Council Meeting: November 15, 2011

SUBJECT: Approval of Budget Modification No. 2 to Appropriate $52,134 of California Environmental Protection Agency (CalEPA) Grant Funds for Compliance with Assembly Bill (AB) 2286 Mandating Electronic Reporting with the California Environmental Reporting System (CERS)

GRANT SUMMARY
On October 6, 2011 the City Manager accepted grant funds in the amount of $52,134 for the Department of Public Safety (DPS) to assist the City in complying with AB 2286, a State mandate requiring every certified unified program agency (CUPA) to report hazardous waste and hazardous materials management program data electronically to the California Environmental Protection Agency’s (CalEPA) state-wide information management system called the California Environmental Reporting System (CERS).

GRANTING AGENCY
California Environmental Protection Agency.

EXISTING POLICY
Council Policy 7.1.5 Donations, Contributions and Sponsorships:
The City Manager may apply for grants of any dollar amount, but shall notify the Council when grants are being pursued. Council approval of a budget modification to appropriate grant monies is required before funds can be expended by staff. Such a budget modification shall include the use to which the grant would be placed; the objectives or goals of the City which will be achieved through use of the grant; the local match required, if any, plus the source of the local match; any increased cost to be locally funded upon termination of the grant; and the ability of the City to administer the grant. For grants under the amount of $5,000 that do not have any external reporting requirements or any local match requirement, Council approval of a budget modification is not required. The City Manager is authorized to accept and administratively appropriate the grant funds.

This grant requires external reporting to the CalEPA and exceeds the $5,000 threshold; therefore, it may not be administratively appropriated by the City Manager and a budget modification is required.
City-specific policies related to the CERS grant include:

**Policy 4.2D.1** Adjust to changing service requirements, new laws, regulations, policies, technologies and changes occurring in the Community.

*Action Statement 4.2D.1c* Review and apply new regulations and legislative requirements that affect emergency service delivery, planning and program operations.

**Policy 4.2C.2** Coordinate a comprehensive program designed to control and mitigate harmful effects resulting from the storage, use and transport of hazardous materials.

**Policy 4.2B.2** Operate a response system that will provide effective control and investigation of hazardous materials emergencies.

*Action Statement 4.2B.2c* Consider electronic technology to provide Hazardous Materials Management Plan (HMMP) information “on-line” at emergency scenes.

**DISCUSSION**

Sunnyvale is one of 82 Certified Unified Program Agencies (CUPAs) approved by the CalEPA to implement and enforce the requirements of six statewide hazardous waste and hazardous materials management programs. It is the goal of CalEPA to consolidate, coordinate, and make consistent across all of the CUPAs the administrative requirements, inspections and enforcement activities associated with the six programs.

To further advance that goal, AB 2286 was passed and went into effect in 2009 requiring that all regulated businesses and local governments submit their regulatory reports electronically to CalEPA beginning in January 2013. In response, CalEPA has developed a statewide database known as the California Environmental Reporting System (CERS) that is now accessible and capable of accepting those electronic submittals.

Like other CUPAs, Sunnyvale has been assessing a $25 annual electronic reporting fee to approximately 690 local CUPA-regulated businesses since 2009 for system development, outreach, training, and technical support associated with the AB 2286 mandate. Those fees, totaling approximately $52,134, have been transferred quarterly to CalEPA and are available to the City of Sunnyvale in the form of a grant for purchasing hardware, software and data management services to transition to an electronic reporting system.

The City’s proposed transition plan includes development of a local Web-based portal and vendor-hosted database, initial training and ongoing outreach
efforts to assist the business community in their efforts to electronically report their data, and equipping field inspectors with handheld tablet computers to increase the efficiency and accuracy of inspections. Not only will the new system ensure that we meet the State’s mandate, but it also makes significant strides towards meeting a number of our other Department goals by:

- Developing a customized, vendor-hosted database and local portal that will provide increased efficiencies, enhance our hazardous materials regulatory program and offer ease of use to the business community.

- Creating a vendor-hosted database that will equip emergency responders with site-specific hazardous materials inventory data, site maps, process control diagrams and photos that can be used on scene during an emergency response and for pre-incident planning.

The Department of Public Safety will administer the CERS grant. The Hazardous Materials Unit (HMU) will be responsible for accomplishing activities in the transition plan that directly touch the community. In addition, HMU will work closely with the Information Technology Department to ensure that the local portal and data management system fully meet the City’s needs. DPS Administration will be responsible for overall management of the grant. The City’s Department of Finance will continue to provide accounting support and financial oversight. The Department of Finance has confirmed that the City has available resources to administer the grant.

**FISCAL IMPACT**

**Required Local Match**

None.

**Increased Cost to City upon Grant Termination**

There is an ongoing annual maintenance cost for the local portal and vendor-hosted database which is estimated to be $10,800 per year. A $25 electronic data fee has been collected from local CUPA-permitted businesses as a pass-through fee to CalEPA since 2009. Because the database will be used to manage all Fire Code and hazardous materials-related permits and inspection data, we propose to extend the annual $25 electronic data fee to all permits (approximately 1,340 permits) and retain those fees to fund the ongoing maintenance, enhancement, training, community outreach and hardware costs associated with the program. The $10,800 is the annual direct cost to the vendor for maintenance only and does not include ongoing enhancement, workshops to train business users, community outreach, or hardware costs for inspectors on an ongoing basis. The $25 electronic data fee will be reviewed annually to ensure it covers costs associated with support, maintenance and enhancement of the system.
DPS will include the request to add the electronic data fee to the City’s FY 2011/2012 Fee Schedule, along with its other fee schedule updates, in a subsequent RTC to be heard by Council in December 2011. This fee will cover the ongoing annual maintenance, enhancement, training, community outreach and hardware cost for the local portal and vendor-hosted database, which will be part of DPS’ operating budget going forward. As a result, there will be no impact to the General Fund.

The CERS grant required a transition plan and budget be submitted as part of the application process. A significant portion of the grant funds will be used to purchase, develop and customize the local portal and database to meet Sunnyvale’s needs. DPS’ transition plan and budget, which have been approved by CalEPA, include the following:

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
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<tbody>
<tr>
<td>Software development</td>
<td>$33,900</td>
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<tr>
<td>1st year Maintenance</td>
<td>$10,500</td>
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<tr>
<td>Hardware</td>
<td>$7,734</td>
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<td><strong>Total</strong></td>
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**Budget Modification No. 2**
**FY 2011/2012**

<table>
<thead>
<tr>
<th>Description</th>
<th>Current</th>
<th>Increase/ (Decrease)</th>
<th>Revised</th>
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<tbody>
<tr>
<td><strong>General Fund</strong></td>
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<tr>
<td>Revenues</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1027 – Misc State Grants</td>
<td>$0</td>
<td>$52,134</td>
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</tr>
<tr>
<td><strong>Expenditures</strong></td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>New Project – CERS Grant</td>
<td>$0</td>
<td>$52,134</td>
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**PUBLIC CONTACT**
Public contact was made by posting the Council agenda on the City’s official-notice bulletin board outside City Hall, at the Sunnyvale Senior Center, Community Center, and Department of Public Safety; and by making the agenda and report available at the Sunnyvale Public Library, the Office of the City Clerk, and on the City’s web site.
**ALTERNATIVES**

1. Approve Budget Modification No. 2 to appropriate $52,134 of California Environmental Protection Agency grant funds for development of a local portal and vendor-hosted database to meet the AB2286 mandate requiring electronic reporting of hazardous materials inventories and data to the California Environmental Reporting System.

2. Do not approve Budget Modification No. 2 to appropriate $52,134 of California Environmental Protection Agency grant funds for development of a local portal and vendor-hosted database and direct staff to find an alternate, less robust solution to meet the AB2286 mandate requiring electronic reporting of hazardous materials inventories and data to the California Environmental Reporting System.

**RECOMMENDATION**

Staff recommends Alternative #1: Approve Budget Modification No. 2 to appropriate $52,134 of California Environmental Protection Agency grant funds for development of a local portal and vendor-hosted database to allow reporting to the California Environmental Reporting System.

Reviewed by:

Dayton Pang, Interim Director of Public Safety  
Prepared by: Lynne Kilpatrick, HazMat Coordinator

Reviewed by:

Grace Leung, Director of Finance

Cuong Nguyen, Director of Information Technology

Approved by:

Gary M. Luebbers  
City Manager