



CITY OF SEBASTOPOL CITY COUNCIL

AGENDA ITEM REPORT FOR MEETING OF: April 21, 2026

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To: Honorable Mayor and City Councilmembers
From: Oriana Hart – Public Works Director
Responsible Department: Public Works
Subject: Sebastopol Solid Waste Collection Services - Annual Rate Adjustment for Sonoma County Resource Recovery LLC

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RECOMMENDATIONS:

Staff recommends that the City Council adopt a resolution approving an adjustment to garbage collection rates, effective July 1, 2026, as presented in this report, in order to maintain cost recovery, ensure service reliability, and address increased operational expenses.

EXECUTIVE SUMMARY:

Sonoma County Resource Recovery, LLC (SCRR), the City’s franchised solid waste hauler, has submitted its annual rate adjustment request for the rate year commencing July 1, 2026 through June 30, 2027. The requested adjustment results in a 3.82% overall increase to the maximum solid waste collection rates.

The adjustment is calculated in accordance with the Refuse Rate Index (RRI) methodology established in the Solid Waste Collection Agreement between the City of Sebastopol and SCRR. The increase reflects documented increases in collection services costs, garbage disposal fees, organic and food waste diversion costs, and recyclable material processing costs, including regional waste reduction and compliance programs such as Zero Waste Sonoma. SCRR is entitled to the annual rate increase pursuant to the terms of the Collection Agreement. The adjustment will allow SCRR to recover the actual cost of providing services while maintaining compliance with State waste diversion mandates and service level requirements.

BACKGROUND:

The City of Sebastopol entered into a long-term Solid Waste Collection Agreement with Sonoma County Resource Recovery, LLC, effective July 1, 2025. The Agreement grants SCRR an exclusive franchise to provide solid waste, recycling, and organic waste collection services within the City.

Under Article 6 of the Agreement, maximum service rates shall be adjusted annually beginning July 1, 2026 using a Refuse Rate Index (RRI). The RRI is designed to track changes in specific cost categories associated with solid waste collection and post-collection processing. SCRR is required to submit a draft rate adjustment report by March 1 of each year, with a revised report due by April 5 once County disposal fees are finalized. Pursuant to Section 6.09 of the Agreement, City Council approval is not required for any annual increase of less than six percent (6%), but staff is bringing this item to the Council for approval in furtherance of transparency.

DISCUSSION:

The following sections outline the required process for proposing, reviewing, and approving annual solid waste rate adjustments.

Section 6.08 – Maximum Service Rate Adjustment Report



Each year, SCRR must submit a proposed rate adjustment report to the City: a draft by March 1 and a final version by April 5, reflecting any updated County disposal fees. The report must include detailed rate calculations in an approved electronic format, and SCRR bears all preparation costs. If the City identifies significant errors, SCRR must correct them at its own expense. Late reports may delay the effective date of any approved rate increase, and no retroactive increases are allowed. If no report is submitted, rates remain unchanged for the following year.

Section 6.09 – City Approval

If SCRR submits a timely rate adjustment report, the City Manager must notify SCRR by June 15 whether the proposed rates are approved for the next rate year. City Council approval is required for any increase over 6% or for any extraordinary rate adjustment. The City Manager may approve smaller adjustments or refer them to the City Council at their discretion. For purposes of transparency and public information, this item is being presented to the City Council for approval at a public meeting so residents are informed of the proposed rate adjustment.

STAFF ANALYSIS:

To meet the Agreement deadline, SCRR submitted its draft rate adjustment application on February 26, 2026, projecting a 4.96% Refuse Rate Index (RRI) increase for the 2026–27 rate year based on weighted adjustments across collection, disposal, organics, and recycling cost categories.

At the time of submission, Sonoma County had not yet finalized landfill and organic tip fees, which typically are approved during the month of March, and which take effect April 1. As permitted under the Agreement, SCRR therefore applied the prior four-year average increase for post-collection cost categories. SCRR confirmed that the collection service cost category data reflected final actual figures and was not expected to change.

Following receipt of the finalized County tip fee adjustments, SCRR revised its calculation, resulting in a proposed RRI increase of 3.82%, effective July 1, 2026.

BUDGET COMMITTEE REVIEW:

This item is scheduled to be reviewed by Budget Committee at its meeting on April 20, 2026

CITY COUNCIL GOALS/PRIORITIES/ AND OR GENERAL PLAN CONSISTENCY:

This agenda item represents the City Council goals/priorities as follows:

Not Applicable

This agenda item represents the City Council General Plan Consistency (if applicable):

- COS 9-13: Continue the citywide recycling program, actively encourage recycling citywide, including the recycling/composting of food waste, and advocate for a regional composting facility.
- COS 9-14: Continue efforts to reduce solid waste generation throughout the life of the General Plan.

FISCAL IMPACT:

Approval of the proposed garbage rate increase will have no direct General Fund impact associated with this action.

COMMUNITY OUTREACH:

This item has been noticed in accordance with the Ralph M. Brown Act and was available for public viewing and review at least 72 hours prior to the scheduled meeting date. The City has also used social media to promote and advertise the City Council Meeting Agenda Items.



As of the writing of this agenda item report, the City has not received any public comment. However, if staff receives public comment from interested parties following the publication and distribution of this agenda item report, such comments will be provided to the City Council as supplemental materials before or at the meeting.

RESTATED RECOMMENDATION:

Staff recommends that the City Council adopt a resolution approving an adjustment to garbage collection rates, effective July 1, 2026, as presented in this report, in order to maintain cost recovery, ensure service reliability, and address increased operational expenses.

ATTACHMENT(S):

Resolution
Sebastopol Final 2026-2027 SCRR Rate Application

APPROVALS:

Department Head Responsible for Agenda Item: Approval Date: 3/10/26

CEQA Determination (Planning): Approval Date: N/A

The SCRR Franchise Agreement is Categorically Exempt under CEQA, Section 15308. The City's action assures the protection of the environment since the Agreement contains several regulatory mandates for complying with state law for the disposal of multiple waste streams in a manner that ensures the protection of the environment.

Administrative Services (Financial): Approval Date: 3/5/26

Costs authorized in City Approved Budget: Yes No N/A

Account Code (if applicable) _____

City Attorney Approval Approval Date: _____

City Manager Approval: Approval Date: _____

Resolution NUMBER: XXXX-2026

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SEBASTOPOL APPROVING AN ANNUAL ADJUSTMENT TO SOLID WASTE COLLECTION RATES FOR SONOMA COUNTY RESOURCE RECOVERY, LLC, EFFECTIVE JULY 1, 2026

WHEREAS, the City of Sebastopol entered into a Solid Waste Collection Agreement with Sonoma County Resource Recovery, LLC ("SCRR"), effective July 1, 2025, granting SCRR an exclusive franchise to provide solid waste, recycling, and organic waste collection services within the City; and

WHEREAS, Article 6 of the Solid Waste Collection Agreement allows for annual adjustments to maximum service rates beginning July 1, 2026, using the Refuse Rate Index ("RRI") methodology set forth in the Agreement; and

WHEREAS, SCRR timely submitted its annual rate adjustment application for the 2026–27 rate year in accordance with the requirements of the Agreement; and

WHEREAS, the proposed rate adjustment is based on documented changes in the cost of providing collection, disposal, organics, and recycling services and was calculated using the RRI methodology established in the Agreement; and

WHEREAS, subsequent to the initial draft submission, finalized Sonoma County disposal and processing fees were received and incorporated, resulting in a revised proposed RRI adjustment of 3.82 percent; and

WHEREAS, staff has reviewed the rate adjustment application and determined that it complies with the Solid Waste Collection Agreement and reflects reasonable and documented cost changes necessary to maintain service reliability and compliance with state waste diversion requirements; and

WHEREAS, approval of the proposed rate adjustment has no direct impact on the City's General Fund; and WHEREAS, the Solid Waste Collection Agreement is categorically exempt from the California Environmental Quality Act (CEQA) pursuant to CEQA Guidelines Section 15308, as the action assures the protection of the environment through regulatory oversight;

NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of Sebastopol does hereby:

1. Approve the annual adjustment to the maximum solid waste collection rates for Sonoma County Resource Recovery, LLC, based on a 3.82% Refuse Rate Index adjustment, effective July 1, 2026; and
2. Authorize the City Manager, or designee, to implement the approved rate adjustment in accordance with the Solid Waste Collection Agreement and to take any administrative actions necessary to carry out this Resolution.

The above and foregoing Resolution was duly passed, approved, and adopted at a meeting by the City Council on the 21st day of April 2026

I, the undersigned, hereby certify that the foregoing Resolution was duly adopted by the City of Sebastopol City Council by the following vote:

VOTE:

Yes:

No:

Absent:

Abstain:

APPROVED: _____

Mayor Jill McLewis

ATTEST: _____

Mary Gourley, Interim City Manager/City Clerk, MMC

APPROVED AS TO FORM: _____

Alex Mog, City Attorney

Sonoma County Resource Recovery
City of Sebastopol Rate Application
Effective for Rates Commencing July 1, 2026 and
for the Fiscal Year Ending June 30, 2027
Exhibit 14 to the Contract- RRI Calculation-Final

Operating Categories	Operating Category Annual Costs	Weighted Percent of Annual Total	Index Percentage Change	Weighted Adjustment Percentage
Collection Services	824,849	73.92%	4.80%	3.55%
Garbage Disposal Costs	179,619	16.10%	-0.77%	-0.12%
Organic and Food Waste Diversion Costs	55,978	5.02%	11.48%	0.58%
Recyclable Material Processing Costs	55,387	4.96%	-3.61%	-0.18%
Totals	1,115,833	100.00%		
			RRI	3.82%

Sonoma County Resource Recovery
City of Sebastopol Rate Application
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Exhibit 14 to the Contract- Most Recently Completed Fiscal Year Costs

Collection Services Costs	Total
1) Salary and Wage Accounts(Operations, Maintenance, Admin, Officer)	292,565.66
2) Payroll Tax Accounts Related to Item #1	23,062.90
3) Fuel Costs	43,856.71
4) Collection and Collection Related Vehicle Depreciation Accounts	67,703.18
5) Vehicle Lease or Rental Accounts Related to Collection or Collection Related Vehicles	129,181.50
6) Collection or Collection related Vehicle Parts and Costs	28,939.76
7) All Other Expenses	<u>239,539.57</u>
Total Collection Services Costs	<u><u>824,849.28</u></u>
Post-Collection Services Costs	
8) Garbage Disposal Costs	<u>179,618.83</u>
9) Organice Waste and Food Waste Diversion Costs	<u>55,977.95</u>
10) Recyclable Material Processing Costs	<u><u>55,386.94</u></u>

**Consumer Price Index for All Urban Consumers (CPI-U)
Original Data Value**

Series Id:	CUR0000SEHG																		
Seasonally Adjusted	Water and sewer and trash collection services in U.S.																		
Series Title:	U.S. city average																		
Area:	Water and sewer and trash collection services																		
Item:	DECEMBER 1997=100																		
Base Period:	2015 to 2025																		
Years:	Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	HALF1	HALF2	2025 Average	2024 Average	Change in Average	% Change
2015	210.090	210.981	211.468	211.987	212.729	213.269	213.986	215.560	216.143	216.550	217.124	217.742							
2016	218.191	218.681	219.417	220.319	221.497	221.580	221.530	222.383	223.102	223.631	224.493	225.013							
2017	226.235	227.001	227.360	227.883	228.445	228.803	229.186	229.664	230.178	230.838	231.604	232.042							
2018	232.771	233.609	234.041	234.873	235.894	236.642	237.301	238.261	238.605	239.276	241.862	242.436							
2019	241.276	241.538	242.397	243.288	243.924	244.538	245.073	245.294	245.965	247.032	247.682	248.024							
2020	248.846	249.751	250.359	250.673	250.921	251.435	252.401	253.974	254.266	254.781	255.650	256.456							
2021	257.722	258.763	259.204	259.581	259.542	260.400	261.706	262.810	263.747	264.278	264.580	265.365							
2022	268.128	269.521	269.821	270.419	270.844	271.925	273.097	274.984	276.759	276.892	277.824	278.464							
2023	281.461	283.663	284.166	285.052	286.322	287.467	289.005	290.975	291.279	291.683	292.684	292.915							
2024	297.079	298.751	299.183	300.178	299.987	300.682	302.106	303.311	305.117	306.336	308.015	308.234							
2025	310.239	313.344	313.925	314.820	315.565	316.881	318.244	319.403	319.867	321.363	322.728					316.9426	302.412417	14.53022	4.80%

X : Data unavailable due to the 2025 lapse in appropriations

**Sonoma County Resource Recovery
City of Sebastopol Rate Application
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Exhibit 14 to the Contract- RRI Calculation-Final**

Summary of Post Collection Cost Fee Increases(Decreases)

	County Garbage Disposal Per Ton Tip Fee	County Organic Per Ton Tip Fee	Recycling Processing Per Ton Processing Fee
2026-2027 Rate Year	170.30	130.06	92.76
2025-2026 Rate Year	171.63	116.67	96.23
Dollar Increase(Decrease) in Fees	(1.33)	13.39	(3.47)
Percentage Increase(Decrease) in Fees	-0.77%	11.48%	-3.61%

Adjustment Indices Data Input

Table 8: Disposal Tip Fee

Year	Tip-Fee Charge	Difference from Prior Year	Index Percent Change
2017	\$130.57	n/a	n/a
2018	\$133.77	\$3.20	2.45%
2019	\$138.76	\$4.99	3.73%
2020	\$141.66	\$2.90	2.09%
2021	\$142.87	\$1.21	0.85%
2022	\$148.25	\$5.38	3.77%
2023	\$155.47	\$7.22	4.87%
2024	\$164.92	\$9.45	6.08%
2025	\$171.63	\$6.71	4.07%
2026	\$170.30	-\$1.33	-0.77%

Adjustment Indices Data Input

Table 10: Organic Waste Processing

Year	Tip-Fee Charge	Difference from Prior Year	Index Percent Change
2017	\$76.53	n/a	n/a
2018	\$78.92	\$2.39	3.12%
2019	\$87.22	\$8.30	10.52%
2020	\$87.64	\$0.42	0.48%
2021	\$96.43	\$8.79	10.03%
2022	\$101.64	\$5.21	5.40%
2023	\$106.84	\$5.20	5.12%
2024	\$116.08	\$9.24	8.65%
2025	\$116.67	\$0.59	0.51%
2026	\$130.06	\$13.39	11.48%

