

MEMORANDUM OF UNDERSTANDING

This Memorandum of Understanding (“MOU”) is entered into as of _____, 2026 (the “Effective Date”), by and between the **CITY OF ORLAND**, a municipal corporation organized under the laws of the State of California (the “City”), and **USA WASTE OF CALIFORNIA, INC.**, a Delaware corporation authorized to transact business in California and doing business as Waste Management (“WM”). The City and WM are each referred to herein as a “Party” and collectively as the “Parties.”

RECITALS

WHEREAS, WM (as Collection Franchisee) and the City are parties to that certain Collection Franchise Agreement with a Franchise Date of January 1, 2021 and an expiration date of December 31, 2030 (as amended from time to time, the “Collection Franchise Agreement”), under which WM holds the exclusive right and obligation to provide solid waste, recyclable materials, and organic materials collection services within the City limits;

WHEREAS, the Collection Franchise Agreement is entered into in conjunction with the Master Franchise Agreement effective January 1, 2020 between the County of Glenn and WM, of which the City is an intended third-party beneficiary (the “Master Franchise Agreement”), and both agreements are governed by the laws of the State of California;

WHEREAS, Chapter 8.12 of the Orland City Code (the “City Code”) establishes mandatory solid waste collection service requirements within the City, grants an exclusive collection franchise, and provides the City with enforcement authority, including the ability to record liens against delinquent properties;

WHEREAS, the accumulation of unpaid, delinquent, and uncollectible customer accounts (collectively, “bad debt”) reduces the revenue available to support reliable collection services and undermines the City’s mandatory-service and diversion objectives;

WHEREAS, the Parties desire to establish a coordinated, two-phase plan to reduce bad debt and the number of delinquent customers by aligning the City’s property and enforcement data with WM’s billing and account records, standardizing communications to property owners, and establishing recurring reporting and coordination between the Parties; and

WHEREAS, this MOU is intended to memorialize the Parties’ respective obligations and to supplement, and not to amend, supersede, or diminish, the Collection Franchise Agreement, the Master Franchise Agreement, or the City Code;

NOW, THEREFORE, in consideration of the mutual covenants set forth herein, and for other good and valuable consideration, the receipt and sufficiency of which are acknowledged, the Parties agree as follows:

ARTICLE 1 — PURPOSE

1.1 Purpose. The purpose of this MOU is to set forth the respective obligations of the City and WM in a coordinated effort to reduce bad debt and the number of delinquent customers within the City, to be carried out in two phases: an Initial Phase and an Ongoing Phase.

1.2 Relationship to Existing Agreements. This MOU supplements the Collection Franchise Agreement, the Master Franchise Agreement, and the City Code. In the event of a conflict between this MOU and any of those instruments, the Collection Franchise Agreement, Master Franchise Agreement, and City Code shall govern, and nothing in this MOU shall be construed to reduce or waive any right or obligation of either Party under those instruments.

1.3 No City Liability for Customer Accounts. As provided in Section 8.A of the Collection Franchise Agreement, WM may collect service fees only from its customers, and the City is not liable for paying those fees. Nothing in this MOU obligates the City to pay, guarantee, or reimburse WM for any customer service fees, Delinquent Accounts, or bad debt, and neither the City's execution of nor its performance under this MOU is an acknowledgment of any liability for those amounts. Any use of the lien, personal obligation, or special assessment remedies in City Code Section 8.12.125 H remains within the City's discretion and subject to the notice and hearing requirements of that section.

ARTICLE 2 — DEFINITIONS

For purposes of this MOU, the following terms have the meanings set forth below. Capitalized terms not defined herein have the meanings given to them in the Collection Franchise Agreement or the City Code.

2.1 "Closed Account" means a service account that has been terminated or discontinued for a property that is required to subscribe to collection service under the City Code.

2.2 "Delinquent Account" means a customer account for collection service on which payment has not been received by its due date, in accordance with WM's billing terms and the City Code.

2.3 "Effective Date" has the meaning set forth in the preamble.

2.4 "Exempt Property" means a property that is exempt from mandatory WM collection service under the City Code, as identified by the City.

2.5 "Initial Phase" means the initial implementation period described in Article 3, commencing on the Effective Date and continuing until the Parties have completed the obligations set forth in that Article, or such other date as the Parties mutually agree in writing.

2.6 "Occupied Property" means an improved parcel within the City that is occupied and subject to mandatory collection service under the City Code, and that is not an Exempt Property.

2.7 "Ongoing Phase" means the recurring period following completion of the Initial Phase, during which the Parties perform the continuing obligations set forth in Article 4.

2.8 “**Property Owner Information**” means, for each Occupied Property, the owner’s name, the owner’s mailing address, the parcel number, the service address, and the date of ownership.

2.9 “**Suspended Account**” means a service account for which collection service has been suspended by WM as a result of nonpayment, as permitted under the City Code and the Collection Franchise Agreement.

ARTICLE 3 — INITIAL PHASE OBLIGATIONS

3.1 City Obligations — Initial Phase

During the Initial Phase, the City shall:

- (a) **Occupied Property List.** Provide WM with a current list of Occupied Properties, including, for each property, the Property Owner Information (owner’s name, owner’s mailing address, parcel number, service address, and date of ownership);
- (b) **Exempt Property List.** Provide WM with a list of properties that are exempt from WM’s collection services;
- (c) **Initial Letter to All Owners.** Send an initial letter to all property owners outlining (i) the City’s mandatory-services ordinance, (ii) WM’s right to suspend collection services for unpaid accounts, and (iii) the City’s authority to place a lien on properties with delinquent accounts; and
- (d) **Second Letter to Delinquent Owners.** Send a second letter, directed only to accounts that are sixty (60) or more days delinquent and eligible for service suspension, notifying those owners of the delinquency and the pending eligibility for suspension of service.

3.2 WM Obligations — Initial Phase

During the Initial Phase, WM shall:

- (a) **Data Matching.** Match the Property Owner Information provided by the City against WM’s service address accounts, and identify discrepancies, unmatched properties, and accounts requiring follow-up; and
- (b) **Delinquent Account Mailing List.** Provide the City with a mailing list of Delinquent Accounts to enable the City to complete the second-letter mailing described in Section 3.1(d).

ARTICLE 4 — ONGOING PHASE OBLIGATIONS

4.1 City Obligations — Ongoing Phase

Following the Initial Phase, and continuing for the term of this MOU, the City shall:

- (a) **Updated Property Owner Information.** Send updated Property Owner Information to WM at least twice per calendar year;

- (b) **Exempt Property Updates.** Send regular updates to WM identifying properties that are exempt from WM's collection services;
- (c) **Subscription Letters for Suspended Accounts.** Send letters to the property owners of Suspended Accounts directing them to subscribe to collection service in accordance with Orland City Code Section 8.12.125 H.1; and
- (d) **Code Enforcement.** Conduct regular code enforcement with respect to Suspended Accounts, in the manner and to the extent the City determines appropriate in the exercise of its enforcement discretion.

4.2 WM Obligations — Ongoing Phase

Following the Initial Phase, and continuing for the term of this MOU, WM shall:

- (a) **Monthly Suspended Account List.** Provide the City with a list of Suspended Accounts on a monthly basis;
- (b) **Monthly Closed Account List.** Provide the City with a monthly list of Closed Accounts for properties that are required to subscribe to collection service;
- (c) **Written Communication to Delinquent Owners.** Send written communication to property owners whose accounts are sixty (60) or more days delinquent; and
- (d) **Quarterly Meetings.** Meet with the City on a quarterly basis to provide updates on, and coordinate, the delinquent-account process.

4.3 Continuing Data Matching

Throughout the Ongoing Phase, WM shall continue to match updated Property Owner Information provided by the City against its service address accounts, consistent with Section 3.2(a).

ARTICLE 5 — COORDINATION AND ADMINISTRATION

5.1 Party Representatives. Each Party shall designate a representative to serve as the primary point of contact for the coordination, data exchange, and communications contemplated by this MOU. Each Party may change its designated representative upon written notice to the other Party.

5.2 Data Format and Exchange. The Parties shall cooperate in good faith to establish a mutually acceptable format and secure method for exchanging Property Owner Information, Exempt Property lists, mailing lists, and the monthly and quarterly reports described herein.

5.3 Data Use and Confidentiality. Each Party shall use the data and lists exchanged under this MOU solely for the purposes of this MOU and shall handle such data in accordance with applicable law, including the California Public Records Act and applicable privacy requirements. Nothing in this MOU requires either Party to disclose information in violation of applicable law.

5.4 Costs. Except as otherwise agreed in writing, each Party shall bear its own costs of performing its obligations under this MOU. This provision does not modify any cost-

allocation or reimbursement provision of the Collection Franchise Agreement or the Master Franchise Agreement.

ARTICLE 6 — TERM AND TERMINATION

6.1 Term. This MOU shall commence on the Effective Date and shall continue in effect until the expiration or earlier termination of the Collection Franchise Agreement, unless earlier terminated in accordance with this Article.

6.2 Termination for Convenience. Either Party may terminate this MOU for convenience upon sixty (60) days' prior written notice to the other Party.

6.3 Termination for Cause. Either Party may terminate this MOU upon thirty (30) days' prior written notice if the other Party materially fails to perform its obligations under this MOU and does not cure such failure within the thirty (30)-day notice period.

6.4 Effect of Termination. Termination of this MOU shall not affect the Parties' respective rights and obligations under the Collection Franchise Agreement, the Master Franchise Agreement, or the City Code, all of which shall remain in full force and effect in accordance with their terms.

ARTICLE 7 — DISPUTE RESOLUTION

7.1 Good-Faith Resolution. The Parties shall attempt in good faith to resolve any dispute arising out of or relating to this MOU through direct discussions between their designated representatives.

7.2 Escalation and Mediation. If a dispute is not resolved through direct discussions within thirty (30) days, either Party may request that the dispute be escalated to senior representatives of each Party. If the dispute remains unresolved, the Parties shall submit the dispute to non-binding mediation before a mutually agreed mediator, with the costs of mediation shared equally.

7.3 Litigation; Venue. If the dispute is not resolved through mediation, either Party may pursue any remedy available at law or in equity. Notwithstanding the foregoing, neither Party shall be liable to the other for monetary damages arising out of any breach of this MOU, and the remedies for such a breach are limited to termination under Article 6 and equitable relief. Any litigation shall be brought in the state courts located in Glenn County, California.

7.4 Continued Performance. During the pendency of any dispute, the Parties shall continue to perform their respective obligations under this MOU to the extent not directly affected by the dispute.

ARTICLE 8 — GENERAL PROVISIONS

8.1 Governing Law. This MOU is governed by and construed in accordance with the laws of the State of California, without giving effect to its conflicts-of-laws principles.

8.2 Notices. All notices under this MOU shall be given in writing in the manner provided in Section 15B of the Master Franchise Agreement, or to such other address as a Party may designate by written notice.

8.3 No Amendment of Existing Agreements. This MOU does not amend, modify, or supersede the Collection Franchise Agreement, the Master Franchise Agreement, or the City Code. In the event of any conflict, those instruments shall control as provided in Section 1.2.

8.4 Amendment. This MOU may be amended only by a written instrument signed by authorized representatives of both Parties.

8.5 Assignment. Neither Party may assign this MOU without the prior written consent of the other Party, except as permitted under the Collection Franchise Agreement or the Master Franchise Agreement.

8.6 Independent Parties. Nothing in this MOU creates a partnership, joint venture, or agency relationship between the Parties. Neither Party has authority to bind the other except as expressly provided herein.

8.7 Compliance with Law. Each Party shall perform its obligations under this MOU in compliance with all applicable federal, state, and local laws, including the City Code.

8.8 Severability. If any provision of this MOU is held invalid or unenforceable, the remaining provisions shall continue in full force and effect.

8.9 Entire Understanding. This MOU constitutes the entire understanding between the Parties with respect to its subject matter and supersedes all prior discussions and understandings with respect to that subject matter, except for the Collection Franchise Agreement, the Master Franchise Agreement, and the City Code.

8.10 Counterparts. This MOU may be executed in counterparts, including by electronic signature, each of which is deemed an original and all of which together constitute one instrument.

8.11 Authority. Each person signing this MOU represents and warrants that they are duly authorized to execute this MOU on behalf of the Party for which they sign.

IN WITNESS WHEREOF, the Parties have executed this Memorandum of Understanding as of the Effective Date.

CITY OF ORLAND

By: _____

Name: _____

Title: _____

Date: _____

APPROVED AS TO FORM:

By: _____

Name: _____

Title: City Attorney

USA WASTE OF CALIFORNIA, INC. (d/b/a Waste Management)

By: _____

Name: _____

Title: _____

Date: _____