

**Council Meeting: April 24, 2012****SUBJECT: Countywide AB 939 Fee and Household Hazardous Waste Agreements for FY 2013 through 2015****REPORT IN BRIEF**

Household Hazardous Waste (HHW) services are provided to Sunnyvale residents by way of the Countywide HHW Program. The City's cost for this program is paid for by a combination of revenues from the Countywide AB 939 Fee and direct payments from the City for resident use above a baseline level.

In addition to funding HHW services, the AB 939 Fee, charged on all solid waste landfilled in Santa Clara County, provides revenues that are passed through to Santa Clara County jurisdictions based on how much landfilled waste each jurisdiction generated. Fee revenues must be used to implement programs and services designed to meet the state mandate that local jurisdictions reduce the amount landfilled by 50% and reduce the amount of household hazardous waste (HHW) that is improperly disposed. The collection, distribution, and use of the fee are governed by an Agency Agreement among the County of Santa Clara and the 15 cities in the county. This agreement is for FY 2013 through 2015.

Staff is recommending that Council:

1. Authorize the City Manager to execute the Agreements for the Countywide AB 939 Fee and Countywide Household Hazardous Waste Collection Program (Attachments A and B)
2. Set an "augmentation amount" of \$204,521 to support anticipated resident participation levels for 2012/13 and \$223,465 for FY 2013-2015
3. Delegate to the City Manager the authority to approve changes to the City's augmentation amount during each year of the three year agreement period and to increase the City's augmentation amount by up to 20% as needed to ensure resident access to the service

**BACKGROUND****AB 939 Fee Agreement**

The AB 939 Fee is divided into two parts:

- 1) A Program Fee of \$1.50 per ton. Fee revenues are passed back to each jurisdiction to help pay the cost of preparing, adopting, and implementing integrated waste management plans

- 2) A Household Hazardous Waste (HHW) Fee of \$2.60 per ton for FY 2012/13 through 2014/15, with revenues used to pay for HHW services

Policy oversight is provided by the Santa Clara County Recycling and Waste Reduction Commission (RWRC). Councilmember Griffith represents the SMaRT Station® cities (Mountain View, Palo Alto and Sunnyvale) on the Commission.

The County has collected the AB 939 Fee on behalf of all jurisdictions within the County since July 1992. No change in the amount of the fee is recommended for FY 2012/13 through 2014/15.

### **Countywide HHW Program Agreement**

The HHW portion of the AB 939 Fee funds program participation at a baseline level of 4% of households. Cost for participation beyond baseline is augmented by each jurisdiction. The need to possibly change the augmentation amount from year to year and even toward the end of each fiscal year of the agreement arises from a number of variables outside the City's control, including resident participation levels, the amount of garbage generated and disposed (which generates fee revenues for the HHW Program), both within Sunnyvale and countywide, and changes in the HHW Program's costs (e.g. for disposal of wastes collected).

Staff is recommending that Council set the FY 2012/13 augmentation amount at \$204,521 and \$223,465 for FY 2013-2015 to cover resident participation, which is projected to be unchanged at 8-9% of households. For each year of the agreements, County staff will estimate augmentation amounts for each City based on then-current information on participation, garbage disposal quantities/fee revenues and program expenses. Staff is recommending that Council delegate to the City Manager the authority to approve changes to the augmentation amount and that Council continues to delegate to the City Manager the authority to approve an increase of up to 20% (\$40,904 in FY 2012/13) in the City's augmentation amount.

### **EXISTING POLICY**

Solid Waste Sub-element, Policy 3.2E.3—Minimize illegal and inappropriate disposal of Household Hazardous Waste (HHW).

### **FISCAL IMPACT**

There is no fiscal impact. The recommended actions maintain the current level of service to Sunnyvale residents and are consistent with the program budget.

### **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. Authorize the City Manager to execute both the Agency Agreement for Countywide AB 939 Fee and the Agency Agreement for Countywide Household Hazardous Waste Collection Program (with an augmentation amount of \$204,521 for FY 2012/13 and \$223,465 for FY 2013-2015) and continue to delegate to the City Manager the authority to approve an increase of up to 20% (\$40,904 for FY 2012/13) in the City's augmentation amount. In addition, delegate to the City Manager the authority to approve changes to the augmentation amount during FY 2013/14 and 2014/15 as needed.
2. Other action as directed by Council.

## **RECOMMENDATION**

Staff recommends Alternative No. 1: Authorize the City Manager to execute both the Agency Agreement for Countywide AB 939 Fee and the Agency Agreement for Countywide Household Hazardous Waste Collection Program (with an augmentation amount of \$204,521 for FY 2012/13 and \$223,465 for FY 2013-2015) and continue to delegate to the City Manager the authority to approve an increase of up to 20% (\$40,904) in the City's augmentation amount.

In order to continue to collect the AB 939 fee and distribute its revenues to the cities after June 30, 2012, each city and the County must act to approve the Countywide AB 939 Implementation Fee Agreement (Attachment A).

Sunnyvale has relied exclusively on the Countywide HHW Program for service to City residents for the past eight years. Customer satisfaction with the service has been high and costs have been lower than the City was able to achieve on its own in the past.

Reviewed by:

John Stufflebean, Director, Environmental Services Department  
Prepared by: Karen Gissibl, Recycling Manager

Approved by:

Gary Luebbbers  
City Manager

## **Attachments**

- A. Agency Agreement for Countywide AB 939 Implementation Fee
- B. Agency Agreement for Countywide Household Hazardous Waste Collection Program