

**MEMORANDUM  
DEPARTMENT OF FACILITY SERVICES  
COUNTY OF PLACER**

To: Honorable Board of Supervisors Date: July 21, 2015  
From: Ken Grehm, Facility Services Interim Director  
By: Kevin Bell, P.E., Environmental Engineering Program Manager  
Subject: Environmental Engineering / Solid Waste Handling First Amendment / Placer County  
Eastern Regional Sanitary Landfill, Inc. and Tahoe Truckee Disposal, Inc. / Bear Resistant  
Garbage Cans

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**ACTION REQUESTED:**

Approve an Amendment to the Solid Waste Handling Services Agreement with Placer County Eastern Regional Sanitary Landfill, Inc. and Tahoe Truckee Disposal, Inc. to implement a Residential Bear-Resistant Garbage Can Enclosure Loan Program in Garbage Collection Franchise Areas 2 and 3 (Placer County east of Colfax to the Nevada state line). Funding is provided by reserves in the Solid Waste Fund.

**BACKGROUND:** As noted at the April Board meeting, staff conducted a wildlife survey to obtain information regarding the type and magnitude of garbage related wildlife issues that affect garbage collection customers at their homes or place of business. Nearly two-thirds of survey respondents experienced wildlife interactions related to garbage that was not contained in a bear-resistant garbage can enclosure (Bear Box). The loan program provides a cost effective incentive to the 5,400 home owners that do not have Bear Boxes. Bear Boxes help protect both humans and wildlife by containerizing solid waste in a manner that deters wildlife from scavenging. On April 28, 2015, your Board approved the development of an optional residential Bear Box loan program in Franchise Areas 2 and 3, which includes unincorporated Placer County east of Colfax to the Nevada state line. The loan program Key Terms (Key Terms) have been updated to reflect the final terms and are included as Attachment 1.

The Loan Program Amendment (Amendment) is consistent with the Key Terms your Board approved in April and is included as Attachment 2. The Amendment includes a standard promissory note agreement (Exhibit O in the Amendment) to be executed between Tahoe Truckee Disposal, Inc. (TTD), who provides solid waste collection services in Franchise Areas 2 and 3, and the property owner that outlines the loan terms, repayment schedule and collection of any default amounts. The loan will be 0% with a 5 year repayment schedule and fund up to \$1,320, which includes up to \$1,200 for a two-can Bear Box and a \$120 administration fee with repayment through the garbage bill. The Amendment requires TTD to administer all aspects of the loan program for an administrative fee of \$120 per loan. TTD will ensure Bear Boxes are installed by an approved licensed contractor and manage all loan finances.

**ENVIRONMENTAL CLEARANCE:** The installation of Bear Boxes is Categorically Exempt from environmental review pursuant to CEQA Guidelines Section 15303, New Construction or Conversion of Small Structures. Section 15303(e) specifically allows for the construction or installation of accessory or appurtenant structures.

**FISCAL IMPACT:** Funding is available in the Solid Waste Management Enterprise Fund reserves to fund Bear Box payments to TTD until property owners repay the loans. If all property owners apply for the loan, the cost could be as much as \$132,000 per year with repayment by the owners over 5 years.

ATTACHMENT 1 - LOAN PROGRAM KEY TERMS  
ATTACHMENT 2 - FIRST AMENDMENT BEAR BOX LOAN PROGRAM

CC: COUNTY EXECUTIVE OFFICE

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**Franchise Areas 2 and 3 Solid Waste Handling Services  
Residential Bear-Resistant Garbage Can Enclosure (Bear Box) Loan Program  
Key Terms**

Placer County Eastern Regional Landfill, Inc. (ERL) and Tahoe Truckee Disposal, Inc. (TTD) provide solid waste handling services in Franchise Areas 2 and 3, which includes unincorporated Placer County east of Colfax to the Nevada state line. The Key Terms below outline the first amendment to the Solid Waste Handling Agreement with ERL and TTD (Amendment) to provide a Bear Box Loan Program.

**1. General**

- 1.1 To be considered for annual renewal and/or adjustment with other ERL/TTD rate packages.

**2. Loan Terms**

- 2.1 Amount: up to \$1,320, which includes up to \$1,200 for a two-can bear box and a \$120 administration fee with repayment through the garbage bill.
- 2.2 Interest and term: 0% percent for 5 years.
- 2.3 Eligibility: Only available to homeowners in good standing with their garbage bill.
- 2.4 Quantity: The number of bear shed loans will be limited to 100 per fiscal year on a first come, first served basis.

**3. Administration**

- 3.1 TTD will administer all aspects of the loan program including installation by an approved licensed contractor and repayment to Placer County.
- 3.2 The loan will only be available if installation of a bear box is administered through TTD.
- 3.3 TTD will provide the initial funds to purchase and install the bear box.
- 3.4 County will provide payment to TTD for the full loan amount.
- 3.5 TTD will provide a quarterly report detailing the payment status for each loan including the total loan amount, amount paid-to-date and remaining balance.
- 3.6 TTD will provide repayment to Placer County in the same manner as current payments are made to the County for other items, such as the special fees from garbage collection service.
- 3.7 TTD will follow delinquent collection procedures as defined in the first Amendment and which are consistent with the current collections process.
- 3.8 TTD is not liable for any uncollected loan amounts.

ATTACHMENT 2  
FIRST AMENDMENT BEAR BOX LOAN PROGRAM

**AGREEMENT NO. 11710**

**DESCRIPTION: FIRST AMENDMENT TO THE AGREEMENT FOR SOLID WASTE HANDLING SERVICES – BEAR BOX LOAN PROGRAM**

This First Amendment is made and entered into this \_\_\_\_\_ day of \_\_\_\_\_, 2015, by and between the County of Placer, hereinafter referred to as the "County," and Tahoe Truckee Disposal Co., Inc., a California corporation, and Placer County Eastern Regional Sanitary Landfill, Inc., a Nevada corporation (hereinafter collectively referred to as "Contractor.")

**WITNESSETH**

WHEREAS, on the 5<sup>TH</sup> day of May, 2015, the County and Contractor entered into an Agreement for the collection, transportation, and disposal of Solid Waste in Franchise Areas 2 and 3 (Agreement); and

WHEREAS, the County and Contractor desire to amend the Agreement to provide for a customer loan program for the installation of bear boxes; and

WHEREAS, the County and Contractor wish to memorialize in this Amendment their agreement regarding the foregoing issues.

NOW, THEREFORE, it is hereby agreed by the parties as follows:

- I. ARTICLE ONE - INTRODUCTORY PROVISIONS: Section 1. "DEFINITIONS," subsection Q is inserted in Article One, Section 1, as follows:

"Q. Eligible Homeowner. "Eligible Homeowner" means a Single-Family Unit residential customer of the Contractor who owns the real property served by Contractor, is current in payment of the billing statements from Contractor at the time he and/or she seeks to participate in the Bear Box Loan Program described in Article Two, Section 7 below, and has not been late or defaulted in the payment of their billing statements from Contractor at any time during the prior two (2) years. Tenants are not Eligible Homeowners."

- II. The existing subsection Q and subsequent subsections in Article One, Section 1 are renumbered as subsections R and following.

- III. ARTICLE TWO – COLLECTION SERVICES: After Section 6. "BEAR RESISTANT BINS" a new Section 7 is added to Article 2, as follows:

## **"7. BEAR BOX LOAN PROGRAM**

Contractor shall, at the request of an Eligible Homeowner and on behalf of County as its agent, make a loan to such Homeowner in exchange for a promissory note from such Homeowner in the form of Exhibit O attached to this Agreement (a "Promissory Note") for the purpose of financing the cost of one (1) residential two-can bear resistant enclosure ("bear box"). This Bear Box Loan Program ("Loan Program") shall only be available to an Eligible Homeowner if installation of the bear box is administered through Contractor, as set forth below.

Subject to County's renewed authorization of the Loan Program prior to each Operating Year as part of this Agreement's Collection Rate structure, the Loan Program will be limited to one hundred (100) Program loans per Operating Year. Available loans for the Loan Program for any Operating Year that are not made shall not roll over into the following Operating Year.

Each Eligible Homeowner shall select at least a Class B, General Licensed Contractor to install the bear box (the "Installer"). Contractor shall work with the Eligible Homeowner to ensure that placement of the bear box takes into account the extra distance charge by Contractor and make every attempt to place the box within the no-charge distance limits. Contractor shall only cooperate with the selected Installer for installation of a bear box. The Installer shall ensure that the bear box is on the County's approved bear box list. The Installer shall ensure that the bear box installation meets approved County standards, including Placer County Department of Public Works setback easements. The Installer shall also perform an Underground Service Alert (USA), where necessary, prior to installation of the bear box to ensure that the box does not obstruct any underground utilities. Contractor shall only administer the Loan Program and shall not install or sell bear boxes directly to Eligible Homeowners.

For each approved loan under the Loan Program, Contractor shall provide the initial funds to purchase and install the bear box, up to One Thousand Two Hundred Dollars and 00/100 (\$1,200.00), by paying such amount to the Eligible Homeowner's selected Installer after successful and proper installation of the bear box. Contractor shall inform County of each loan made under the Loan Program during a calendar quarter by including the amount of such loan in Contractor's next quarterly franchise fee report under Article Six, Section 3 below and providing County a copy of the Eligible Homeowner's signed Promissory Note. County shall provide payment to Contractor for the actual cost of the bear box installation paid by Contractor to the Installer, plus an administrative fee of One Hundred Twenty Dollars and 00/100 (\$120.00) to reimburse Contractor for administering the loan, for a total of up to One Thousand Three Hundred Twenty Dollars and 00/100 (\$1,320.00) for each loan, which payment shall be made within thirty (30) days after receipt of Contractor's franchise fee report for the calendar quarter during which the bear box is installed.

Contractor shall provide a quarterly report to County detailing the payment status for each loan outstanding under the Loan Program, including the total loan amount, amount paid-to-date and remaining balance.

If an Eligible Homeowner installs a bear box that is more expensive than the maximum allotment, then the Homeowner will be required to pay the Installer any amount in excess of the One Thousand Two Hundred Dollar and 00/100 (\$1,200.00) maximum bear box installation fee. The terms of each loan created under the Loan Program shall be as set forth in Article Six, Section 2 C. below.”

IV. The existing Section 7 in Article Two is renumbered to be Section 8.

V. ARTICLE SIX – PAYMENTS AND RATES: Section 2. “FEES FOR PROVIDING COLLECTION SERVICES WITHIN THE FRANCHISE AREA” add new Subsection C as follows:

**“C. Bear Box Loan Repayment.** The terms of each loan created under the Loan Program shall be as set forth in the applicable Promissory Note (Exhibit O), including the following: zero percent (0%) interest (except in the case of Default), with monthly payments of Twenty-Two Dollars and 00/100 (\$22.00) each, billed quarterly by Contractor with its Collection rates, for the specified term of the loan. In the case of a loan for the maximum amount of \$1,320.00 (\$1,200.00 for the bear box installation plus \$120.00 for the administration fee), the term of the loan will be sixty (60) months. In the case of a loan for less than the maximum amount, the term of the loan will equal the amount of the loan divided by 22. For example, if the installer installs the bear box for Nine Hundred Eighty Dollars (\$980.00), then the loan amount would be One Thousand One Hundred Dollars and 00/100 (\$1,100.00), which includes the Contractor’s administrative fee of \$120.00, and the Eligible Homeowner would make fifty (50) payments of \$22.00 per month for a total of \$1,100.00.

Each payment of a quarterly bill from Contractor by an Eligible Homeowner who has an outstanding loan under the Loan Program shall be credited first to the loan repayment and then to Collection rates. If an Eligible Homeowner who has an outstanding loan under the Loan Program sells or transfers title to his or her house, the outstanding loan will automatically become due and payable without notice from Contractor, unless the Homeowner provides a written assumption of the Promissory Note signed by the new owners of the house. In order for a Promissory Note to be assumable by the new owners of the house, the Eligible Homeowner must provide the County with a written assumption of the loan signed by the new property owner(s) a minimum of thirty (30) days following the completion of any sale or transfer of the house.

Contractor shall remit all Loan Program repayments it receives to County on a quarterly basis. Should an Eligible Homeowner fail to pay any quarterly payment of the Promissory Note reflected in Contractor's collection bill within ninety (90) days of the billing date and thereby become delinquent in payment of the quarterly collection bill from Contractor, Contractor shall send the Eligible Homeowner a notice that the Eligible Homeowner is delinquent in payment of Contractor's quarterly bill, and that if the installment payment of the Promissory Note reflected in Contractor's delinquent collection bill is not paid in full within thirty (30) of the delinquent payment notice, the Promissory Note shall be in Default, in which case the unpaid principal balance of the Note shall be immediately due and payable and Default Interest shall accrue (and be payable to County) on the unpaid principal balance of the Promissory Note at the rate of ten percent (10%) interest per annum, not compounded.

Contractor's notice of delinquent payment shall also advise the Eligible Homeowner who is delinquent in payment of their collection bill from Contractor that if they Default in payment of the Promissory Note, the County may without further notice to the Eligible Homeowner: (a) commence collection efforts, including legal proceedings, to collect the unpaid balance of the Promissory Note including Default Interest; (b) report the unpaid Promissory Note balance including any Default Interest to credit reporting agencies; and (c) take all other actions necessary to seek the full repayment of the Promissory Note including Default Interest and to recover County's costs of collection.

If the loan remains past due at the end of such thirty (30) day period, Contractor shall refer the loan for collection on behalf of County to a collection agency or firm that is acceptable to County. Any collection by such agency or firm that exceeds its fees shall belong to County.

- VI. A new Exhibit O is attached to the Agreement in the form attached to this Amendment.
- VII. Except as expressly provided in this Amendment, the Agreement shall remain unchanged and in full force and effect. After this Amendment is duly executed and delivered by County and Contractor, this Amendment shall be and constitute an integral part of the Agreement.

County of Placer (County)

By: \_\_\_\_\_  
Chair, Board of Supervisors

\_\_\_\_\_ Date

Tahoe Truckee Disposal Co., Inc. (Contractor)

By: \_\_\_\_\_  
President

By: \_\_\_\_\_  
Secretary

Placer County Eastern Regional Sanitary Landfill, Inc. (Contractor)

By: \_\_\_\_\_  
President

By: \_\_\_\_\_  
Secretary

APPROVED AS TO FORM:

By: \_\_\_\_\_  
County Counsel

BY: \_\_\_\_\_  
Auditor

EXHIBIT O - Placer County Bear Box Loan Program Promissory Note

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**EXHIBIT O**

**PLACER COUNTY BEAR BOX LOAN PROGRAM PROMISSORY NOTE**

**EXHIBIT O**

**PLACER COUNTY BEAR BOX LOAN PROGRAM PROMISSORY NOTE**

(Loan Number: \_\_\_\_\_.)

Name of Property Owner:	
Property (address):	
Loan Amount: (Maximum amount of \$1,320.00, which includes \$1,200.00 plus the Administrative Fee of \$120.00 )	\$ _____, including the Administrative Fee of \$120.00.
Administrative Fee	\$120.00, included in the Loan Amount
Installment Payments	_____ monthly payments of \$22.00 each, followed by a final monthly payment of \$_____, as set forth in the quarterly bills from your Garbage Collection Company.
Repayment Period:	_____ months.
Default Interest Rate:	If Owner(s) do not timely make loan repayments as part of their payment of their bill from the Garbage Collection Company, <b>the unpaid balance of this Note will bear interest at the rate of ten percent (10%) simple interest per annum, until the unpaid balance and all accrued interest is repaid in full.</b>
Agent of County for Collection of Loan	Garbage Collection Company (Tahoe Truckee Disposal Co., Inc.)

Property Owner promises to pay the County of Placer (the "County") the Loan Amount stated above, in installments as stated above, which will be included in the quarterly bills from the Garbage Collection Company, plus any Default Interest that will become due if the Property Owner Defaults in repayment of this Note. This Note shall be an interest free note so long as the Property Owner makes timely payment of this Note through the Property Owner's payment of the quarterly bills from the Garbage Collection Company.

This Note evidences a loan made to Property Owner by the County to pay for the installation of a bear resistant enclosure ("Bear Box") on the Property. The Property Owner acknowledges that the Bear Box has been or will be installed on their Property as a permanent improvement to the Property.

As a convenience to residential homeowners, the Property Owner acknowledges that the County has authorized Garbage Collection Company to act as the agent of the County for purposes of collecting payment of this Note as part of the Property Owner's

garbage collection bill. Or, payments on this Note may be made directly to the Garbage Collection Company at:

<b>Mailing Address</b> Tahoe Truckee Sierra Disposal PO Box 6479 Tahoe City, CA 96145	<b>Administrative Office</b> 645 Westlake Blvd, Suite 5 Tahoe City, CA 96145 Mailing Address
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The Property Owner shall have the right to pay the balance owed on this Note at any time, without penalty.

This principal unpaid balance of this Note shall become immediately due and payable in full upon any sale or transfer of the Property by the Property Owner, unless the Property Owner provides a written assumption of the Note, signed by the new owners of the Property, to the County within thirty (30) days following the date of the sale or transfer.

The Property Owner shall be deemed in "Default" in payment of this Note when: (a) the quarterly bill from the Garbage Collection Company, including payments on this Note, are more than ninety (90) days past due, and (b) the Property Owner fails to pay all unpaid installments then due within thirty (30) days of receiving a notice of delinquent payment from the Garbage Collection Company. Upon the Owner being in Default, the unpaid principal balance of the Note shall become immediately due and payable and Default Interest shall accrue (and be payable to the County) on the unpaid principal balance of this Note at the rate of ten percent (10%) interest per annum, not compounded.

Should the Property Owner be in Default, the County may without further notice to the Property Owner: (a) commence collection efforts, including legal proceedings, to collect the unpaid balance of the Note including Default Interest; (b) report the unpaid Note balance including any Default Interest to credit reporting agencies; and (c) take all other actions necessary to seek the full repayment of the Note including Default Interest and to recover the County's costs of collection.

Any payments made by the Property Owner on the garbage collection bill shall be credited in the following priority: (a) payment of any past due or currently due portion of the principal balance of the Note; (b) if the County has declared the Note due and payable, the full unpaid balance of the Note including any Default Interest; and (c) the Property Owner's garbage collection bill.

All actions to collect the debt evidenced by this Note shall comply with all federal and State of California debt collection laws and regulations.

This Promissory Note shall be interpreted and enforced in accordance with the laws of the State of California.

The undersigned represent(s) that: (a) I/we are all of the owners of the Property described above; (b) I/we have read and understand the terms and conditions of this Note; and (c) I/we promise to repay the Note (and any Default interest if assessed) in full and in accordance with the terms of the Note.

Dated: \_\_\_\_\_

\_\_\_\_\_  
[Signature]

\_\_\_\_\_  
[Signature]

\_\_\_\_\_  
[Print Name]

\_\_\_\_\_  
[Print Name]

