



PUBLIC WORKS DEPARTMENT

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CITY COUNCIL STAFF REPORT

Date: May 19, 2026

Subject

Approval of first amendment to the Countywide Household Hazardous Waste (HHW) Collection Program agreement with the County of Santa Clara (County) to augment funding up to an additional \$36,433 to the Countywide HHW Program during Fiscal Year (FY) 2026-27 using earmarked funds within the Resource Recovery Fund 520, raising the not to exceed amount of the three-year 2024-2027 agreement to \$435,676.

Recommended Action

Authorize the City Manager to execute a first amendment to the Countywide HHW Collection Program agreement between the City of Cupertino and the County of Santa Clara to augment funding up to an additional \$36,433 from fund 520 Resource Recovery with no impact to the General Fund to the Countywide HHW Program during FY 2026/27 for the purpose of attaining or increasing household participation, raising the not to exceed amount of the three-year 2024-2027 agreement to \$435,676.

Background

The City has recurring three-year agreements with Santa Clara County to participate in the countywide Household Hazardous Waste program. This agreement is partially funded by fees charged on tons of material going to landfill from jurisdictions in the county and partially funded by cities individually to fully cover participation of their residents dropping off hazardous materials. The current agreement with the County was approved by Cupertino City Council on June 4, 2024. Each year the County estimates what the individual funding per city will be, but as it is based on the uncertainties of landfill fees collected, actual participation, and hazardous materials handling vendor costs, from time to time the county presents the cities with amendments to their agreements to request additional funding. The County's contract with their service provider is nearing expiration, so County staff recently conducted a competitive procurement process for a new service provider to receive and manage the collected hazardous materials. The proposed new agreement has an anticipated increase in costs that they must now be passed through to participating jurisdictions (Attachment C).

Reasons for Recommendation and Available Options

Cupertino, along with the other cities in the County, have an agreement with the County of Santa Clara (the Agreement for Countywide Assembly Bill (AB) 939 Implementation Fee, Attachment A) to collect landfill tonnage disposal fees to pay for the costs of preparing, adopting, and implementing integrated waste management plans and programs, including HHW elements. The fee is \$4.10 per ton of material disposed at any landfill in the County and is collected by the County from the landfills on behalf of the jurisdictions. The agreement specifies that the \$4.10 per ton fee is divided into two parts: \$1.50 per ton assists in funding an integrated Waste Management Plan, and \$2.60 per ton provides funding to implement the Countywide HHW Program. The current agreement was signed in 2024 for FY's 2024-2025, 2025-2026, and 2026-2027; this agreement runs through 6/30/2027.

The County and each city individually sign Agreements for Countywide Household Hazardous Waste Collection Program (Attachment B), which details the desire to use the collected \$2.60 per ton fee to fund the Countywide HHW Program. This arrangement provides operational efficiency to jurisdictions as they do not each have to run their own HHW collection programs. The County HHW Program includes two permanent drop-off facilities for HHW as well as temporary events at various locations in the county periodically throughout the year. There are no temporary events that occur in Cupertino, but locations in Saratoga, Sunnyvale, and Mountain View provide nearby access to Cupertino residents.

Cupertino residents (1,243 in FY 2024-2025) use this drop-off service for responsible disposal of unwanted HHW materials. Cupertino's portion of the fee is based on tonnage of material being disposed that originated in Cupertino, including regular garbage accounts serviced by Recology, self-haul, and construction and demolition debris. County staff keep track of the tonnage originating in Cupertino and the fees collected on that tonnage and keep records on the jurisdiction of residence of each person who drops materials off at a HHW Program event. The County also tracks and reports on all the associated expenses for the Program. If the cost to serve Cupertino's participating residents exceeds the funds collected via the per-ton disposal fee, Cupertino is invoiced for the difference. Each year the County provides each jurisdiction an estimate of the anticipated shortfall between collected fees and participation cost for the next fiscal year, which they call augmented funds. If collected tonnage fees are more than what is needed to pay for Cupertino residents' participation, any excess would be remitted to the City. However, Cupertino's full participation in the County HHW Program makes such a refund unlikely. Recently, the County conducted a competitive procurement process to select a new vendor to provide the collection and disposition of the hazardous materials. The new vendor agreement will increase costs in fiscal year 2026-2027, requiring that the County pass through the increase to jurisdictions.

To ensure payment of the shortfall from each jurisdiction, the County creates an amendment to the agreement when necessary to identify the expected need for additional augmented funds. After the end of each fiscal year, the County tallies actual attendance and issues an invoice (or refund) as appropriate. Actual usage of the HHW program by Cupertino residents in FY 24-25 was lower than projected, meaning that the City did not have to pay the full projected augmentation amount for that year, but that underuse is not enough to offset the projected

increased costs. To ensure that all residents who need it have access to the HHW program for responsible management of their hazardous materials, staff recommends augmenting the agreement up to the amount recommended by the County.

The current agreement was approved with an expected per-year augmentation amount of \$133,081, for a total agreement cost of \$399,243 for the 3-year term. The increased augmentation recommendation for FY 26-27 is going up to \$169,514, an increase of \$36,433 for a total three-year agreement amount of \$435,676.

The deadline to return the signed Amendment to the County is June 1, 2026.

Sustainability Impact

Responsible management of solid waste, including HHW, is a requirement under Assembly Bill (AB) 939, the California Integrated Waste Management Act, and is part of section ten of the City's Climate Action Plan 2.0. The AB 939 and HHW Agreements approve the countywide collection of fees to facilitate safe and appropriate disposal or re-purposing of all wastes. Additionally, the countywide HHW Agreement is designed to reduce and eventually eliminate the residential hazardous waste that is still sent to landfill countywide and to capture some of the hazardous waste that might otherwise be illegally dumped.

Fiscal Impact

There is no impact to the General Fund for this item. For approximately seven years, the City received a refund from the County due to the At-Your-Door Pickup Program which limited residential participation in the County HHW Program. The money that was refunded arrived earmarked for HHW collection purposes but went into the larger Resource Recovery Fund 520 330-301. The At-Your-Door Program ended abruptly in early 2018 (the service was no longer available) and the City pivoted to using the County program to the full extent. In order to separate earmarked HHW funds from the Resource Recovery Fund, a new fund was created. The AB 939 HHW Fund 520 303-312 now holds funds earmarked for use on HHW that can fund County HHW Program augmentation amounts. The County invoices the cities in two stages. The initial invoice requests 50% of the total augmentation for the year. The second invoice is issued many months after the close of the fiscal year, and reflects actual participation for the year, invoicing only what is needed beyond the initial 50%. As such, this additional augmented amount for FY 2026-2027 will be part of the FY 2027-2028 Base Budget under 520-81-801 700-702 (formerly recurring special project 750-041).

City Work Program (CWP) Item/Description

None

Council Goal:

Environmental Sustainability

California Environmental Quality Act

No California Environmental Quality Act impact.

Prepared by: Ursula Syrova, Environmental Programs Manager

Reviewed by: Chad Mosley, Director of Public Works

Approved for Submission by: Tina Kapoor, City Manager

Attachments:

A – Agreement for Countywide AB939 Implementation Fee

B – Agreement for Countywide HHW Collection Program

C – Draft First Amendment for Countywide HHW Collection Program