



COUNCIL REPORT

DATE: April 23, 2024

CATEGORY: Consent

DEPT.: Public Works

TITLE: **Household Hazardous Waste—Collection Program and AB 939 Implementation Fee Agreements, Fiscal Years 2025-27**

RECOMMENDATION

Authorize the City Manager or designee to execute an agreement with the County of Santa Clara to administer the Countywide Household Hazardous Waste Collection Program and collect the Countywide Assembly Bill 939 implementation fee for an amount not-to-exceed \$175,000 annually for Fiscal Years 2024-25 through 2026-27.

BACKGROUND

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

Since 1992, the City has participated in the Santa Clara County Household Hazardous Waste Collection Program (HHW Program or Program) to satisfy these state-mandated requirements. The HHW 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 waste. To participate and help fund the Program, the City enters into a HHW Program and AB 939 Implementation Fee agreements with three-year terms. The current agreements were approved by Council on [April 27, 2021](#) and are set to expire June 30, 2024.

To participate in the year-round HHW Program, residents may call the HHW Program hotline at 408-299-7300 or go to HHW.org online to schedule an appointment at the permanent drop-off facilities. Residents may also participate in temporary drop-off events held in cities throughout the County. This year's drop-off event in Mountain View is August 24, 2024. The County coordinates public collection services and appointment scheduling while the City advertises the program services via various outreach channels.

ANALYSIS

The two recommended agreements, the HHW Program and AB 939 Implementation Fee, are for three-year terms beginning July 1, 2024 and expiring June 30, 2027. The County collects an AB 939 fee on behalf of cities within the County through the AB 939 Implementation Fee agreement. Cities in the HHW Program use a portion of AB 939 collected fees towards their HHW Program costs as described in further detail below. All 15 cities and the County must approve the agreements by June 19, 2024 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 agreement is \$4.10 per ton. For Fiscal Years 2025-27, 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 overall in Fiscal Year 2023-24 and is divided into two parts:

1. A \$1.50 per ton program fee generating \$2 million to assist in funding the costs of preparing, adopting, and implementing the Integrated Waste Management Plan 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 estimated allocation for Fiscal Year 2023-24 is \$71,936, and this funding will be used to offset the costs of recycling programs.
2. An HHW fee of \$2.60 per ton generating \$3.8 million to provide funding to implement the Countywide HHW Program. Mountain View's estimated allocation in Fiscal Year 2023-24 is \$121,557.

The HHW Program budgets a 4% household-participation level for all Santa Clara County jurisdictions, including Mountain View. The HHW Program agreement allows cities to augment funding beyond the 4% participation level if needed. Mountain View has had an average participation rate of 3.9% of households from Fiscal Years 2006 through 2023.

Historically, Mountain View's AB 939 HHW fee allocation plus an additional \$40,000 yearly augmentation budget has covered program costs, but as Mountain View decreases the amount of material sent to landfill, the amount of funding available to cover program costs has also decreased. In previous years, fee revenue covered program costs, and the \$40,000 annual augmentation funding was not fully used, allowing the HHW fee revenues to roll over to the next fiscal year. However, County costs to run the program have significantly increased, all rollover funds have been exhausted, and additional augmentation funds are required.

County costs have increased and will continue to increase during the term of the new HHW Program agreement for several reasons:

- The County's agreement with their hazardous waste contractor will expire, and staff anticipates the contractor's pricing will increase in Fiscal Years 2026 and 2027.
- Additional increases are being seen in disposal, fuel, and transportation costs.
- The County's staffing costs will also increase due to staff wage increases.
- The County's lease agreement for one of the two permanent household hazardous waste facilities, the Las Plumas facility in San Jose, will be renewed, and the new lease is expected to increase costs.

The County has estimated the City's HHW Program will need augmentation up to an additional \$175,000 per year. Through the yearly budget process, staff will request funding to fund the HHW Program. The cost each year will be based upon actual participation and program costs during each year of the agreement.

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 program costs are increasing, and additional funding is needed to augment the tipping fee revenues. There is sufficient balance in the Solid Waste Fund to fund the HHW Program and projected cost increases.

ALTERNATIVES

1. Do not authorize the City Manager or designee to execute the agreements. The \$4.10 per ton AB 939 funding to the City would be eliminated. Mountain View would then need to decide how to fund and implement an HHW Program to comply with state requirements outside of the Countywide collection program.
2. Provide other direction.

PUBLIC NOTICING—Agenda posting.

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