

POLK-BURNETT ELECTRIC COOPERATIVE

Policy No.: **M-39**

Subject: **Safety First – Farm Rewiring Grant & Loan Program**

Objective: To assist member owned and operated dairy farm locations with safety and power quality, the cooperative urges the inspection of electrical wiring and replacement as needed to be brought up to Wisconsin and National electrical codes. Realizing that inadequate wiring creates an unsafe condition for dairy farm operations and can contribute to other conditions that could have an adverse effect on the dairy herd, the cooperative seeks to assist those locations where today's standards are not being met. This endeavor, coupled with the cooperative's effort on the utility side, is to bring safe, reliable electric service to farmsteads.

Policy: Grants can be made available for up to 20% of the cost of a project not to exceed a total project cost of \$20,000. Loans for the remaining balance of the project can be made available to qualified borrowers. Loans will be made for up to ten (10) years with an interest rate of five percent (5%). Grant and loan applications will be reviewed and approved on a case-by-case basis by the cooperative board of directors. The loan will not exceed 80% of the electrical contractor bid total or the maximum project cost of \$20,000 whichever is less. For the program to be successful, the following criteria must be met:

1. The rewiring project needs to qualify for the Safety First rewiring grant through Wisconsin Electric Cooperative Association (WECA).
2. The member will then have the opportunity to apply for the Safety First Grant & Loan program through the cooperative.
3. A Wisconsin Certified Electrical Inspector must make an inspection of the entire premises including barn, home and out buildings, storage facilities, etc. There will be no charge for this inspection, as it will be paid for by the cooperative. **The cooperative will arrange and pay for said electrical inspection even if the loan program is not used.**
4. A list of all defects must be furnished to the owner and the cooperative.
5. The owner will obtain bids from two licensed electrical contractors and furnish the cooperative with the selected bid to rewire according to code
6. Management of the cooperative will provide the initial approval of the project.
7. The owner is required to sign a loan agreement with Polk-Burnett, if requesting financing.
8. The owner will sign documents allowing the property where the rewiring project is to be completed as collateral for the loan. The owner will be responsible for filing fees to the county/state. The owner will assign their capital credits to the cooperative as security for the loan. In the event of default of payments, the cooperative will apply the yearly capital credit refunds as declared paid by the board of directors on a general refund basis. Simple interest at an annual rate of five percent (5%) will accumulate until such time as the entire loan is paid.
9. The amount of the contract due the contractor will be paid jointly on approval of final re-inspection by a Wisconsin Certified Electrical Inspector. **The cooperative will arrange and pay for the re-inspection fee.**
10. The owner will commence monthly payments to the cooperative of principal and interest 30 days after final inspection and approval of the project. Payments will be itemized on the electric bill or separate invoice.
11. In the event of the sale of the property, the owner will pay the remaining balance in full.

Responsibility: The general manager shall oversee and administer this policy. The general manager and board of directors reserve the right to accept or reject any loan application and to modify or discontinue this program at any time.

Edward O. Gullickson, President
September 28, 2015