

RESOLUTION R2025-__

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF NAPA, STATE OF CALIFORNIA, ESTABLISHING RECYCLABLE MATERIALS GATE FEES AT THE CITY'S MATERIALS DIVERSION FACILITY, TO BECOME EFFECTIVE JULY 1, 2025

WHEREAS, the City and Napa Recycling & Waste Services, LLC ("NRWS") are parties to a contract by which NRWS provides services to the City for Collection and Transportation of Municipal Solid Waste, Recyclable Materials, and Compostables and operation of the Napa Materials Diversion Facility (City Agreement No. 8687, hereinafter referred to as "Contract"); and

WHEREAS, the Contract was originally approved by the City Council on December 7, 2004, and was subsequently amended on April 18, 2023 (R2023-038); and

WHEREAS, under the terms of the Contract, the City, as owner of the Napa Materials Diversion Facility ("MDF"), is responsible for determining what materials are accepted at the MDF and establishing gate fees to be charged to third party customers for certain recyclable materials delivered to the MDF; and

WHEREAS, City staff have reviewed projected revenues and costs associated with the acceptance and processing of recyclable materials at the MDF; and

WHEREAS, City staff have summarized the increased costs as well as increased material sales revenues in the "2025 MDF Recyclable Materials Gate Fee Analysis," which is documented in this Resolution (including Exhibits "A" and "B," attached hereto and incorporated herein by reference) and has been made available for public review electronically and in the office of the City Clerk; and

WHEREAS, based on the 2025 MDF Recyclable Materials Gate Fee Analysis, City staff has determined that revenue from the sales of recyclable materials has increased substantially while processing costs have also increased, and that certain gate fees should be decreased (or converted from charges to credits) in accordance with this Resolution to reflect the current higher market value of recyclable materials while also addressing increased processing costs of recyclable materials; and

WHEREAS, the City is authorized to establish "Recyclable Materials Gate Fees" to recover the cost of providing services to jurisdictional and third-party contractual customers who deliver recyclable materials to the MDF, pursuant to the City's home rule authority as a charter city (pursuant to California Constitution, Article XI, Sec. 5, and City of Napa Charter Section 4) and the City's police power (pursuant to California Constitution, Article XI, Sec. 7); and

WHEREAS, the City's Recyclable Materials Gate Fees is subject to the requirements of Proposition 26 (California Constitution Article XIII C, Sec. 1(e), and the

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City has documented in this Resolution compliance with those requirements, as well as compliance with California Government Code Sections 66016 – 66019; and

WHEREAS, at least ten days prior to the date this Resolution is to be considered, a legal advertisement was published in the Napa Valley Register announcing a public hearing on May 22, 2025, where a staff report and cost analysis would be made available to the public documenting the amount of cost, or estimated cost, required to provide the service for which the fees herein adopted are levied and the revenue sources anticipated to provide the service; and

WHEREAS, the City Council previously established Recyclable Materials Gate Fees effective May 1, 2024, and July 1, 2024, for the County of Napa as set forth in City agreement No.8782, and Resolution R2024-035; and

WHEREAS, the Recyclable Materials Gate Fee for the County of Napa has been further analyzed based on composition studies specific to Recyclable Materials delivered to the City's MDF and more recent materials sales revenue data; and

WHEREAS, the Utilities Director has determined that MDF recyclable materials gate fees are not subject to the California Environmental Quality Act pursuant to Public Resources Code Section 21080(b)(8), based on the findings set forth in the MDF Recyclable Materials Gate Fee Analysis; and

WHEREAS, the City Council has considered all information related to this matter, as presented at the public meeting of the City Council identified herein, including any supporting reports by City Staff, and any information provided during public meeting.

NOW, THEREFORE, BE IT RESOLVED, by the City Council of the City of Napa, as follows:

1. The City Council hereby finds that the facts set forth in this Resolution, including all Exhibits, are true and correct and establish the factual basis for the City Council's adoption of this Resolution.

2. The City Council hereby finds that the Recyclable Materials Gate Fees established by this Resolution are charges imposed for a specific government service that: (i) is provided directly to those who are charged the fees, and (ii) is not provided to those not charged the fees.

3. The City Council hereby finds that the amount of the self-haul and/or contractual gate fees meet the criteria set forth in the subparagraphs to this section 3, below, based on the facts identified in this Resolution, particularly including the 2025 MDF Recyclable Materials Gate Fee Analysis attached hereto.

a. The amount of the fees does not exceed the reasonable costs of providing the service. The fees will offset the estimated reasonable operational and contractual costs incurred by the City in accepting

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materials at the MDF for processing and recycling operations. The amount of each fee is no more than necessary to cover the costs incurred by the City in conducting the activities to provide the services for which the fees are imposed.

- b. The City has allocated the service costs to each individual fee payor in a manner that bears a reasonable relationship to each payor's burdens on, and benefits received from, the City's activities and services.
- c. Based on the findings set forth in this section 3, the fees established by this Resolution are not "taxes" as defined by California Constitution Article XIII C, section 1(e).

4. The City Council hereby approves and establishes the recyclable materials gate fees and credits for the MDF in the amounts set forth in the column labeled "Gate Fees Effective 7-1-2025" on the chart in Exhibit "A" to this Resolution; and those fees and credits shall become effective July 1, 2025.

5. The City Council hereby authorizes the City Manager and the Finance Director to implement the fees established by this Resolution, including: (a) administratively organizing and publishing the fees in the City's Master Fee Schedule; and (b) implementing and enforcing the fees in accordance with the City Council Policy Resolution for the establishment, implementation, and enforcement of City Fees (R2018-046).

6. This Resolution shall take effect immediately upon its adoption.

I HEREBY CERTIFY that the foregoing Resolution was duly adopted by the City Council of the City of Napa at a public meeting of said City Council held on the 3rd day of June, 2025, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

ATTEST: _____

Tiffany Carranza
City Clerk

Approved as to form:

Christopher J. Diaz
Interim City Attorney

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Exhibit A

MDF Recyclable Materials Gate Fees Effective 7/1/2025 and Effective 7/1/2025 for Napa County per City Agreement No. 8782

Material	Master Fee Schedule No.	Current Gate Fees	Gate Fees Effective 7-1-2025 (Effective 7-1-2025 for Napa County)
Residential Recyclable Materials from Napa County (per City Agreement No. 8782)	7.16.15	\$25 per ton charge	\$10 per ton credit
Commercial Recyclable Materials from Napa County (per City Agreement No. 8782)	7.16.16	\$70 per ton charge	\$45 per ton charge
Source-Separated Commercial Green Glass from Napa County (per City Agreement No. 8782)	7.16.17	\$20 per ton credit	\$80 per ton credit
Source-Separated Commercial Clear Glass from Napa County (per City Agreement No. 8782)	7.16.18	\$20 per ton credit	\$80 per ton credit
Residential Single-Stream ("Mixed") Recyclable Materials	7.16.13	\$30 per ton charge	\$5 per ton credit
Commercial Single-Stream ("Mixed") Recyclable Materials *	7.16.14	\$75 per ton charge	\$50 per ton charge
Minimum Charge per load *		\$26 per vehicle (load)	\$26 per vehicle (load)

* Minimum Charge per load is applicable only to materials listed in the above chart with an "*"

Exhibit B

**Executive Summary of Analysis and Basis for Proposed
MDF Recyclable Materials Gate Fees to become Effective 7/1/2025 and Effective
7/1/2025 for Napa County per City-County MOU for Use of the City’s Materials
Diversion Facility (City Agreement No. 8782)**

Material	Master Fee Schedule No.	Narrative Description of Analysis* and Basis of specific Proposed MDF Recyclable Gate Fees to become Effective 7/1/2025
Residential Recyclable Materials from Napa County (per City Agreement No. 8782)	7.16.15	Page 2 of Analysis describes an estimated average revenue of \$268.17/ton of the category of residential “single-stream” (mixed) materials of which 70% is retained as City revenue (\$187.72/ton). The City revenue is reduced by a projected \$104.11/ton in over-baseline processing costs leaving a net City revenue of \$83.61/ton. The \$33.01/ton in estimated net revenue is further reduced by \$22.77/ton for stream’s portion of MDF capital costs (p. 24 of Analysis). The proposed gate fee (charge) is the approximate midpoint of the 20% market volatility buffer (p. 3 of Analysis).
Commercial Recyclable Materials from Napa County (per City Agreement No. 8782)	7.16.16	Page 2 of Analysis describes an estimated average revenue of \$169.19/ton of the category of commercial “single-stream” (mixed) materials of which 70% is retained as City revenue (\$118.43/ton). The City revenue is reduced by a projected \$104.11/ton in over-baseline processing costs leaving a net City revenue of \$14.32/ton. The \$14.32/ton in estimated revenue is further reduced by \$22.77/ton for stream’s portion of MDF capital costs (p. 24 of Analysis). The proposed gate fee (charge) is the approximate midpoint of the 20% market volatility buffer (p. 3 of Analysis).
Source-Separated Commercial Green Glass from Napa County (per City Agreement No. 8782)	7.16.17	The credit recommended for this specific material type is based on a projected value of glass for CY2025 vs. CY2024 and previous methodology specific to City Agreement No. 8782 with Napa County for source-separated commercial glass delivered to City’s MDF.

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Source-Separated Commercial Clear Glass from Napa County (per City Agreement No. 8782)	7.16.18	The credit recommended for this specific material type is based on a projected value of glass for CY2025 vs. CY2024 and previous methodology specific to City Agreement No. 8782 with Napa County for source-separated commercial glass delivered to City’s MDF.
Residential Single-Stream (“Mixed”) Recyclable Materials	7.16.13	Page 1 of Analysis describes an estimated average revenue of \$273.42/ton of the category of residential “single-stream” (mixed) materials of which 70% is retained as City revenue (\$191.39/ton). The City revenue is reduced by a projected \$104.11/ton in over-baseline processing costs leaving a net City revenue of \$87.28/ton. The \$87.28/ton in estimated net revenue is further reduced by \$22.77/ton for stream’s portion of MDF capital costs (p. 24 of Analysis). The proposed gate fee (charge) is the approximate midpoint of the 26% market volatility buffer (p. 3 of Analysis).
Commercial Single-Stream (“Mixed”) Recyclable Materials *	7.16.14	Page 1 of Analysis describes an estimated average revenue of \$177.02/ton of the category of commercial “single-stream” (mixed) materials of which 70% is retained as City revenue (\$19.80/ton). The City revenue is reduced by a projected \$104.11/ton in over-baseline processing costs leaving a net City revenue of negative \$48.99/ton. The negative \$48.99/ton in estimated revenue is further reduced by \$22.77/ton for stream’s portion of MDF capital costs (p. 24 of Analysis). The proposed gate fee (charge) is the approximate midpoint of the 26% market volatility buffer (p. 3 of Analysis).
Minimum Charge per load *		Minimum charge set based on separate analysis performed for public MDF Gate Fees set by Council resolution R2024-005.

- Note: “Analysis” refers to 2025 MDF Recyclable Materials Gate Fee Analysis (Attachment 2 to staff report for the Napa City Council meeting agenda on June 3, 2025).