

**CITY OF MILTON-FREEWATER
ENERGY CONSERVATION LOAN PROGRAM
ADMINISTRATIVE RULES**

1. The property where the measures or equipment is to be installed must be within City Light and Power service territory and remain there for the term of the loan.
2. The amount of money available through this program is a minimum of five hundred (\$500) dollars and a maximum of ten thousand (\$15,000) dollars.
3. Interest charge for this program are as follows:
Six percent (6%) per annum for loans under \$5,000.
Four percent (4%) per annum for loans over \$5,000.
Interest rate may be adjusted on a yearly basis if necessary for new loans.
4. The term of the loan may be 12, 24, 36, 48, or 60 months depending on the loan amount.
5. A customer is eligible to apply for a loan or a rebate but not both for the same project.
6. A customer may have only one energy loan outstanding at any one time. The loan may not be restructured for the purposes of financing additional energy conservation measures. This is to encourage all selected measures to be undertaken at one time.
7. The City will assess a loan “fee” for processing, research and approving the loan application, and if applicable, for recording a lien on the subject property in the form of a deed of trust or UCC-1 filing. This amount can be financed as part of the loan.
8. The loan payments will be paid monthly as a separate bill from the utility bill.
9. If the monthly loan payments are not kept current (within thirteen (13) days after due date), the City will follow electric service disconnect procedures for the customer. If a loan payment becomes ninety days the City will take any and all legal measures to seek repayment of the loan.
10. The City has the right to waive any or all of these rules for any application for which there are special circumstances.
11. If a customer sells the property or changes retail electric supplier, the loan will be due in full upon receipt of the final utility bill.
12. There is no penalty for early payoff of an energy loan.
13. Property owners must be willing to allow the City access to conduct an energy audit where applicable.
14. All measures installed and financed must meet the specifications of the following City Light and Power Energy Conservation programs: Weatherwise Insulation, Weatherwise Windows, Weatherwise Heat Pumps, Energy Star appliances. These specifications are available in the Conservation Office at City Hall.

15. If a contractor determines that a safety, health, or environmental hazard exists at the customer's property or that structural repairs are necessary, the contractor shall cease work immediately and notify the customer and the City. The customer shall correct the condition within a reasonable period of time before any further work will be performed by the contractor. In the event the customer fails to correct the work in a reasonable period of time, the contractor shall be released from its obligation to continue work under this agreement. The City shall pay the contractor for the work performed to date and the customer will start making payments to the City.
16. The City shall pay the contractor the full amount authorized from the approved Notice to Proceed within 30 days of the approved final inspection. The contractor will send the bill directly to the City. Receipt of the bill by the City will serve as notice that the project is ready for inspection.
17. If an energy conservation measure is not installed correctly or does not meet the minimum efficiency specification, the City may charge a fifty dollar (\$50.00) re-inspection fee.
18. The following are the Energy Conservation Loan approval criteria:
 - a. 3 years utility payment history with City Light and Power and none of the following: NSF check to the City, disconnect for nonpayment of utility services, more than three late payment fees from the City in one year, poor credit history from previous utility(ies).
 - b. Less than 3 years utility payment history with City Light and Power, three years payment history with previous utility(ies) and none of the following: NSF check to a utility, disconnect for nonpayment of utility services, more than three late payment fees from the City in one year, poor credit history from previous utility(ies).
 - c. All other situations and circumstances will be reviewed on a case by case basis by the City Finance Department.

ORDER OF EVENTS:

1. Customer requests a loan application, schedules an energy audit (if applicable) and asks for bids on measures selected. (Electric Dept. will do this)
2. After bids are received, the customer submits loan application. Finance Department will review application and approve/disapprove application. Finance will also determine the need for lien on the property. The Finance Dept. forwards decision (by hard copy or e-mail) to Conservation Office.
3. If loan is approved, customer will select contractor (if applicable). When project is complete, the contractor will submit the bill to the City. This is to serve as notice that the job is ready for final inspection. Electric Dept will inspect installed measures.
4. Customer schedules loan signing with Electric Dept. staff. and **signs papers in this order:** Notice to Proceed, Privacy Notice, Disclosure Statement, Promissory Note, and lien papers (if applicable). Electric Dept will handle this.
5. Electric Dept. will distribute all documents to the customer, contractor, County (if applicable) and City files.
6. After satisfactory inspection the Electric Dept will notify the Finance Dept that the project is complete and to pay the contractor.
7. Finance Dept pays contractor and begins billing of the customer the next month.
8. If a customer misses a loan payment, the Finance Dept shall follow the same procedures as the City uses for a customer that fails to pay a utility bill (disconnect utilities first then collection agency if necessary).
9. Upon full payment of loan, the City will file to release lien on the property with the County, and send notice of loan payment to the customer. Electric Dept. will do this.

