



Council Meeting: August 26, 2008

SUBJECT: Expenditure of Public Funds for Bottled Water (Study Issue)

REPORT IN BRIEF

The City Council has requested a Study Issue to determine whether the City should limit or prohibit altogether the use of public funds for purchasing bottled water (Attachment A). This Study Issue was prompted by concerns for the environment and a desire to promote a sustainable community. The process by which bottled water is produced and consumed creates significant environmental impacts throughout the product life cycle. By limiting the amount of bottled water purchases where ample, quality tap water exists, the City demonstrates its commitment to environmental sustainability and sound fiscal policy, and shows confidence in its water supply sources and infrastructure.

Over the past several years, the City has taken actions to curtail bottled water purchases and currently spends less than \$9,000 annually, with approximately 71% of this amount used mainly for the purchase of 5-gallon water dispensers for City facility locations with no readily available tap water, consistent with Cal-OSHA regulations. The remaining amount is predominantly spent on single-serving bottled water for public safety-related training and events. This amount does not include the City's catering contract, under which meals are purchased for Council meetings and other City events where bottled water is provided, if requested.

The City of Sunnyvale has a long and proven track record of environmentally sound practices and policies, and continues to look for ways to promote sustainability. To further this goal with regard to bottled water purchases, the City Council could take a number of actions ranging from continuing current practice to adopting formal policy to restrict the purchase of bottled water. Staff recommends that Council adopt policy that generally prohibits the purchase of bottled water, with limited exceptions, as more fully described below and as contained in the attached Draft Council Policy (Attachment B).

BACKGROUND

Over the past several years, the worldwide consumption of bottled drinking water has increased dramatically. The United States is the leading consumer. Bottled water creates significant environmental impacts throughout its product life cycle. Below is a list of some of these impacts according to the Pacific Institute, an environmental research and advocacy non-profit organization located in Oakland:

- Americans bought more than 31.2 billion liters of bottled water in 2006, ranging in size from 8-ounce bottles popular with school lunch programs to multi-gallon bottles for family and/or office water coolers
- Production of the plastic bottles required more than 17 million barrels of oil, not including energy needed for transportation
- 900,000 tons of plastic were required for production (the most commonly used material used in making plastic water bottles is Polyethylene Terephthalate, or PET)
- The water bottling process generated more than 2.5 million tons of carbon dioxide
- Three liters of water are needed to produce one liter of bottled water.

Further, the Container Recycling Institute estimates that 86% of plastic water bottles used in the United States become garbage or litter. Incinerating used bottles produces toxic byproducts and buried water bottles can take up to 1,000 years to biodegrade. Recycling plastic water bottles is also somewhat problematic in that about 40% of recycled PET bottles in the U.S. end up exported, adding to the resources needed to dispose of the containers.

Beverage Industry and other bottled water advocates contend that bottled water provides a healthier alternative than other forms of single-serving beverages, and that PET bottles represent only one-third of 1 percent of the waste stream in the United States. Bottled water advocates also argue that recycled PET bottles are used to make a myriad of products, including carpets, polyester, packaging, clothes and other plastic bottles.

In terms of water quality, it is widely reported that municipal tap water is just as good, if not better than bottled water, and undergoes more rigorous testing procedures. In fact, many bottled water companies use municipal tap water in their product. In Sunnyvale, annual testing consistently shows that the City's drinking water meets established water quality standards.

An increasing number of public agencies across the country are curtailing the purchase of bottled water, including many jurisdictions in the Bay Area. Additionally, in June 2008 the U.S. Conference of Mayors (USCM) adopted a resolution which encourages the phase out, where feasible, of government use of bottled water, in favor of municipal tap water. Though largely a symbolic measure, the USCM resolution is indicative of a growing national trend to limit the use of public funds for the purchase of single-serving plastic water bottles.

EXISTING POLICY

Council Policy, Solid Waste Management, Policy 3.2B.1: Reduce generation of solid waste by providing source reduction programs and promoting source reduction behavior.

Council Policy, Environmental Procurement, Policy 7.1.3, Policy Purpose: The City of Sunnyvale finds that the preservation of natural resources, reduction of energy use and pollution, reduction of solid waste, and minimization of impact on the environment from City activities benefits all occupants of the City.

California Code of Regulations, Title 8, Section 3363(a): Potable water in adequate supply shall be provided in all places of employment for drinking and washing.

DISCUSSION

Over the past several years, the City has taken several actions to limit the purchase of bottled drinking water. Most notably, the City no longer purchases bottled water for distribution to staff. In FY 2002/2003, the City discontinued the availability of single-serving bottled water at the Central Stores warehousing facility. In FY 2003/2004, Central Stores discontinued carrying 5-gallon drinking water bottles. The growing environmental movement and the economic downturn in 2003 were both factors in curtailing these bottled water purchases. Central Stores continues to carry bottled distilled water in inventory, but this is used exclusively for vehicle batteries and for mixing with coolant, not for drinking. Certain locations in the City purchase bottled water because no tap water is readily available. California OSHA regulations require that potable water be provided to all places of employment for drinking and washing.

Currently the City spends approximately \$8,700 annually on bottled drinking water. Of this amount, \$6,200 or 71% was spent on 5-gallon water

dispensers at locations throughout the City, mainly where no other readily available tap water source is available (a Cal-OSHA requirement). The remaining \$2,500 was spent on single-serving plastic bottles as follows: 60% (\$1,500) for public safety training or safety-related events and 40% (\$1,000) on community outreach events such as neighborhood association meetings, youth/teen recreational functions, recruitment oral board panels, and NOVA Board meetings. Additionally, the City contracts with Culinary Magic for catering services for City Council meetings and department events such as volunteer and staff recognition, which could include provision of bottled water if requested. In FY 2007/2008, the total City expenditure on such catered events (excluding Senior lunches) was \$18,400, but only a small portion of this amount is attributable to bottled water.

Policy/Practice of Other Jurisdictions

A number of jurisdictions in our area have adopted policy restricting the purchase of bottled water. These include San Francisco, San Jose, the Santa Clara Valley Water District, and Morgan Hill. The City of Gilroy has no formal policy but has discontinued the purchase of bottled water for Council meetings.

Though these policies generally prohibit the expense of public funds on bottled water, they do allow for purchase of bottled water for public safety-related emergencies and/or if no other viable alternative is available. (Staff also reviewed policies for larger cities across the country such as Los Angeles, New York and Seattle, and all of them allow exceptions.) Cities that have adopted policy also do not prohibit the use of privately funded “water clubs,” and allow employees to bring bottled water to work or purchase bottled water from vending machines. The City of Palo Alto has no formal policy in place but discourages the purchase of bottled water; it may also be ordered for catered events. The Cities of Mountain View and Santa Clara do not prohibit bottled water purchases.

Options for Council Consideration

The City of Sunnyvale has a long and proven track record of environmentally sound practices and policies, and continues to look for ways to promote sustainability. To further this goal with regard to bottled water purchases, the City Council could take a number of actions and maintain Cal-OSHA compliance to provide potable drinking water in adequate supply. These could include, but are not limited to, the following options.

Option #1 – Prohibit the purchase of bottled water for any City-sponsored events and functions, public meetings, and department operations such as

recruitment panels, recognition lunches and training sessions, with any necessary exemptions to comply with Cal-OSHA requirements

This option would prohibit the purchase of single-serving bottled water for *all* City-related events and operations, but would allow the purchase of bottled water (mainly 5-gallon, multi-serving containers) for those City locations without easy access to potable water in adequate supply, as required by Cal-OSHA.

By prohibiting all single-serving bottled water purchases for all City-related functions, the City would plainly demonstrate its commitment to environmental sustainability by reducing waste, promoting potable tap water sources, and modeling sustainable behavior. This option has a significant downside in that it would not allow the purchase of single-serving bottled water for public safety emergencies, or any other exception where few or no reasonable alternatives exist, such as safety-related offsite training or youth athletic programs.

Option #2 – Generally prohibit the purchase of bottled water for City-sponsored events and functions, public meetings, and/or department operations such as recruitment panels, recognition lunches and training sessions, with any necessary exemptions to comply with Cal-OSHA requirements, and allow for the purchase of single-serving bottled water where no feasible or reasonable alternative exists.

This option would prohibit the purchase of bottled water for *most* City-related events and operations, with any necessary exemptions to meet Cal-OSHA requirements, and would allow purchase of single-serving bottled water where no feasible or reasonable alternative exists, such as public safety emergencies, offsite training, and certain children and youth sports/recreation programs. Additional exceptions would also be allowed if deemed necessary by the City Manager.

By generally prohibiting bottled water purchases, the City would demonstrate its commitment to environmental sustainability by generating less waste, promoting the use of potable tap water, and modeling sustainable behavior. This option allows for certain exceptions, especially public safety emergencies, where it may not be feasible or reasonable to use tap water. A possible downside to this option is that, in allowing some single-serving bottled water purchases, the City may be seen as not doing enough to promote environmental sustainability.

Option #3 – Continue the current practice.

This option would continue the current practice of purchasing single-serving bottled water for many City-sponsored events and functions, public meetings, and department operations such as recruitment panels, recognition lunches and training sessions, at an annual expense of approximately \$2,500. Provision of bottled water for Council meals (handled through the City's catering contract if requested) would also continue, unless Council specifically chose to eliminate the practice in favor of tap water. Though the City has already taken actions to reduce bottled water purchases, and spends relatively little for single-serving bottled water on an annual basis, allowing the current practice to continue without attempting to further reduce usage could send a mixed signal as to the City's commitment to sustainability.

FISCAL IMPACT

Should Council prohibit the purchase of all single-serving bottled water, the City would save approximately \$2,500 annually.

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. Adopt Council policy altogether prohibiting the purchase of single-serving bottled water for any City-sponsored events and functions, public meetings, and department operations such as recruitment panels, recognition lunches and training sessions, with any necessary exemptions to comply with Cal-OSHA requirements.
2. Adopt Council policy to restrict or further limit the current purchase of bottled water for City-sponsored events and functions, public meetings, and/or department operations such as recruitment panels, recognition lunches and training sessions, with any necessary exemptions to comply with Cal-OSHA requirements and to allow for the purchase of single-serving bottled water for public safety emergencies, offsite training and recreation and sports programs for

children and youth as necessary. This alternative also includes intent language such that the policy does not preclude employee use of privately-funded water clubs and private purchase of bottled water using private funds. This alternative further includes policy language allowing the purchase of bottled water where no reasonable alternative exists, as deemed necessary by the City Manager.

3. Continue the current practice.

RECOMMENDATION

Staff recommends Alternative 2, adopt Council policy to generally prohibit the purchase of bottled water for City-sponsored events and functions, public meetings, and/or department operations such as recruitment panels, recognition lunches and training sessions, with any necessary exemptions to comply with Cal-OSHA requirements and to allow for the purchase of single-serving bottled water for public safety emergencies, offsite training and recreation and sports programs for children and youth as necessary. Staff also recommends that the policy includes intent language that does not preclude employee use of privately-funded water clubs and private purchase of bottled water using private funds. Staff further recommends that the policy includes language allowing the purchase of bottled water where no reasonable alternative exists, as deemed necessary by the City Manager.

The City has a long and proven track record of environmentally sound practices and policies, and continues to look for ways to promote sustainability. Adoption of Council policy prohibiting the purchase of bottled water would serve to reinforce this message and could lead to broader regional efforts to adopt sustainable practices.

Reviewed by:

Mary J. Bradley, Director, Finance

Prepared by: Pete Gonda, Senior Management Analyst, Finance

Approved by:

Amy Chan
City Manager

Attachments

- A. Council Study Issue Paper – Expenditure of Public Funds for Bottled Water
- B. Draft Council Policy

Proposed New Council Study Issue

Number FIN-1

Status Pending

Calendar Year 2008

New or Previous New

Title Expenditure of Public Funds for Bottled Water

Lead Department Finance

Element or SubElement Planning and Management

ATTACHMENT A

1. What are the key elements of the issue? What precipitated it?

This issue was prompted by concern for the environment and a desire to promote a sustainable community. The use of bottled water directly adds to environmental degradation, global warming and a large amount of unnecessary waste and litter.

The study would review whether the City should limit or prohibit all together the use of City funds for purchasing bottled water.

2. How does this relate to the General Plan or existing City Policy?

Council Policy Manual

--Policy 3.2.1. - Solid Waste Management

----Policy 3.2B .1: Reduce generation of solid waste by providing source reduction programs and promoting source reduction behavior.

Policy 3.5.1. - Energy

--Policy Purpose: The City of Sunnyvale finds that the preservation of natural resources through the use of energy efficient activities is of great importance to the citizens and businesses of Sunnyvale. It is the purpose of this Energy Policy to:

---Maintain a healthy environment

---Maximize limited natural resources (abridged).

--Policy Statement: It is the policy of the City of Sunnyvale that the City will:

----Minimize energy consumption in City operations (abridged)

Policy 7.1.3 - Environmental Procurement

--Policy Purpose: The City of Sunnyvale finds that the preservation of natural resources, reduction of energy use and pollution, reduction of solid waste, and minimization of impact on the environment from City activities benefits all occupants of the City.

3. Origin of issue

Council Member(s) Otto Lee

General Plan

City Staff

Public

Board or Commission none

4. Multiple Year Project? No Planned Completion Year 2008

5. Expected participation involved in the study issue process?

Does Council need to approve a work plan? No
 Does this issue require review by a Board/Commission? No
 If so, which?
 Is a Council Study Session anticipated? No
 What is the public participation process?
 None

6. Cost of Study

Operating Budget Program covering costs
 Program 740
 Project Budget covering costs
 Budget modification \$ amount needed for study
 None
 Explain below what the additional funding will be used for

7. Potential fiscal impact to implement recommendations in the Study approved by Council

Capital expenditure range None
 Operating expenditure range None
 New revenues/savings range None
 Explain impact briefly

8. Staff Recommendation

Staff Recommendation None
 If 'For Study' or 'Against Study', explain

9. Estimated consultant hours for completion of the study issue

0

Managers

Role	Manager	Hours
Lead	Wesely, Elaine	Mgr CY1: 20 Mgr CY2: 0 Staff CY1: 0 Staff CY2: 0

Total Hours CY1: 20
 Total Hours CY2: 0

Note: If staff's recommendation is 'For Study' or 'Against Study', the Director should note the relative importance of this Study to other major projects that the Department is currently working on or that are soon to begin, and the impact on existing services/priorities.

Reviewed by


 Department Director

11/20/07
 Date

Approved by


City Manager

11-20-07

Date

Addendum

A. Board / Commission Recommendation

Issue Created Too Late for B/C Ranking

Board or Commission	Rank	Rank
	1 year ago	2 years ago
Arts Commission		
Bicycle and Pedestrian Advisory Committee		
Board of Building Code Appeals		
Board of Library Trustees		
Child Care Advisory Board		
Heritage Preservation Commission		
Housing and Human Services Commission		
Parks and Recreation Commission		
Personnel Board		
Planning Commission		
Board or Commission ranking comments		

B. Council

Council Rank (no rank yet)
Work Plan Review Date (blank)
Study Session Date (blank)
RTC Date (blank)
Actual Complete Date (blank)
Staff Contact

Policy x.x.x Expenditure of Public Funds for Bottled Water

POLICY PURPOSE:

The purpose of this policy is to generally prohibit the purchase of single-serving bottled water, with limited exceptions, and to limit the purchase of multi-serving bottled water for those City facility locations where no feasible or reasonable alternative exists as required by law. This policy is also meant to encourage environmentally responsible practices, such as reusing and maintaining reusable containers for personal consumption of water.

POLICY STATEMENT:

The process by which bottled water is produced and consumed creates significant environmental impacts. By limiting the amount of bottled water purchases in favor of ample, quality tap water, the City demonstrates its commitment to environmental sustainability and sound fiscal policy, and shows confidence in its water supply resources. It is therefore the Policy of the Sunnyvale City Council that no public funds should be used for the purchase of single-serving or multi-serving bottled water, other than the following exceptions:

1. Actual, imminent or highly probable/high risk public safety emergencies.
2. To comply with any governmental regulations for the provision of potable water in adequate supply.
3. Any other situations that arise where no other reasonable or practical alternative exists, as deemed necessary by the City Manager or his/her designee (such as offsite training as necessary or recreation/sports programs for children).

Nothing in this policy is intended to preclude employee-funded water clubs, or any bottled water purchased from any source using private funds. However, employees and City representatives are encouraged to use environmentally responsible practices for the personal consumption of water.

(Adopted: RTC # , August 26, 2008)

Lead Department: Finance

I verify that the content presented in this policy represents the direction given or action taken by Council.

_____ [signature] _____ Date _____

Director, _____ [Department name] _____