



**CITY OF WILDOMAR
CITY COUNCIL REGULAR MEETING
PUBLIC HEARING
Agenda Staff Report # 2.2
Meeting Date: June 10, 2026**

SUBJECT: Public Hearing for Authorization of Commercial and Roll-off Rate Adjustment for Solid Waste Collection Services for SB1383 Procurement Compliance and Second Amendment to the City Waste Hauler Franchise Agreement with CR&R, Inc.

SUBMITTED BY: Adam Jantz, Finance Manager

PREPARED BY: Adam Jantz, Finance Manager

ACTION:

1. Adopt a Resolution entitled:

RESOLUTION NO. 2026 - _____

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF WILDOMAR, CALIFORNIA, AUTHORIZING THE ADJUSTMENT OF COMMERCIAL AND ROLL-OFF SOLID WASTE COLLECTION RATES TO COVER THE COSTS OF FULFILLING THE CITY'S STATE MANDATED PROCUREMENT REQUIREMENTS FOR RECYCLED ORGANIC MATERIAL

2. Authorize the City Manager to execute the Second Amendment to the City Waste Hauler Franchise Agreement with CR&R, Inc., attached here as Attachment C.

SUMMARY:

Public Hearing for Commercial and Roll-off Rate Adjustment for SB1383 Compliance and Amending the Franchise Agreement

BACKGROUND:

On October 26th, 2022, the City entered into an exclusive franchise agreement with the waste hauler CR&R, which went into effect on December 1st, 2022.

An adjustment is being proposed to implement a new organics recycling program to comply with the Short-Lived Climate Pollutant Reduction law (SB1383). SB1383 is a statewide mandatory organic waste collection regulation that requires communities to reduce organic waste disposal by 75% by 2025. Organic waste refers to food waste (including vegetable and fruit scraps, eggshells, meat, dairy, and rotting food), food-soiled paper (including pizza boxes, coffee filters, and paper napkins), and yard trimmings.

One requirement of SB 1383 is that municipalities must annually procure recycled organic material for City use. Failure to meet these targets can result in significant daily fines of up to \$10,000 per day. The City's current procurement target is approximately 3,000 tons of recycled organic material per calendar year. Thus far, the City has met this target through the hauler's use of Recycled Natural Gas (RNG) and the purchase of mulch and compost from CR&R.

Currently, the City is in the performance period of a CalRecycle grant, which was used to purchase compost for 2024 and 2025. The City spent approximately \$50,000 on the purchase and spread of compost for each of these years. However, the grant is currently scheduled to end in November 2026, at which point the City will have to utilize its own funds in order to maintain compliance.

DISCUSSION:

The City's waste hauler, CR&R, has offered to utilize their facilities and resources to meet the procurement targets on the City's behalf and handle all reporting requirements from 2026 onward. CR&R will also provide recycled organic mulch and compost to the City on request, free of charge. To cover the costs associated with these services, CR&R is requesting a one-time adjustment of 2.99% to be applied to commercial and roll-off customers.

This adjustment is separate from the 3.52% annual CPI adjustment and the 3% former Waste Management customer catch-up adjustments, which have been pre-approved in accordance with the franchise agreement.

Staff recommends that the City Council authorize a rate adjustment on commercial and roll-off services to cover the cost of meeting the City's annual recycled organic material procurement target for SB1383. Currently, there are 181 Commercial and 15 Roll-off customers within the City. CR&R will both procure the material and distribute it to allowable locations on the City's behalf, which may be areas outside the City. The City will not have to house the material itself. CR&R will also complete the State's reporting requirements to ensure compliance. The City is also proposing an amendment to the franchise agreement to reflect the additional responsibilities of the hauler under their proposal.

FISCAL IMPACT:

The implementation of this program will save the City approximately \$50,000-\$75,000 per year for procurement as well staff time from reporting.

ATTACHMENTS:

[Attachment A. Proposed Rate Schedule SB1383.pdf](#)

[Attachment B. Resolution SB1383 Rate Adj 6-10-2026.docx](#)

[Attachment C. 2nd Amendment to Franchise Agreement.pdf](#)

[SB1383 Rate Adjustment Presentation.pdf](#)