ATTACHMENT 6

FAQs: Proposed Solid Waste & Recycling Collection Rates (public notice mailed 4/30/25)

1) When was the last solid waste and recycling collection rate increase?

Rates have not been increased in approximately 3.5 years. The current solid waste and recycling collection rates went into effect January 1, 2022.

2) Why are rate increases being proposed?

In a $52.6 million enterprise fund (proposed expenditure budget for City Fiscal Year 2025/26), there are numerous projected changes to revenues and expenditures. That said, the three main "drivers" of the proposed rate increases are:

(A) ***NRWS Contract and Impact of SB 1383 Compliance:*** *In 2022 and 2023, the Napa City Council approved two amendments to collection and processing agreement with Napa Recycling & Waste Services, LLC (NRWS).*
The 2022 NRWS contract amendment addressed increased operating and maintenance costs for a covered composting and upgraded stormwater management system necessary for the facility to comply with stringent air, stormwater and solid waste facility permits as well as continue to receive and process food scraps and soiled paper at the City's Materials Diversion Facility ("MDF"). The 2022 amendment also addressed additional compensation to NRWS for growth in service for residential and/or commercial accounts.
Senate Bill (SB) 1383 (Mandatory Organics Recovery) is an unfunded state mandate that became effective January 2022. SB 1383, focused on organics recovery, is imposed on all California cities and counties and all "generators" of waste materials. To comply with the requirements of the new state law, the Napa City Council approved the SB 1383 NRWS Contract Amendment which included the following:

- *(1) addition of one new commercial organics collection truck and driver;*
- *(2) new and/or upgraded collection equipment for expanded collection of compostable organic materials;*
- *(3) addition of two NRWS compost equipment operators, two NRWS recycling outreach specialists and 1 ½ customer service representatives (half of one position paid by south unincorporated Napa County rate payers);*
- *(4) new and/or upgraded sorting and processing equipment for recyclables at the City-owned MDF; and*
- *(5) $2.6 million of new organics processing equipment at the MDF ($1.5 million of which was paid through a competitive grant secured from CalRecycle by the City of Napa.*

The increased cost of the 2022 NRWS Contract Amendment was approximately $1.8 million per year (in 2022 dollars) and $2.8 million per year for the SB 1383 Contract Amendment (in 2023 dollars). Taken together, this constitutes a 15% increase in base contract costs for the City's Solid Waste and Recycling (SWR) Enterprise Fund.

(B) ***Dramatically Increased Fuel and Electricity Costs****: A rapid and significant increase in the cost of fuel for NRWS collection vehicles and electricity for operation of the MDF has occurred since the previous 2019 rate setting and is expected to continue to increase in the next five-years. In 2019, the combined cost of fuel and electricity was $1.22 million. By 2024, the combined cost had more than doubled to $2.46 million. If projections for fuel and electricity cost materialize as expected, the combined cost of fuel and electricity will be $3.53 million by 2029 (a 43.5% increase compared to 2024).*

(C) ***Major Capital and System Improvements****: In 2016, the City of Napa issued $12.5M in solid waste revenue bonds for necessary facility/system capital improvements. Approximately $8 million of the bond proceeds went towards a new "covered" composting system, while $2.5 million was used for an upgraded stormwater management and treatment system, and the remaining $2 million of bond funds addressed legally required covers (roofs) for processing and storage areas to comply with facility and stormwater discharge permits. The cost of annual debt service for the bond is just under $900K/year.*

In addition to the projects completed above several major capital improvement projects (CIPs) at the MDF have either been deferred or are now required because of a combination of SB 1383 processing standards and the need to comply with increasingly stringent regulations and permits (air, stormwater, and solid waste facility permits). In consultation with NRWS as the contracted facility operator, the proposed rates support $18.7 million in MDF CIPs over the next five years. These include:

(1) $13 million for the next required stage of the covered compost system to control air emissions and contain compost-contact stormwater;
(2) $2.8 million for installation of a 12 KV electrical system (as required by PG&E for current and future power to the facility);
(3) $1.25 million for additional stormwater retention and/or treatment; and
(4) $1.65 million for previously deferred capital and maintenance CIPs including exterior concrete pad replacement, scalehouse replacement/rehabilitation, partial perimeter fencing replacement, and equipment storage.

3) What are the consequences if existing rates remain unchanged?

The cost to provide service will not be covered. It is necessary to have refuse collected weekly for the health and safety of the community. Funds would have to be recovered with a future, larger rate increase. Solid waste and recycling collection rate revenue accounts for approximately 2/3 of all revenue for the City's SWR Enterprise Fund. Without the proposed rate increases, the Fund would have a $5.2 million budget shortfall for City FY2025/26, virtually exhaust remaining Fund reserves by the end of City FY2026/27 and would be in an ongoing (and growing) operating deficit for the subsequent three City fiscal years. More detailed information about the financial consequences of no rate adjustments is available at Napa City Hall (955 School Street) or online at www.cityofnapa.org/solidwasterates .

4) How do I submit a protest vote against the proposed rate increases?

As described in the mailed public notice, a protest vote may either be mailed to the Napa City Clerk at PO Box 660 Napa, CA 94559-0660 (Attn: Proposition 218 Protest), delivered in person to the Napa City Clerk at 955 School Street, Napa CA 94559, or submitted at the public hearing at 6:30 pm on Tuesday, June 17, 2025 at Napa City Hall (955 School Street, Napa CA 94559). In order to be counted, all written protests must be received by the City, whether sent by mail or delivered in person, by the close of the public testimony at the public hearing to be held on June 17, 2025, at 6:30 pm.

5) What do I do if I believe that I did not receive a public notice in the mail (or if I mistakenly threw it out)?

Additional public notices (with pre-printed protest form) are available from the City Clerk at Napa City Hall (955 School Street, Napa, CA 94559) during normal business hours (8 am to 5 pm, M-F). Additionally, the Clerk's Office can be reached at (707) 257-9303 or clerk@cityofnapa.org and the public notice (including the protest form) is available online for printing from home at www.cityofnapa.org/solidwasterates .

6) Who is receiving and counting the protest votes?

The Napa City Clerk's Office receives, logs and date stamps all written protests received up to, and until the end of, the public testimony at the public rate hearing on June 17, 2025. Written protests are stored in a secure vault at City Hall.

7) Where does my trash, recycling and composting go now?

All trash (aka "garbage" or "municipal solid waste") in grey carts (residential) collected by NRWS is delivered to the Devlin Road Transfer Station (DRTS) at 889 Devlin Road, American Canyon, CA 94503. Currently, Municipal Solid Waste received at the DRTS is consolidated into long-haul transfer vehicles that then transport the waste material for disposal at the Potrero Hills Landfill at 3675 Potrero Hill Lane, Suisun City, CA 94585.

All recyclable and compostable materials in blue and brown (or green) carts (residential) collected by NRWS are delivered to the City of Napa's Materials Diversion Facility (also known as "MDF" or "Napa Recycling & Composting Facility") at 820 Levitin Way, American Canyon, CA 94503. Recyclable and Compostable materials are processed at the City of Napa's MDF, with sorted and/or processed finished materials sold by NRWS. These valuable processed materials are resold and are an important part of reducing the rates for the services provided.

Unrecyclable/uncompostable "residue" (about 6-8% of all inbound tonnage received at the MDF) is sent to the DRTS for landfill disposal.

8) Why am I required to subscribe to solid waste/recycling removal services?

At its core, solid waste and recycling removal is necessary for public health and safety. In 1999, the City of Napa revised the Napa Municipal Code (NMC) and adopted a "universal" mandatory service requirement. The mandatory service requirement applies to all residential and commercial establishments within the City limits and requires that new residents/businesses secure and maintain solid waste/recycling removal service through the City's authorized contractor (currently NRWS) at City-approved rates.

9) I produce minimal waste at my home and so does my neighbor, can I share service with my neighbor?

Yes, shared service is allowed under the NMC if verified. The City/NRWS must verify the shared service for the two properties/account holders, with written permission from the property/account responsible for the bill in order use their equipment and service.

10) Will illegal dumping increase with the proposed rate increases?

Much like illegal graffiti issues, illegal dumping will occur regardless of rates increases. The City of Napa does utilize public safety and code enforcement resources to identify and address instances of illegal dumping (particularly ongoing issues or sites) when and if they are identified.

11) Do businesses and/or tourists pay their fair share of costs under proposed rates?

Yes, the proposed rate adjustments are applied universally and at the same proportionate share for residential rate payers as for non-residential accounts. Non-residential lines of service include all commercial generators, including businesses that serve tourists such as hotels and restaurants.

For example, a business currently paying $597.10 per month for a two-cubic yard trash (landfill) bin serviced once per week, will pay $735.63 per month as of January 2026 and $794.48 per month as of January 2027 under the proposed rates. Roll-off recycling box customer rates are also increased at the same proposed percentages as residential rate customers. More detailed information on proposed rate and rate-setting methodologies are available at Napa City Hall (955 School Street) or online at www.cityofnapa.org/solidwasterates .

12) How do the proposed rates compare to other communities?

As included in the public notice, the proposed 65-gallon residential rate effective January 2026 would be just below the average for current rates in surrounding bay area communities. Direct solid waste/recycling rate comparisons are difficult because of differences in programs, disposal tip fees, labor costs, property costs, etc. for each

jurisdiction. Some communities (like the City of Napa and recently south Napa County) have a 20-gallon residential cart size available, many do not. Some communities (like the City of Napa) have mitigation costs included for the impact of heavy refuse and recycling trucks on public streets, while others do not.

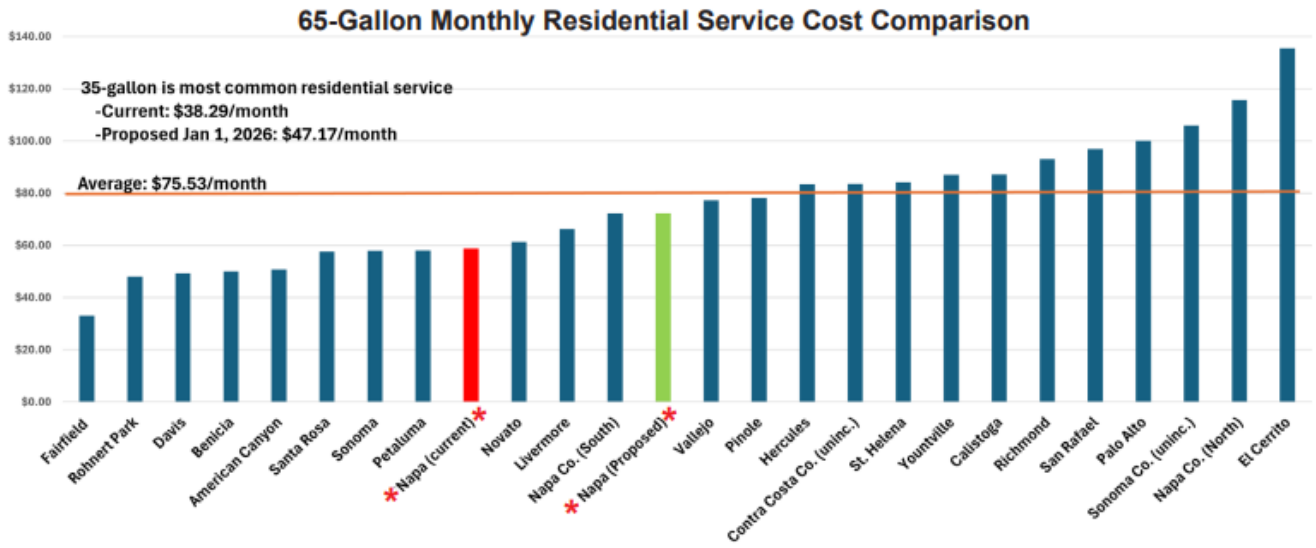

Chart based on current jurisdiction rates, many subject to annual adjustment prior to January 2026. Most common 35-gallon residential rates not utilized in above chart because several jurisdictions do not have multiple service size options smaller than 65-gallon like Napa and thus are not comparable rate structures.

It should also be noted that the comparison of the proposed residential rates shown on the public notice only use existing rates for comparison. However, as operating costs continue to rise other jurisdictions will need to adjust their rates as well. The City of Vallejo (currently serviced by Recology Vallejo) and south unincorporated Napa County (currently serviced by Napa County Recycling & Waste Services) are both scheduled to increase their solid waste and recycling collection service rates as of October 1, 2025, and in subsequent years.

13) Is there anything I can do to minimize the impact of the proposed rate increases to me?

Yes, recycle more and reduce the size of your grey trash ("garbage') cart. Napa's existing and proposed rates reward successful customer participation in recycling and composting programs that help the City achieve both City and State goals for diversion from landfill disposal. For residential customers, active participation in both the recycling and composting curbside services offered each week by NRWS may allow a customer to decrease the size of a grey trash ("landfill") cart to a smaller cart at a lower monthly rate. Also see question #9 above regarding shared service.

14) My household is on a low/fixed income. Is there additional assistance available?

Yes. If adopted by the Napa City Council on June 17, 2025, as proposed, residents that qualify for PG&E's CARE Program will be eligible to receive a $15 per month discount (up from the current $10 per month discount) on their solid waste and recycling bill after July 1, 2025.