



DATE: May 22, 2018

CATEGORY: Consent

DEPT.: Public Works

TITLE: **Authorize Countywide AB 939 Implementation Fee and Countywide Household Hazardous Waste Collection Program Agreements, Fiscal Years 2019-21**

RECOMMENDATION

Authorize the City Manager, or designee, to:

1. Execute agreements with the County of Santa Clara to collect and administer the Countywide AB 939 Implementation Fee and Countywide Household Hazardous Waste Program from July 1, 2018 through June 30, 2021.
2. Increase the yearly augmentation amount (estimated at up to \$60,000 each year), if needed, based upon actual participation and program costs during each year of the agreement.

BACKGROUND

All cities and counties are required under provisions of AB 939 (the California Integrated Waste Management Act of 1989) to implement and administer source reduction and recycling programs and to provide a way for residents and small businesses to dispose of household hazardous waste.

Since 1992, the City has participated in the Santa Clara County Household Hazardous Waste (HHW) Collection Program to satisfy these State-mandated requirements. The HHW Collection Program is a successful, cooperative effort between the County and cities within the County to provide legal, convenient, and economical services for residents to dispose of household hazardous wastes. To participate, the City executes Collection Program and Implementation Fee Agreements with three-year terms. The agreements currently in effect were approved by the City Council on April 14, 2015.

ANALYSIS

The recommended agreements are for three-year terms beginning July 1, 2018 and expiring June 30, 2021. The County collects an AB 939 fee on behalf of cities within the County and each city contracts individually with the County for fee collection. All 15 cities and the County must approve the agreements by June 13, 2018 to ensure uninterrupted service.

The AB 939 funds are collected by the County in the form of a tipping fee charged on each ton of waste landfilled. The fee set by the current agreements is \$4.10 per ton. For Fiscal Years 2018-19 through 2020-21, the proposed agreement keeps the fee unchanged at \$4.10 per ton. Under State law, this revenue is restricted to funding only AB 939-related costs. The \$4.10 per-ton fee will generate an estimated \$5.8 million in Fiscal Year 2018-19 and is divided into two parts:

1. A \$1.50 per-ton program fee generating \$2.1 million to assist in funding the costs of preparing, adopting, and implementing the Integrated Waste Management Plan (IWMP) in each of the 15 cities and the unincorporated area of the County. The program fee is allocated among the jurisdictions based on tons disposed originating in each jurisdiction. Mountain View's allocation for Fiscal Year 2018-19 is estimated to be \$81,600, and this funding is used to offset the costs of recycling programs.
2. An HHW fee of \$2.60 per ton, generating \$3.7 million to provide funding to implement the Countywide HHW Collection Program.

The HHW funding allows for a maximum participation level of 4 percent of the households in Mountain View, which is based upon the average Countywide HHW participation levels for the past nine years.

The proposed agency agreement for the Countywide HHW Collection Program also allows cities to augment funding beyond the 4 percent participation level if needed. Between 2006 and 2012, Mountain View's participation level averaged 4.4 percent. In 2013, participation began declining, averaging just 3 percent through Fiscal Year 2016-17. This may have been the result of a reduction in the number of collection events being held in Sunnyvale (reduced from monthly to quarterly), the closest collection option for Mountain View residents. However, participation is already at 4.3 percent as of the end of March and is estimated to be as much as 5 percent by the end of the fiscal year due to a collection event held in Mountain View in August 2017. This event, which

offers a very convenient disposal option for Mountain View residents, is again planned for 2018 and will hopefully continue into the future.

Based upon Mountain View's growing participation level, the proposed agreement includes an annual augmentation of up to \$60,000. Because Mountain View's participation was below 4 percent for the last several years, the City has a program credit in the amount of \$55,000. Those funds will be drawn down first to pay any augmentation, and the Solid Waste Fund would pay any additional above that amount.

Residents may call the County HHW hotline at 408-299-7300 to schedule an appointment at a disposal event, any time during the year, or obtain information about safe, alternative, nontoxic products. The County coordinates public outreach while the City advertises the program services in the *Resource* newsletter, on the City's website, on KMVT, and in the *Mountain View Voice*.

FISCAL IMPACT

Program funding is included in the City's SMaRT Station budget, which partially derives revenues from tipping fees charged on each ton of waste generated in Mountain View and landfilled in Santa Clara County. The County HHW Collection Program budget currently assumes 4 percent of households in each city will dispose of hazardous waste in any one year. However, in Mountain View, the City Council has approved augmented funding every year since 2004 to support actual participation by City residents. Staff believes there is sufficient funding in the City's Solid Waste operating budget to pay the augmentation if participation exceeds 4 percent.

ALTERNATIVES

1. Do not sign the agreements. The \$4.10 AB 939 funding would be eliminated. Each city and the County would then need to decide how to fund and implement an HHW program which would comply with State requirements.
2. Provide other direction.

PUBLIC NOTICING – Agenda posting.

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