

RESOLUTION R2026-__

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF NAPA, STATE OF CALIFORNIA, (1) APPROVING AND AUTHORIZING THE UTILITIES DIRECTOR TO SIGN AN ANAEROBIC DIGESTION MEMORANDUM OF UNDERSTANDING WITH NAPA RECYCLING & WASTE SERVICES, LLC, AND EXECUTE ALL NECESSARY DOCUMENTS TO IMPLEMENT A CALRECYCLE ORGANICS GRANT (CALRECYCLE NO. ORG7-21-0259); AND (2) AMENDING THE SOLID WASTE AND RECYCLING CAPITAL IMPROVEMENT BUDGET FOR FY2025/26 TO ADD PROJECT (NO. 61MD26UT08 – ANAEROBIC DIGESTION TO RENEWABLE NATURAL GAS SYSTEM); AND (3) DETERMINING THAT THE ACTIONS AUTHORIZED BY THIS RESOLUTION WERE ADEQUATELY ANALYZED BY A PREVIOUS CEQA ACTION

WHEREAS, Public Resources Code sections 48000 et seq., 14581, and 42023.1(g), authorize the Department of Resources Recycling and Recovery (CalRecycle) to administer various grant and payment programs in furtherance of the State of California's (State) efforts to reduce, recycle and reuse solid waste generated in the state thereby preserving landfill capacity and protecting public health and safety and the environment; and

WHEREAS, in furtherance of this authority, CalRecycle is required to establish procedures governing the administration of the payment programs; and administration of the application, awarding, and management of the grant programs; and

WHEREAS, CalRecycle grant application procedures require, among other things, an applicant's governing body to declare by resolution certain authorizations related to the administration of CalRecycle grants; and

WHEREAS, the state (via AB 341, AB 1826 and SB1383) and the City of Napa (via R2012 100) have adopted policy goals to achieve expanded and enhanced collection and recovery of organics, including food scraps, and soiled paper; and

WHEREAS, recently completed studies have shown that the collected waste bound for disposal contains organic material that will be targeted for recovery for composting or anaerobic digestion, requiring additional processing equipment; and

WHEREAS, the City of Napa submitted and was awarded \$10,000,000 state grant (CalRecycle Grant No. ORG7-21-0259) for an anaerobic digestion facility, as well as a food de-packager with a materials polishing system, two glass crushers, a 6,000-gallon tank and a trommel screen for finished compost screening and creation of new employment positions as a result of increased tonnage throughput and operation of new facilities and the grant-paid capital equipment; and

WHEREAS, in 2013, an Initial Study and Mitigated Negative Declaration were prepared and adopted for the Napa Renewable Resources Project, which included an analysis of an anaerobic digestion facility with an annual throughput of 25,000 tons per year the processing of organic material; and

WHEREAS, in March 2018, an addendum to the 2013 Mitigated Negative Declaration determined that increasing the anaerobic digestion facility annual throughput to 44,000 tons per year had been adequately analyzed in the 2013 Initial Study and Mitigated Negative Declaration; and

WHEREAS, Napa Recycling and Waste Services LLC (NRWS) has operated the City of Napa Material Diversion Facility since January 2005 and the 2022 NRWS contract amendment, which extended the agreement term through December 31, 2031, explicitly contemplated the construction and operation of an anaerobic digestion facility; and

WHEREAS, it is advantageous to provide benefits to the local community through this new anaerobic digestion facility and other projects to be funded by the CalRecycle Grant, and to define those benefits through a Community Benefit Agreement, particularly for identification of unrecovered edible food and/or packaged food encouraged by Senate Bill 1383; and

WHEREAS, the City of Napa entered into a grant agreement with CalRecycle (CalRecycle No. ORG7-21-0259; City agreement No. C2024-041) on March 3, 2024, to implement the Anaerobic Digestion (AD) to Renewable Natural Gas (RNG) system at City's Materials Diversion Facility (MDF); and

WHEREAS, the CalRecycle agreement No. ORG7-21-0259 was amended and extended on December 10, 2025, to be in force through April 1, 2028; and

WHEREAS, the City of Napa and NRWS have negotiated an agreement to facilitate and proceed with the installation and operation of an AD to RNG at the City's MDF, terms of which are contained in the attached AD Memorandum of Understanding letter (MOU) (Exhibit 1 to this resolution); and

WHEREAS, the City of Napa's Utilities Department Solid Waste and Recycling Fund (SWR) FY2025/26 budget needs to be amended to add a new Capital Improvement Project to administer the \$10,000,000 of CalRecycle state grant funds (No. 61MD26UT08; Exhibit 2 to this resolution); and

WHEREAS, the City Council of the City of Napa has considered all information related to this matter, as presented at the public meetings of the City

Council, including any supporting reports by City Staff, and any information provided during the City Council's regular 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 the recitals to this Resolution are true and correct and establish the factual basis for the City Council's adoption of this Resolution.

2. The City Council finds that the 2013 Initial Study and Mitigated Negative Declaration prepared and adopted for the Napa Renewable Resources Project included analysis of equipment for processing anticipated increases in organic material as well as an anaerobic digestion facility.

Pursuant to CEQA Guidelines Section 15162, when an EIR has been certified or a negative declaration adopted for a project, no subsequent EIR shall be prepared for that project unless the lead agency determines, on the basis of substantial evidence in the light of the whole record, one or more of the following:

- (1) Substantial changes are proposed in the project which will require major revisions of the previous EIR or negative declaration due to the involvement of significant new environmental effects or a substantial increase in the severity of previously identified significant effects;
- (2) Substantial changes occur with respect to the circumstances under which the project is undertaken which will require major revisions of the previous EIR or negative declaration due to the involvement of new significant environmental effects or a substantial increase in the severity of previously identified significant effects; or
- (3) New information of substantial importance, which was not known and could not have been known with the exercise of reasonable diligence at the time the previous EIR was certified as complete or the negative declaration was adopted, shows any of the following:
 - (A) The project will have one or more significant effects not discussed in the previous EIR or negative declaration;
 - (B) Significant effects previously examined will be substantially more severe than shown in the previous EIR;

- (C) Mitigation measures or alternatives previously found not to be feasible would in fact be feasible and would substantially reduce one or more significant effects of the project, but the project proponents decline to adopt the mitigation measure or alternative; or
- (D) Mitigation measures or alternatives which are considerably different from those analyzed in the previous EIR would substantially reduce one or more significant effects on the environment, but the project proponents decline to adopt the mitigation measure or alternative.

The City Council hereby finds that the actions authorized by this Resolution include the same or similar type and scope of activities within the previously analyzed footprint of the existing developed and operating industrial facility and do not constitute the type of substantial change that would require major revisions to the previous Mitigated Negative Declaration under CEQA Guidelines Section 15162.

Accordingly, the City Council hereby further determines that the potential environmental effects of the actions authorized by this Resolution were adequately analyzed by the Initial Study and Mitigated Negative Declaration prepared for the Napa Renewable Resource Project (File No. PL12-0022), adopted November 7, 2013 (Resolution No. PC2013-15), pursuant to CEQA Guidelines Section 15162 and that no further subsequent or addendum to the Initial Study and Mitigated Negative Declaration is required.

3. The City Council hereby approves and authorizes the Utilities Director to sign the AD MOU with NRWS (Exhibit 1), and to take all necessary actions to proceed with the installation of an AD to RNG system at the City's MDF by NRWS; and

4. The City Council hereby authorizes the Utilities Director to execute all grant documents, including but not limited to, applications, agreements, amendments and requests for payment, necessary to secure grant funds and implement the approved grant project as described in CalRecycle grant agreement (CalRecycle No. ORG7-21-0259; City agreement No. C2024-041), to implement the Anaerobic Digestion (AD) to Renewable Natural Gas (RNG) system at City's Materials Diversion Facility (MDF); and

5. The City Council hereby amends the Solid Waste and Recycling Fund Capital Improvement Project (CIP) FY2025/26 budget to add a new CIP to administer the \$10,000,000 of CalRecycle state grant funds (No. 61MD26UT08; Exhibit 2 to this resolution); and

ATTACHMENT 1

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

ATTACHMENT 1

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 February, 2026, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

ATTEST: _____

Tiffany Carranza
City Clerk

Approved as to form:

Christopher Diaz
Interim City Attorney