



**CITY OF LODI
COUNCIL COMMUNICATION**

AGENDA TITLE: Adopt resolution authorizing the City Manager to amend the existing *Lodi House-As-A-System Inspection Program*, by increasing the rebate amount for air duct replacement from \$600 to \$1000 (EUD)

MEETING DATE: December 1, 2004

PREPARED BY: Electric Utility Director

RECOMMENDED ACTION: That the City Council adopt a resolution authorizing the City Manager to amend the existing *Lodi House-As-A-System Inspection Program*, by increasing the rebate amount for air duct replacement from \$600 to \$1000.

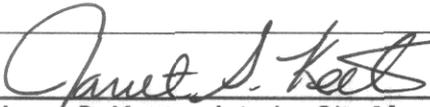
BACKGROUND INFORMATION: The *Lodi House-As-A-System Inspection Program* was started in September of 2003. To date, over five hundred (500) residential customers have participated in this program, which provides a computer diagnostics test of the customer's heating and air conditioning duct system. The test, performed by the Electric Utility, measures room-by-room air flow and air return. This testing procedure (which is only being conducted by one other electric utility in the nation) is the critical first step in addressing whether the home's central heating and cooling system is designed correctly, and functioning properly.

Once the computer diagnostics testing is complete, the residential customer is provided with the results of the test, along with recommendations for improving the system (if identified). The Electric Utility Department, through the City of Lodi Public Benefits Program, then provides rebates to residential customers who repair or entirely replace duct work within their home.

The current rebate for duct repair is \$300, and for duct system replacement, the rebate is \$600. By way of this Council action, Electric Utility staff is requesting that the rebate amount for duct replacement be *increased* to \$1000. By increasing the duct replacement rebate, utility staff believes that additional customers will replace failing or poorly designed duct work in their home. (Note: of the 500 plus tests performed since September of 2003, less than 20 customers have pursued duct repair or replacement work; to replace a home's entire duct system, which in many cases is the most appropriate corrective action, the cost can exceed \$4,000 to \$5,000. It should also be noted that in excess of 70 percent of the homes tested in this program so far, have failed. When a home fails the inspection testing, the only corrective action should be duct replacement, or significant duct repairs.)

Electric Utility staff respectfully recommends approval of this item as a qualifying component of the City of Lodi Public Benefits Program.

APPROVED:


Janet S. Keeter, Interim City Manager

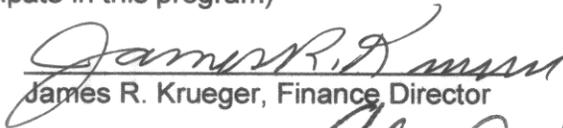
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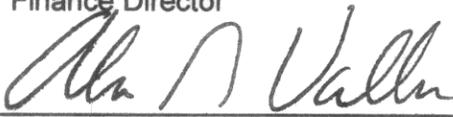
December 1, 2004

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FUNDING: Not applicable (funding is currently available, and budgeted, for customers who participate in this program)

Funding Approval:


James R. Krueger, Finance Director


Alan N. Vallow
Electric Utility Director

PREPARED BY: Rob Lechner, Manager, Customer Service & Programs

ANV/RL/lst

Attachments

cc: City Attorney

RESOLUTION NO. 2004-265

A RESOLUTION OF THE LODI CITY COUNCIL AUTHORIZING
THE CITY MANAGER TO AMEND THE EXISTING LODI
HOUSE-AS-A-SYSTEM INSPECTION PROGRAM BY
INCREASING THE REBATE AMOUNT FOR AIR DUCT
REPLACEMENT

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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 City of Lodi's Public Benefits Program is comprised of four segments or customer groups: commercial/industrial, residential, community/non-profit, and municipal; and

WHEREAS, the Lodi House-As-A-System Inspection Program was started in September 2003, providing a computer diagnostics test of the customer's heating and air conditioning duct system; and

WHEREAS, the test, performed by the Electric Utility, measures room-by-room air flow and air return and is the critical first step in addressing whether the home's central heating and cooling system is designed correctly and functioning properly; and

WHEREAS, once the computer diagnostics testing is complete, the residential customer is provided with the results along with recommendations for improving the system if problems are identified; and

WHEREAS, the Electric Utility Department, through the City of Lodi Public Benefits Program, then provides rebates to residential customers who repair or entirely replace duct work within their home; and

WHEREAS, staff recommends amending the Lodi House-As-A-System Inspection Program by increasing the rebate amount for air duct replacement from \$600 to \$1,000.

NOW, THEREFORE, BE IT RESOLVED that the Lodi City Council does hereby approve amending the Lodi House-As-A-System Inspection Program by increasing the rebate amount for air duct replacement from \$600 to \$1,000.

Dated: December 1, 2004

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I hereby certify that Resolution No. 2004-265 was passed and adopted by the Lodi City Council in a regular meeting held December 1, 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

A handwritten signature in black ink, appearing to read "Susan J. Blackston". The signature is fluid and cursive, with a large initial "S" and "J".

SUSAN J. BLACKSTON
City Clerk