



CITY OF ORLAND STAFF REPORT

MEETING DATE: November 7, 2023

TO: Honorable Mayor and City Councilmembers

FROM: Pete Carr, City Manager

SUBJECT: Annual Waste Collection Rate Adjustment (Action)

BACKGROUND:

Effective January 1, 2020, and continuing through December 31, 2029, the City of Orland has contracted with U.S.A. Waste of California (d.b.a. WM, Inc.) for the collection of solid waste within the City of Orland. This collection service is undertaken pursuant to a franchise agreement between the City of Orland and WM, part of a master agreement including the County of Glenn and the City of Willows. Pursuant to the contract, the collection rates are subject to annual rate adjustments, increases or decreases, calculated pursuant to:

- A. the most recent Consumer Price Index/Urban Customers-Western States (CPI); and
- B. diesel fuel; and
- C. transfer station tipping fee rates.

There is an annual cap of 5%. Typical adjustments in the past ten years have been under 2%. 2023 rates adjusted up 5% due to the effect of the cap on what would otherwise have been a 6.71% increase.

ANALYSIS:

The rate request based on established adjustment factors does not exceed the 5% cap set forth in the Master Franchise Agreement. City Staff reviewed and verified the adjustment calculation. Based on the contract in place, the collection rates must be adjusted pursuant to the established formula which results in the contractor's requested 3.15%.

The new collection rates, to be in place effective January 1, 2024, are set forth in Attachment A. The difference between 2023 and 2024 for a standard 64-gallon cart mixed solid waste is 71¢ per month. A recycling cart is provided and collected at no additional charge. The optional green waste cart is increasing 19¢ to \$6.26 per month.

Attachment: Waste Management Service Fee Adjustments 2023

RECOMMENDATION: Approval of the 3.15% rate adjustment effective January 1, 2024.

Fiscal Impact of Recommendation: No fiscal cost to City; positive impact on franchise fee revenue corresponding to adjustment.