



MEMORANDUM

Date : September 23, 2004
TO: HHW Subcommittee
FROM: Rob D'Arcy
RE: Future Funding

I need your input on several matters. Please respond with agreement or suggestions for each issue addressed. Let me know what you think by Monday, September 27, 2004.

1. AB 939 Implementation Fee funding for nonprofits

Since FY 2001 the AB 939 Implementation Fee for HHW has included the collection of a per household apportionment from all jurisdictions to support qualified non-profits with the cost of disposing of illegally abandoned hazardous waste at their locations. Over the years, the amount of money collected exceeded the non-profit cost of disposal. The annual cost for non-profit abandoned waste disposal is approximately \$50,000 yet the non-profit abandoned waste funding available is \$70,000 per year. By the end of FY 2005, staff anticipates an unexpended non-profit abandoned waste fund balance of \$200,000.

After our latest CUPA inspection, we were told to increase our facility closure financial assurance required by Permit-by Rule regulations. During the first three years of the AB 939 Implementation Fee for HHW, \$20,000 per year (total \$60,000) was set aside to pay for facility closure when the time comes. The closure account is inadequate to cover the new estimated cost of closing the three facilities. The estimate has been revised to \$130,000 (\$50,000 each for the San Jose and Sunnyvale facilities and \$30,000 for the San Martin facility).

Recommendation:

We recommend that an Amendment to the AB 939 Implementation Fee for HHW be prepared for FY 2006 (the third and last year of the current AB 939 Implementation Fee term) that redirects the non-profit abandoned waste funding of \$70,000 for FY 2006 to the closure account. The unexpended fund balance (\$200,000) will be drawn down to

serve nonprofits in FY 2006. Non-profit abandoned waste disposal is expected to cost \$50,000 leaving the abandoned waste fund balance at approximately \$150,000. Diversion of the abandoned waste funding (\$70,000) for FY 2006 will increase the closure account to \$130,000 satisfying our permit requirement.

Next, the AB 939 Implementation Fee for HHW which will be reauthorized for FY 2007 through FY 2009 will include a redirection of the non-profit abandoned waste funding to another program use (to be determined) while the unexpended non-profit abandoned waste funds, now \$150,000 are used (\$50,000 per year for 3 years resulting in a zero fund balance).

2. Universal Waste Expense in Future Years

As of February 9, 2006, residents and small businesses will be prohibited from disposing of Universal Waste (ie. batteries, fluorescent lamps and compact bulbs, thermostats, and thermometers) in the trash. While the HHW Program was successful in winning a grant award to address education and the implementation of alternative drop-off mechanisms such as retail stores and community centers, local government without the support of funding from State legislation (ie Advanced Recycling Fees) will be responsible for footing the bill for collection and recycling. Serious consideration must be given to identifying revenue sources for increased HHW service demands as a result of Universal Waste recycling.

Recommendation:

Increase the AB 939 Implementation fee starting Fiscal Year 2006 or Fiscal Year 2007.

Encourage our local political officials to support advanced recycling and producer responsibility legislation.

3. Pharmaceutical Disposal at HHW Programs

Responsibility for water pollution prevention in the Bay Area is delegated to two groups: wastewater and stormwater pollution prevention authorities. These authorities want to disseminate public education instructing residents to dispose of pharmaceuticals (prescription drugs) and other personal care products at HHW Programs and NOT dispose of them down the drain.

Additional funding will be needed for managing and disposing of this waste stream. For instance, in Santa Clara County, it cost participating cities \$60 per vehicle to service and dispose of HHW. The \$60 is charged whether a customer brings one prescription bottle or 5 gallons of paint, pesticides and flammable liquids. This charge is paid by the participating cities in addition to fixed facility cost, advertising and non-profit abandoned waste assistance. Each city participates by funding disposal up to 3% of their households. Currently, most cities reach their maximum threshold by the end of the event year and most augment the budget to deliver services to a greater number of households.

If increased advertising, asking people to bring their pharmaceuticals to an HHW event, were to take place, cities would easily exceed their 3% percent participation early in the year than currently being experienced. This may result in turning away residents who

have equally or more dangerous chemicals to turn in, and not allow the type of disposal necessary to reduce the pharmaceutical disposal in waterways.

Critical to rerouting this waste stream to HHW events is funding to handle the increased resident participation. In a time of a weak economy and reduced city budgets, cities can not be expected to manage this waste on their own without other sources of revenue, say from the wastewater and stormwater authorities and /or establishing take back program through manufacturers first.

Recommendation:

1. Study the issues and costs and develop a position supported by TAC and the Recycling and Waste Reduction Commission to increase the AB 939 Implementation Fee for HHW to cover the cost of expected increases in demand for HHW program services as a result of public education by wastewater and stormwater authorities
2. Agree to study the nexus between stormwater pollution prevention, sanitary sewer pollution prevention, and expected increases in demand for HHW program services. The objective of this study should be to identify opportunities for supplemental funding from wastewater and stormwater authorities to support increasing HHW waste streams.
3. Provide more focus on small business generators where enforceable regulations exist and HHW programs are capable of recouping costs through fees.

4. Used Oil Recycling Block Grant Funding Decrease

The Used Oil Block Grant award for FY 2005 was \$465,233, 14% less than the award of \$537,116 for FY 2004. Approximately 20% of the HHW Program budget is funded by the annual Used Oil Block Grant award. The CIWMB states that funding available in the past that augments the annual \$10 million dollars of Used Oil Block grant funding was unavailable due to the State budget crisis. The augmentation was used to fund jurisdictions that are new to the Used Oil Block Grant cycles. Because there was no augmentation this year all Used Oil Block Grant awards were reduced. The CIWMB does not anticipate an augmentation for the next several years. With decreasing grant revenues, the need to pursue and develop funding for the above issues becomes paramount.

Recommendation:

Increase the AB 939 Implementation fee starting Fiscal Year 2006 or Fiscal Year 2007

P.S. The next HHW Subcommittee meeting will be held on Thursday, October 28, 2004

Please respond to Rob D'Arcy at 408.918.1967 or

rob.darcy@deh.co.scl.ca.us

HHW Funding Record

Soild Waste Tonnage

Cities	TOTAL			
	FY01	FY02	FY03	FY04
Campbell	42,088.59	41,321.16	41,716.74	36,823.81
Cupertino	39,753.59	38,594.87	40,066.18	39,328.59
Gilroy	41,059.87	46,128.79	46,455.13	52,863.44
Los Altos	18,365.85	20,822.50	21,985.34	21,167.81
Los Altos Hills	4,317.34	4,013.25	4,831.35	4,675.55
Los Gatos	35,713.57	27,002.55	25,712.79	27,185.77
Milpitas	68,845.93	62,723.84	67,178.29	68,536.07
Monte Sereno	1,949.19	1,189.10	854.95	1,196.15
Morgan Hill	37,657.57	36,209.73	34,429.14	34,188.18
Mountain View	70,599.85	60,453.66	55,788.83	56,210.93
Palo Alto	81,829.13	73,372.69	76,240.00	66,149.87
San Jose	759,548.43	679,879.63	676,160.53	657,265.23
Santa Clara	159,407.66	147,106.66	139,049.31	129,189.54
Saratoga	24,018.05	19,223.11	17,006.38	16,033.24
Sunnyvale	118,455.14	104,438.08	97,835.03	98,591.21
Unincorporated	72,466.11	60,017.51	45,149.42	55,787.43
Total	1,576,075.87	1,422,497.13	1,390,459.41	1,365,192.82