



**CITY OF LODI
COUNCIL COMMUNICATION**

AGENDA TITLE: Adopt resolution authorizing the City Manager to allocate Public Benefit Program funds for the Lodi Residential Refrigerator/Freezer Recycling Program; and authorizing the City Manager to execute a contract with JACO Environmental, Incorporated to provide removal and recycling services for this program (\$40,000) (EUD)

MEETING DATE: August 18, 2004

PREPARED BY: Electric Utility Director

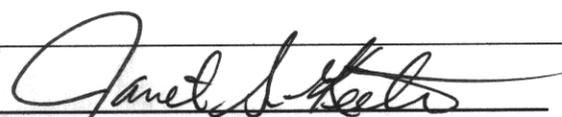
RECOMMENDED ACTION: That the City Council adopt a resolution authorizing the City Manager to allocate \$40,000 in Public Benefit Program funds for the Lodi Residential Refrigerator/Freezer Recycling Program; and authorize the City Manager to execute a contract with JACO Environmental, Incorporated to provide the necessary appliance removal and recycling services for this program.

BACKGROUND INFORMATION: The City of Lodi Electric Utility has offered this program on two previous occasions to the residents of Lodi. Due to the extremely positive response to both of these efforts, Electric Utility staff is recommending a third project be implemented that involves the recycling of aging and inefficient refrigerators and freezers.

The Lodi Residential Refrigerator/Freezer Recycling Program is designed as follows:

- the project will begin September 1, 2004, and be offered for 30 days, or until funds are depleted;
- eligible residential customers must receive their electric utility service from the City of Lodi, and be current on all utility charges;
- customers will receive a rebate in the amount of \$25 for one (1) working refrigerator or freezer; the City 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: The City of Lodi Electric Utility utilized JACO Environmental, Incorporated during the previous refrigerator/freezer recycling projects. For this aforementioned reason, the City of Lodi Electric Utility respectfully requests that the Lodi City Council dispense with going out to bid pursuant to Lodi Municipal Code 3.20.70. By way of this Council action this evening, Council is also authorizing the City Manager to execute a contract with JACO Environmental, Incorporated to provide the necessary and required refrigerator/freezer pick-up, disposal and recycling services.

APPROVED: 
JANET S. KEETER, Interim City Manager

Adopt resolution authorizing the City Manager to allocate Public Benefit Program funds for the Lodi Residential Refrigerator/Freezer Recycling Program; and authorizing the City Manager to execute a contract with JACO Environmental, Incorporated to provide removal and recycling services for this program (\$40,000)

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JACO Environmental will utilize one company-owned and –operated truck 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 area, where the appropriate dismantling of the appliance for recycling purposes is achieved. During the previous two projects, over 750 used, energy *inefficient* refrigerators/freezers were recycled. These older appliances* consume, on average, approximately 15 percent more energy during the course of one year, than the 2004 EnergyStar®-approved refrigerators or manual defrost freezers. In addition, refrigerators/freezers in excess of ten years of age cost roughly \$15 to \$18 per month to operate.

The total requested budget for this program is \$40,000. Of that amount, \$5,000 is earmarked for advertising and promotional purposes, while the remaining \$35,000 is designated for customer rebates and JACO Environmental's fee for services. With this proposed budget, it is anticipated that 250 used refrigerators/freezers can be disposed of and recycled.

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

(*An older appliance is defined as one that has been in service for ten years or more.)

FUNDING: 164605- Public Benefits Program (Category: Demand-side Management)

Funding Approval:


James R. Krueger, Finance Director



Alan N. Vallow
Electric Utility Director

PREPARED BY: Rob Lechner, Manager of Customer Service and Programs

ANV/RL/1st

cc: City Attorney

RESOLUTION NO. 2004-163

A RESOLUTION OF THE LODI CITY COUNCIL AUTHORIZING
THE CITY MANAGER TO ALLOCATE PUBLIC BENEFITS
PROGRAM FUNDS FOR THE LODI RESIDENTIAL
REFRIGERATOR/FREEZER RECYCLING PROGRAM
AND FURTHER AUTHORIZING THE CITY MANAGER TO EXECUTE
A CONTRACT WITH JACO ENVIRONMENTAL INC., TO PROVIDE
REMOVAL AND RECYCLING SERVICES FOR THIS PROGRAM

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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 an historical electric revenue requirement; and

WHEREAS, the requirement amounts to approximately \$1 million 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 Electric Utility Department respectfully requests that the City Manager be authorized to allocate Public Benefit Program funds in the amount of \$40,000 to fund the Lodi Residential Refrigerator/Freezer Recycling Program. The Program is designed as follows:

- the project will begin September 1, 2004, and be offered for 30 days, or until funds are depleted;
- eligible residential customers must receive their electric utility service from the City of Lodi and be current on all utility charges;
- customers will receive a rebate in the amount of \$25 for one (1) working refrigerator or freezer; the City 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.

WHEREAS, JACO Environmental will utilize one company-owned and -operated truck 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 area, where the appropriate dismantling of the appliance for recycling purposes is achieved; and

WHEREAS, Lodi Municipal Code §3.20.070 authorizes dispensing with bids for purchases of supplies, services, or equipment when it is in the best interest of the City to do so; and

WHEREAS, the City of Lodi Electric Utility utilized JACO Environmental, Inc. during the previous refrigerator/freezer recycling projects. For this aforementioned reason, the City of Lodi Electric Utility respectfully requests that the Lodi City Council dispense with going out to bid pursuant to Lodi Municipal Code 3.20.70; and

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 \$40,000.00; and

WHEREAS, staff recommends that the City Council authorize the City Manager to execute a contract with JACO Environmental, Inc. to provide the necessary and required refrigerator/freezer pick-up, disposal, and recycling services.

NOW, THEREFORE, BE IT RESOLVED that the Lodi City Council hereby authorizes the City Manager to allocate Public Benefits Program funds in the amount not to exceed \$40,000 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 provide removal and recycling services for the program; and

BE IT FURTHER RESOLVED that this program will begin on September 1, 2004 for a period of thirty days, or until the funds are exhausted.

Dated: August 18, 2004

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I hereby certify that Resolution No. 2004-163 was passed and adopted by the Lodi City Council in an adjourned regular meeting held August 18, 2004 by the following vote:

AYES: COUNCIL MEMBERS – Beckman, Hitchcock, Howard, Land, and Mayor Hansen

NOES: COUNCIL MEMBERS – None

ABSENT: COUNCIL MEMBERS – None

ABSTAIN: COUNCIL MEMBERS – None



SUSAN J. BLACKSTON
City Clerk