



City of Ketchum

April 5, 2021

Mayor Bradshaw and City Councilors
City of Ketchum
Ketchum, Idaho

Mayor Bradshaw and City Councilors:

Recommendation To Authorize Short-term Extension of the Solid Waste Franchise Agreement With Clear Creek Disposal

Recommendation and Summary

Staff is recommending a three-month extension of the Solid Waste Franchise Agreement in order to complete due diligence activities associated with the next (10-year) franchise agreement.

"I move approval of Resolution 21-008 and authorize the Mayor to execute the short-term extension agreement."

The reasons for the recommendations are as follows:

- This short-term agreement will ensure the continued collection of solid waste and recyclable materials.
- The extension period will allow for remaining due diligence activities to be completed to inform long-term agreement.
- This approach will avoid the potential of multiple customer rate adjustments during the same year.

Introduction and History

Staff has been working with Clear Creek Disposal to evaluate service enhancements associated with a new Franchise Agreement. This evaluation has been in partnership with the City of Hailey, Blaine County, Southern Idaho Solid Waste District as well as interested non-profit partners such as the Environmental Resource Center, Sun Valley Institute for Resilience and Ketchum Sustainability Advisory Committee.

A waste audit for Blaine County conducted by Warm Springs Consulting concluded there were two major opportunity areas to explore:

- 23.5% of waste stream consisted of organic materials.
- 18.1% included recyclable materials such as cardboard, paper and plastic.

In addition to those opportunities, two other related topics were explored:

- How to reduce the contamination and other negative impacts associated with the community drop off recycling sites.
- How to reduce the occurrence of bears and other animals being attracted to trash containers, which in many instances results in euthanizing those animals.

The group evaluated multiple service scenarios and **initially** recommended the following new services:

- Curbside co-mingled recycling versus the current approach where residents must sort their recyclables. National evidence and experience in other western communities have demonstrated with this change it can result in 65%-100% increase of recyclable material. The new service would also allow for the collection of cardboard at the curbside. Customers would receive a new container on wheels. It would be collected every other week.
- Curbside collection of organic materials (food/yard waste). Customers would receive a cart and pickup would occur every other week (off-set with comingled recycling).
- Collection of glass would still occur at drop-off sites.

These recommendations carry logistical/role changes between Blaine County and the Southern Idaho Waste District at the Ohio Gulch Facility. The details were discussed at the recent joint meeting. For Clear Creek Disposal, there would be operational changes as well; ranging from the need to purchase and distribute additional carts as well as new trucks. All of this would result in an increase in monthly costs for customers.

Based on feedback from the Blaine County Commissioners and the City of Hailey, staff is recommending the following **REVISED** course of action:

Short-term (within next 3-6 months)

- Transition current cardboard drop off location from numerous open dumpsters to one compacter system.
- Evaluate new and consistent downtown trash/recycling containers.
- Offer the ability for customers to purchase wildlife proof containers but do not mandate.
- Conduct community outreach to gain feedback on (1) potential composting program; (2) potential new cardboard curbside service; (3) interest in more significant changes to recycling such as co-mingled collection from both current recycling households and non-recycling.
- Return to the Council with findings from community input.
- Return to the Council with an updated 10-year franchise agreement that calls for an annual evaluation/implementation to any future recycling service changes and associated customer charges.

Mid-term (next 1-2 years)

- Based on community feedback, implement future service changes such as composting, curbside cardboard or co-mingled recycling.

Analysis/Next Steps

Should the Council support the revised recommendations bulleted in the introduction section, staff would proceed with a robust community outreach effort regarding the goals of the proposed service changes; associated costs, and customer impact (e.g. more carts at their home and change of pick-up schedule). Staff would return to the Council with the findings from the public input to determine if the Council is still supportive of the proposed service changes.

Sustainability Impact

The Ketchum Sustainability Action Plan lists these potential service improvements as items to explore to reduce the amount of solid waste going to the regional landfill.

Financial Impact

Clear Creek has proposed an initial (14%) rate adjustment to address inflation in costs associated with existing service as there has not been a rate adjustment in several years. Clear Creek has developed an initial cost estimate for each associated service enhancement. Should the Council support moving forward with the two

new service enhancements, staff would recommend establishing a Solid Waste Trust Account to allow for fluctuations in the recycling commodities market so as to avoid sporadic customer rate adjustments.

Attachments:

1. Resolution 21-008
2. Extension Agreement

CITY OF KETCHUM
RESOLUTION NO. 21-008

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF KETCHUM APPROVING A CONTRACT FOR SHORT TERM EXTENSION OF SOLID WASTE COLLECTION AND DISPOSAL SERVICES WITH OBRAS, LLC, DBA CLEAR CREEK DISPOSAL, AUTHORIZING SIGNATURE BY THE MAYOR, AND DIRECTING FOR ADMINISTRATIVE AND LEGAL ACTION AS REASONABLY NECESSARY.

Section 1. Findings

- 1.1 The City of Ketchum (City) and Obras, LLC, dba as Clear Creek Disposal (Clear Creek) are parties to a *Waste Collection Services Agreement*, an agreement for solid waste collection and disposal services, dated May 2, 2011 (Agreement).
- 1.2 The Agreement was authorized pursuant to Ordinance No. 1086 granting a non-exclusive franchise to Clear Creek.
- 1.3 The Agreement has a term of ten years and expires at midnight on May 1, 2021.
- 1.4 The Parties are in negotiations for a new Franchise Agreement, but such negotiations are not anticipated to be complete before the end of term of the current Agreement.
- 1.5 During ongoing negotiations and to avoid any interruption in service, the City desires to enter into a short-term extension of the current solid waste collection and disposal services by Clear Creek, and Clear Creek is agreeable to such extension.
- 1.6 The City has authority to enter into such a contract for provision of solid waste collection and disposal services pursuant to Idaho Code § 50-344.
- 1.7 The City provides for authorization and regulation of solid waste collection and disposal under Chapter 4 of Title 8 of the Ketchum Municipal Code.

NOW THEREFORE, BE IT RESOLVED by the City Council of the City of Ketchum that:

- 2.1. A three-month extension of services is authorized and approved as documented in the *Extension Agreement*, attached to this Resolution.
- 2.2. The Mayor is authorized to enter into and execute the *Extension Agreement*.
- 2.3. The Mayor is authorized, and the City Administrator and City Attorney are directed to take such further administrative and legal tasks reasonably necessary to effectuate such extension of services.

PASSED BY THE CITY COUNCIL of the City of Ketchum, effective this 5th day of April, 2021.

APPROVED:

Signed: _____
Neil Bradshaw, Mayor

ATTEST:

By _____
Lisa Enourato, Interim City Clerk

**EXTENSION AGREEMENT
TO PERFORM SOLID WASTE COLLECTION AND DISPOSAL SERVICES**

PARTIES:

City of Ketchum	CITY	PO Box 2315 Ketchum, ID 83340
Obras, LLC dba Clear Creek Disposal	CLEAR CREEK or FRANCHISEE	PO Box 130 Ketchum, ID 83340

THIS EXTENSION AGREEMENT (“Extension”), is made and entered between City of Ketchum, a municipal corporation of the State of Idaho (“City”), and Obras, LLC dba Clear Creek Disposal, an Idaho limited liability company (“Clear Creek” or “Franchisee”), for the purpose of extending the existing solid waste collection and disposal services within the City of Ketchum.

1. The City of Ketchum (City) and Obras, LLC, dba as Clear Creek Disposal (Clear Creek) are parties to a *Waste Collection Services Agreement*, an agreement for solid waste collection and disposal services, dated May 2, 2011 (Agreement).
2. The Agreement has a term ending at midnight on May 1, 2021, and the parties desire to enter into a short-term extension of the services and terms of that Agreement while a new long-term Franchise Agreement is negotiated and prepared.
3. The Parties hereby agree to extend the services provided for under the Agreement, under the same and existing terms and conditions, for a further period of three months until August 1, 2021.
4. Effective Date. This Extension shall be effective to May 2, 2021 to take immediate effect upon the expiration of the existing Agreement term.

DATED this _____ day of _____, 2021.

City of Ketchum

Neil Bradshaw, Mayor

ATTEST:

Lisa Enourato, Interim City Clerk

Obras, LLC dba Clear Creek Disposal

Mike Goitiandia, Managing Member