

AGENDA ITEM SUMMARY

DATE: 2/22/2010 DEPARTMENT: Admin & Legal DEPT. HEAD SIGNATURE: MHC/NW

SUBJECT

Public Hearing on new Rubbish ordinance and contract with Obras, Inc. dba Clear Creek Disposal.

AUTHORITY: ID Code 50-329 IAR _____ City Ordinance/Code _____

BACKGROUND:

The following text is excerpted from the 12/28/09 minutes:

NB 582 *Discussion of OER Compost Treatment Grant in light of Rubbish Hauling Franchise Agreement renewal or extension*

Recently Hailey was awarded an OER Grant for a feasibility study, which will be conducted in the next year. The focus will be on the feasibility of treating food waste, yard waste, sludge and other organic materials to generate compost. Dawson reviewed this with council and the vision of asking future rubbish companies to haul 30% of waste stream to another location other than the Ohio Gulch Landfill site.

Dawson suggests extending our rubbish contract for up to 3 years with clauses to terminate early and/or provide flexibility to implement new programs within the contract term.

Brown and Keirn appreciate staff's recommendation. Brown is okay with a 2 year extension as is Keirn and Burke. Haemmerle feels that it may be a good idea to put out to RFP.

Williamson explains the process to council. Mayor suggests continuing for a 2 year period.

In this process, there is an opportunity for other haulers to participate with comments, once the public hearing has been set and noticed. Haemmerle asked Dawson to send a letter to potential haulers of this proposed action.

At the 1/11/10 council meeting the draft ordinance allowing for a two year extension on the franchise agreement granted to Clear Creek Disposal was introduced. The proposed ordinance was published on 01/20/10 within the 30 day waiting period. The current agreement in Ordinance Nos. 840 and 866 will expire on April 10, 2010. The proposed two year term would be effective April 11, 2010.

-FISCAL IMPACT / PROJECT FINANCIAL ANALYSIS

Budget Line Item # _____ YTD Line Item Balance \$ _____

Hailey currently collects a 6% franchise fee and a 6% billing contract from the rubbish hauler, which amounts to more than \$150,000 per year.

ACKNOWLEDGEMENT BY OTHER AFFECTED CITY DEPARTMENTS:

City Attorney Clerk / Finance Director ___ Engineer ___ Mayor
___ P & Z Commission ___ Parks & Lands Board ___ Public Works ___ Other

RECOMMENDATION FROM APPLICABLE DEPARTMENT HEAD:

Conduct Public Hearing regarding proposed two year extension of franchise agreement. Make a motion to approve Ordinance and authorize Mayor to conduct 1st Reading of Ordinance by title only.

ORIGINAL IN RED

FRANCHISE AGREEMENT

(Residential Solid Waste and Recyclable Materials Collection)

This Franchise Agreement ("Agreement") is made and entered into this 11th day of April, 2003, by and between the CITY OF HAILEY, a municipal corporation ("Hailey") and Wood River Rubbish, Inc., an Idaho corporation ("Contractor").

RECITALS

A. The City of Hailey ("Hailey") is a municipal corporation and political subdivision of the State of Idaho, and has authority to enter into this Agreement. Susan McBryant is the duly appointed and acting Mayor of Hailey. The Hailey City Council has authorized the Mayor to execute this Agreement.

B. Contractor is a duly organized and acting corporation in the State of Idaho. Dean Spady is the duly appointed and acting District Manager of Contractor and has the authority to enter into this Agreement.

C. Hailey has requested proposals from qualified contractors to provide residential solid waste collection and recycling services within the city limits of Hailey, Idaho. A copy of the Request for Proposals ("RFP") is attached hereto as Exhibit "A." Contractor has submitted a proposal to provide residential solid waste collection and recycling services within the city limits of Hailey, Idaho. After evaluating the submitted proposals, Hailey has awarded an exclusive five (5) year franchise, with a two (2) year renewal term, to Contractor to provide the residential solid waste collection and recycling services within the city limits of Hailey, Idaho.

D. Subject to the terms and conditions set forth herein and Hailey Ordinance No. 840, the parties hereto are desirous of entering into an exclusive five (5) year franchise agreement, with a two (2) year renewal term, with Contractor to provide the residential solid waste collection and recycling services within the city limits of Hailey, Idaho.

NOW, THEREFORE, in consideration of the mutual covenants, terms, and conditions set forth herein, the parties agree as follows:

1. Definitions. For the purposes of this Agreement, the following terms have the meanings set forth herein:

"Hazardous materials" means any chemical, compound, mixture, substance or article which is designated by the United States Environmental Protection Agency or appropriate agency of the State of Idaho to be "hazardous" as that term is defined by or pursuant to federal or state law.

"Multi-family residential complex" means a building or property containing two (2) or more dwelling units and includes duplexes, apartments, townhomes and condominiums.

"Recyclable materials" means products or substances designated by Hailey and the Southern Idaho Solid Waste District, including but not necessarily limited to paper, cardboard, aluminum, tin cans, glass, newspaper and magazines.

"Residential customer(s)" mean those owner(s) and/or occupant(s) of single family residences and multi-family residential complexes consisting of four or less dwelling units.

"Self-hauling" means the collection, hauling and disposal of solid waste by generator of the solid waste in the generator's container and vehicle directly to the transfer station or a landfill.

"Solid waste" means any garbage, refuse or other discarded material generated by residential customers.

2. Exclusive Agreement. Hailey hereby grants exclusively to Contractor the authority and privilege to engage in the business of collecting, transporting, processing and disposing of solid waste and separated recyclable materials kept or accumulated and placed for collection by all residential customers within the corporate limits of Hailey, Idaho, and to perform all of the work described in this Agreement; provided, however, this exclusive authority and privilege does not extend to the self-hauling of solid waste or recyclable materials, hazardous waste or medical waste.

3. Term. The term of this Agreement shall begin April 11, 2003, and shall end at midnight, April 10, 2008. The Contractor shall have the option to renew this Agreement for one additional two (2) year period; provided, however, that the right to renew is conditioned on the following:

a. Contractor notifies Hailey in writing of Contractor's intention to renew the Agreement not less than one hundred twenty (120) days nor more than one hundred eighty (180) days prior to the scheduled expiration date of the initial term of this Agreement;

b. Contractor is not in material default and has substantially complied with all the terms and conditions of this Agreement or any other agreement with Hailey;

c. Contractor agrees to the rights and obligations of this Agreement; and

d. Contractor has not, without the written consent of Hailey, assigned or attempted to assign this Agreement or otherwise transferred Contractor's rights under this Agreement.

4. Duties and Responsibilities of Contractor.

A. General Duties. Contractor is responsible for furnishing skill, labor, services, vehicles, containers, equipment, materials and supplies in accordance with the services specified in this Agreement.

B. Scope of Services.

1. Weekly Residential Solid Waste and Recyclable Material Collection. The Contractor shall provide on a weekly basis curbside collection of solid waste in either 32 or 95 gallon roll carts and curbside collection of recyclable materials in standardized recyclable bins. Contractor shall distribute one roll cart in the size requested by the residential customer and one recyclable bin to each residential customer. The roll carts and recyclable bins shall remain the property of the Contractor. Collection of solid waste and recyclable materials shall occur to the extent possible at or about the same time and on designated collection days between 7:00 o'clock a.m. and 6:00 o'clock p.m., unless special events or circumstances (e.g., weather) dictate different hours of collection. A designated collection day shall occur on a weekday approved by Hailey; provided, however, the Contractor shall not provide collection services on the following holidays (i.e., New Year's Day, Memorial Day, Independence Day, Labor Day, Thanksgiving Day and Christmas Day) falling on a designated collection day. Should any of the above mentioned holidays occur on a designated collection day, collection shall occur on the following week day. The Contractor shall be responsible to notify the public about any change in a designated collection day caused by the occurrence of a holiday by taking out a 6" x 8" ad in the weekly newspaper just before the holiday. The Contractor shall have the right to amend the designated collection date and routes so long as customer service is not otherwise affected; provided, however, the Contractor shall obtain approval from Hailey thirty (30) days before the change and the Contractor shall provide written notice to affected residential customers a minimum of two (2) weeks prior to the change.

2. Semi-Annual and Weekly Clean Up. The Contractor shall provide, at no charge to Hailey or residential customers, curbside collection of biodegradable items, such as grass clippings, leaves, branches, clean wood and similar products, in the spring and fall during the term of this Agreement on dates specified by Hailey, and so long as practicable, the Contractor will provide weekly green waste collection at a site mutually agreeable to the parties on weekends between mid-April and end of October.

3. Disposal. The Contractor shall haul, in accordance with applicable federal, state and local laws, all legally acceptable solid waste and recyclable material collected within Hailey in accordance with this Agreement to the Blaine County Transfer Station in Ohio Gulch or to such other transfer station, landfill or recycling facility designated by the Blaine County Board of County Commissioners. The Contractor shall be responsible for the payment of all charges, including disposal fees, charges and taxes, associated with the disposal of solid waste or recyclable materials collected from Hailey.

4. Public Information. The Contractor shall prepare and distribute information regarding solid waste and recycling services to the public by direct mailing or by means of the print and radio media. The Contractor shall implement a program designed to promote recycling and waste reduction. The Contractor shall also implement an informational and educational program about solid waste and recycling collection for new customers.

5. Customer Inquiries. The Contractor shall respond to the following customer requests about:

- i. Information regarding service options and procedures.

- ii. Missed collections.
- iii. Late setouts.
- iv. Extra pickups.
- v. Start-up or termination of service.
- vi. Delivery and return of containers and bins.
- vii. Conversion of containers.
- viii. Billing and payment inquiries.

6. Local Office. The Contractor shall maintain a local office in Blaine County with telephone service and such staff as needed to respond to customer contacts, including service requests, orders for missed collections, orders for additional collections and requests for conversion of containers. Office hours shall be 8:00 o'clock a.m. to 5:00 o'clock p.m. of each weekday, except when holidays fall on weekdays.

7. Extra Pickups. The Contractor shall document all extra pickups and additional services provided to residential customers and shall furnish Hailey written documentation on a timely basis throughout a month of the extra pickups in addition to the weekly collection of solid waste and recyclable materials, so that these charges can be made on the current billings.

8. Annual Report. The Contractor shall submit to Hailey an annual report on April 1 or the first business day following April 1 in the first, second, third, fourth and fifth anniversaries of this Agreement, setting forth a) the amount of solid waste collected for the weekly collection service, b) the amount of solid waste collected for extra pickups, c) the amount of recyclable materials collected, d) the fees charged for conversion of containers, e) the rentals charged for containers, and f) tipping fees or charges for the disposal of solid waste and recyclable materials.

5. Duties and Responsibilities of Hailey.

A. Right of Access. Hailey shall grant to the Contractor, during the term of this Agreement, the right and privilege of ingress and egress, to cross all public streets, alley and rights-of-way in Hailey. Any solid waste or recyclable material collection shall be made on the public streets, alley and rights-of-way in Hailey in a manner causing the least delay and inconvenience to the public.

B. Billing. Hailey shall be responsible for billing all customers covered by this Agreement a standard monthly rate for the weekly solid waste and recyclable materials collection services provided by the Contractor in an amount established by resolution or ordinance duly adopted by Hailey. Hailey shall also be responsible for billing all customers covered by this Agreement for extra pickups of solid waste and recyclable materials provided by the Contractor in an amount established by resolution or ordinance duly adopted by Hailey. The fees adopted by resolution or ordinance shall be effective May 1, 2003. In the event Hailey and Contractor develop additional incentive recycling programs that would result in a reduction of solid waste collection, the Contractor may seek a change in the fee schedule adopted by Hailey before the incentive recycling program is adopted. Hailey shall maintain adequate records of

billings, collections and outstanding accounts, and shall furnish Contractor with such records upon reasonable request. Hailey shall furnish Contractor timely information about new residential customers.

C. Payment to Contractor. Hailey shall remit to the Contractor all monthly fees billed and received for the solid waste and recyclable materials collection services provided by the Contractor under this Agreement, less an amount equal to 6% of all monthly fees and charges collected, which sum shall be retained by Hailey as consideration for performance of the monthly billing services provided for herein, and less an amount equal to 6% of all monthly fees and charges collected, which sum shall be retained by Hailey as a franchise fee. Hailey shall begin the payment of the monthly fees less 12%, as described herein, to Contractor on or before the last day of May, 2003, and continuing every month thereafter during and beyond the original term and renewed term, if any, of this Agreement for those collected fees that were billed in accordance with the rates established by resolution or ordinance under paragraph 5(B) of this Agreement.

D. Collection. If a customer is delinquent in payment to the City for one month of solid waste and recycling services, Hailey will notify the customer in the customer's bill that the customer is delinquent and the amount to be paid. If a customer is delinquent in payment to the City for two consecutive months of solid waste and recycling services, Hailey will notify the customer that there must be payment of the full delinquent amount and absent payment of the full delinquent amount, Hailey will terminate the customer's water service. If the customer is delinquent for three consecutive months of solid waste and recycling services, Hailey will notify the Contractor to discontinue garbage service. Hailey shall make good faith efforts to collect on any delinquent account.

E. Agreement Not to Compete. Upon execution of this Agreement and before the expiration or earlier termination of this Agreement, Hailey agrees not to compete with the Contractor or provide the services to be provided by Contractor under this Agreement.

6. Franchise Fee. As set forth in paragraph 5(C) of this Agreement, Contractor shall pay Hailey and Hailey shall retain 6% of the gross revenue collected by Hailey as a franchise fee.

7. Performance Bond. The Contractor shall provide and maintain during the term of this Agreement a valid contractor's performance bond for the use and benefit of Hailey. The performance bond shall cover Contractor's failure to faithfully perform all of the provisions of this Agreement. The performance bond shall contain appropriate recitations that it is issued pursuant to this Agreement and that it shall be construed to meet all requirements of this Agreement. The performance bond shall obligate the surety to undertake or cause to be undertaken the work required to be performed pursuant to this Agreement for the remainder of the term of this Agreement. The performance bond shall be issued by a surety company authorized to do business in the State of Idaho, acceptable to Hailey and in the amount of \$75,000.00. The Contractor shall submit the performance bond to the City Clerk, City of Hailey, 115 Main Street So., Suite H, Hailey, Idaho 83333.

8. Insurance.

A. Required Insurance. During the term of this Agreement, the Contractor shall keep in full force and effect at its sole expense the following insurance with the following limits on an occurrence basis:

1. Comprehensive General Liability and Property Damage Insurance:
Minimum Limits
Bodily Injury \$2,000,000
Property Damage \$2,000,000
2. Automobile Liability (owned, non-owned and hired).
Minimum Limits
Bodily Injury \$2,000,000
Property Damage \$2,000,000
3. Employer's Liability Insurance covering each employee in the execution of the work to the extent such employee is not covered by worker's compensation.
Minimum Limits
Per Accident \$2,000,000
4. The Contractor shall secure and maintain at least the statutory amounts of worker's compensation, disability benefits, and unemployment insurance in accordance with the laws of the State of Idaho.

B. Additional Insured. The Contractor's certificates of insurance shall name Hailey, its officials, employees and agents as additional named insured and shall be endorsed to specify that such policies cover the liability assumed by Contractor under this Agreement.

C. Notification. Such insurance shall provide at least thirty (30) days written notice to Hailey before such policy is suspended, canceled, amended or terminated.

D. Proof of Insurance. The Contractor shall provide evidence of acceptable insurance at limits listed above to City Clerk, City of Hailey, 115 Main Street So., Suite H, Hailey, Idaho 83333.

9. Equipment and Personnel.

A. Equipment. The Contractor shall furnish during the term of this Agreement a sufficient quantity and quality of vehicles and equipment to collect and dispose of solid waste and recyclable materials as provided herein. The vehicles shall a) be clean and uniformly painted, b) be equipped with warning devices, c) prevent littering, d) be sealed to prevent leakage, e) lawfully registered and f) be in good and safe running order. All roll carts and recycling bins shall be sealed, equipped with close fitting covers and in good operable condition.

B. Personnel. The Contractor shall employ during the term of this Agreement a sufficient number of skilled, trained and competent personnel to collect and dispose of the solid waste and recycling materials collected under this Agreement, and a sufficient number of managerial and office personnel to provide the necessary services described in this Agreement. The Contractor acknowledges and agrees to follow fair labor and nondiscrimination practices in accordance with state and federal laws. The Contractor also agrees to require that its employees and agents act in respectful manner while providing the public services described in this Agreement.

10. Data Collection. During the term of this Agreement, the Contractor shall upon request by Hailey provide to Hailey written documentation showing a) the amount of solid waste collected for the weekly collection service, b) the amount of solid waste collected for extra pickups, c) the amount of recyclable materials collected, d) the fees charged for conversion of containers, e) the rentals charged for containers, and f) tipping fees or charges for the disposal of solid waste and recyclable materials.

11. Default and Termination.

A. Termination for Cause. Hailey may terminate this Agreement for cause if the Contractor fails to perform or defaults on any of the duties or responsibilities set forth in this Agreement.

B. Corrective Action. If Hailey City Council finds that the Contractor has failed to perform or defaulted on any or all of the duties or responsibilities set forth in this Agreement, Hailey shall provide the Contractor a written "Notice of Intent to Terminate" the Agreement in accordance with paragraph 16(M) of this Agreement. The "Notice of Intent to Terminate" shall describe with sufficient detail the Contractor's failure to perform and/or default. The Contractor shall have a period of thirty (30) days from the receipt or delivery of the Notice of Intent to Terminate the Agreement to correct the failure to perform or default. If the Contractor fails to correct the failure to perform and/or default within thirty (30) days, the City may terminate this Agreement immediately without further notice. The Contractor shall be given a Notice of Termination in accordance with paragraph 16(M) of this Agreement.

C. Bond Payment. In the event of termination of this Agreement caused by the default(s) of the Contractor, the surety providing the performance bond shall undertake or cause to be undertaken the work required to be performed pursuant to this Agreement for remainder of the term of this Agreement.

D. Emergency Provision. The parties recognize that the public health, safety and welfare may be endangered by any disruption of the solid waste collection system. Therefore, the parties agree in the event solid waste collection is interrupted for more than ninety six (96) hours, Hailey shall have the authority and be entitled to declare a public emergency, and shall have the right to take temporary possession of the Contractor's equipment and facilities for the purpose of continuing the service that the Contractor has agreed to provide, in which case Hailey shall notify the Contractor and schedule a hearing at least twenty four (24) hours before taking temporary possession of the Contractor's equipment and facilities. Hailey shall have the

right to retain possession of the Contractor's equipment and facilities until the Contractor can demonstrate to the reasonable satisfaction of Hailey that the service required under this Agreement can be resumed. During any period that Hailey has temporarily assumed the obligations of the Contractor, Hailey shall be entitled to all revenue, less payment to Contractor for a reasonable rental for the facilities, equipment and other property used by Hailey in the performance of the services required under this Agreement.

12. Indemnification. The Contractor and its employees are independent contractors and are not, under this Agreement, employees or agents of Hailey. The Contractor covenants and agrees to indemnify, defend and hold Hailey harmless from and against any and all claims, demands, causes of action, suits, losses, liabilities, damages, costs and expenses, including attorney fees, that may accrue, directly or indirectly, by reason of any act or omission on the part of the Contractor, its agents, employees, assigns or anyone subcontracting with the Contractor, related to the collection, hauling or disposal of solid waste and recyclable materials as provided under this Agreement or the provision of any service or duty under this Agreement.

13. Annexation. In the event Hailey annexes additional territory contiguous with Hailey's boundaries, the Contractor shall have the exclusive authority and privilege to engage in the business of collecting, transporting, processing and disposing of solid waste and recyclable materials, as described in paragraph 1 of this Agreement, in the annexed territory for the remainder of the term of this Agreement; provided, however, that another contractor does not have an exclusive franchise right to provide similar services in the annexed territory.

14. Ownership of Solid Waste. Title to solid waste and recyclable materials shall pass to the Contractor when placed in Contractor's collection vehicles and removed by Contractor from a container. By virtue of this Agreement, Hailey shall never have title to the solid waste or recyclable materials collected under the terms of this Agreement. In accordance with Subtitle C of the Resource Conservation and Recovery Act of 1976, as amended, title to all hazardous waste and otherwise prohibited waste remains with the generator. Nothing provided herein limits any recourse the Contractor or Hailey may have against any generator for disposal of any hazardous or prohibited waste.

15. Compliance with Laws. The Contractor shall comply with all applicable federal, state and local statutes, laws, rules, regulations and ordinances, including the Federal Occupational Safety and Health Act of 1970, as amended, and including statutes, laws, rules, regulations and ordinances, as they now exist or may hereafter be amended, relating to hazardous waste and relating to the collection and transportation of solid waste.

16. Miscellaneous Provisions.

A. Paragraph headings. The headings in this Agreement are inserted for convenience and identification only and are in no way intended to describe, interpret, define or limit the scope, extent or intent of this Agreement or any of the provisions of the Agreement.

B. Provisions Severable. Every provision of this Agreement is intended to be severable. If any term or provision hereof is illegal or invalid for any reason whatsoever, such illegality or invalidity shall not affect the validity of the remainder of the Agreement.

C. Rights and Remedies are Cumulative. The rights and remedies provided by this Agreement are cumulative and the use of any one right or remedy by any party shall not preclude nor waive its rights to use any or all other remedies. Any rights provided to the parties under this Agreement are given in addition to any other rights the parties may have by law, statute, ordinance or otherwise.

D. Attorney's Fees. In the event of any dispute with regard to the interpretation or enforcement of this Agreement, the prevailing party shall be entitled to recover its reasonable costs and attorneys' fees incurred therein, whether or not a lawsuit is actually filed, and on any appeals, and in any bankruptcy proceeding.

E. Successors and Assigns. This Agreement and the terms and provisions hereof shall inure to the benefit of and be binding upon the heirs, personal representatives, successors and assigns of the parties hereto.

F. Entire Agreement. This Agreement contains the entire agreement between the parties respecting the matters herein set forth and supersedes all prior agreements between the parties hereto respecting such matters.

G. Governing Law. This Agreement shall be construed in accordance with the laws of the State of Idaho.

H. Preparation of Agreement. No presumption shall exist in favor of or against any party to this Agreement as a result of the drafting and preparation of this document.

I. No Waiver. No waiver of any breach by either party of the terms of this Agreement shall be deemed a waiver of any subsequent breach of the Agreement.

J. Counterparts. This Agreement may be executed simultaneously in one or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

K. Amendment. No amendment of this Agreement shall be effective unless the amendment is in writing, signed by each of the parties.

L. Savings Clause. If any of the provisions of this Agreement shall be held to be unenforceable or unconstitutional, the remaining provisions shall nevertheless be enforceable.

M. Notices. All notices and demands of any kind which either party hereto may be required or desires to serve upon the other party under the terms of this Agreement shall be in writing and shall be served upon such other party by personal service, or by leaving a copy of such notice or demand at the address hereinafter set forth, whereupon service shall be deemed

complete, or by mailing a copy thereof by certified or registered mail, airmail if the address is outside the state in which the same is mailed, postage prepaid, with return receipt requested, addressed as follows:

HAILEY: City of Hailey
c/o City Clerk
115 South Main Street
Suite H
Hailey, Idaho 83333

CONTRACTOR: Wood River Rubbish, Inc.
P.O. Box 130
Ketchum, Idaho 83340

In case of service by mail, it shall be deemed complete on the day of actual delivery as shown on the addressee's registry of certification receipt or at the expiration of the third day after the date of mailing, whichever first occurs. The addresses to which notices and demands shall be delivered or sent may be changed from time to time by notice served as hereinabove provided by either party upon the other party.

N. Assignment. The parties agree that this Agreement shall not be assigned, in whole or in part, to any other person or entity without the prior written consent of Hailey, in the sole discretion of Hailey. The parties also agree that the Contractor is prohibited from conveying, in any manner, directly or indirectly, any majority or controlling interest in the Contractor's business entity, regardless whether it is a corporation, limited liability company or other legal entity, without the prior written consent of Hailey.

O. Force Majeure. Neither party shall be liable for failure to perform hereunder, in whole or in part, due to contingencies beyond the party's reasonable control, including but not necessarily limited to acts of God, the public enemy, fire, floods, epidemics, earthquakes, quarantine restrictions, and strikes not created by the Contractor, whether now existing or hereafter created.

IN WITNESS WHEREOF, the parties hereto have executed this Franchise Agreement on the day and year first above written.

CITY OF HAILEY

By Susan McBryant
Susan McBryant, Mayor

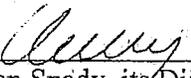
ATTEST:

Heather Dawson
Heather Dawson, City Clerk



FRANCHISE AGREEMENT/10

CONTRACTOR

By 
Dean Spady, its District Manager

ORIGINAL IN RED

FRANCHISE AGREEMENT

(Commercial Solid Waste and Recyclable Materials Collection)

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D. Subject to the terms and conditions set forth herein and Hailey Ordinance No. 840, the parties hereto are desirous of entering into an exclusive five (5) year franchise agreement, with a two (2) year renewal term, with Contractor to provide the commercial solid waste collection and recycling services within the city limits of Hailey, Idaho.

NOW, THEREFORE, in consideration of the mutual covenants, terms, and conditions set forth herein, the parties agree as follows:

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"Hazardous materials" means any chemical, compound, mixture, substance or article which is designated by the United States Environmental Protection Agency or appropriate agency of the State of Idaho to be "hazardous" as that term is defined by or pursuant to federal or state law.

"Multi-family residential complex" means a building or property containing two (2) or more dwelling units and includes duplexes, apartments, townhomes and condominiums.

"Recyclable materials" means products or substances designated by Hailey and the Southern Idaho Solid Waste District, including but not necessarily limited to paper, cardboard, aluminum, tin cans, glass, newspaper and magazines.

"Self-hauling" means the collection, hauling and disposal of solid waste by generator of the solid waste in the generator's container and vehicle directly to the transfer station or a landfill.

"Solid waste" means any garbage, refuse or other discarded material generated by commercial customers.

2. Exclusive Agreement. Hailey hereby grants exclusively to Contractor the authority and privilege to engage in the business of collecting, transporting, processing and disposing of solid waste and separated recyclable materials kept or accumulated and placed for collection by all commercial customers within the corporate limits of Hailey, Idaho, and to perform all of the work described in this Agreement; provided, however, this exclusive authority and privilege does not extend to the self-hauling of solid waste or recyclable materials, hazardous waste or medical waste.

3. Term. The term of this Agreement shall begin April 11, 2003, and shall end at midnight, April 10, 2008. The Contractor shall have the option to renew this Agreement for one additional two (2) year period; provided however, that the right to renew is conditioned on the following:

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b. Contractor is not in material default and has substantially complied with all the terms and conditions of this Agreement or any other agreement with Hailey;

c. Contractor agrees to the rights and obligations of this Agreement; and

d. Contractor has not, without the written consent of Hailey, assigned or attempted to assign this Agreement or otherwise transferred Contractor's rights under this Agreement.

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2. Special Event Clean Up. The Contractor shall provide collection and disposal of solid waste generated during the Springfest, the Rocky Mountain Folk Festival and the July 4th Button BBQ, on the dates of these events and at no charge to Hailey or the sponsor.

3. Disposal. The Contractor shall haul, in accordance with applicable federal, state and local laws, all legally acceptable solid waste and recyclable material collected within Hailey in accordance with this Agreement to the Blaine County Transfer Station in Ohio Gulch or to such other transfer station, landfill or recycling facility designated by the Blaine County Board of County Commissioners. The Contractor shall be responsible for the payment of all charges, including disposal fees, charges and taxes, associated with the disposal of solid waste or recyclable materials collected from Hailey.

4. Public Information. The Contractor shall prepare and distribute information regarding solid waste and recycling services to the public by direct mailing or by means of the print and radio media. The Contractor shall implement a program designed to promote recycling and waste reduction. The Contractor shall also implement an informational and educational program about solid waste and recycling collection for new customers.

5. Customer Inquiries. The Contractor shall respond to the following customer requests about:

- i. Information regarding service options and procedures.
- ii. Missed collections.

- iii. Late setouts.
- iv. Extra pickups.
- v. Start-up or termination of service.
- vi. Delivery and return of containers and bins.
- vii. Conversion of containers.
- viii. Billing and payment inquiries.

6. Local Office. The Contractor shall maintain a local office in Blaine County with telephone service and such staff as needed to respond to customer contacts, including service requests, orders for missed collections, orders for additional collections and requests for conversion of containers. Office hours shall be 8:00 o'clock a.m. to 5:00 o'clock p.m. of each weekday, except when holidays fall on weekdays.

7. Extra Pickups. The Contractor shall document all extra pickups and additional services provided to commercial customers and shall furnish Hailey written documentation on a timely basis throughout a month of the extra pickups in addition to the weekly collection of solid waste and recyclable materials, so that these charges can be made on the current billings.

8. Annual Report. The Contractor shall submit to Hailey an annual report on April 1 or the first business day following April 1 in the first, second, third, fourth and fifth anniversaries of this Agreement, setting forth a) the amount of solid waste collected for the weekly collection service, b) the amount of solid waste collected for extra pickups, c) the amount of recyclable materials collected, d) the fees charged for conversion of containers, e) the rentals charged for containers, and f) tipping fees or charges for the disposal of solid waste and recyclable materials.

5. Duties and Responsibilities of Hailey.

A. Right of Access. Hailey shall grant to the Contractor, during the term of this Agreement, the right and privilege of ingress and egress, to cross all public streets, alley and rights-of-way in Hailey. Any solid waste or recyclable material collection shall be made on the public streets, alley and rights-of-way in Hailey in a manner causing the least delay and inconvenience to the public.

B. Billing. Hailey shall be responsible for billing all customers covered by this Agreement a standard monthly rate for the weekly solid waste and recyclable materials collection services provided by the Contractor in an amount established by resolution or ordinance duly adopted by Hailey. Hailey shall also be responsible for billing all customers covered by this Agreement for extra pickups of solid waste and recyclable materials provided by the Contractor in an amount established by resolution or ordinance duly adopted by Hailey. The fees adopted by resolution or ordinance shall be effective May 1, 2003. In the event Hailey and Contractor develop additional incentive recycling programs that would result in a reduction of solid waste collection, the Contractor may seek a change in the fee schedule adopted by Hailey before the incentive recycling program is adopted. Hailey shall maintain adequate records of billings, collections and outstanding accounts, and shall furnish Contractor with such records

upon reasonable request. Hailey shall furnish Contractor timely information about new commercial customers.

C. Payment to Contractor. Hailey shall remit to the Contractor all monthly fees billed and received for the solid waste and recyclable materials collection services provided by the Contractor under this Agreement, less an amount equal to 6% of all monthly fees and charges collected, which sum shall be retained by Hailey as consideration for performance of the monthly billing services provided for herein, and less an amount equal to 6% of all monthly fees and charges collected, which sum shall be retained by Hailey as a franchise fee. Hailey shall begin the payment of the monthly fees less 12%, as described herein, to Contractor on or before the last day of June, 2003, and continuing every month thereafter during and beyond the original term and renewed term, if any, of this Agreement for those collected fees that were billed in accordance with the rates established by resolution or ordinance under paragraph 5(B) of this Agreement.

D. Collection. If a customer is delinquent in payment to the City for one month of solid waste and recycling services, Hailey will notify the customer in the customer's bill that the customer is delinquent and the amount to be paid. If a customer is delinquent in payment to the City for two consecutive months of solid waste and recycling services, Hailey will notify the customer that there must be payment of the full delinquent amount and absent payment of the full delinquent amount, Hailey will terminate the customer's water service. If the customer is delinquent for three consecutive months of solid waste and recycling services, Hailey will notify the Contractor to discontinue garbage service. Hailey shall make good faith efforts to collect on any delinquent account.

E. Agreement Not to Compete. Upon execution of this Agreement and before the expiration or earlier termination of this Agreement, Hailey agrees not to compete with the Contractor or provide the services to be provided by Contractor under this Agreement.

6. Franchise Fee. As set forth in paragraph 5(C) of this Agreement, Contractor shall pay Hailey and Hailey shall retain 6% of the gross revenue collected by Hailey as a franchise fee.

7. Performance Bond. The Contractor shall provide and maintain during the term of this Agreement a valid contractor's performance bond for the use and benefit of Hailey. The performance bond shall cover Contractor's failure to faithfully perform all of the provisions of this Agreement. The performance bond shall contain appropriate recitations that it is issued pursuant to this Agreement and that it shall be construed to meet all requirements of this Agreement. The performance bond shall obligate the surety to undertake or cause to be undertaken the work required to be performed pursuant to this Agreement for the remainder of the term of this Agreement. The performance bond shall be issued by a surety company authorized to do business in the State of Idaho, acceptable to Hailey and in the amount of \$75,000.00. The Contractor shall submit the performance bond to the City Clerk, City of Hailey, 115 Main Street So., Suite H, Hailey, Idaho 83333.

8. Insurance.

A. Required Insurance. During the term of this Agreement, the Contractor shall keep in full force and effect at its sole expense the following insurance with the following limits on an occurrence basis:

1. Comprehensive General Liability and Property Damage Insurance:
Minimum Limits
Bodily Injury \$2,000,000
Property Damage \$2,000,000
2. Automobile Liability (owned, non-owned and hired).
Minimum Limits
Bodily Injury \$2,000,000
Property Damage \$2,000,000
3. Employer's Liability Insurance covering each employee in the execution of the work to the extent such employee is not covered by worker's compensation.
Minimum Limits
Per Accident \$2,000,000
4. The Contractor shall secure and maintain at least the statutory amounts of worker's compensation, disability benefits, and unemployment insurance in accordance with the laws of the State of Idaho.

B. Additional Insured. The Contractor's certificates of insurance shall name Hailey, its officials, employees and agents as additional named insured and shall be endorsed to specify that such policies cover the liability assumed by Contractor under this Agreement.

C. Notification. Such insurance shall provide at least thirty (30) days written notice to Hailey before such policy is suspended, canceled, amended or terminated.

D. Proof of Insurance. The Contractor shall provide evidence of acceptable insurance at limits listed above to City Clerk, City of Hailey, 115 Main Street So., Suite H, Hailey, Idaho 83333.

9. Equipment and Personnel.

A. Equipment. The Contractor shall furnish during the term of this Agreement a sufficient quantity and quality of vehicles and equipment to collect and dispose of solid waste and recyclable materials as provided herein. The vehicles shall a) be clean and uniformly painted, b) be equipped with warning devices, c) prevent littering, d) be sealed to prevent leakage, e) lawfully registered and f) be in good and safe running order. All containers shall be sealed, equipped with close fitting covers and in good operable condition.

B. Personnel. The Contractor shall employ during the term of this Agreement a sufficient number of skilled, trained and competent personnel to collect and dispose of the solid waste and recycling materials collected under this Agreement, and a sufficient number of managerial and office personnel to provide the necessary services described in this Agreement. The Contractor acknowledges and agrees to follow fair labor and nondiscrimination practices in accordance with state and federal laws. The Contractor also agrees to require that its employees and agents act in respectful manner while providing the public services described in this Agreement.

10. Data Collection. During the term of this Agreement, the Contractor shall upon request by Hailey provide to Hailey written documentation showing a) the amount of solid waste collected for the weekly collection service, b) the amount of solid waste collected for extra pickups, c) the amount of recyclable materials collected, d) the fees charged for conversion of containers, e) the rentals charged for containers, and f) tipping fees or charges for the disposal of solid waste and recyclable materials.

11. Default and Termination.

A. Termination for Cause. Hailey may terminate this Agreement for cause if the Contractor fails to perform or defaults on any of the duties or responsibilities set forth in this Agreement.

B. Corrective Action. If Hailey City Council finds that the Contractor has failed to perform or defaulted on any or all of the duties or responsibilities set forth in this Agreement, Hailey shall provide the Contractor a written "Notice of Intent to Terminate" the Agreement in accordance with paragraph 16(M) of this Agreement. The "Notice of Intent to Terminate" shall describe with sufficient detail the Contractor's failure to perform and/or default. The Contractor shall have a period of thirty (30) days from the receipt or delivery of the Notice of Intent to Terminate the Agreement to correct the failure to perform or default. If the Contractor fails to correct the failure to perform and/or default within thirty (30) days, the City may terminate this Agreement immediately without further notice. The Contractor shall be given a Notice of Termination in accordance with paragraph 16(M) of this Agreement.

C. Bond Payment. In the event of termination of this Agreement caused by the default(s) of the Contractor, the surety providing the performance bond shall undertake or cause to be undertaken the work required to be performed pursuant to this Agreement for remainder of the term of this Agreement.

D. Emergency Provision. The parties recognize that the public health, safety and welfare may be endangered by any disruption of the solid waste collection system. Therefore, the parties agree in the event solid waste collection is interrupted for more than ninety six (96) hours, Hailey shall have the authority and be entitled to declare a public emergency, and shall have the right to take temporary possession of the Contractor's equipment and facilities for the purpose of continuing the service that the Contractor has agreed to provide, in which case Hailey shall notify the Contractor and schedule a hearing at least twenty four (24) hours before taking temporary possession of the Contractor's equipment and facilities. Hailey shall have the

right to retain possession of the Contractor's equipment and facilities until the Contractor can demonstrate to the reasonable satisfaction of Hailey that the service required under this Agreement can be resumed. During any period that Hailey has temporarily assumed the obligations of the Contractor, Hailey shall be entitled to all revenue, less payment to Contractor for a reasonable rental for the facilities, equipment and other property used by Hailey in the performance of the services required under this Agreement.

12. Indemnification. The Contractor and its employees are independent contractors and are not, under this Agreement, employees or agents of Hailey. The Contractor covenants and agrees to indemnify, defend and hold Hailey harmless from and against any and all claims, demands, causes of action, suits, losses, liabilities, damages, costs and expenses, including attorney fees, that may accrue, directly or indirectly, by reason of any act or omission on the part of the Contractor, its agents, employees, assigns or anyone subcontracting with the Contractor, related to the collection, hauling or disposal of solid waste and recyclable materials as provided under this Agreement or the provision of any service or duty under this Agreement.

13. Annexation. In the event Hailey annexes additional territory contiguous with Hailey's boundaries, the Contractor shall have the exclusive authority and privilege to engage in the business of collecting, transporting, processing and disposing of solid waste and recyclable materials, as described in paragraph 1 of this Agreement, in the annexed territory for the remainder of the term of this Agreement; provided, however, that another contractor does not have an exclusive franchise right to provide similar services in the annexed territory.

14. Ownership of Solid Waste. Title to solid waste and recyclable materials shall pass to the Contractor when placed in Contractor's collection vehicles and removed by Contractor from a container. By virtue of this Agreement, Hailey shall never have title to the solid waste or recyclable materials collected under the terms of this Agreement. In accordance with Subtitle C of the Resource Conservation and Recovery Act of 1976, as amended, title to all hazardous waste and otherwise prohibited waste remains with the generator. Nothing provided herein limits any recourse the Contractor or Hailey may have against any generator for disposal of any hazardous or prohibited waste.

15. Compliance with Laws. The Contractor shall comply with all applicable federal, state and local statutes, laws, rules, regulations and ordinances, including the Federal Occupational Safety and Health Act of 1970, as amended, and including statutes, laws, rules, regulations and ordinances, as they now exist or may hereafter be amended, relating to hazardous waste and relating to the collection and transportation of solid waste.

16. Miscellaneous Provisions.

A. Paragraph headings. The headings in this Agreement are inserted for convenience and identification only and are in no way intended to describe, interpret, define or limit the scope, extent or intent of this Agreement or any of the provisions of the Agreement.

B. Provisions Severable. Every provision of this Agreement is intended to be severable. If any term or provision hereof is illegal or invalid for any reason whatsoever, such illegality or invalidity shall not affect the validity of the remainder of the Agreement.

C. Rights and Remedies are Cumulative. The rights and remedies provided by this Agreement are cumulative and the use of any one right or remedy by any party shall not preclude nor waive its rights to use any or all other remedies. Any rights provided to the parties under this Agreement are given in addition to any other rights the parties may have by law, statute, ordinance or otherwise.

D. Attorney's Fees. In the event of any dispute with regard to the interpretation or enforcement of this Agreement, the prevailing party shall be entitled to recover its reasonable costs and attorneys' fees incurred therein, whether or not a lawsuit is actually filed, and on any appeals, and in any bankruptcy proceeding.

E. Successors and Assigns. This Agreement and the terms and provisions hereof shall inure to the benefit of and be binding upon the heirs, personal representatives, successors and assigns of the parties hereto.

F. Entire Agreement. This Agreement contains the entire agreement between the parties respecting the matters herein set forth and supersedes all prior agreements between the parties hereto respecting such matters.

G. Governing Law. This Agreement shall be construed in accordance with the laws of the State of Idaho.

H. Preparation of Agreement. No presumption shall exist in favor of or against any party to this Agreement as a result of the drafting and preparation of this document.

I. No Waiver. No waiver of any breach by either party of the terms of this Agreement shall be deemed a waiver of any subsequent breach of the Agreement.

J. Counterparts. This Agreement may be executed simultaneously in one or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

K. Amendment. No amendment of this Agreement shall be effective unless the amendment is in writing, signed by each of the parties.

L. Savings Clause. If any of the provisions of this Agreement shall be held to be unenforceable or unconstitutional, the remaining provisions shall nevertheless be enforceable.

M. Notices. All notices and demands of any kind which either party hereto may be required or desires to serve upon the other party under the terms of this Agreement shall be in writing and shall be served upon such other party by personal service, or by leaving a copy of such notice or demand at the address hereinafter set forth, whereupon service shall be deemed

complete, or by mailing a copy thereof by certified or registered mail, airmail if the address is outside the state in which the same is mailed, postage prepaid, with return receipt requested, addressed as follows:

HAILEY: City of Hailey
c/o City Clerk
115 South Main Street
Suite H
Hailey, Idaho 83333

CONTRACTOR: Wood River Rubbish, Inc.
P.O. Box 130
Ketchum, Idaho 83340

In case of service by mail, it shall be deemed complete on the day of actual delivery as shown on the addressee's registry of certification receipt or at the expiration of the third day after the date of mailing, whichever first occurs. The addresses to which notices and demands shall be delivered or sent may be changed from time to time by notice served as hereinabove provided by either party upon the other party.

N. Assignment. The parties agree that this Agreement shall not be assigned, in whole or in part, to any other person or entity without the prior written consent of Hailey, in the sole discretion of Hailey. The parties also agree that the Contractor is prohibited from conveying, in any manner, directly or indirectly, any majority or controlling interest in the Contractor's business entity, regardless whether it is a corporation, limited liability company or other legal entity, without the prior written consent of Hailey.

O. Force Majeure. Neither party shall be liable for failure to perform hereunder, in whole or in part, due to contingencies beyond the party's reasonable control, including but not necessarily limited to acts of God, the public enemy, fire, floods, epidemics, earthquakes, quarantine restrictions, and strikes not created by the Contractor, whether now existing or hereafter created.

IN WITNESS WHEREOF, the parties hereto have executed this Franchise Agreement on the day and year first above written.

CITY OF HAILEY

By Susan McBryant
Susan McBryant, Mayor

ATTEST:

Heather Dawson
Heather Dawson, City Clerk



FRANCHISE AGREEMENT/10

CONTRACTOR

By *Dean Spady*
Dean Spady, its District Manager

Wood River Rubbish Pricing Matrix

Single family Residential Pickups Including Recycling (Weekly Collection)

\$22.89

95 Gallon cart
Including recycling, cart rental and taxes
Senior Rate: \$12.14

\$11.45

32 Gallon cart
Including recycling, cart rental and taxes
Senior Rate: \$6.21

\$4.75

Extra Pickup

\$15.50

Large item pickup

Commercial Pricing Matrix

Total Monthly Rate Matrix -- Includes Recycling

	1x/wk	2x/wk	3x/wk	4x/wk	5x/wk	6x/wk	7x/wk
1.5yd	\$ 54.72	\$ 99.44	\$144.16	\$188.88	\$ 233.60	\$ 278.32	\$ 323.04
3yd	\$ 99.44	\$188.88	\$278.32	\$367.76	\$ 457.20	\$ 546.64	\$ 636.08
4yd	\$129.25	\$248.50	\$367.76	\$487.01	\$ 606.26	\$ 725.51	\$ 844.77
5yd	\$159.07	\$308.13	\$457.20	\$606.26	\$ 755.33	\$ 904.39	\$1,053.46
6yd	\$188.88	\$367.76	\$546.64	\$725.51	\$ 904.39	\$1,083.27	\$1,262.15
8yd	\$248.50	\$487.01	\$725.51	\$964.02	\$1,202.52	\$1,441.03	\$1,679.53

All Rates are subject to and contingent upon current Ohio Gulch disposal charges

\$ 55.00 per ton:

Includes household trash, sheetrock, insulation, rottable or leachable materials, furniture and fabric materials (carpeting, drapes, etc..)

\$2.00 per yard:

Clean wood waste (grass, leaves, trees, and branches, etc...)

\$20.00 Per Ton:

Construction and demolition debris (Dirt, rock, trees, untreated wood, asphalt and concrete only)

Additional costs and charges

Commercial:

Delivery Fee -- \$25

On-Call Commercial Rates - Non Construction (Front or Rear Load)

	Service	Rent
1.5 Yd	\$ 16.10	\$ 3.00
3 Yd	\$ 30.22	\$ 4.00
4 Yd	\$ 41.21	\$ 7.00
6 Yd	\$ 53.29	\$ 10.00
8 Yd	\$ 71.53	\$ 12.00
10 Yd	\$ 83.67	\$ 15.00

Construction Rates (Rear Load)

	Same Day Service	Rent per Month	Next Day Service	Rent Per Day
3 Yd	\$ 44.00	\$ 4.12	\$ 41.00	\$ 0.14
4 Yd	\$ 65.00	\$ 7.21	\$ 60.25	\$ 0.24
6 Yd	\$ 86.50	\$ 10.30	\$ 80.50	\$ 0.34
8 Yd	\$ 115.50	\$ 12.36	\$ 107.50	\$ 0.41
10 Yd	\$ 125.00	\$ 15.45	\$ 125.00	\$ 0.51

Construction Rates (Front Load)

	Service	Rent
6 Yd	\$ 66.50	\$ 6.00

Rolloff Containers

30 Yd \$112 per pull plus disposal Rent is \$75/month

Compactors -- \$145 per pull plus disposal

Concrete is \$28.00 per yard

Ground pickups \$25 minimum charge or time plus yardage
(time is at \$124/ hour or \$2.06/ minute)

Overage on Containers: \$14.40 per yard construction
\$ 8.60 per yard for garbage
\$ 6.45 per yard for boxes only

Cleaning

1.5 Yd	\$ 35.00
3 Yd	\$ 40.00
4 Yd	\$ 45.00
6 Yd	\$ 60.00
8 Yd	\$ 70.00
Resi Carts	\$ 23.00

Fire Damage (includes new and final delivery)

1.5 Yd	\$ 141.00	10 Yd	\$ 198.00
3 Yd	\$ 152.50	32 Gal Resi	\$ 70.00
4 Yd	\$ 164.00	68 Gal Resi	\$ 80.00
6 Yd	\$ 175.00	95 Gal Resi	\$ 90.00
8 Yd	\$ 186.00		

HAILEY ORDINANCE NO. _____

AN ORDINANCE OF THE CITY OF HAILEY, BLAINE COUNTY, IDAHO, AMENDING HAILEY ORDINANCE NOS. 840 AND 866 BY EXTENDING THE FRANCHISES GRANTED TO OBRAS, L.L.C., d/b/a CLEAR CREEK DISPOSAL, INC. FOR AN ADDITIONAL TWO (2) YEARS; PROVIDING A SEVERABILITY CLAUSE; PROVIDING A REPEALER CLAUSE; AND PROVIDING FOR AN EFFECTIVE DATE.

WHEREAS, the Hailey City Council finds that it is in the best interests of the citizens of Hailey to maintain a comprehensive solid waste and recycling program for both residential and commercial properties within the City of Hailey; and

WHEREAS, the Hailey City Council adopted Hailey Ordinance No. 840 that granted Wood River Rubbish, Inc. an exclusive franchise to provide solid waste and recycling services for both residential and commercial properties within the City of Hailey, subject to the residential and commercial franchise agreements dated April 11, 2003 ("Franchise Agreements");

WHEREAS, the Hailey City Council adopted Hailey Ordinance No. 866 that amended Ordinance No. 840 to show that Obras, L.L.C., d/b/a Clear Creek Disposal, Inc. was the franchisee;

WHEREAS, the franchises granted Obras, L.L.C., d/b/a Clear Creek Disposal, Inc. in Ordinance Nos. 840 and 866 will expire on April 10, 2010;

WHEREAS, the Hailey City Council finds that there are proposed changes to composting of solid waste which may significantly alter the responsibilities of any franchise for solid waste and recycling services within the City of Hailey; and

WHEREAS, the Hailey City Council finds that it would be in the best interests of the City of Hailey to extend the franchises established in Hailey Ordinance Nos. 840 and 866 to Obras, L.L.C., d/b/a Clear Creek Disposal, Inc. for an additional two (2) year period, subject to

the terms and conditions set forth therein and subject to the terms and conditions of the Franchise Agreements.

BE IT ORDAINED BY THE MAYOR AND THE CITY COUNCIL OF THE CITY OF HAILEY, BLAINE COUNTY, IDAHO:

Section 1. Section 1 of Hailey Ordinance No. 840 is hereby amended by the addition of the underlined language and by the deletion of the stricken language, as follows:

Pursuant to Idaho Code §50-329, the City of Hailey hereby grants to Obras, L.L.C., d/b/a Clear Creek Disposal, Inc. ("Franchisee"), an Idaho corporation, the authority, right, privilege and franchise for a term of ~~five (5)~~ two (2) years, with ~~an additional two (2) year renewal term,~~ beginning April 11, ~~2003-2010~~, to engage in the business of collecting, transporting, processing and disposing of solid waste and separated recyclable materials kept or accumulated and placed for collection by all residential and commercial customers within the corporate limits of Hailey, Idaho, and to perform all of the work described in the Franchise Agreements; provided, however, this authority, right, privilege and franchise does not extend to the self-hauling of solid waste or recyclable materials, hazardous waste or medical waste. It shall be unlawful for any person or legal entity to engage in the business of solid waste and recyclable material collection and transportation over and upon the public right-of-ways within the City of Hailey, except as otherwise provided herein.

Section 2. Severability Clause. The provisions of this Ordinance are severable and the invalidity of any part of this Ordinance shall not affect the validity of the remainder of the ordinance.

Section 3. Repealer Clause. All ordinances and parts of ordinances in conflict herewith are hereby repealed.

Section 4. Effective Date. This Ordinance shall be in full force and effect from and after its passage, approval and publication according to law.

PASSED AND ADOPTED BY THE HAILEY CITY COUNCIL AND APPROVED BY THE MAYOR THIS _____ DAY OF _____, 2010.

Richard L. Davis, Mayor

Attest:

Mary Cone, City Clerk

