



Date: November 10, 2025

Honorable Mayor and Council Members:

Author and title: Erin Brewster, Sustainability Program Manager

Title: **Contract for Development of 2028 Solid Waste Franchise Agreement**

Jen Callaway, Town Manager

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**Recommended Action:**

- (1) Amend the Fiscal Year 25/26 budget to create a new Capital Improvement Project C2619: 2028 Solid Waste Franchise Agreement Development with a budget of \$359,969 to support consultant costs associated with preparing the next solid waste franchise agreement, to be funded from the Solid Waste Fund reserves.
- (2) Authorize the Town Manager to execute a contract with HF&H Consultants, LLC, in the amount of \$324,969 through June 30, 2028, for consultant services to develop a new solid waste franchise agreement.
- (3) Authorize the Town Manager to approve a one-year extension of the current franchise agreement with Tahoe Truckee Sierra Disposal, Inc. to accommodate the recommended timeline for development of the next franchise agreement.

**Background:**

On December 12, 2017, the Town Council authorized the Town Manager to execute a 10-year solid waste franchise agreement with Tahoe Truckee Sierra Disposal (TTSD) with collection services beginning July 1, 2018. The current franchise agreement added enhanced residential and commercial collection services including containerized recyclables, yard waste, and food waste collection for residents and businesses to comply with evolving state regulations. The current agreement will end on June 30, 2028, but has the option to extend at the Town's sole discretion for a period for no less than one year and no more than three additional years without a formal amendment.

The purpose of this staff report is to authorize a budget adjustment, consultant contract, and franchise agreement extension to facilitate initiation of the franchise agreement development process. The process to solicit a franchisee and develop the next franchise agreement is currently included in the Strategic Priorities Workplan with work anticipated to begin in early 2026. While staff originally anticipated this timeline was sufficient to have a new franchise agreement take effect on July 1, 2028, staff have recently received additional information suggesting a much longer timeframe is now needed, due to increased lead times to procure new equipment to support collection services under a new agreement. Accordingly, staff recommend authorizing a one-year extension of the current franchise agreement to ensure there is adequate time to support the franchise agreement development process outlined in this report.

**Discussion:**

Due to the complexity involved in contract development and negotiations, staff recommend obtaining consultant support for development of the next franchise agreement, which is standard practice for jurisdictions in California. The anticipated consultant scope of work, provided in Attachment 1, includes conducting public and stakeholder engagement to residents and businesses to gather input regarding

potential changes to solid waste services, franchise agreement development, proposal process management, and contract negotiations with the selected service provider. The scope of work is intended to be flexible and support the Town in identifying and executing the most appropriate solicitation pathway based on the anticipated service needs, including sole-sourcing or conducting a competitive solicitation.

Table 1 outlines the anticipated timeframe, which accommodates a robust community engagement process and an expected lead time of 12-18 months after the agreement is executed to procure new equipment before collection services begin.

*Table 1: Anticipated Scope and Timeframe for Development of Next Franchise Agreement*

<b>Task</b>	<b>Approximate Timeframe</b>
Phase 1: Public & Stakeholder Engagement	December 2025 – August 2026
Phase 2: Solicitation Document Design & Drafting	September 2026 – February 2027
Phase 3: Proposal Process Management	March 2027 – August 2027
Phase 4: Negotiations	September 2027 – December 2027
Start of New Franchise Agreement	July 1, 2029

Staff received a quote of \$324,969 from HF&H Consultants, LLC, to conduct the desired consultant services. Their full proposal is included as Attachment 1. Staff requested quotes from three consulting firms that provide these services to jurisdictions in California, but HF&H was the only consulting firm that submitted a proposal. Staff did compare the quote provided by HF&H to recently executed consultant contracts of similar scope in other California jurisdictions and believe the proposed costs to be reasonable based on these comparisons. Town staff recommend contracting with HF&H due to their familiarity with Truckee’s existing and past franchise agreement, experience supporting Truckee’s annual rate reviews, audits, and other ongoing franchise management responsibilities, and understanding of Truckee’s climate and other conditions that present unique challenges to operation of collection programs. Their project team would include staff that supported development of the current franchise agreement that began on July 1, 2018.

In addition to the contract with HF&H, Town staff anticipate additional consultant costs of up to \$35,000 to support conducting a statistically valid public opinion survey about collection services. This is recommended by HF&H in their Franchise Planning Proposal to ensure that recommended changes to collection services and cost sensitivity analysis represent a statistically valid sample of Truckee residential solid waste customers (including full-time and part-time residents) to the extent feasible. Staff support this recommendation to better evaluate satisfaction with the current collection services and inform any service changes that may be considered as part of the next franchise agreement. In addition to the residential survey, the proposed consultant scope of work includes site visits and meetings with commercial and multifamily customers.

Table 2 outlines the proposed budget for CIP 2619, which would be fully funded from Solid Waste Fund reserves. These costs would be recovered through a fee paid to the Town by the selected waste hauler during the term of the next franchise agreement.

*Table 2: Proposed Budget for CIP 2619*

<b>Activity/Consultant</b>	<b>FY 25/26</b>	<b>FY 26/27</b>	<b>FY 27/28</b>	<b>TOTAL</b>
Franchise Planning – HF&H Proposal	\$60,309	\$114,920	\$149,740	<b>\$324,969</b>
Public Opinion Polling – Consultant TBD	\$0	\$35,000	\$0	<b>\$35,000</b>
<b>TOTAL</b>	<b>\$60,309</b>	<b>\$149,920</b>	<b>\$149,740</b>	<b>\$359,969</b>

## Franchise Agreement Extension

The anticipated timeline included in Table 1 is based on a one-year extension of the current franchise agreement with TTSD. Staff originally anticipated executing a consultant contract in fall 2025 with sufficient time to develop a franchise agreement starting July 1, 2028. This original timeline would have allowed for a longer project timeline compared to development of the current franchise agreement. However, preliminary discussions with HF&H indicate a significantly longer lead time of 12-18 months is now recommended between executing the final agreement and the start date of new collection services to allow for any necessary purchases of new equipment. To accommodate this longer development timeframe, the Town would need to exercise a one-year extension of the current franchise agreement until June 30, 2029.

Staff recommend exercising an extension of the current franchise agreement for two primary reasons:

1. An extension of the current agreement will allow for a robust community engagement process to occur prior to drafting the next franchise agreement. This will allow the new agreement to better reflect input from both residents and businesses about current services and proposed new services, and for more opportunities for community input throughout the process. Given the significant changes to collection services that were rolled out during the current agreement, this input is especially important in ensuring the services included in the next franchise agreement meet the needs of Truckee's residents and businesses.
2. CalRecycle is currently conducting their first mandatory review of the Town's solid waste program to evaluate compliance with Senate Bill 1383 and other state requirements. Based on the results of this review, the Town may need to make changes to the services included in the proposed franchise agreement. The Town has no control over CalRecycle's review timeline and staff do not anticipate receiving CalRecycle's final report until early 2026, or later. Exercising an extension will ensure that the Town has the results of this review in advance of drafting the next franchise agreement or beginning the solicitation process, avoiding the need for time-consuming or costly revisions later in the process.

While it would be feasible to move forward with development of a new franchise agreement without exercising an extension of the current agreement, this timeframe would not allow for much community engagement and would increase the likelihood of needing to amend the next franchise agreement to accommodate changes required by CalRecycle.

### **Priority:**

<input type="checkbox"/>	Enhanced Communication	<input type="checkbox"/>	Climate and Greenhouse Gas Reduction	<input type="checkbox"/>	Housing
<input type="checkbox"/>	Infrastructure Investment	<input type="checkbox"/>	Emergency and Wildfire Preparedness	<input checked="" type="checkbox"/>	Core Service

**Fiscal Impact:** Creation of CIP C2619 and execution of the consultant agreements described in this report will use up to \$359,969 in funds from the Solid Waste Fund reserves between Fiscal Years 25/26 and 27/28. These costs will be initially paid by reserves and recovered through a fee assessed on the selected waste hauler by the Town during the next franchise agreement, with any rate impacts spread over time to reduce the impact to ratepayers.

There is sufficient fund balance in the Solid Waste Fund reserves to accommodate this expense. The Solid Waste Fund is an enterprise fund that receives no support from the Town's General Fund.

**Public Communication:** As part of developing the Franchise Agreement, staff and consultants will conduct additional outreach to full-time and part-time residents and businesses including surveys, meetings, workshops, emails, and social media posts. The full process of developing the next Solid Waste Franchise Agreement will include three additional Town Council discussion items where the public can provide additional comment.

The public engagement phase is anticipated to begin in Spring 2026, with the goal of presenting recommended changes to collection services and other franchise agreement modifications to the Town Council for direction in August or September 2026.

**Attachments:**

1. Truckee Franchise Planning Proposal