



# CITY OF LODI

## COUNCIL COMMUNICATION

**AGENDA TITLE:** Adopt resolution authorizing the City Manager to provide a Public Benefits Program Grant in the amount of \$75,000 to fund the Lodi Refrigerator/Freezer Environmental Recycling Project, and to execute a contract with JACO Environmental Incorporated to manage the project (EUD)

**MEETING DATE:** March 6, 2002

**PREPARED BY:** Electric Utility Director

**RECOMMENDED ACTION:** That the City Council adopt a resolution authorizing the City Manager to provide a Public Benefits Program Grant in the amount of \$75,000 to fund the Lodi Refrigerator/Freezer Environmental Recycling Project, and to execute a contract with west coast-based JACO Environmental Incorporated (Hayward, CA, Portland, OR, Seattle, WA) to coordinate and manage the project.

**BACKGROUND INFORMATION:** The City of Lodi Electric Utility is proposing a new residential/small commercial electric utility customer program: the Lodi Refrigerator/Freezer Environmental Recycling Project. The project is designed as follows:

- a thirty (30) day campaign beginning March 15, 2002 and concluding on April 15, 2002, or sooner, if funds are exhausted prior to April 15, 2002;
- customers must receive their electric utility service from the City of Lodi;
- customers will receive a rebate in the amount of \$50 for each *working* refrigerator or freezer- *maximum rebate will be \$100 per customer service address*; the City of Lodi will accept non-working refrigerators or freezers (up to two per customer service address), however, no rebate will be provided to the customer; and
- the City of Lodi Electric Utility will contract with JACO Environmental Incorporated for all customer contact, refrigerator/freezer pick-up, and appropriate disposal.

*Note: In reviewing a similar program offered by Sacramento Municipal Utility District (SMUD), it was determined that **only** a few firms nationwide provide for full and appropriate disposal of household appliances: JACO Environmental is one of those organizations. SMUD has been utilizing JACO Environmental for its program since September 10, 2001, and due to the success of that effort, JACO is the recommended and suggested vendor for the City of Lodi project. City of Lodi Electric Utility staff confers with SMUD energy efficiency staff regarding projects such as this, particularly if/when SMUD has already developed similar program concepts. For the aforementioned reason(s), the City of Lodi Electric Utility respectfully requests that the Lodi City Council dispense with going out to bid pursuant to Lodi Municipal Code 3.20.070.*

JACO Environmental will utilize one to two company owned and operated semi-trucks/trailers for the pick-up of refrigerators and/or freezers for the Lodi project. All used appliances will be taken to a JACO warehouse outside the Lodi community, where the appropriate dismantling of the appliance for recycling purposes is achieved.

The City of Lodi Electric Utility has three main goals for this project:

- 1) promote and encourage proper recycling of aging refrigerators and freezers;

APPROVED: \_\_\_\_\_

M. Dixon Flynn - City Manager



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# COUNCIL COMMUNICATION

- 2) further protect our environment by ensuring that old refrigerators and freezers are not dumped in alley ways, parking lots, vacant lots, or surrounding agricultural property; and
- 3) promote energy conservation for local residents and business owners by assisting in the removal of aging and energy *inefficient* appliances.

The City of Lodi Electric Utility respectfully recommends approval of the Lodi Refrigerator/Freezer Environmental Recycling Project as an approved element of the City of Lodi Public Benefits Program.

**FUNDING:** 164605 – Public Benefits Fund (Category: Demand-side Management)

Funding Approval: *Ruby R. Paine for*  
Vicky McAthie, Finance Director

*Alan N. Vallow*  
Alan N. Vallow  
Electric Utility Director

**PREPARED BY:** Rob Lechner, Manager of Customer Programs

ANV/RL/lst

C: City Attorney

APPROVED: \_\_\_\_\_  
H. Dixon Flynn - City Manager

RESOLUTION NO. 2002-52

A RESOLUTION OF THE LODI CITY COUNCIL AUTHORIZING  
THE CITY MANAGER TO PROVIDE A PUBLIC BENEFITS  
PROGRAM GRANT TO FUND THE LODI REFRIGERATOR/  
FREEZER ENVIRONMENTAL RECYCLING PROJECT, AND  
FURTHER AUTHORIZING THE CITY MANAGER TO EXECUTE  
A CONTRACT WITH JACO ENVIRONMENTAL INC. TO  
MANAGE THE PROJECT

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WHEREAS, the state has mandated that beginning January 1, 1998, the City of Lodi is obligated to fund various programs through a Public Benefits Charge (PBC) based on a historical electric revenue requirement; and

WHEREAS, the requirement amounts to approximately \$1M per year that must be dedicated to qualifying programs such as energy efficiency. A further stipulation is that these efforts must be done on the customer's side of the meter in order to qualify; and

WHEREAS, the City of Lodi Electric Utility is proposing a new residential/small commercial electric utility customer program called the Lodi Refrigerator/Freezer Environmental Recycling Project. The project is designed as follows:

- a thirty (30) day campaign beginning March 15, 2002 and concluding on April 15, 2002, or sooner, if funds are exhausted prior to April 15, 2002;
- customers must receive their electric utility service from the City of Lodi;
- customers will receive a rebate in the amount of \$50 for each *working* refrigerator or freezer- *maximum rebate will be \$100 per customer service address*; the City of Lodi will accept non-working refrigerators or freezers (up to two per customer service address), however, no rebate will be provided to the customer; and
- the City of Lodi Electric Utility will contract with JACO Environmental Inc. for all customer contact, refrigerator/freezer pick-up, and appropriate disposal.

WHEREAS, JACO Environmental will utilize one to two company owned and operated semi-trucks/trailers for the pick-up of refrigerators and/or freezers for the Lodi project. All used appliances will be taken to a JACO warehouse outside the Lodi community, where the appropriate dismantling of the appliance for recycling purposes is achieved.

WHEREAS, the City of Lodi Electric Utility has three main goals for this project:

- 1) promote and encourage proper recycling of aging refrigerators and freezers;
- 2) further protect our environment by ensuring that old refrigerators and freezers are not dumped in alley ways, parking lots, vacant lots, or surrounding agricultural property; and
- 3) promote energy conservation for local residents and business owners by assisting in the removal of aging and energy *inefficient* appliances.

WHEREAS, the City of Lodi Electric Utility recommends approval of funding for the Lodi Refrigerator/Freezer Environmental Recycling Project as an approved element of the City of Lodi Public Benefits Program in an amount not to exceed \$75,000.00.

NOW, THEREFORE, BE IT RESOLVED, that the Lodi City Council hereby authorizes the City Manager to provide a Public Benefits Program grant in the amount not to exceed \$75,000.00 to fund the Lodi Refrigerator/Freezer Environmental Recycling Project; and

BE IT FURTHER RESOLVED, that the City Manager is hereby authorized to execute a contract with JACO Environmental Incorporated to manage the project.

BE IT FURTHER RESOLVED, that this program shall be a thirty (30) day campaign beginning March 15, 2002 and concluding on April 15, 2002, or sooner, if funds are exhausted prior to April 15, 2002.

Dated: March 6, 2002

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I hereby certify that Resolution No. 2002-52 was passed and adopted by the Lodi City Council in a regular meeting held March 6, 2002 by the following vote:

- AYES: COUNCIL MEMBERS – Hitchcock, Howard, Land, Nakanishi, and Mayor Pennino
- NOES: COUNCIL MEMBERS – None
- ABSENT: COUNCIL MEMBERS – None
- ABSTAIN: COUNCIL MEMBERS – None

  
 SUSAN J. BLACKSTON  
 City Clerk