

STAFF REPORT

Consent Agenda Item

DATE: October 5, 2026

TO: Honorable Mayor and Council Members

FROM: Amy Nilsen, City Manager

SUBJECT: Amendment to the Existing Solid Waste Franchise Agreement between Recology and the City of Fortuna

STAFF RECOMMENDATION:

Authorize the City Manager to execute an amendment to the existing Franchise Agreement between Recology and the City of Fortuna for the collection of solid waste, recycling and yard waste services to extend the term from September 30, 2026, through June 30, 2027.

EXECUTIVE SUMMARY:

The City and Recology (formerly Eel River Disposal) are parties to an existing solid waste and curbside recycling franchise agreement dated January 1, 1995. The current franchise agreement expires on September 30, 2026. City staff are completing a lengthy process to develop a new franchise agreement to assist the City with compliance with new state mandate Senate Bill (SB) 1383 which requires new mandatory organics collection programs, monitoring, mandatory outreach/education programs, reporting and other requirements and gain consensus with Recology on these new provisions. Since the current agreement is very outdated, the new agreement also includes several performance standard improvements, improved reporting, and a clear transparent rate setting process. These additions have taken additional time to prepare. On November 3, 2025, the City Council approved an amendment to the existing franchise agreement for a short-term extension from January 1, 2026, through June 30, 2026, and again, on June 1, 2026 the City Council approved an extension through September 30, 2026.

Since that time, new equipment and organics recycling space have had to be purchased/prepared to maintain compliance with SB 1383, and this has delayed the implementation of the new franchise agreement. In addition, work continues on the cost proposal and rate model with Recology. Therefore, staff recommend an amendment to the existing franchise agreement from October 1, 2026, through June 30, 2027. The new franchise agreement will likely commence on July 1, 2027.

BACKGROUND:

The City's current franchise agreement predates many of California's recycling mandates and has several outdated provisions. The new franchise agreement will comply with SB 1383 and will include these new provisions:

- Provide universal organics collection for all residents and businesses;
- Provide color-compliant containers (gray/black: trash, blue: recycling, green: organics);
- Complete contamination monitoring, inspections, and enforcement;
- Complete mandatory outreach/education programs; and

- Complete recordkeeping and reporting to the state;

Staff have been participating in a regional collaborative effort with the Cities of Arcata, Eureka, Rio Dell and the County of Humboldt to provide Fortuna residents and businesses with:

- Improved cost-effective recycling, organics, garbage programs for residents and businesses
- Meet SB 1383 requirements and other new state mandates to avoid penalties from CalRecycle (CA agency).
- Improved performance standards, reporting and added accountability for Recology
- Provide cost effective outreach/education programs to increase diversion and reduce contamination in organics and recycling

Below is a comprehensive summary of jurisdictions responsibilities under SB 1383.



Staff are working to complete the new franchise agreement in coordination with Recology and the City's consultant and will complete analysis of Recology's cost proposal/related documents; staff will return to Council with the new franchise agreement and related documents for the Council's consideration for approval.

STRATEGIC PLAN 2026-2036:

This action supports the following area(s) of your City Council's Strategic Plan 2026-2036.

CORE VALUES:

Quality of Life: Family, Nature & Neighbors

Community Connection & Care

PRIORITIES:

Priority 3: Fiscal Foundation — Revenue, Cost Accounting & Honest Commitments

Priority 4: Economic Development to Build Fortuna's Future

Priority 5: A Development-Ready City — Permitting, Design & Standards

RECOMMENDED COUNCIL ACTION:

Motion to authorize the City Manager to execute an amendment to the existing Franchise Agreement between Recology and the City of Fortuna for the collection of solid waste, recycling and yard waste services to extend the term from October 1, 2026, through June 30, 2027. Consent agenda vote.

ATTACHMENTS:

- Amendment to the Franchise Agreement for Solid Waste and Recycling Collection Services between the City of Fortuna and Recology Eel River