteries was equivalent to over \$1288 per ton and the costs paid by the operator of the Sunnyvale Materials Recovery and Transfer Station to properly dispose of fluorescent tubes was over \$2,846 per ton; and

WHEREAS, City of Sunnyvale spends more than \$350,000 annually on household hazardous waste disposal programs; and

WHEREAS, the City Council of the City of Sunnyvale supports statewide efforts to hold producers responsible for Universal Waste products and other product waste management costs; and

WHEREAS, there are significant environmental and human health impacts associated with improper management of Universal Waste products; and

WHEREAS, Extended Producer Responsibility (EPR) is a policy approach in which producers assume responsibility for management of waste products and which has been shown to be effective; and

WHEREAS, when producers are responsible for ensuring their products are reused or recycled responsibly, and when health and environmental costs are included in the product price, there is an incentive to design products that are more durable, easier to repair and recycle, and less toxic; and

WHEREAS, EPR framework legislation establishes transparent and fair principles and procedures for applying EPR to categories of products for which improved design and management infrastructure is in the public interest; and

WHEREAS, the California Product Stewardship Council (CPSC) is an organization of California local governments working to speak with one voice in promoting transparent and fair EPR systems in California; and

WHEREAS, the City of Sunnyvale wishes to incorporate EPR policies into the City's and County's product procurement practices to reduce costs and protect the environment; and

WHEREAS, the California Integrated Waste Management Board has adopted Strategic Directives to begin developing statewide EPR programs.

NOW, THEREFORE BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF SUNNYVALE that the Council of the City of Sunnyvale urges the California Integrated Waste Management Board to continue taking timely action to implement the Strategic Directive #5 on Producer Responsibility to manage Universal and other wastes; and

BE IT FURTHER RESOLVED, that the Council of City of Sunnyvale urges the California Legislature to enact framework EPR legislation that shifts Universal and other waste management costs from local government to the producers of the product, and which will give producers the incentive to redesign products to make them less toxic and easier to reuse and recycle; and

BE IT FURTHER RESOLVED, that the Mayor of City of Sunnyvale be authorized to send letters to the League of California Cities, the California State Association of Counties, and the California Integrated Waste Management Board, and the State legislature and to use other advocacy methods to urge support for EPR framework legislation; and

BE IT FURTHER RESOLVED, that the Mayor of City of Sunnyvale be authorized to sign the California Product Stewardship Council (CPSC) Pledge of Support and participate by contributing \$2000 to CPSC to educate and advocate for EPR policies and programs; and

BE IT FURTHER RESOLVED, that the City of Sunnyvale encourages all manufacturers to share in the responsibility for eliminating waste through minimizing excess packaging, designing products for durability, reusability and the ability to be recycled; using recycled materials in the manufacture of new products; and providing financial support for collection, processing, recycling, or disposal of used materials; and

BE IT FURTHER RESOLVED, that the City of Sunnyvale and its member agencies develop producer responsibility policies such as leasing products rather than purchasing them and requiring producers to offer less toxic alternatives and to take responsibility for collecting and recycling their products and the end of their useful life.

Adopted by the City Council at a regular meeting held on _____, 2008, by the following vote:

AYES:
NOES:
ABSTAIN:
ABSENT:

ATTEST:

APPROVED:

City Clerk
(SEAL)

Mayor

APPROVED AS TO FORM AND LEGALITY:

David E. Kahn, City Attorney