



Agenda Item Report

Legislative Board: City Council
Date: December 16, 2025
Contact: Micah Grau
Agenda Item ID / Number: 2021-410- / H.6

ITEM TITLE: Deliberation and possible action to consider an Ordinance on first and final reading and to adopt said Ordinance amending Ordinance #2021-23 granting a franchise to Texas Disposal Systems, Inc. for municipal solid waste collection and disposal services including residential, commercial, industrial, and roll-off services; setting an effective date of October 1, 2026 (City Manager Micah Grau) [PUBLIC TESTIMONY]

1. EXECUTIVE SUMMARY

An ordinance amending Ordinance# 2021-23 that provides an exclusive five year franchise to Texas Disposal Systems, Inc. for municipal solid waste collection.

The City Council may pull this item into executive session for consultation with the City Attorney.

2. BACKGROUND/HISTORY

In 2021, the City negotiated a new five year contract and fee schedule with TDS for solid waste collection services. The original schedule established services and rates for a variety of dumpsters. The original term expires September 30, 2026. The current agreement allows for the City to terminate the agreement or the current agreement will continue with annual 3% rate increases.

In September 2025, staff presented a workshop to the City Council to solicit feedback on solid waste services. The direction provided to staff after comparing services and rates with surrounding communities was to negotiate a new 5-year contract with Texas Disposal Systems. The new proposed agreement further refines and offers services for Buda customers with competitive pricing.

3. ANALYSIS

TDS is a full service waste management provider that has operated out of Creedmoor for over four decades. They offer a mix of service options and containers consistent with other providers. They also offer waste diversion programs that reduce material entering the landfill.

The City has enacted an exclusive franchise for solid waste service to pick up all residential and commercial solid waste to reduce the number of vehicles on the road and establish accountability to one company for any trash that blows out of trucks or other messes made through the collection process.

4. FINANCIAL IMPACT

Please refer to Attachment A-2 in the proposed amendment for a full look at rates. The new rates would not take effect until October 1, 2026.

The cost of the service is paid for by charges to residential and commercial accounts through their monthly utility bill. In the past, the City Council has adopted a residential rate structure that keeps the residential rate consistent for the 5-year term of the contract. This rate is determined by calculating the average rate that TDS will charge the City over the term of the contract plus the franchise fee (10%) and a monthly administrative fee (\$0.25). Based on the proposed terms, the residential rate would increase from \$22.82 per month to \$23.03, a \$0.21 increase that would take

effect October 1, 2026. Alternatively, the City Council could select a rate that adjusts annually based on the annual rate billed to the City by TDS.

For commercial accounts, most will experience a slight decrease in rates for the initial year, but rates will increase 3% annually. A variety of container sizes and pick-up options are available for commercial accounts.

5. STRATEGIC PLAN/GOALS
EXCEPTIONAL CITY SERVICES

6. STRATEGIC PLAN OBJECTIVES
Deliver City services consistent with our City of Buda mission and core values.

7. PROS AND CONS
Pros: provides solid waste services in a consistent, reliable, and affordable manner.

Cons: none.

8. ALTERNATIVES
The City Council may approve the ordinance extending the franchise with TDS for another 5-year period or direct staff in another direction.

9. REQUESTED ACTION / SUGGESTED MOTION / RECOMMENDATION
Staff recommends the City Council approve the ordinance.

Attachments:

[Ordinance - Approving Amendment to Solid Waste Franchise Agreement](#)
[Exhibit A - TDS Solid Waste Services Amendment \(12.10.25\).pdf](#)
[Presentation - Solid Waste Franchise 12.16.25.pdf](#)