



CITY COUNCIL STAFF REPORT

TO: City Council

DATE: December 8, 2025

DEPARTMENT: Public Works Department

PREPARED BY: Alfredo Huerta, Assistant City Engineer

PRESENTER: Alfredo Huerta, Assistant City Engineer

AGENDA TITLE: Receive Report and Consider Adoption of City Council Resolution Approving Redwood Waste Solutions Residential, Commercial and Multifamily, and Rolloff Rate Increases

RECOMMENDATION

Staff recommends that the Council adopt the Resolution to approve the Rates attached as Attachment No. 2.

BACKGROUND

The City's current Franchise Agreement (Agreement) with Redwood Waste Solutions, Inc. (RWS), provides for the approval of all increases in rates and charges by the City Council prior to such rates and charges becoming effective.

Pursuant to the Agreement (Article 9), RWS is entitled to an annual rate adjustment in the form of pass-through adjustments, cost-of-living, fuel rate, and commodity price adjustments as of January 1st of each year. The pass-through adjustments included in this proposed fee increase result from increases in Solid Waste disposal, including recyclables and green waste. RWS has calculated the January 1, 2026, rate increase of 1.47% and is requesting the City's approval. Rate increases for each type of service are set forth in Attachment 2, Exhibit A.

DISCUSSION AND ANALYSIS

Application of Adjustments

Pass-through adjustments are provided for in the Agreement (Attachment 3, Article 9.3.1, Pass-through Rate Adjustment). The Agreement states that a City surcharge or an increase in a City-owned disposal charge will be "passed-through" to the rate.

This pass-through adjustment, cost-of-living, fuel rate, and commodity price adjustment requested by RWS is based on the following increases in disposal cost over the last year:

AGENDA ITEM NO. 8B

Cost-of-Fuel Adjustment (COFA)		
	Index	
Average Monthly Value for 12 Mths Leading up to Oct-24	5.08	
Average Monthly Value for 12 Mths Leading up to Oct-25	4.78	
	Δ	-0.29
	%	-5.78%
OCT-YTD Fuel Amount	\$215,804	
OCT-YTD Cost of Ops	\$2,363,521	
Total Fuel / Total Cost of Ops	9%	
Total	-0.53%	

Cost-of-Living Adjustment (COLA)		
	Oct-24	349.37
	Oct-25	357.99
	Δ	8.622
	%	2.96%
OCT-YTD Op. Ex - D&F	\$1,779,683	
OCT-YTD Cost of Ops	\$2,363,521	
Total Op. Exp less Disposal & Fuel / Total Cost of Ops	75%	
Total	2.01%	

Pass-Through Disposal + Pass-Through Recycling + Pass-Through Organics Rate Adjustment (PTDRA+RCVA+OCFA)		
Fort Bragg		
MSW	0.05%	
Organics	0.03%	
Recycling	-0.08%	
Total	0.00%	

Expense Allocation %	COFA	9%
	COLA	75%
	Disposal Pass Through	16%

Fuel % Change	-5.78%
CPI % Change	2.96%
Disposal % Change	Varies per Material

Weighted % Change
-0.53%
2.01%
0.00%

1.47% Total Rate Adj. Effective 1/1/26

Fuel Costs are approximately 9% of the total expense allocation. As a result, the 5.78% decrease in the fuel component reduces the rate by 0.53%. Cost-of-Living is approximately 75% of the total expense allocation. As a result, the 2.96% increase in the cost of providing services (cost-of-living) component increases the rates by 2.01%. Disposal costs are approximately 16% of the total expense allocation. The Solid Waste and organics components increased, while the recycling component decreased, and as a result, there was a net 0% change for disposal costs. There is no retroactive adjustment included in this rate increase.

The typical residential customer will see an increase from \$38.84 to \$39.42 a month.

City Approval of Rate Increases

The Agreement Article 9.1.1, titled City's Powers, provides for City approval of all rates:

The Fort Bragg City Council shall set and regulate all rates and charges assessed by Contractor for any and all services and activities it performs or engages in the Franchise Area, which are covered under this Agreement.

The Agreement Article 9.2, titled Rate Requirements, provides for modifications to the rates:

C. The rates specified in Exhibits A, B, and C may be modified in accordance with the Rate Adjustments as described in this Agreement.

Staff has reviewed the rate adjustment calculations and concurs that they have been calculated correctly.

FISCAL IMPACT/FUNDING SOURCE

The rate increases impact City of Fort Bragg Residents and Businesses. Increases in City of Fort Bragg fees result in the same increase in franchise fees that the City receives on gross revenue generated within the City limits.

ENVIRONMENTAL ANALYSIS:

The price increases are not expected to have any direct impact on greenhouse gas emissions, although any action that encourages a reduction in the waste stream through diversion, composting or reduced production of waste will reduce creation of methane gas in landfills and reduce the number of truck trips to haul the waste to recycle centers, compost facilities and/or the landfill.

STRATEGIC PLAN/COUNCIL PRIORITIES/GENERAL PLAN CONSISTENCY

Approval of the rate increases are consistent with the terms of the current Franchise Agreement.

ALTERNATIVES:

Do not approve the Resolution or the RWS rate increases. However, the Franchise Agreement requires the City to provide rate adjustments, so long as they meet the terms of the Agreement.

ATTACHMENTS:

1. Resolution
2. RWS Rate Increase Proposal

3. Excerpt from Solid Waste Franchise Agreement (Article 9)

NOTIFICATION:

1. Bruce McCracken, Vice President, C&S Waste Solutions of California
2. Michelle Goodman, Operations Supervisor, C&S Waste Solutions of California