



CITY OF ORLAND STAFF REPORT
MEETING DATE: September 15th, 2026

TO: Honorable Mayor and City Council

FROM: Justin Chaney, Interim City Manager

SUBJECT: Waste Management Presentation Regarding Delinquent Accounts, Bad Debt, and Proposed Memorandum of Understanding (Discussion/Action)

BACKGROUND

The City of Orland and USA Waste of California, Inc., doing business as Waste Management (WM), are parties to a Collection Franchise Agreement with a franchise date of January 1, 2021 and an expiration date of December 31, 2030. The agreement grants WM the exclusive right and obligation to provide solid waste, recyclable materials, and organic materials collection services within the City. The City Code requires collection service for occupied properties and provides enforcement tools when required service is not maintained.

WM has identified a significant number of delinquent customer accounts within the City. The account-aging report provided for this agenda item, dated October 31, 2025, identifies 206 accounts with balances more than 120 days past due.

City staff and WM have been working on a coordinated approach intended to reduce delinquent balances, identify properties that are required to maintain service, improve the accuracy of owner and service-account information, and establish a consistent process for communication and enforcement. A Memorandum of Understanding (MOU) has been prepared for Council consideration.

DISCUSSION

The Collection Franchise Agreement allows WM to discontinue collection service to customers who become at least 60 days delinquent, subject to the agreement terms. Orland City Code Section 8.12.125 requires collection service for occupied properties and authorizes the City to pursue compliance, including written notice and, after the required process, collection of confirmed unpaid delinquent accounts against the property. The proposed MOU is intended to coordinate those existing responsibilities; it does not amend or replace the Collection Franchise Agreement, the Master Franchise Agreement, or the City Code.

The MOU establishes a two-phase process. During the initial phase, the City would provide WM with current occupied-property and exempt-property information, send an informational letter to property owners regarding mandatory service and enforcement authority, and send a second notice to owners of accounts that are 60 or more days delinquent and eligible for suspension. WM would match City

property-owner information to its service accounts, identify discrepancies and unmatched properties, and provide the City with a delinquent-account mailing list.

During the ongoing phase, the City would provide updated property-owner information at least twice each year, provide updates regarding exempt properties, send subscription letters to owners of suspended accounts, and conduct regular code enforcement. WM would provide monthly lists of suspended and closed accounts, communicate in writing with owners whose accounts are 60 or more days delinquent, continue data matching, and meet with City staff quarterly to review the delinquent-account process.

The proposed process is designed to address both collection of existing delinquent balances and prevention of future bad debt. It also creates a recurring method for identifying properties where service has been closed or suspended even though City Code requires continued subscription. Under the MOU, each party bears its own costs unless otherwise agreed in writing, and either party may terminate the MOU for convenience upon 60 days notice.

WM representatives will present the account information and proposed process to the City Council and will be available to answer questions. Council may receive the presentation, discuss the proposed MOU, provide direction regarding implementation, and determine whether to authorize execution of the MOU.

FISCAL IMPACT

The MOU does not require a direct payment from the City to WM. The city will be assisting Waste Management with the process. There is no direct impact to the city budget.

ATTACHMENTS

A. Memorandum of Understanding between the City of Orland and USA Waste of California, Inc. (d/b/a Waste Management)

B. City of Orland Collection Franchise Agreement

RECOMMENDATION

Receive the Waste Management presentation regarding delinquent accounts and bad debt; discuss the proposed coordinated collection and enforcement process; and authorize the City Manager to execute the Memorandum of Understanding in substantially the form attached, subject to final review and approval as to form by the City Attorney.