AGENDA ITEM SUMMARY

DATE: 08/25/25 **DEPARTMENT:** Administration **DEPT. HEAD SIGNATURE:** LH

SUBJECT: Clear Creek Disposal Rate Increase Request

AUTHORITY: ☐ ID Code _____ ☐ IAR _____ ☐ City Ordinance/Code Ord. 1282; Resolutions 21-044, 21-045, 22-103

BACKGROUND/SUMMARY OF ALTERNATIVES CONSIDERED:

As permitted under the governing documents, Clear Creek Disposal is requesting a commercial and residential solid waste/curbside recycle rate increase of 2.2% based on several inflationary factors:

- Modest increases in fuel and labor costs
- Increase in tipping fees at Milner Butte Landfill (from $78 to $81 per ton)

The city adopted rates include recycling within the base fee.

Attachments to this report:

a) Letter from Clear Creek Disposal requesting rate increase and supporting documentation
b) Ordinance No. 1282 Franchise Agreement (background only, no changes proposed)
c) Resolution 2025-083, this will replace Resolution 2024-075 (Hold-back Provision, Section 5.c)
d) Resolution 2025-084, new fee schedule

1. **Background**

In 2021, the City adopted a new Franchise Agreement with Clear Creek Disposal on May 10, 2021 (**Ord. No. 1282**). The Franchise Agreement grants use of city streets and rights of way exclusively to Clear Creek Disposal for a ten (10) year term. The Franchise Agreement creates definitions, creates a grant of franchise and makes solid waste services mandatory within city limits; outlines rights and obligations of the City; duties of residential and commercial customers; annexation provisions. Much discussion took place regarding curbside recycling. The 2021 Franchise Agreement Ordinance provides for continued work to occur each year to complete the effort toward development of expanded or pilot recycling programs. See the Recycling section of this report for further updates on this topic.

The City also adopted annual resolutions related to the above. **Resolutions 2021-045, 2022-103, 2023-134 and 2024-077** outline the terms of the Franchise Agreement. **Resolutions 2021-044, 2022-116, 2023-133 and 2024-076** establishes annual rates for the various types of garbage service outlined in the Franchise Agreement.

Resolutions 2021-045, 2022-103, 2023-134 and 2024-077: terms of the Franchise Agreement. These resolutions stipulate a list of approved fees, duties and responsibilities of the contractor and the city, franchise fees, data collection. Hailey's responsibilities include billing of customers (included in the municipal utility bill) and payment to Clear Creek. Section 5.c stipulates that Hailey remit fees collected to the contractor on a monthly basis, less 7% retained for billing services and 6% for the exclusive franchise fee. See discussion of Hold-back provision further in this report.

Resolution 2025-___ stipulates that the new fees shall be effective within 60 days of any amendment to this agreement.

2. **Request by Clear Creek.**

The attached letter dated July 21, 2025, outlines Clear Creeks request for the rate increase. In a nutshell, the rate increase is based on inflationary factors:

- Modest increases in fuel and labor costs
- $78/ton to $81/ton increase in tipping fees at Milner Butte Landfill

Staff concurs that these rate increases are justified with the documentation submitted.

Resolutions 2021-044, 2022-116, 2023-133 and 2024-076: Rate increases. Rates were established in Resolution 2022-116, with the rate table shown in the attachment. At the time of adoption, Council wished to encourage migration to smaller carts. Therefore, the rate for smaller carts was pushed lower than initially recommended by Clear Creek, and the rates for medium and larger carts pushed higher. Additionally, the charge for switching cart size was waived for the initial six (6) months to encourage cart migration to small carts. While there was a period of migration of 30 smaller carts in the initial month, these numbers dropped to approx. five (5) per month, which was fully offset by similar increases in cart size in the same month. Staff and Clear Creek have concluded that the rate incentives were largely ineffective. While the City retains a goal of encouraging households to move towards smaller carts, in 2022 the council found that the rate increase should be consistent across residential cart size, for simplicity and future tracking of rates and costs.

The attached documents outline how Clear Creek arrived at the rate increase. Staff have reviewed these numbers and are comfortable with the methodology. Clear Creek has proposed that the rate for residential and commercial customers be increased by **2.21%**.

In summary, staff concurs that the rate increase is reasonable given the cost factors outlined by Clear Creek.

3. Hold Back Proviso Trust Account

As outlined in the background and within Section 5.c of Resolution 2024-077, it stipulates that Hailey remit fees collected to the contractor on a monthly basis, less 7% retained for billing services and 6% for the exclusive franchise fee. Section 5.c(i) outlines a Hold-back provision under which monthly payments to Clear Creek may not exceed $168,000, with excess collections being held in an interest-bearing trust account ..."*to benefit the ratepayers in future rate resetting, including those contemplated, under negotiation, new services.*"[1] Staff concurs with Clear Creek that the intent of the Hold-back provision was for new and expanded services, generally related to recycling and NOT for new customer growth. Clear Creek has been servicing new customers over the last year and absorbing the costs: a total of 65[2] new residential and 10 new commercial customers since June 1, 2023-present. Adoption of higher rates requires the "ceiling" be increased on this Hold Back Trust Account. Staff and Clear Creek concur that a new maximum monthly payment of $168,500 is reasonable based on staff review of the contract revenues. Staff concurs that the applicant should be reimbursed now from this Hold Back Trust Account for costs associated with new growth absorbed during the contract year in the amount of $21,483 in June 1, 2025, through May 31, 2025 , and that Council approve staff to reimburse for the remainder of the period June 1, 2025, through September 30, 2025 until the new rates are in effect in the amount of $1,567 for a total of $23,050.

Regarding the purpose of the Hold Back Proviso, staff is exploring a variety of yard waste incentive programs, which will be brought at a subsequent meeting.

4. Wildlife

Ketchum has recently implemented a wildlife-resistant trash bins. Fees will increase as part of this program, at a rate of $3.21 per month for a 95-gallon bin plus a one-time delivery fee of $12. Mike

[1] Hailey Resolution 2021-045, Section 5.c(i)

[2] 40 customers @68 gal; 10 @ 96 gal; 15 @ 32 gal

Goitiandia will provide additional information on the Ketchum program at the meeting. If the Council is interested in such a program, staff strongly recommends a pilot program to monitor success and citizen support.

New Recycling Services Progress Report

Progress has been made over the last three (3) years to explore expanded recycling opportunities in Hailey. This includes:

1) **Community Compost Program.** This program has been very successful to date. Clear Creek picks up the food scraps from the compost bins twice a week to accommodate the amount of food waste the City has been receiving, and to reduce the potential for odor. There are 68-gallon Clear Creek disposal carts within the orange compost unit housing - the driver pulls the bins out, picks up the bin with the truck to empty it, lines the bin with a compostable bag to help reduce mess within the cart, and places the cart back in the orange housing. Clear Creek then takes the food scraps to Winn's Compost where they are dropped off to be turned into a nutrient dense soil amendment.
2) **Continued regional sustainability planning, recycling, and waste reduction** Hailey continues to allocate significant staff participation in the regional sustainability effort, which includes staff assistance and participation in the Circular Economy Task Force for Blaine County's Climate Action Plan (CAP). This Task Force, which includes Hailey, other jurisdictions, Clear Creek, Winn and other stakeholders, has established regional goals for recycling and waste reduction, which were adopted as part of the CAP.
3) **Recycling and the Hailey Sustainability Action Plan** Related to the County's climate planning; City Staff have also been in the process of developing Hailey's own Sustainability Action Plan. While climate-based plans are typically focused on reducing greenhouse gas emissions and mitigating their impact on climate change, sustainability-based plans take a more holistic approach to climate, emissions, community health, and resource conservation. Hailey's Sustainability Action Plan is being developed with the help of a dedicated, ten-member Ad Hoc Citizen's Advisory Committee. The Committee will be recommending new strategies, programs, policies, etc. to enhance Hailey's recycling efficacy, as part of the Plan. The Franchise Agreement with Clearcreek Disposal is a critical component of these planning efforts.
4) **New program development** Staff in Community Development have been assessing program expansion opportunities for available recycling funds in the Franchise Agreement. One area identified for potential application of funds was enhancing access and resources for residents of multi-family residential developments, many of which do not offer curbside recycling resources. While the Council was not fully supportive of requiring recycling facilities and service for multi-family residential developments, Staff identified pilot program opportunities to support these community members and provide them with equal access and convenience for recycling. Outreach and buy-in from property managers have presented challenges for the pilot program participation. Staff continue to explore impactful, community-supported opportunities that make best-use of available recycling funds from the Franchise Agreement. We welcome feedback from the Council in this space.

FISCAL IMPACT / PROJECT FINANCIAL ANALYSIS:

Budget Line Item #_____ YTD Line Item Balance $_____

Estimated Hours Spent to Date: _____ Estimated Completion Date: _____

Staff Contact: _____ Phone # _____

Comments:

ACKNOWLEDGEMENT BY OTHER AFFECTED CITY DEPARTMENTS: (IFAPPLICABLE)

___ City Attorney	___ Finance	___ Licensing	_X Administrator
___ Library	___ Community Development	___ P&Z Commission	___ Building

___ Police	___ Fire Department	___ Engineer	___ W/WW
___ Streets	___ Parks	___ Public Works	___ Mayor

RECOMMENDATION FROM APPLICABLE DEPARTMENT HEAD:

1) Motion to approve Resolution 2025-__, a resolution amending Resolution 2024-077, Section 5.c(i), Hold Back Proviso, to increase the monthly maximum payment amount to the Contractor from $168,000 to $168,500.
2) Conduct public hearing, and Motion to adopt Resolution 2025-__, a resolution establishing a rate increase with Clear Creek Disposal for commercial and residential solid waste/curbside recycle rates.
3) Motion to direct staff to remit $21,483 (June 1, 2024 through May 31, 2025) from the Clear Creek Hold Back Trust account to cover the costs of new services for the contract period, plus a reimbursement for the remainder of the period (June 1, 2024, through September 30, 2024) until the new rates are in effect in the amount of $1,567 for a total reimbursement of $23,050.

ACTION OF THE CITY COUNCIL:

Date 6/25 - council approved contract change & new fees w/ resolutions

City Clerk _____

FOLLOW-UP:

*Ord./Res./Agrmt./Order Originals: Record

*Additional/Exceptional Originals to:

Copies (all info.):

Copies (AIS only)

Instrument # _____

CLEAR CREEK DISPOSAL
PO Box 130 • Ketchum, ID 83340 • Phone 208.726.9600 • www.ccdisposal.com

July 21, 2025

Lisa Horowitz, City Administrator
City of Hailey
115 S Main St. Suite G
Hailey, ID 83333

Re: Rate Increase October '25

Dear Ms. Horowitz,

Clear Creek Disposal has been informed that the Southern Idaho Solid Waste District will increase tipping fees effective October 1, 2025. As well other inflationary factors have continued, albeit less than in recent past years.

Please see the attached documentation regarding these increases that will necessitate a price increase effective October 1, 2025.

Ken Pierce of Lallman CPA's and I are available for any questions that you may have regarding this information. Please advise me of meeting schedules if necessary.

Respectfully,

Miguel Goitiandia

Mike Goitiandia
Clear Creek Disposal

.Haileyrate10-1-25

CLEAR CREEK

LALLMAN
CPAs + Advisors

July 15, 2025

Mike Goitiandia
Clear Creek Disposal
Ketchum, Idaho 83340

RE: Rate adjustment effective October 1, 2025

Mike,

Per your request, I have analyzed the impact of the current economic environment on Clear Creek Disposal's ability to provide services to the City of Hailey. The primary components that I analyzed were fuel, labor, landfill rate and increased cost of equipment.

As you know, the current contract was based on the previous years costs of providing services. During the previous contract period, you had a slight increase in average wage costs and related payroll burden, landfill fees will increase another $3.00 on October 1 from $78/ton to $81/ton and equipment acquisitions and maintenance continue to rise.

Please refer to the following attachment, and you can see that there should be $21,483 of additional funds from new services that were added to the Hold-back Trust Account and is now due Clear Creek Disposal. See (1) on the attachment.

Based on the calculation referred to in the previous paragraph, you should request funds for new customers for the months June through September 2025. You will see this amount is $1,567, which is derived from four months of new customers up to an estimated date of city council approval. See (2) on the attachment.

Finally, the recommended monthly contract payment should be revised as of October 1, 2025 from current monthly payment of $168,000 to $168,500. See (3) on the attachment. This increase incorporates new business, as well as current costs of labor, equipment and the pending increase in landfill fees.

Sincerely,
Lallman CPAs + Advisors P.A.

Ken Pierce

Ken Pierce CPA
KP/NV

Settleup and updated monthly fee
October 1, 2023 Thru September 30, 2024.

	Resid.	Commer.	Constr.	Recycle	Total		
Gross Revenue Old Contrac	895,051	897,635	332,376	106,646	2,231,708		
New Business	22,553	61,086	575	1,641	85,856	Check	
Rate Approved Numbers	917,604	958,721	332,951	108,287	2,317,563	2,317,563	
Less City Fees	119,289	124,634	43,284	14,077	301,283	301,283	
Net Contract Revenue	798,315	834,087	289,667	94,210	2,016,280	2,016,280	
New Contract monthly payment Effective 10/1/2024 rounded					**$ 168,023**	168,000	Agreed Sept 24 City Council
New Billings Net (June 1, 2024 Thru May 2025)						Ck	
Gross New Billing	21,677	36,178	-45,680	56	12,231		
Less Fee	(2,818)	(4,703)		(7)	(7,528)	(7,528)	
Net Revenue Due Clear Creek for added services	**18,859**	**31,475**	**-45,680**	**48**	**4,702**	4,702	
Total Prior contract and New business	**817,175**	**865,562**	**243,987**	**94,259**	**2,020,983**		
Actual Payments per City summary					(1,999,500)		
Amount Due CCD from Hold Back Fund for Contract period ending 5/31/24					**21,483**		(1) New biz 6/1/24-5/31/25
Settlement Months of June 2025 thru September 2025							
Amount Due CCD four months post May 25 of new services					**1,567**		(2) new biz June to September
					168,415		
New proposed monthly payment effective 10/1/25				Rounded	**168,500**		
				Monthly increase	**500**		**0.28%** percentage increase
							2.40% Average inflation 2024
Reference only							
Added contributions to Hold-Back Trust Account at 5/31/2024,					234,928		
Net new hold back funds after settle up.					213,446		

Approved 5/28/2025

SISW SITE FEE SCHEDULE OCTOBER 2025

Milner Butte Landfill

	Mixed MSW	Inert Waste	Wood Waste
Commercial	$24.00/Ton	$6.00/Ton	$12.00/Ton
Out-of District	$72.00/Ton	$18.00/Ton	$36.00/Ton
Twin Falls County	$34.50/Ton	$6.00/Ton	$12.00/Ton
Minimum	$5.00	$2.00	$2.00

Blaine County

	Mixed MSW	C&D/Inert Waste	Wood Waste
Ohio Gulch Transfer Station			
In-County	$81.00/Ton	$34.00/Ton	$32.00/Ton
Out-of-County	$162.00/Ton	$68.00/Ton	$64.00/Ton
Minimum	$10.00	$5.00	$5.00
Carey Transfer Station			
In-County	$13.00/CY - Loose $26.00/CY - Compacted	$6.00/CY	$6.00/CY
Out-of-County	$52.00/CY	$12.00/CY	$12.00/CY
Minimum	$10.00	$5.00	$5.00

Twin Falls County

	Mixed MSW	Inert Waste	Wood Waste
Twin Falls Transfer Station			
In-County	$48.50/Ton	$48.50/Ton	$45.00/Ton
Out-of-County	$97.00/Ton	$97.00/Ton	$90.00/Ton
Minimum	$7.00	$7.00	$7.00
Hub Butte			
In-County	$57.00/Ton	$20.00/Ton	$30.00/Ton
Out-of-County	$114.00/Ton	$40.00/Ton	$60.00/Ton
Minimum	$7.00	$5.00	$5.00
Buhl Transfer Station			
In-County	$57.00/Ton	$20.00/Ton	$30.00/Ton
Out-of-County	$114.00/Ton	$40.00/Ton	$60.00/Ton
Minimum	$7.00	$5.00	$5.00

Cassia, Gooding, Jerome, Lincoln, & Minidoka County

	Mixed MSW	Inert Waste	Wood Waste
Roll-Off Container	$12.00/CY	$6.00/CY	$6.00/CY
Out-of-County	$24.00/CY	$12.00/CY	$12.00/CY

UNIVERSAL FEE SCHEDULE OCTOBER 2025		
Waste Type	**In-District**	**Out-of District**
White Goods (Freon)	$10.00/ea	$30.00/ea
Passenger Tire	$5.00/ea	$15.00/ea
Semi Tire	$20.00/ea	$60.00/ea
Implement Tire	$40.00/ea	$120.00/ea
Bulk Tire	$325.00/ton	$975.00/ton
Large Carcass	$25.00/ea	$75.00/ea
Small Carcass	$2.00/ea	$6.00/ea
Bulk Carcass/Offal (Landfill)	$30.00/ton	$90.00/ton
Bulk Carcass/Offal (Transfer Stations w/scales)	Mixed MSW Fee	Mixed MSW Fee x 3
Burned Material <6 weeks (Landfill)	$40.00/ton	$120.00/ton
Burned Material >6 weeks	Mixed MSW Fee	Mixed MSW Fee x 3
Septage/Grease Trap	$13.00/Ton	$39.00/Ton
Sump Waste	$35.00/Ton	$105.00/Ton
Contaminated Soil	$45.00/Ton	$135.00/Ton
WWTP Sludge	$30.00/ton	$90.00/ton
Asbestos	$80.00/Ton	$240.00/Ton
Untarped Load	$10.00/offense	$10.00/offense
Equipment Labor	$100.00/Hour with $100.00 Minimum	$100.00/Hour with $100.00 Minimum
Manual Labor	$40.00/Hour with $40.00 Minimum	$40.00/Hour with $40.00 Minimum
Non-Bulk Wood Sales < 50yd3/load	$18.00/CY	$18.00/CY
Bulk Wood Sales > 50yd3/load	$650/Load	$650/Load

HAILEY ORDINANCE NO. 1282

AN ORDINANCE OF THE CITY OF HAILEY, BLAINE COUNTY, IDAHO, GRANTING OBRAS LLC, D.B.A. CLEAR CREEK DISPOSAL, A TEN YEAR FRANCHISE WITH AN ADDITIONAL FIVE YEAR RENEWAL TERM TO COLLECT SOLID WASTE, COMPOSTABLE MATERIALS, CORRUGATED CARDBOARD AND RECYCLABLE MATERIALS IN THE CITY OF HAILEY, IDAHO; PROVIDING FOR DEFINITIONS; PROVIDING FOR MANDATORY SOLID WASTE COLLECTION; ESTABLISHING THE RIGHTS AND OBLIGATIONS OF THE FRANCHISEE AND THE CITY OF HAILEY; ESTABLISHING THE METHODS OF COLLECTION OF SOLID WASTE, COMPOSTABLE MATERIALS, CORRUGATED CARDBOARD AND RECYCLABLE MATERIALS; PROVIDING FOR SOLID WASTE, COMPOSTABLE MATERIALS, CORRUGATED CARDBOARD AND RECYCLABLE MATERIAL COLLECTION FOR ANNEXED PROPERTIES; PROVIDING FOR A REPEALER CLAUSE; PROVIDING A SEVERABILITY CLAUSE; PROVIDING FOR PENALTIES; 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 adopt comprehensive solid waste and recycling programs for residential and commercial properties within the City of Hailey;

WHEREAS, the Hailey City Council finds that it is in the best interests of the citizens of Hailey to grant a franchise for residential and commercial customers within the City of Hailey to provide such services; and

WHEREAS, the City of Hailey and Obras LLC, d.b.a. Clear Creek Disposal have had a long, uninterrupted and mutually beneficial contractual relationship.

WHEREAS, the Hailey City Council declares that in the interest of public safety, necessary protection of the public health, welfare and property the provisions of chapter 28, title 67, Idaho Code shall not apply to Hailey's agreement pertaining to solid waste collection; and

WHEREAS, the Hailey City Council entered into negotiations with Contractor to be the franchisee to perform the solid waste, compostable materials, corrugated cardboard and recycling materials services for both residential and commercial properties within the City of Hailey, subject to the terms and conditions of franchise agreements and this Ordinance, which

negotiations have proceeded in good faith, but have not been completed as to additional services to be provided or prices therefore, and

WHEREAS, the City and Obras LLC dba Clear Creek Disposal find it in their mutual best interests, and the best interests of the rate paying customers hereunder to provide continuous uninterrupted solid waste collection and hauling contingent upon mutually satisfactory entry into franchise agreements concerning additional services and rates therefore.

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

Section 1. DEFINITIONS

For the purposes of this ordinance, the following capitalized terms have the meanings set forth herein:

A. "Commercial Customer(s)" shall mean those owners and/or occupants of commercial, light industrial, industrial, governmental and institutional uses, schools, all other businesses, and Multi-Family Residential Complexes consisting of five or more dwelling units, and those owners of new or remodeled construction sites and /or their agents.

B. "Compostable Materials" means food and yard waste capable of breaking down into carbon dioxide, water and inorganic compounds and biomass within approximately one hundred twenty days.

C. "Corrugated Cardboard means dry, clean corrugated cardboard material accepted by the Blaine County Recycling Center.

D. "Franchise Agreements" shall mean those agreements, and subsequent amendments thereto, which are executed by Franchisee and the City of Hailey setting forth the

terms and conditions pursuant to which residential and commercial Solid Waste and Recyclable Materials, corrugated cardboard, and compostable materials shall be collected for the term of the Franchise granted hereunder.

E. "Franchisee" shall mean Obras LLC, an Idaho limited liability company, d.b.a. Clear Creek Disposal.

F. "Hazardous Materials" shall mean 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.

G. "Multi-Family Residential Complex" shall mean a building or property containing two (2) or more dwelling units and includes duplexes, apartments, townhomes and condominiums.

H. "Recyclable Materials" shall mean products or substances currently or hereafter designated by Hailey in its Franchise Agreements with the Franchise and accepted by the Blaine County Resource Recovery Center, currently including but not necessarily limited to paper, aluminum, tin cans, glass, motor oil, plastic, newspaper and magazines, food waste, yard waste, compostable waste and corrugated cardboard.

I. "Residential Customer(s)" shall mean those owner(s) and/or occupant(s) of single family residences and Multi-Family Residential Complexes consisting of four or less dwelling units.

J. "Self-Hauling" shall mean the collection, hauling and disposal of Solid Waste, Compostable Materials, Corrugated Cardboard, Recyclable Materials, Hazardous Materials or medical waste by generator or generator's agent of the Solid Waste, Compostable Materials,

Corrugated Cardboard, Recyclable Materials, Hazardous Materials or medical waste in the generator's or generator agent's container and vehicle directly to the transfer station or a landfill; provided, the generator's agent is not in the business of collecting, hauling and disposing of these materials.

K. "Solid Waste" shall mean any garbage, refuse or other discarded material generated by Residential and Commercial Customers that are not or cannot be recycled or diverted from the landfill.

Section 2. GRANT OF FRANCHISE

Pursuant to Idaho Code §§ 50-344 & 50-329, the City of Hailey hereby grants to the Franchisee the authority, right, privilege and exclusive franchise for a term of ten (10) years, commencing May 12, 2021 together with an additional five (5) year renewal term, upon terms and conditions mutually acceptable to the City of Hailey and the Franchise, to engage in the business of collecting, transporting, processing and disposing of Solid Waste, Compostable Materials, Corrugated Cardboard and separated Recyclable Materials, placed for collection by all Residential and Commercial Customers within the corporate limits of Hailey, Idaho, consistent with, and subject to, the terms and conditions set forth in the Franchise Agreements; provided, however, this authority, right, privilege and exclusive franchise does not extend to the Self-Hauling of Solid Waste, Compostable Materials, Corrugated Cardboard, Recyclable Materials, Hazardous Materials or medical waste. It shall be unlawful for any person or legal entity to engage in the business of Solid Waste, Compostable Materials, Corrugated Cardboard and Recyclable Materials collection and transportation over and upon the public right-of-ways within the City of Hailey, except as otherwise provided herein.

The grant of and acceptance of said exclusive franchise, as contemplated by Idaho Code §§ 50-344 & 50-329 Section is revocable by either party, upon sixty-days written notice, in the event the parties, to their mutual satisfaction, have not entered into one or more amended Franchise Agreements one-year from the effective date hereof.

Section 3. MANDATORY SOLID WASTE COLLECTION

No Residential or Commercial Customer shall be permitted to refuse to accept the collection and services of Solid Waste, Compostable Materials, Corrugated Cardboard and Recyclable Materials provided by the Franchisee in accordance with the Franchise Agreements. Residential and Commercial Customers shall not be exempt from the payment of a mandatory weekly minimum charge established for Solid Waste, Compostable Materials, Corrugated Cardboard and Recyclable Materials collection services in accordance with this Ordinance and the Franchise Agreements. Unless otherwise provided for in the applicable Franchise Agreements, Multi-Family Residential Complexes consisting of five or more dwelling units shall use container(s) provided by the Franchisee in excess of the 95 gallon roll carts, while Multi-Family Residential Complexes of four or less dwelling units may use 32, 68 or 95 gallon roll carts for each dwelling unit.

Section 4. RIGHTS AND OBLIGATIONS OF THE FRANCHISEE AND CITY

A. The Franchisee shall have the right and privilege to use the streets, alleys and other public right-of-ways within the City of Hailey, and to collect Solid Waste, Compostable Materials Corrugated Cardboard and Recyclable Materials in accordance with this Ordinance and the Franchise Agreements.

B. The Franchisee shall collect all Solid Waste, Compostable Materials, Corrugated Cardboard and Recyclable Materials from Residential and Commercial Customers within the City of Hailey pursuant to the terms and conditions of applicable Franchise Agreements.

C. The City of Hailey is responsible for maintaining the streets, its alleys and its public ways in a passable condition. If such streets, alleys and public ways are not passable, then the Franchisee shall be excused from not making a proper timely pickup of the materials.

D. The Franchisee shall make pickups only if the Solid Waste, Compostable Materials, Corrugated Cardboard and Recyclable Materials are placed within the public right-of-way at the edge of any pavement adjacent to a curb, in alleys or in a convenient location, on designated days as established by the Franchise Agreements.

E. The City of Hailey shall charge all Residential and Commercial Customers located within the City of Hailey established rates for scheduled collection and transportation of Solid Waste, Compostable Materials, Corrugated Cardboard and Recyclable Materials. The City of Hailey shall also charge established rates for extra pickups of Solid Waste, Compostable Materials, Corrugated Cardboard and Recyclable Materials and other services. The standard rates shall be established by resolution, filed with the City Clerk, and may from time to time be amended by mutual agreement of franchisee and City. All charges for Solid Waste, Compostable Materials, Corrugated Cardboard and Recyclable Materials collection shall be due and payable to the Hailey City Clerk on or before the twenty-fifth of each month for which the service was rendered, and upon failure to pay within the time as prescribed herein, each Residential or Commercial Customer shall pay, in addition to the amount due, the sum of fifty cents, and interest on the delinquent amount at the rate of twelve percent (12%) per year. Upon collection, the fee and interest on the delinquent amount shall be remitted to the Franchisee. In addition to the

above, the City shall be entitled to disconnect the municipal water service where the property or premises is served by municipal water and such valve shall not be opened or placed back into service until all delinquent charges and fees have been paid in full.

F. The Franchisee shall comply with all ordinances of the City of Hailey and all laws of the State of Idaho, and shall follow strictly a procedure of operation as to be sanitary. Franchisee shall replace all containers upright where found with lids on them. Containers and lids shall not be placed or thrown on the streets, alleys or adjoining property. The Franchisee shall not permit containers to be thrown from its truck to the pavement or parkway, nor in any other way permit damage to occur by rough or improper handling thereof. The Franchisee shall not permit Solid Waste, Compostable Materials, Corrugated Cardboard or Recyclable Materials to be spilled during collection and shall be responsible for cleaning up and removing such spillage.

G. Franchisee and its agents and employees, shall not enter enclosed structures, such as garages, enclosed porches, sheds, buildings or otherwise for the purpose of collecting Solid Waste, Compostable Materials, Corrugated Cardboard and Recyclable Materials.

H. Unless otherwise provided in this Ordinance, the specific duties and obligations of the City of Hailey and Franchisee are more particularly described in the Franchise Agreements.

Section 5. DUTIES AND OBLIGATIONS OF RESIDENTIAL AND COMMERCIAL CUSTOMERS

A. Residential and Commercial Customers shall place all containers for collection of Solid Waste, Compostable Materials, Corrugated Cardboard and Recyclable Materials within the public right-of-way at the edge of any pavement adjacent to a curb, in alleys or in a convenient location, while still allowing public access on the public right-of-ways. The containers shall be placed adjacent to the Residential or Commercial Customer's property or premises on designated

days as established by the Franchise Agreements. The containers for Solid Waste, Compostable Materials, Corrugated Cardboard and Recyclable Materials must be clearly visible to the Franchisee from the street or alley from which collection is made.

B. Residential and Commercial Customers shall not permit any Solid Waste, Compostable Materials, Corrugated Cardboard and Recyclable Materials to be deposited or left in the public right-of-way or on private property, where the deposit of the Solid Waste, Compostable Materials, Corrugated Cardboard or Recyclable Materials was caused by the Residential or Commercial Customer, or caused other than by the Franchisee's mishandling or spilling of Solid Waste, Compostable Materials, Corrugated Cardboard and/or Recyclable Materials. The Residential and Commercial Customer shall be responsible for cleaning up and removing such deposit of Solid Waste, Compostable Materials, Corrugated Cardboard or Recyclable Materials.

C. The Residential and Commercial Customers shall not place or permit to be placed any Hazardous Material in any container placed for collection of Solid Waste, Compostable Materials, Corrugated Cardboard or Recyclable Materials by Franchisee.

D. Residential and Commercial Customers shall place containers for Solid Waste, Compostable Materials, Corrugated Cardboard or Recyclable Materials for collection no later than 7:00 o'clock a.m. on the designated day of collection, but no sooner than the evening before the designated day of collection. Following collection by Franchise, the Residential and Commercial Customers shall remove the containers from the public right-of-way as soon as possible on the same day of collection.

E. No container used in the collection of Solid Waste, Compostable Materials, Corrugated Cardboard or Recyclable Materials shall be loaded beyond its volume or weight capacity, or in such a manner to be unstable or likely to cause damage or create litter.

Section 6. ANNEXATIONS

In the event the City of Hailey annexes additional territory during the term of this Ordinance, the Franchisee shall have the exclusive authority and privilege to engage in the business of collecting, transporting, processing and disposing of Solid Waste, Compostable Materials, Corrugated Cardboard and Recyclable Materials, as described in Section 2 of this Ordinance, in the annexed territory for the remainder of the term of the franchise granted in this Ordinance, unless the additional territory annexed by Hailey is served by another solid waste and/or recycling company, in which case the Franchisee shall have the non-exclusive authority and privilege to engage in the business of collecting, transporting, processing and disposing of Solid Waste, Compostable Materials, Corrugated Cardboard and Recyclable Materials, as described in Section 2 of this Ordinance.

Section 7. SEVERABILITY

Should any section or provision of this Ordinance be declared by the courts to be unconstitutional or invalid, such decision shall not affect the validity of the Ordinance as a whole or any part thereof other than the part so declared to be unconstitutional or invalid.

Section 8. REPEALER

Hailey Ordinance Nos. 459, 628, 656, 840, 86, 1053, 1103 and 1263 are hereby repealed in their entirety and all ordinances or parts of ordinances in conflict herewith are hereby repealed.

Section 9. PENALTY

Any person, firm or other legal entity violating any provision of Sections 2 and 5 of this

Ordinance shall be guilty of a misdemeanor and, upon conviction thereof, shall be punished by a fine of not more than three hundred dollars ($300.00) or imprisonment in the county jail for a period not to exceed six (6) months, or both such fine and imprisonment. Each day such violation is committed or permitted to continue shall constitute a separate offense and shall be punishable as such hereunder.

Section 10. EFFECTIVE DATE

Except as otherwise provided herein, this Ordinance shall be in full force and effect from and after its passage, approval, and publication according to law. The rates adopted under Section 4(E) of this Ordinance for Solid Waste and Recyclable Materials collection services shall be effective beginning May 12, 2021, and shall continue in effect through midnight, May 12, 2031, unless otherwise duly amended to effect rates as is more particularly described in the Franchise Agreements.

PASSED AND ADOPTED BY THE HAILEY CITY COUNCIL AND APPROVED BY THE MAYOR THIS 10th DAY OF MAY, 2021.

Martha Burke, Mayor

Attest:

Mary Cone, City Clerk

CITY OF HAILEY Seal BLAINE COUNTY, IDAHO

Publish: Idaho Mountain Express, May 12, 2021.

Minimum Limits	
Bodily Injury	$5,000,000
Property Damage	$5,000,000

2. Automobile Liability (owned, non-owned and hired).

Minimum Limits	
Bodily Injury	$5,000,000
Property Damage	$5,000,000

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	$5,000,000

4. The Contractor shall secure and maintain at least the statutory amounts of worker's compensation, disability benefits, and unemployment insurance in accordance the laws of the State of Idaho.

A. 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.

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

C. Proof of Insurance. On or before the execution of this Agreement, 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, Compostable Materials 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. Equipment shall be secured within 60 days of adoption of this Agreement and amendment to this Agreement.

B. Personnel. The Contractor shall employ during the term of this Agreement a sufficient number of skilled, trained and competent personnel to collect, haul and dispose of the Solid Waste and recyclable 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 (measured in tons), (b) the amount of Solid Waste collected for extra, pickups (measured in tons), (c) the amount of Compostable Materials collected (measured in tons) (d) the amount of Corrugate Cardboard collected (measured in tons); the amount of Recyclable Materials collected (measured in tons), (e) the fees charged for conversion of containers, (f) the rentals charged for containers, (g) the frequency and type of container conversions, differentiating between container conversions for Recyclable Materials and Solid Waste and the number of conversions that result in an increase or decrease in size, and (h) tipping fees or charges for the disposal of Solid Waste and Recyclable Materials.

11. Default and Termination. 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.

A. Corrective Action. If Hailey 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 17(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, Hailey may terminate this Agreement immediately without further notice. The Contractor shall be given a Notice of Termination in accordance with paragraph 17(M) of this Agreement.

B. 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.

C. 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 tight 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.

D. Failure/Amend Reflecting New/Enhanced Services. The parties recognize the either party, upon sixty (60) days written notice may revoke this agreement, and the Franchise Ordinance upon which is based, upon sixty-days written notice, in the event the parties, to their mutual satisfaction, have not entered into one or more amended Franchise Agreements one-year from the effective date hereof.

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 during the term of this Agreement, the Contractor shall have the exclusive authority, duty and privilege to engage in the business of collecting, transporting, processing and disposing of Solid Waste, Compostable Materials and Recyclable Materials, as described in paragraph 2 of this Agreement, in the annexed territory for the remainder of the term of this Agreement, unless the additional territory annexed by Hailey is served by another solid waste and/or recycling company, in which case the Contractor shall have the non-exclusive authority and privilege to engage in the business of collecting, transporting, processing and disposing of Solid Waste and Recyclable Materials.

14. Ownership of Solid Waste. Title to Solid Waste, Compostable Materials 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, Compostable Materials 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 Materials 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 Material 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 Materials and relating to the collection and transportation of Solid Waste.

16. **Recycling and Composting Revisions.** In the event Blaine County or the Southern Idaho Solid Waste District elects to convert to a single or dual stream recycling process or additional incentive recycling programs involving Recyclable Materials are established, Hailey shall notify Contractor of any proposed revision, in which case the Contractor may, within thirty (30) days of such notice, seek a change in the fee schedule adopted pursuant to paragraph 8(B) of this Agreement. Upon receipt of the proposed fee schedule, Hailey, in its sole discretion, may or may not approve. If approved, the resolution or ordinance described in paragraph 8(B) of this Agreement shall be amended. Contractor shall report annually to the City changes in bin sizes requested by customers. An annual rate review based on bin sizes shall be conducted and considered by the City.

17. **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.

E. 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 attorney's fees incurred therein, whether or not a lawsuit is actually filed, and on any appeals, and in any bankruptcy proceeding.

F. 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.

G. 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.

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

I. 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.

J. 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.

K. 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.

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

M. 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.

N. 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 83340
CONTRACTOR:	OBRAS, LLC., d/b/a Clear Creek Disposal, 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: Martha Burke
Martha Burke, Mayor

ATTEST:

Mary Cone, City Clerk

CITY OF HAILEY Seal BLAINE COUNTY, IDAHO

CONTRACTOR- OBRAS, L.L.C.

By: Mike Goitiandia, Managing Member

CITY OF HAILEY
RESOLUTION NO. 2025-083

RESOLUTION OF THE CITY COUNCIL FOR THE CITY OF HAILEY AUTHORIZING THE EXECUTION OF FRANCHISE AGREEMENT WITH OBRAS, LLC D/B/A CLEAR CREEK DISPOSAL, INC., FOR RESIDENTIAL SOLID WASTE AND RECYCLABLE MATERIAL COLLECTION

WHEREAS, the City of Hailey desires to enter into an agreement with Obras, LLC D/B/A Clear Creek Disposal, Inc. under which Obras, LLC D/B/A Clear Creek Disposal, Inc. will perform and be responsible for Residential Solid Waste, Compostable Materials And Recyclable Material Collection for the City of Hailey.

WHEREAS, the City of Hailey and Obras, LLC D/B/A Clear Creek Disposal, Inc. have agreed to the terms and conditions of the Agreement for Professional Services pursuant to Resolution 2021-045 and 2022-103, copies of which are on file at Hailey City Hall.

WHEREAS, the City of Hailey and Obras, LLC D/B/A Clear Creek Disposal, Inc. have agreed to the modified terms and conditions of the Agreement for Professional Services outlined in Section 5.c.i, a copy of which is attached hereto.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF HAILEY, IDAHO, that the City of Hailey approves the Residential Franchise Agreement between the City of Hailey and Obras, LLC D/B/A Clear Creek Disposal, Inc. and that the Mayor is authorized to execute the attached Agreement,

DATED this 25th day of August, 2025

CITY OF HAILEY

By: Martha Burke
Martha Burke, Mayor

ATTEST:

Mary Cone, City Clerk

CITY OF HAILEY Seal BLAINE COUNTY, IDAHO

FRANCHISE AGREEMENT

(Residential & Commercial Solid Waste and Recyclable Materials Collection)

This Franchise Agreement ("Agreement") is made and entered into this ____ day of October, 2023, by and between the CITY OF HAILEY, a municipal corporation ("Hailey") and OBRAS, L.L.C., an Idaho limited liability company d/b/a Clear Creek Disposal, Inc., an Idaho corporation ("Contractor"),

RECITALS

A. Hailey is a municipal corporation and political subdivision of the State of Idaho, and has authority to enter into this Agreement. Martha Burke is the duly elected 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. Mike Goitiandia is the duly acting Managing Member of the Contractor and has the authority to enter into this Agreement.

C. Hailey and Contractor have had a long, uninterrupted and mutually beneficial contractual relationship, established by Franchise Ordinance No. 1103, and prior Franchise Agreements, and amendments thereto, all adopted pursuant to Idaho Law, as to procedure and substance. Hailey has not requested proposals from other potentially qualified contractors to provide personal services to collect, haul and dispose of residential solid waste, compostable materials and recyclable materials within the city limits of Hailey, Idaho, but instead, upon a finding by the mayor, that in the interest of public safety, necessary protection of the public health, welfare and property the provisions of chapter 28, title 67, Idaho Code shall not apply to adoption of the Franchise Ordinance, or this agreement pertaining to solid waste collection, and therefore entered into negations for same with Contractor and after doing so Hailey has awarded, contemporaneously herewith an exclusive ten (10) year franchise, with a five (5) year renewal term, to Contractor to provide personal services to collect, haul and dispose of residential solid waste, compostable materials and recyclable materials within the city limits of Hailey, Idaho, which exclusive franchise is revocable by either party, upon sixty-days written notice, in the event the parties, to their mutual satisfaction, have not entered into one or more amended Franchise Agreements one-year from the effective date hereof.

D. Hailey and Contractor are desirous of an expansion of services, to include compostable materials, corrugated cardboard, collection and hauling, to enhance make more efficient recycling services, specifically in reference to central drop-off location(s), negotiations toward which are proceeding in good faith, but not having been completed as to the particulars of services to be provided or fees therefore, however the parties are in full agreement that their mutual best interests, and the best interest of the rate paying customers hereunder to provide continuous uninterrupted solid waste collection and hauling services.

E. Hailey and the Contractor each desire to maintain the status quo, to avoid damage to either party and the rate paying citizens served thereby with regard to current services, as specified in the Franchise Agreements in place on the date of adoption hereof, with the expectation of putting in place certain enhanced services at the central recycling drop off locations, the cost and fees for such enhanced services are reflected in the fee schedules, to be adopted by resolution contemporaneously herewith.

F. Subject to the terms and conditions set forth herein and Hailey Ordinance No. 1282, the parties hereto are desirous of entering into an exclusive ten (10) year franchise agreement, with a five (5) year renewal term, to provide personal services to collect, haul and dispose of residential, commercial and construction solid waste and recyclable materials within the city limits of Hailey, Idaho, which agreement shall be revocable by either party, upon sixty-

days written notice, in the event the parties, to their mutual satisfaction, have not entered into one or more amended Franchise Agreements one-year from the effective date hereof.

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 capitalized terms have the meanings set forth herein:

"Approved Fees" as used herein shall mean and refer to the total fees and charges which Hailey has approved by resolution or ordinance, and which shall be assessed by the Contractor for services rendered pursuant to this Agreement. The Approved Fees include the following components:

a. A Fee for solid waste residential collection using bins and carts, and for commercial solid waste collection using bins, carts and dumpsters, which fee is based on sizes and number of pick-ups, which may include rent and Idaho Sales Tax.
b. A Fee for recyclable materials collection, which is collected in unlimited quantities in bins issued by contractor to customers, or any other suitable container, herein defined as the "Recyclable Materials Fee".
c. A Fee for corrugated cardboard materials collection in bins issued by contractor to customers, herein defined as the "Corrugated Cardboard Fee".
d. A Fee for compostable materials collection, collected in bins issued by contractor to customers, herein defined as the "Compostable Materials Fee".
e. A Fee for glass materials collection which is collected from a central collection site using roll-off bins, herein defined as the Glass Site Collection Fee".
f. A Fee for corrugated cardboard materials collection which is collected from a central collection site using a compactor, herein defined as the Compactor Site Collection Fee.
g. A Fee for compostable materials collection which is collected from a central collection site using bins, herein defined as the Compostable Site Collection Fee.
h. A Fee for management of the site(s) identified in e., f. and g. above, herein defined as the Materials Collection Site Management Fee.
i. A Franchise Fee equal to six percent (6%) of Fees 1.a. through 1.e to defray the specified Franchise Fees set forth in paragraph 5(B) of this Agreement;
j. A Billing Fee to defray amounts payable by the Contractor to Hailey for billing services pursuant to paragraph 5(B) of this Agreement, in the amount of seven percent (7%) of Fees 1.a. through 1.e

"Commercial Customer(s)" mean those owners and/or occupants of commercial, light industrial, industrial, governmental and institutional uses, schools, all other businesses, and multi-family residential complexes consisting of five or more dwelling units (including apartments, townhomes and condominiums), and those owners of new or remodeled construction sites and/or their agents.

"Compostable Materials" means food and yard waste capable of breaking down into carbon dioxide, water and inorganic compounds and biomass within approximately one hundred twenty days.

"Corrugated Cardboard" means dry, clean corrugated cardboard material accepted for curbside pick-up by the Blaine County Recycling Center.

"Glass Collection Site" means an area identified by the City of Hailey to house a roll-off container to be used for drop off of glass bottles, jars and other glass materials accepted by the Blaine County Recycling Center.

"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.

"Recyclable Materials" means items accepted for curbside pick-up by the Blaine County Recycling Center, excluding corrugated cardboard, compostable materials and glass.

"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 (including apartments, townhomes and condominiums).

"Self-Hauling" means the collection, hauling and disposal of Solid Waste by generator or generator's agent of the Solid Waste in the generator's or generator agent'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 that are not or cannot be recycled or diverted from the landfill, excluding Hazardous Materials.

1. **Exclusive Agreement.** Hailey hereby grants exclusively to Contractor the authority and privilege to engage in the business of collecting, hauling and disposing of Solid Waste and 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 Materials or medical waste, which agreement shall be revocable by either party, upon sixty-days written notice, in the event the parties, to their mutual satisfaction, have not entered into one or more amended Franchise Agreements one-year from the effective date hereof.

2. **Term.** The term of *this* Agreement shall begin May 12, 2021, and shall end at midnight, May 12, 2031, unless earlier revoked under the terms hereof.

3. **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 Materials Collection. The Contractor shall provide on a weekly basis curbside collection of Solid Waste in approximately 32, 68 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 up to two recyclable bins to each Residential Customer. The roll carts, compostable and recyclable bins shall remain the property of the Contractor. Types of and disposal methods for Recyclable Materials shall conform with the standards established by the Southern Idaho Solid Waste District and by Blaine County through its solid waste collection center programs at the Ohio Gulch Transfer Station and Resource Recovery Center.

2. Residential Corrugated Cardboard, Glass and Compostable Materials Collection. The parties each hereby commit to continuing to negation in good faith toward an agreement for enhanced collection of Corrugate Cardboard, and Glass which could include curbside pickup of same, and that does now include, as contemplated in the rate structure adopted contemporaneously herewith enhanced services at central recycling drop off sites consisting of compaction equipment, containers and frequency of collection and clean-up; and new services for collection of Compostable Materials in standardized compostable bins.

3. Weekly Commercial Solid Waste and Recycling Materials Collection. Except as otherwise provided herein, the Contractor shall provide, on a weekly basis, collection of Solid Waste and Recyclable Materials in sizes ranging from approximately 32 gallon roll carts to 30 cubic yard roll off containers, or other standardized containers. If requested by a Commercial Customer in need of temporary Solid Waste services, such as an event or a construction project, Solid Waste and clean wood waste shall be picked up on an on call basis. Contractor shall distribute one or more containers in the size requested by the Commercial Customer. Containers and dumpsters used to collect Recyclable Materials shall be clearly marked with clear, international signage and standardized color schemes to denote what Recyclable Material is collected within the container. Receptacles for clean wood waste and cardboard shall be provided in a range of sizes to be selected by the Commercial Customer. The containers shall remain the property of the Contractor. Types of and disposal methods for Recyclable Materials shall conform with the standards established by the Southern Idaho Solid Waste District and by Blaine County through its solid waste collection center programs at the Ohio Gulch Transfer Station and Resource Recovery Center. 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 certain 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 newspapers 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 Commercial Customers a minimum of two (2) weeks prior to the change.

4. Hailey Festivals. The Contractor shall provide, at no charge to Hailey, Solid Waste and Recyclable Materials collection, hauling and disposal services for the 4th of July festivities, the Northern Rockies Folk Festival and the Trailing of the Sheep Festival. For the 4th of July festivities, the Contractor shall provide a 6 yard dumpster and fourteen 95 gallon recycling containers for plastic, glass and aluminum/tin at the rodeo grounds during the term of this Agreement and two 3 yard dumpsters at locations within Hailey designated by Hailey on July 3. For the Northern Rockies Folk Festival, the Contractor

shall provide a 6 yard dumpster, twelve 95 gallon recycling containers for plastic, glass and aluminum/tin at locations designated by Hailey or the sponsor of the Northern Rockies Folk Festival, before noon on the day of the first concert. For the Trailing of the Sheep Festival, the Contractor shall provide two 1.5 yard dumpsters and six 95 gallon recycling containers for plastic, glass and aluminum/tin at locations designated by Hailey or the sponsor of the Trailing of the Sheep Festival for one day (Roberta McKercher Park event) and one 1.5 yard dumpster and three 95 gallon recycling containers for plastic, glass and aluminum/tin at locations designated by Hailey or the sponsor of the Trailing of the Sheep Festival for two days (dog trials) on the day before the events. Immediately before the 4th of July Rodeo and all July 4th related festival activity, the Summer's End Festival and the Trailing of the Sheep Festival, the Contractor shall provide, at no charge to Hailey, one 3 yard dumpster and three 95 gallon recycling containers for plastic, glass and aluminum/tin at the public camp site at Lion's Park, which shall be emptied and removed after each event. All other dumpsters and containers shall be emptied before 10:00 a.m. on the following day during any event and removed before noon on the day following the completion of the event.

5. Collection of Solid Waste, Recyclable Materials, Compostable Materials and Corrugated Cardboard Materials shall occur to the extent possible at or about the same time and on designated collection days between 7:00 a.m. and 6:00 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 certain 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 weekday. 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 6x8 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.
6. Seasonal Waste, Corrugated Cardboard and Glass. The Contractor shall provide, to Hailey or Residential Customers, a single-point collection, hauling and disposal of yard waste, such as grass clippings, leaves, branches, clean wood and similar products, for two Saturdays in the spring and two Saturdays in the fall during the term of this Agreement. The location and dates shall be specified by Hailey and Contractor by administrative agreement. The Contractor shall provide, at no charge to Hailey or Residential Customers, collection, hauling and disposal of holiday trees in January during the term of this Agreement at a location specified by Hailey. The Contractor shall provide receptacle(s) (as agreed by the parties from time to time by administrative agreement) for glass disposal, at location(s) to be determined. All glass receptacles shall be emptied at a frequency to prevent overflow of glass from the roll-off dumpster or receptacle. All glass disposal receptacles shall not have an open top and shall be designed to minimize broken glass and safety hazards, such as the glass disposal opening being limited to a small size. All pickup sites shall be within or adjacent to the city limits of the City of Hailey.

7. Disposal. The Contractor shall haul and dispose, in accordance with applicable federal, state and local laws, all legally acceptable Solid Waste, Glass, Compostable Materials, Corrugated Cardboard and Recyclable Materials collected within Hailey in accordance with this Agreement to the Southern Idaho Solid Waste Transfer Station at Ohio Gulch or to such other transfer station, landfill or recycling facility designated by the Blaine County Board of County Commissioners. To the greatest extent possible, all Recyclable Materials and items described in paragraph 4(B)(2), above, shall be disposed for recycling. The Contractor shall be responsible for the payment of all charges, including disposal fees, charges and truces, associated with the disposal of Solid Waste or Recyclable Material& collected from Hailey.
8. Public Information. The Contractor shall coordinate with Hailey to provide city staff and/or a 3rd party contractor with information and to help with dissemination of education and outreach materials in an effective and efficient manner to help promote composting, recycling and waste reduction.
9. Customer Inquiries. The Contractor shall respond to the following customer requests about:

    i. Information regarding service options and procedures.
    ii. Missed collections.
    iii. Late set outs.
    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.

10. 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 a.m. to 5:00 p.m. of each weekday, except when holidays fall on weekdays.
11. 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.
12. Bi-Annual Report. The Contractor shall submit to Hailey a bi-annual report on the first business day following November 1 and May 1, setting forth (a) the amount of Solid Waste collected for the weekly collection service (measured in tons), (b) the amount of Solid Waste collected for extra pickups (measured in tons), (c) the amount of Recyclable Materials collected (measured in tons), (d) the fees charged for conversion of containers, (e) the rentals charged for containers, (f) the frequency and type of container conversions, differentiating between container conversions for Recyclable Materials and Solid Waste and the number of conversions that result in an increase or decrease in size and (g) 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, Compostable Materials or Recyclable Materials 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 for the weekly Solid Waste and Recyclable Materials collection services provided by the Contractor, in the amount of the Approved Fee established for such services by resolution or ordinance duly adopted by Hailey. Hailey shall also be responsible for billing all customers covered by this Agreement for extra pick-ups of Solid Waste and Recyclable Materials provided by the Contractor in the amount of the Approved Fees established for such services by resolution or ordinance duly adopted by Hailey.

Fees adopted by resolution or ordinances shall be effective the first of the month following the effective date of this Agreement and within 60 days of the effective date of any amendment to this Agreement. 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 Fees received for the Solid Waste, Compostable Materials, Corrugated Cardboard, Glass and Recyclable Materials collection services provided by the Contractor under this Agreement, less an amount equal to seven percent (7%) of all Fees collected, which sum shall be retained by Hailey as consideration for performance of the monthly billing services provided for herein and for educational outreach, and less an amount equal to six percent (6%) of all Fees collected, which sum shall be retained by Hailey as a franchise fee. Hailey shall begin the payment of the Fees collected, less thirteen percent (13%), *as* described herein, to Contractor on or before the last day of July, 2021, and continuing every month thereafter during and beyond the original term and renewed term, if any, of *this* Agreement for those Fees which were billed and collected pursuant to this Agreement.

i. Hold-Back Proviso. Maximum monthly payments from the City to the Contractor shall not exceed one hundred and sixty-eight thousand and five hundred dollars. ($168,500) (hereinafter the "base sum"). The parties recognize the many variables with the Contractor's rate structure, set after negotiations with the City insisting on higher fees for larger cart sizes with the intention of motivating customers to move to smaller, less costly carts. To assure excessive revenue does not become a windfall to the contractor, should monthly collections, less collection and franchise fees, exceed one hundred and sixty-eight thousand and five hundred dollars ($168,500), that base sum shall be paid to the contractor, and funds in excess thereof shall be deposited in an interest bearing account, held in trust by the City, to benefit the rate payers in future rate resetting, including those contemplated, under negotiation, new services, but not including new growth. A full accounting of this Hold-Back Trust Account shall be reported to contractor on a monthly basis, and considered as part of the ongoing negotiations hereunder.

d. Collection. If a Residential Customer is delinquent in payment to the City for Solid Waste, composting and recycling services, Hailey will follow the procedures for notification and termination of water service described in §13.04.150(D) of the Hailey Municipal Code, as amended. If there is termination of the Residential Customer's water service under the applicable procedure, 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. Except as otherwise provided herein, 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.

f. Mutual Duty of the Parties. Recognizing that this agreement is designed to require ongoing monitoring of fiscal fairness to the parties, and environmentally effective provision of services, , the parties agree to not less than annual review of the rate structure to verify ongoing costs and receipts as a good faith method of ultimately entering into any Amended Franchise Agreement and cost structure for any desired new and enhanced services for collecting, recycling, composting and/or disposing of residential or commercial solid waste generated within the City of Hailey, and any appropriate amendments to the schedule of the Approved Fees which the Contractor will be authorized to assess for any such new or revised services.

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. Security. The Contractor shall provide and maintain during the term of this Agreement security in the form of a performance bond, irrevocable letter of credit or cash equivalent ("Security") for the use and benefit of Hailey and in a form acceptable to Hailey. The Security shall cover Contractor's failure to faithfully perform all of the provisions of this Agreement. The Security 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 or irrevocable letter of credit shall be issued by a surety company or a financial institution authorized to do business in the State of Idaho, acceptable to Hailey and in the amount of $100,000.00. The Contractor shall submit the Security 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	$5,000,000
Property Damage	$5,000,000

2. Automobile Liability (owned, non-owned and hired).

Minimum Limits	
Bodily Injury	$5,000,000
Property Damage	$5,000,000

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	$5,000,000

4. The Contractor shall secure and maintain at least the statutory amounts of worker's compensation, disability benefits, and unemployment insurance in accordance the laws of the State of Idaho.

A. 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.

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

C. Proof of Insurance. On or before the execution of this Agreement, 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, Compostable Materials 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. Equipment shall be secured within 60 days of adoption of this Agreement and amendment to this Agreement.

B. Personnel. The Contractor shall employ during the term of this Agreement a sufficient number of skilled, trained and competent personnel to collect, haul and dispose of the Solid Waste and recyclable 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 (measured in tons), (b) the amount of Solid Waste collected for extra, pickups (measured in tons), (c) the amount of Compostable Materials collected (measured in tons) (d) the amount of Corrugate Cardboard collected (measured in tons); the amount of Recyclable Materials collected (measured in tons), (e) the fees charged for conversion of containers, (f) the rentals charged for containers, (g) the frequency and type of container conversions, differentiating between container conversions for Recyclable Materials and Solid Waste and the number of conversions that result in an increase or decrease in size, and (h) tipping fees or charges for the disposal of Solid Waste and Recyclable Materials.

11. Default and Termination. 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.

A. Corrective Action. If Hailey 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 17(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, Hailey may terminate this Agreement immediately without further notice. The Contractor shall be given a Notice of Termination in accordance with paragraph 17(M) of this Agreement.

B. 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.

C. 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 tight 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.

D. Failure Amend Reflecting New/Enhanced Services. The parties recognize the either party, upon sixty (60) days written notice may revoke this agreement, and the Franchise Ordinance upon which is based, upon sixty-days written notice, in the event the parties, to their mutual satisfaction, have not entered into one or more amended Franchise Agreements one-year from the effective date hereof.

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 during the term of this Agreement, the Contractor shall have the exclusive authority, duty and privilege to engage in the business of collecting, transporting, processing and disposing of Solid Waste, Compostable

Materials and Recyclable Materials, as described in paragraph two (2) of this Agreement, in the annexed territory for the remainder of the term of this Agreement, unless the additional territory annexed by Hailey is served by another solid waste and/or recycling company, in which case the Contractor shall have the non-exclusive authority and privilege to engage in the business of collecting, transporting, processing and disposing of Solid Waste and Recyclable Materials.

14. Ownership of Solid Waste. Title to Solid Waste, Compostable Materials 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, Compostable Materials 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 Materials 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 Material 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 Materials and relating to the collection and transportation of Solid Waste.

16. Recycling and Composting Revisions. In the event Blaine County or the Southern Idaho Solid Waste District elects to convert to a single or dual stream recycling process or additional incentive recycling programs involving Recyclable Materials are established, Hailey shall notify Contractor of any proposed revision, in which case the Contractor may, within thirty (30) days of such notice, seek a change in the fee schedule adopted pursuant to paragraph 5(c) of this Agreement. Upon receipt of the proposed fee schedule, Hailey, in its sole discretion, may or may not approve. If approved, the resolution or ordinance described in paragraph 5(c) of this Agreement shall be amended. Contractor shall report annually to the City changes in bin sizes requested by customers. An annual rate review based on bin sizes shall be conducted and considered by the City.

17. 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.

E. 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 attorney's fees incurred therein, whether or not a lawsuit is actually filed, and on any appeals, and in any bankruptcy proceeding.

F. 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.

G. 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.

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

I. 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.

J. 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.

K. 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.

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

M. 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.

N. 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 83340

CONTRACTOR: OBRAS, LLC., d/b/a Clear Creek Disposal, 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.

O. 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.

P. 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: _____
Martha Burke

ATTEST:

_____
Mary Cone, City Clerk

CITY OF HAILEY Seal BLAINE COUNTY, IDAHO

CONTRACTOR- OBRAS, L.L.C.

By: _____
Mike Goitiandia, Managing Member

CITY OF HAILEY
RESOLUTION 2025-084

A RESOLUTION OF THE HAILEY CITY COUNCIL ADOPTING FEES FOR RESIDENTIAL, COMMERCIAL AND CONSTRUCTION SOLID WASTE AND RECYCLABLE MATERIALS HAULING SERVICES

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. 1282 that granted Obras, L.L.C., d/b/a/ Clear Creek Disposal, Inc. an exclusive franchise to provide solid waste and recycling materials hauling services for both residential and commercial properties within the City of Hailey, subject to the franchise agreement dated May 12, 2021 ("Franchise Agreement");

WHEREAS, Resolution 2024-075 established rates for the ensuing time period;

WHEREAS, a schedule of revised rates for residential, commercial, construction and recycling materials hauling fees based on inflationary factors was subject to a public hearing process as required by Idaho Code;

NOW, THEREFORE, BE IT RESOLVED BY THE HAILEY CITY COUNCIL:

Section 1: Adoption of Fees. The City Council of the City of Hailey hereby adopts fees for residential, commercial and construction customers located within the City of Hailey for standard weekly rates for collection and transportation of solid waste and recyclable materials and for standard rates for extra pickups of solid waste and recyclable materials and other services. These fees are described in the attached Exhibit.

Section 2: Effective Date. Attached rates will go into effect October 1, 2025. Unless otherwise amended by resolution, the fees adopted by this Resolution shall continue in full force and effect until the amendment, expiration or termination of the franchise granted to Obras, L.L.C., d/b/a Clear Creek Disposal, Inc. under Hailey Ordinance No. 1282.

THIS RESOLUTION IS ADOPTED this 25th day of August, 2025.

Martha Burke

Martha Burke, Mayor, City of Hailey

ATTEST:

Mary Cone, City Clerk

CITY OF HAILEY Seal BLAINE COUNTY, IDAHO

		2025 10	2024 10
Hailey Residential Service			
Carts and Bins are owned by Clear Creek Disposal, and are registered to the property address. In the event you move or sell your house the cart(s) & bin(s) should remain with the property.			
*Service includes cart(s) for garbage + 3-12 gallon stackable bins for curbside recycling			
Cart Size	Description of Service	Monthly Fee	Monthly Fee
32 Gallon Cart	Emptied 1XWeek	$13.62	$13.11
68 Gallon Cart	Emptied 1XWeek	$30.55	$29.43
95 Gallon Cart	Emptied 1XWeek	$44.91	$43.26
Hailey Residential Senior Service			
32 Gallon Cart	Emptied 1XWeek	$11.58	$11.15
68 Gallon Cart	Emptied 1XWeek	$25.97	$25.01
95 Gallon Cart	Emptied 1XWeek	$38.19	$36.78
Additional Services			
Carts			
All additional services for carts apply to BOTH Residental and Commercial waste removal			
Cart Size	**Description of Service**	**Per Time Charge**	**Per Time Charge**
Cart Delivery	Any size cart	$12.53	$12.07
Cart Final	Any size cart	$25.05	$24.13
Cart Rental	Any size cart	$1.20	$1.20
Cart	Go Back / Extra Empty	$7.51	$7.24
Cart	Off Day Empty	$18.79	$18.10
Cart Cleaning		$37.59	$36.21
Extra Bag	Over Full Cart	$7.51	$7.24
Hailey Commercial			
Business Carts			
		Rates	Rates
Size	**Frequency**	**Monthly Charge**	**Monthly Charge**
32 Gallon Cart	Emptied 1XWeek	$14.23	$13.71
68 Gallon Cart	Emptied 1XWeek	$25.36	$24.42
95 Gallon Cart	Emptied 1XWeek	$33.77	$32.52
Commercial Recycling			
Size	**Frequency**	**Monthly Charge**	**Monthly Charge**
Contaminated	All Size Carts	$18.79	$18.10
32 Gallon Cart	1XWeek	$13.87	$13.36
68 Gallon Cart	1XWeek	$13.87	$13.36
95 Gallon Cart	1XWeek	$13.87	$13.36
Glass Recycling			
Size	**Frequency**	**Monthly Charge**	**Monthly Charge**
Contaminated		$18.79	$18.10
68 Gallon Cart	1XWeek	$24.66	$23.75

		2025 10	2024 10
Food Waste			
Contaminated	All Size Carts	$18.79	$18.10
68 Gallon Cart	1XWeek	$24.66	$23.76
Front Load			
		Customer Prices	Customer Prices
Delivery Fee	All Size Dumpsters	$37.59	$36.21
Final Fee		$37.59	$36.21
Solid Waste			
All Size Dumpsters		Customer Prices	Customer Prices
Size	**Frequency**	**Monthly Charge**	**Monthly Charge**
1.5 cubic yard	1XWeek	$73.66	$70.95
1.5 cubic yard	On Call Each Empty	$25.09	$24.16
3 cubic yard	1XWeek	$144.12	$138.80
3 cubic yard	On Call Each Empty	$46.99	$45.26
4 cubic yard	1XWeek	$194.74	$187.53
4 cubic yard	On Call Each Empty	$65.64	$63.22
6 cubic yard	1XWeek	$291.44	$280.69
6 cubic yard	On Call Each Empty	$97.18	$93.59
8 cubic yard	1XWeek	$386.43	$372.18
8 cubic yard	On Call Each Empty	$127.43	$122.73
Cardboard Recycling			
Contaminated Empties are at On Call pricing for respective size			
All Size Dumpsters		Customer Prices	Customer Prices
Size	**Frequency**	**Monthly Charge**	**Monthly Charge**
1.5 cubic yard	1XWeek	$34.60	$33.32
3 cubic yard	1XWeek	$34.60	$33.32
4 cubic yard	1XWeek	$34.60	$33.32
6 cubic yard	1XWeek	$34.60	$33.32
8 cubic yard	1XWeek	$34.60	$33.32

	2025 10	2024 10
Hailey Construction		
Front Load		
Size	**Per Empty**	**Per Empty**
3 cubic yard	$72.10	$69.44
4 cubic yard	$108.17	$104.18
6 cubic yard	$142.57	$137.32
8 cubic yard	$188.74	$184.66
Roll Offs		
Plus Disposal Fees		
Delivery	$43.86	$42.24
Final (plus empty)	$43.86	$42.24
Size	**Per Empty**	**Per Empty**
15 cubic yard	$213.06	$205.20
30 cubic yard	$221.25	$213.09
Compactor	$265.11	$259.38
Rent		
Rent is billed monthly in addition to empties		
3 cubic yard		$4.79
4 cubic yard		$8.38
6 cubic yard		$11.98
8 cubic yard		$14.37
15 cubic yard		$71.40
30 cubic yard		$83.30