



Final State Plan for the

**Weatherization Assistance Program –
American Recovery and Reinvestment Act (ARRA) Funded**

This document has been reviewed and approved by the U.S. Department of Energy (USDOE).

General Information about the Weatherization Assistance Program:

The Weatherization Assistance Program (WAP) is federally funded primarily through the U.S. Department of Energy (USDOE) with additional funds from the Department of Health and Human Services. To date, this program has provided services to more than 6.2 million low income households in the U.S. WAP uses energy conservation techniques to improve the energy efficiency in low income households. Approved measures may include air-sealing, insulation, or repair/replacement of home heating or water heating equipment.

As part of the process for receiving funding from the USDOE for WAP, the state is required to file a state plan with USDOE. The plan (currently in draft form) is intended to satisfy the requirements of USDOE under the terms of the federal WAP program rules. The components of the plan include: eligible populations, distribution of funds, health and safety plan, and energy audit procedures.

WAP is administered by 32 service providers across the state. These service providers conduct audits, provide client education and arrange for improvements to be completed by employees of service providers or private weatherization contractors. The Office of Energy Security provides oversight of this program in the following ways: training and technical assistance, on-site monitoring, data analysis, report generation and fiscal monitoring.

This plan was developed in coordination with legislation passed by our state legislature. The legislation is SF657 titled [Federal Stimulus for Energy Programs](#).

In addition, the American Recovery and Reinvestment Act of 2009 (ARRA) has provided funds for Minnesota to invest in weatherizing low-income homes throughout the state. A copy of the ARRA funded WAP plan is available at www.energy.mn.gov

U.S. Department of Energy

WEATHERIZATION ANNUAL FILE WORKSHEET

Grant: EE00103

Amendment: 000

State: MN

Program year: 2009

Budget period: 04/01/2009 - 03/31/2012

II.3 Subgrantees

Grantee	City	Tentative	
		Funding	Units
Anoka County Community Action Program	Blaine	3,197,048.00	443
Arrowhead Economic Opportunity Agency, Inc.	Virginia	8,716,842.00	1,210
Bi-County Community Action program, Inc.	Bemidji	3,131,000.00	434
Bois Forte Reservation Tribal Council	Nett Lake	144,679.00	18
Community Action of Minneapolis	Minneapolis	12,120,419.00	1,682
Community Action Partnership of Ramsey & Washington Counties	Vadnais Heights	12,433,145.00	1,726
Dakota County Housing and Redevelopment Authority	Eagan	3,441,445.00	477
Fond Du Lac Reservation Business Committee	Cloquet	255,095.00	34
Heartland Community Action Program	Willmar	2,825,721.00	391
High Performance Fund	St Paul	9,750,000.00	1,500
Inter-County Community Council	Oklee	1,743,752.00	241
KOOTASCA Community Action, Inc.	Grand Rapids	2,406,210.00	333
Lakes and Pines Community Action Council, Inc.	Mora	5,301,377.00	735
Leech Lake Reservation Tribal Council	Cass Lake	678,604.00	93
Mahube Community Council, Inc.	Detroit Lakes	2,298,157.00	318
Mille Lacs Band of Ojibwe Indians	Onamia	309,795.00	41
Minnesota Valley Action Council, Inc.	Mankato	5,626,039.00	780
Northwest Community Action, Inc	Badger	1,198,582.00	166
Otter Tail-Wadena Community Action Council, Inc.	New York Mills	2,897,569.00	401
Prairie Five Community Action Council, Inc.	Montevideo	1,704,817.00	236
Red Lake Tribal Government	Red Lake	698,740.00	96
Scott-Carver-Dakota CAP Agency, Inc.	Shakopee	1,460,721.00	202
Semcac	Rushford	7,689,595.00	1,067
Southwestern Minnesota Opportunity Council, Inc.	Worthington	1,662,472.00	230
Sustainable Resources Center	Minneapolis	7,549,052.00	1,047
Three Rivers Community Action, Inc.	Zumbrota	2,218,252.00	307
Tri-County Action Programs, Inc. (SC)	Waite Park	4,723,264.00	655
Tri-County Community Action Program, Inc. (LF)	Little Falls	4,076,173.00	565
Tri-Valley Opportunity Council, Inc	Crookston	1,645,438.00	228
West Central Minnesota Communities Action, Inc.	Elbow Lake	4,579,611.00	635
Western Community Action, Inc.	Marshall	2,288,924.00	317
White Earth Reservation Tribal Council	Wauban	501,536.00	69
Wright County Community Action, Inc.	Maple Lake	1,313,341.00	181
TOTALS		120,587,415.00	16,858

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II.4 WAP Production Schedule

Total Units (excluding reweatherized)	16,858

Units by type (excluding reweatherized):	
Owner-occupied single-family site-built	
Single-family rental site-built	
Multi-family	
Owner-occupied mobile home	
Renter-occupied mobile home	
Shelter	
Units by occupancy:	
Elderly	
Persons with disabilities	
Native American	
Children	
High residential energy user	
Household with a high energy burden	
Other unit types:	
Rewatherized Units	0

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1. **Topic/Issue:** Software-related technical assistance (includes eHEAT and WA)
Audience: Subgrantee staff (auditors, coordinators, program assistants)
Timeframe: Ongoing and/or upon subgrantees' requests
Venue: Training sites (such as hotel conference rooms), subgrantee sites

2. **Topic/Issue:** Weatherization Assistant Audit tool training (both new version and advanced skill-building)
Audience: Grantee and Subgrantee (energy auditors, program assistants) staff
Timeframe: Ongoing and/or upon subgrantees' requests
Venue: Minnesota Weatherization Advisory Group (MWAG) annual July meeting, regional clusters, auditor roundtables.

3. **Topic/Issue:** Lead safe work practices (classroom and hands-on)
Audience: Grantee and subgrantee staff (energy auditors and installers)
Timeframe: Ongoing
Venue: Regional clusters, subgrantee sites, State Weatherization Conference

Detailed information about this course:

In the first quarter of PY 2009 (July - September), Minnesota will assess the current status of LSW for all subgrantees and their installers in preparation for meeting the PY 2010 DOE and EPA requirements. The assessment will include a minimum of the following activities:

Adequacy of tools, equipment, supplies, personal protective gear.

Actual lead safe work practices in the field

Survey all subgrantees to determine the scope of future training need

Begin on-going dialog with local subgrantees (probably at MWAG) to solicit input, comments and concerns.

Review of the EPA LSW rules

At the beginning of the second quarter of PY 2009, Minnesota will collate/analyze the data from the assessment above. This will enable Minnesota to develop stronger LSW-specific state policy by the end of the second quarter, including:

Training requirements including deadlines for obtaining training and acceptable documentation that training has been completed.

More detailed monitoring protocols

Consequences of non-compliance

In the remainder of the PY 2009 program year, Minnesota will continue field monitoring according to the new LSW monitoring protocol to assure compliance with minimum LSW practices, and take the steps necessary to implement an EPA-approved LSW curriculum prior to PY 2010.

4. **Topic/Issue:** Code compliance - Mechanical, Building, Energy (mostly technical assistance)
Audience: Grantee and Subgrantee (energy auditors) staff
Timeframe: Ongoing and/or upon subgrantees' requests
Venue: Training sites (such as hotel conference rooms), subgrantee sites

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5. **Topic/Issue:** Mechanical systems (classroom and hands-on)
Audience: Grantee and subgrantee (auditors) staff
Timeframe: January/February 2010 and upon subgrantees' requests
Venue: Regional clusters, existing community college and subgrantee HVAC laboratories, other subgrantee sites, State Weatherization Conference
6. **Topic/Issue:** Technical weatherization issues training (classroom and hands-on)
Audience: Grantee and subgrantee (energy auditors, installers) staff
Timeframe: Quarterly and as requested by subgrantees
Venue: Auditor roundtable, regional clusters, subgrantee sites, State Weatherization Conference
7. **Topic/Issue:** House diagnostics (classroom and hands-on)
Audience: Grantee and subgrantee (energy auditors, installers) staff
Timeframe: Quarterly and as requested by subgrantees
Venue: Auditor roundtable, regional clusters, subgrantee sites, State Weatherization Conference
8. **Topic/Issue:** Administrative Issues
Audience: Grantee and subgrantee (coordinators and program assistants) staff
Timeframe: Bi-monthly and on an as needed basis
Venue: MWAG meetings, regional clusters, State Weatherization Conference
9. **Event:** Minnesota Weatherization Conference*,**, ****
(co-sponsored, planned and implemented by DOC and MWAG)
Audience: Grantee and all subgrantee staff
Timeframe: 4th Quarter
Venue: Conference site to be determined
10. **Event:** Residential Auditor Training - Dunwoody College of Technology*, ***, ****
(Co-sponsored by DOC and the Conservation Improvement Program)
Audience: Existing and new auditors
Timeframe: Ongoing
Venue: Sites to be determined by contractor
11. **Event:** Advanced Auditor Training - Mechanical
Audience: Existing and new auditors; mechanical contractors
Timeframe: Ongoing
Venue: Sites to be determined by contractor
12. **Event:** Advanced Auditor Training - Insulation and Air Sealing
Audience: Existing and new auditors, insulation contractors (crew leaders)

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Timeframe: Ongoing
Venue: Sites to be determined by contractor

13. **Event:** Insulation and Air Sealing
Audience: Insulation and air sealing crew
Timeframe: Ongoing
Venue: Sites to be determined by contractor

14. **Event:** Auditor Roundtable*,**
Audience: Subgrantee Auditors
Timeframe: Ongoing
Venue: Varies

Items 11 through 13 are currently being planned and are intended to be in place by June 30, 2009.

* = Course includes mold and moisture awareness training

** = Course includes mobile home weatherization training

*** = Course includes mobile home energy auditing training

**** = Course includes client education training

Monitoring Activities

Annual monitoring activities for the 2009 program year are described broadly by four components: desk monitoring, administrative site visits to subgrantees, on-site monitoring for all completed jobs, and fiscal monitoring.

Individual client completion files as well as agency fiscal and expenditure data provide DOC with detailed information which is used for both monitoring and program analysis. This data will be incorporated into the monitoring components of both American Recovery and Reinvestment Act (ARRA) and the regular DOE funding. Specific on-site visits and a detailed "Reports Module" generated from the Weatherization Assistance (WA) as well as eHEAT databases provide extensive details on administrative and on-site client jobs.

The DOC has set a target of doubling (5% to 10%) all ARRA weatherization on-site job completions for each agency. The DOC will increase monitoring staff to include up to 10 field monitors and two dedicated fiscal monitors.

1. Desk monitoring: In the coming year DOC will be reviewing the following areas for each subgrantee:
 - **Production goals and completions.** Subgrantees are required to set quarterly production goals as a part of their annual eHEAT workplans. Workplans are carefully reviewed, approved attached to the subgrantees' contracts. Staff compares actual production to these goals on no less than a monthly basis. Production reports will be

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provided on no less than a monthly basis to all agencies. Subgrantees falling behind on production will be given targets and timelines for achieving compliance.

- **Cost-effectiveness.** Compliance with cost-effectiveness criteria will be reviewed both monthly and quarterly for each subgrantee. These reviews will use WA reports that compile Savings-To-Investment Ratio (SIR) data by individual energy conservation measure and by complete job. Subgrantees will be notified of noncompliance via e-mail and required to make corrections so that all measures are cost-effective. Notifications will include a timeline for completing corrections.
- **Health/Safety.** Costs and specific Health and Safety activities will be reviewed both monthly and quarterly using WA data to determine the appropriateness of each Health/Safety measure type. In addition, subgrantee costs will be reviewed using eHEAT fiscal expenditure data to be ensured that average expenditures are met. Subgrantees will be notified in writing of their compliance cost and activities.
- **General Repair.** Costs and activities will be reviewed both monthly and quarterly using WA data to determine both appropriateness activities for the General Repair measure type and that these costs do not exceed limits. Subgrantees will be notified of any questioned costs or activities and make any necessary corrections.
- **Timeliness of Service.** Minnesota policy requires that no more that 90 days elapse from the time of the energy audit to the final inspection on all jobs. WA data will be used to determine if subgrantees conform to this standard. This issue will be reviewed both monthly and quarterly during the program year. Due to the unprecedented ramp up with ARRA, DOC does not expect 100% compliance regarding this target and may grant a waiver by request from agencies for ARRA funding. WA files will document reasons for delays. Where timeliness is a significant problem, the subgrantee will be monitored and provided support to meet their target.
- **Fiscal Audits.** All subgrantees complete annual fiscal audits as required by various federal rules. Subgrantees are required to submit a copy of CPA generated fiscal yearly audit report to DOC. State staff review all audits and require corrections or adjustments regarding any weatherization-related finding or other issue. Special ARRA fiscal and any other ARRA expenditure or reporting details will be submitted on a timely basis.
- **Technical and Safety Data Reports.** Subgrantees are required to record data about each weatherization job in WA. Examples include blower door and pressure diagnostic readings, mechanical systems' safety and diagnostic tests, and pressure diagnostics. These data reports are reviewed monthly and provided to subgrantees during on-site completion visits of concern or compliance can be addressed or rectified.
- **Monitoring Tool Questionnaire.** An electronic questionnaire is submitted to all subgrantees and reviewed as part of administrative and monitoring reviews. This tool will also incorporate all necessary ARRA requirements.

2. On-Site Administrative Monitoring Visits. Each subgrantee will receive at least one monitoring

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visit during the program year. Visits will be completed by DOC staff and include:

- Client paper file and WA electronic reports' review of approximately 10% of job completions.
- Administrative reviews and feedback from the monitoring questionnaire.

- 3. On-site Job Completion/Client Visits.** DOC field monitors will complete inspections on select ARRA funded completions. A random selection of homes will be chosen by state staff. Client interviews will take place using a standard format for interviews, WA audit and work orders will be reviewed and all conservation and mechanical measures will be inspected. Blower door readings will be checked to verify recorded post-inspection readings. Copies of the file reviews will be available and weekly feedback from the on-site monitors will be given to the DOC Weatherization Supervisor. These on-site inspections will take place in the presence of the local agency auditor originally assigned to each home. Random inspections by the on-site monitors will also take place with the new insulation contractors doing work with ARRA weatherization funding.
- 4. Tracking Systems and Databases.** DOC will continue to use the Minnesota Monitoring Log (MML) to track monitoring issues as well as issues raised by fiscal and desk monitoring, monthly client reports, and any administrative on-site monitoring.
- 5. Written Reports.** Written reports will be provided to subgrantees within 30 days of each agency subgrantee visit. These reports include information on any findings or other issues identified by desk and on-site monitoring activities, as well as any required or recommended corrective actions. Written reports will be provided to each subgrantee and auditing staff. Monthly written and electronic reports will be provided on production and job completions.
- 6. Fiscal Monitoring.** Two fiscal monitors will be assigned for monitoring and fiscal tracking of expenditures for ARRA, DOE, EAP, and other federal and utility funding sources provided to subgrantees. Monthly Fiscal Status Reports (FSRs) data will be reviewed in eHEAT for each subgrantee as well as the targeted selection of on-site visits to agencies for additional monitoring. Each monitor will visit approximately 16 agencies no less than twice yearly.
- 7. Analysis.** Grantee staff members maintain a weekly dialog regarding specific monitoring and other issues raised by monitoring, site visits and T&TA activities. These dialogs assist staff in providing information to subgrantees and inform program planning discussions. The databases of eHEAT, WA and MML enable grantee staff members to make informed decisions about WAP administration and which agencies to provide additional support and training for them to be successful.
- 8. High Performance Funds.** DOC will retain \$9,750,000 in ARRA funding as a High Performance Fund. These funds will be released to agencies that exceed their goals and show the capacity to complete additional units prior to September 30, 2010. The method for determining the release of

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these funds will be determined by DOC prior to April 30, 2010.

Other Notes:

DOC requires all contractors to sign a contract before any training/work can begin. As a normal business practice, the state reserves 10% of the total amount due until all services have been performed.

DOC does not plan on hiring contractors to carryout the day-to-day operations of the Weatherization program.

Subgrantees have been notified of USDOE's request that a training reimbursement or retention agreement be used for local contractors. (THIS STMT NEEDS MORE WORK).

II.7 DOE-Funded Leveraging Activities

DOE defines leveraging as the actions of the state and local agencies to obtain and account for resources provided to supplement or supplant federal funding being used to weatherize dwelling units.

Minnesota is not dedicating any resources for leveraging activities in Program Year 2009.

II.8 Policy Advisory Council Members (names, groups, agencies)

Minnesota Valley Action Council, Inc. / Pam Wild	Pam Wild
Energy Cents Coalition / Pam Marshall	Pam Marshall
Dept. of Labor and Industry / Building Codes and Standards Division	Don Sivingy
Jack Bethke / Community Action - Minneapolis	
John Harvanko / MN Department of Commerce	
Joe Plummer / MN Department of Commerce	
Dean Talbot / Minnesota Power	
Kevin Brauer / Center for Energy and Environment	
Dick Stone / Univ. of Minn. Extension	
Gary Nelson / Energy Conservatory	
Scott Nelson / MN Department of Labor & Industry	
Reed Erickson / MN Department of Employment & Economic Development	
Jonathan Stanley / Minnesota Housing	
Marilyn Bruin / Univ. of Minn.	
Daryl Sager / Fresh Energy	

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II.9 State Plan Hearings (send notes, minutes, or transcript to the DOE office)

Hearing Date
04/27/2009

Newspapers that publicized the hearings and the dates that the notice ran.

Minneapolis Star & Tribune
12 April 2009 - all editions

II.10 Adjustments to On-File Information

The On-File Information has been significantly revised, and is therefore part of the Public Hearing and the Policy Advisory Council review in its entirety. Major changes include the increase cost per unit average from \$2,500 to \$6,500; using up to 200% of federal poverty levels for eligibility criteria; prevailing wage requirements; and increased reporting as authorized by the American Recovery and Reinvestment Act of 2009.

II.11 Miscellaneous

Assuring Capacity. In an effort to ensure that agencies will complete their allocation of units completed, DOC will analyze the status of each agency in comparison to its Work Plan and units completed at least quarterly. DOC has outlined throughout this Annual File, where and how DOC will ramp up to ensure high quality weatherization work continues to be carried out across the State of Minnesota.

Prevailing Wage: The American Reinvestment and Recovery Act of 2009 requires subgrantees of the Weatherization program to ensure prevailing wages are paid to contractors and labor crews. As of the publication date of this plan, USDOE had not made a clear ruling on how this requirement will be enforced over the program. The DOC will abide by the final ruling issued by USDOE.

During Program Year 2009 the DOC will continue to use 50% of State Median Income to determine client eligibility. The DOC will use PY 2009 to identify the need and impact of raising income eligibility to 200% of Federal Poverty Level as allowed under the American Recovery and Reinvestment Act of 2009.

DOC understands situations when an agency may not be able to easily complete its unit allocation may arise. In such a situation, an agency may relinquish units and funding for those units if, for any reason, it believes it cannot complete those units in the next quarter.

DOC reserves the right to work with agencies it believes may not be able to complete its allocation within allotted time frames and may recapture funds from any underperforming agency in order to ensure that the State of Minnesota completes its required number of units for DOE.

Notes from the Minnesota Weatherization Assistance Program Policy Advisory Council Meeting
April 20, 2009
Department of Commerce Summit Conference Room
10:00AM - 12:00PM
Agenda - April 20, 2009
Welcome

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Introductions

Update on the American Recovery and Reinvestment Act

Annual and Master Plan Review

Discussion and Comments

Notice of State Plan Hearing

Adjourn

Present: Reed Erickson, Gary Nelson, Pam Marshall, Richard Stone, Laura Silver (for Joe Plummer), Jack Bethke, Pam Wild, John Harvanko, Mark McLaughlin, Steve Loomis, Marilou Cheple, Amy Bicek.

After the welcome and introductions, Marilou Cheple presented an overview of American Recovery and Reinvestment Act followed by the an overview per section of the State Annual and Master Plans for both the ARRA and Regular and Supplement funding.

The following topics were discussed:

Pam Marshall. *Can State Legislature order changes to the State Plan?*

The discussion centered around the ability of the state to dictate contents of the State Plans. It was explained that although the state could offer direction in some areas, DOE guidelines must be adhered to.

Pam Marshall. *When are comments on the Plan due? Isn't comment period normally two weeks?*

Staff explained that the hearing notice was properly placed in the Star Tribune two weeks prior to the Hearing, which is set for April 27 at 10:00AM at the Large Conference Room of the Minnesota Public Utilities Commission, 121 7th Place East, St. Paul, MN 55101.

Due to the changes necessary to the plan, it was not available to the three people who requested copies until one week prior to the hearing. As in past years, the plan was mailed or emailed to those requesting copies. A brief discussion ensued regarding the ability of the public to access the plan from the new www.energy.mn.gov website. DOC agreed to consider this alternative for coming years.

With regard to the state's decision to hold \$9.75 million dollars in a High Performance fund, a question was asked when high performance funds would become "obligated." The underlying issue is the September 30, 2010 date. It was explained that is the intent of DOC to review service provider activities in April of 2010 in an attempt to fairly distribute these funds to those providers able to spend them in a timely manner.

A discussion of the increase in eligibility ensued. Cheple explained that we would begin the process of moving toward using the 200% of federal poverty level but that the MN WAP program would begin the funding year using the LIHEAP eligibility as has been done in the past. Pam Marshall stated her preference for the 200% of federal poverty level as soon as possible.

Cheple explained that the ARRA Grant is for three years. Pam Marshall asked if the grant would be affected if 75% of the grant is not spent by September 30 of 2010. Cheple explained the State's belief that it will not, but reiterated the State's intent to comply with DOE's request to reach the 75% goal by September 30, 2010.

Cheple expressed DOC understanding from DOE guidance that high energy burden should be highest priority in selection of production units. A discussion of using electric costs as an energy burden ensued.

In response to a question from Pam Marshall about the number of field and fiscal monitors now employed prompted a longer discussion about monitoring and training. It was clear that all PAC members and Staff are concerned about these issues. Cheple described the Dunwoody Auditor training and the increase in the number field monitors as well as the addition of fiscal monitors. Field training for auditors, contractors, and crew members was also discussed.

Gary Nelson and Reed Erickson expressed their concern regarding landlords contributions when their property is Weatherized by the MN WAP.

Pam Marshall asked if the SIR requirement for multi-family applies to individual units or building as a whole?

Mark McLaughlin explained to her that the SIR applies to both individual measures and overall units.

There was a brief discussion about administrative funds from EAPWX transfer.

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Led by Pam Marshall, Gary Nelson, and Richard Stone, a discussion ensued regarding measurement of savings. There was agreement among PAC members that some type of research on energy savings should be part of the program going forward.

Comments and a brief discussion of Davis Bacon requirements completed the meeting. The meeting was adjourned at approximately 12:15PM.

Weatherization Assistance Program Hearing
27 April 2009 at 10:00am - Large Hearing Room
MN Public Utilities Commission
121 Seventh Place E, Third Floor
St. Paul, MN 55101

Attendees: Janet Streff, Manager, State Energy Office (MN Department of Commerce)
Marilou Cheple, MN Department of Commerce
Mark McLaughlin, MN Department of Commerce
David Miller, MN Department of Commerce
Steve Loomis, MN Department of Commerce
Mark Kaszynski, MN Department of Commerce
Amy Bicek, MN Department of Commerce
Willie Auginash
Dan Rogness
Cindy Webster
Kyle Hartman
Arne Arneson
Clarence Highwater

Ms. Streff This is a hearing being conducted by the Minnesota Department of Commerce (DOC) regarding the state delivery plan for program year 2009 for the Weatherization Assistance Program for Low-Income Persons. My name is Janet Streff; I am the Manager of the State Energy Office, which oversees the Weatherization Program. I will be conducting the Hearing and presenting testimony on behalf of the Department.

The purpose of this hearing is to meet the requirements of 10 CFR 440.14, that a public hearing be held to receive comments by the Department and if any applicants or other individuals appear who would like to comment, they will have the opportunity to do so.

Written comments can be submitted to the Department by the close of business Tuesday, April 28, 2009.

This hearing is required by the US Department of Energy under rules for the program found in 10 CFR 440. A draft plan is being submitted to the Department of Energy for

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their review. Copies of the draft plan have been provided electronically to current program subgrantees and interested parties.

This hearing will cover the funds received under the American Recovery and Reinvestment Act of 2009 as well as the regular allocation funding received from US Department of Energy. The Recovery funds will be issued to agencies as priority funds over the State's regular Weatherization allocation. The Recovery funds will expire on September 30, 2012. I will first cover the American Recovery and Reinvestment Act specific information, then cover changes made to our regular funding for the new Program Year, and finally address changes that affect both programs.

First: American Recovery and Reinvestment Act Funding

The state will retain \$7,000,000 for training and technical assistance and distribute \$3,000,000 to subgrantees. Each subgrantee will receive a base amount of \$10,000 with the remainder being distributed through the allocation formula. The state portion of the training and technical assistance funds will be used for staff expense, travel, space rental, special training contracts and participation in program-related conferences and meetings. In addition the State will provide training as outlined in the plan and as requested by subgrantees. Training and technical assistance funds distributed to subgrantees will pay for travel and other training related expenses.

Program funds provided to subgrantees will be used to weatherize homes. Production is based on the completion of one unit for each \$6,500 expended. Production will be adjusted for expenditures on health and safety activities, and the program's share for financial audit costs and liability insurance. The allocation formula for the distribution of program funds was changed in 2004 as a result of demographics as identified in the 2000 census.

The state will retain 3.3% of the funds for administrative purposes. Subgrantees will receive 6.7% for administrative costs except those subgrantees whose grant is less than \$350,000. They will receive a prorated amount up to an additional 5%. Minnesota estimates that 512,481 million BTUs of energy will be saved.

The ARRA funds provide the opportunity to increase the number of households served who live in rental and multifamily properties. In addition to the DOE recommended priorities of households with high energy use, a high energy burden, elderly, disabled, and those with children under the age of six, agencies are encouraged to seek households living in rental and multifamily dwellings.

The American Recovery and Reinvestment Act also requires subgrantees' to abide by prevailing wage rules for contractors and crew laborers. We are still waiting for USDOE to issue further guidance and clarification on this requirement. DOC will abide by the final ruling once issued. The Act also requires increased reporting by the subgrantees and

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Commerce. Commerce already gathers information on a variety of details on a monthly and quarterly basis. Again, the Department of Commerce will abide by the reporting requirements set out by USDOE. Finally, DOC intends to increase its monitoring of homes from the five percent required to 10% of the homes. DOC believes that it is important, with such a quick ramp up of the program, to ensure adequate quality control.

The state has set a goal of completing 75% of the ARRA funds by September 30, 2010.

High Performance Funds.

The state will retain \$9,750,000 in ARRA funding as a High Performance Fund. These funds will be released to agencies that exceed their goals before June 30, 2010 and show the capacity to complete additional units prior to September 30, 2010. The method for determining the release of these funds will be determined by DOC prior to April 30, 2010.

Second: Regular formula grant for Weatherization (PY 2009)

The state will retain \$2,642,998 for training and technical assistance and distribute \$1,423,153 to subgrantees. Each subgrantee will receive a base amount of \$2,000 per auditor, up to a maximum of \$10,000; with the remainder being distributed through the allocation formula. The state portion of the training and technical assistance funds will be used for staff expense, travel, space rental, special training contracts and participation in program-related conferences and meetings. In addition the State will provide training as outlined in the plan and as requested by subgrantees. Training and technical assistance funds distributed to subgrantees will pay for travel and other training related expenses.

Program funds provided to subgrantees will be used to weatherize homes. Production is based on the completion of one unit for each \$6,500 expended. Production will be adjusted for expenditures on health and safety activities, and the program's share for financial audit costs and liability insurance. The allocation formula for the distribution of program funds was changed in 2004 as a result of demographics as identified in the 2000 census.

The state will retain 2.5% of the funds for administrative purposes. Subgrantees will receive 6.17% for administrative costs except those subgrantees whose grant is less than \$350,000. They will receive a prorated amount up to an additional 5%.

Minnesota estimates that 95,486 million BTUs of energy will be saved.

Prevailing wage requirements DO NOT apply to the DOC's regular weatherization program funds. The DOC will continue to report on a quarterly basis, as usual, under the regular program funds. No additional reporting is anticipated at this time.

Both Programs:

The American Recovery and Reinvestment Act changed the dollar per unit average for the

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WEATHERIZATION ANNUAL FILE WORKSHEET (continued)**Grant: EE00103****Amendment: 000****State: MN****Program year: 2009****Budget period: 04/01/2009 - 03/31/2012**

overall program and the Recover Act funding. The new unit average for all Weatherization funded units is \$6,500. (In Program Year 2008, the unit average was \$2,966.)

Minnesota uses a combined LIHEAP/WAP application for both Energy and Weatherization assistance. The state will re-evaluate eligibility factors during the program year to consider changing Weatherization eligibility to 200% of Federal Poverty as allowed by the American Recovery and Reinvestment Act of 2009; for both ARRA and regular funded Weatherization activities.

A subgrantee may return to a dwelling previously weatherized to install additional conservation measures provided that the house is a high consumer of energy and the home was weatherized prior to September 30, 1994. All new measures must have a savings to investment ratio greater than one and the client must be program eligible.

In developing local priority lists, subgrantees may include households that are high-energy users as an equal priority with households that have members that are elderly and disabled.

The state has developed a work plan that covers local subgrantee program operations and training and technical assistance activities. Subgrantees will develop their plan of operation based on these work plan requirements. The state will take into account these work plans when monitoring. Subgrantees will include with their work plans planned quarterly weatherized unit production.

The state will provide periodic training based on subgrantee needs and needs identified through monitoring and other means. The state weatherization field guide will be used as a basis for this training.

The Master File contains information that for the most part does not change. The Master File contains background information on the implementation of the eHEAT database system and the adoption of the National Energy Audit Tool (NEAT) and Mobile Home Energy Audit (MHEA) energy audit tools into the weatherization program.

Health and safety issues are addressed in the master file. All subgrantees must address health and safety issues on homes to be weatherized prior to or during the weatherization process. The Master Plan addresses 10 points on hazardous situations as defined by the U.S. Department of Energy.

The state requires that all weatherized dwelling units must receive and pass a final inspection.

During Program Year 2004, the Department undertook an extensive process to revise the allocation funding formula for the subgrantees. In this process the Department looked at

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WEATHERIZATION ANNUAL FILE WORKSHEET (continued)

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various poverty population levels from census data, held focus group meetings to gather data from affected parties and surveyed other states to look at other allocation formulas. Three primary factors were used to develop Minnesota's formula: Low-income population where 50% of state median income was weighted with 100% of poverty level numbers, Heating Degree Day/Cooling Degree Day component, as climate is a factor in Minnesota, and an energy cost component because fuel prices have been going up dramatically, putting more of a burden on low-income homes. This formula was incorporated into the program over a two year period to reduce the impact on subgrantees receiving substantial reductions or increases. The formula is now in full effect.

The Department understands that situations may arise, for multiple reasons, where an agency may not be able to easily complete its unit allocation. An agency at that point may relinquish units and funding for those units if, for any reason, it believes it cannot complete those units in the next quarter.

The Department also reserves the right to work with agencies it believes may not be able to complete its allocation within allotted time frames, and may recapture funds from any underperforming agency in order to ensure that the State of Minnesota completes its required number of units for the U.S. Department of Energy.

The state has a policy advisory council to provide input on program policies and administration.

Notice of this hearing was published in the Minneapolis Star Tribune, all editions, on Sunday, April 12, 2009. The notice was sent to all current subgrantees electronically.

The State will include with the plan submissions to the Department of Energy all written comments received by 4:30 PM on Tuesday, April 28, 2009.

This concludes the Department's comments. I would like to introduce those with me at the table this morning. This is Marilou Cheple, Supervisor of the Weatherization program. On my right is Amy Bicek, who is a Senior Grant Specialist in our office.

Also, be sure you sign-in before you leave. Also there are copies of the State Plans for ARRA funding and regular formula funding on the side table.

With that we now are open for comments from the public.

Dan Rogness My name is Dan Rogness, with Dakota County. Is the Department of Commerce asking that ARRA funds be spent prior to regular WAP funds?

Marilou Cheple We received notice from the US Department of Energy last week that determined funds can be spent at the same time. However, funds will need to reported separately.

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WEATHERIZATION ANNUAL FILE WORKSHEET (continued)

Grant: EE00103

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Cindy Webster We have never rolled money forward at end of a five year grant period. How lenient can DOC be with allowing regular WAP money to move forward?

Marilou Cheple Commerce is allowed to issue a two year contract to service providers for regular funding, rather than the usual one year contract.

Cindy Webster Come July 2009 the units have to be completed by June 2011?

Marilou Cheple Yes

Janet Streff ARRA funds are expected to be spent quickly.

Cindy Webster In regards to T&TA and space rental: is that space rental in regards to training or space rental in regards to housing staff?

Janet Streff Space rental is for those components, so typically for short-term training activities. But whatever is needed to train auditors, staff, etc.

Arne Anderson MinnCAP favors going to 200% of poverty eligibility as rapidly as practical.

Marilou Cheple So noted. As stated in the State Plan we will continue with current eligibility and re-evaluate going to 200% of poverty as we move forward.

Janet Streff Are there any other questions or comments?

Hearing none, I will now close the hearing. This will conclude this public hearing. Public comments will still be accepted in writing until the end of the business day, Tuesday, April 28, 2009.

Thank you for coming and we look forward to working with you.

--- End of record---

Comments received from the public received via e-mail:

-----Original Message-----

From: Reed Erickson [mailto:Reed.Erickson@state.mn.us]

Sent: Friday, 24 April, 2009 10:43 AM

To: Amy Bicek

Subject: Re: Weatherization Annual and Master File - now available

Hi, Amy. I have a couple of things:

First, I would suggest that there be a general overview of the program purpose inserted in the plan. Folks not familiar with 'weatherization' don't know what it is or what the program does.

Second, in regards to Section II.7 DOE-Funded Leveraging Activities in which is stated below:

"DOE defines leveraging as the actions of the state and local agencies to obtain and account for resources provided to supplement or supplant federal funding being used to weatherize dwelling units. Minnesota is dedicating \$0 for leveraging activities. Funds will be used for staff

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WEATHERIZATION ANNUAL FILE WORKSHEET (continued)

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salaries, fringe benefits, apportioned office rent and utilities, as well as indirect costs. Leveraging activities are expected to generate an additional \$0 and produce an additional 0 weatherized units." It seems to me, there has to be some #'s inserted or a general statement that the state of MN encourages leveraged resources from all resources. Saying 0 dollars is odd.

Also, is there anything in the plan as to how the state plans on utilizing wx funds for public housing projects?

there are my comments. good luck!!

Reed Erickson
Small Cities Programs Director
1st National Bank Bldg
332 MN Street, Suite E200
St. Paul, MN 55101-1351
651.259.7456 (office)
612.730.4048 (cell)
Fax # 651.296.1290
reed.erickson@state.mn.us

From: Joshua Low [mailto:jlow@bluegreenalliance.org]
Sent: Tuesday, 28 April, 2009 4:39 PM
To: William.Glahn@state.mn.us; Amy.Bicek@state.mn.us
Subject: Public Comments on the WAP State Plans

Dear Amy Bicek and Director William Glahn,

Please accept the attached comments on behalf of Minnesota Blue Green Alliance.

In Solidarity,

Joshua Low
Associate Regional Representative
Blue Green Alliance
2327 E Franklin Ave, Suite 1
Minneapolis, MN 55405
jlow@bluegreenalliance.org <<mailto:jlow@bluegreenalliance.org>>
612-659-9124 x311
901-355-3548 (m)

Attached File:

Blue Green Alliance
2327 East Franklin Ave, Suite 1
Minneapolis, MN 55406

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WEATHERIZATION ANNUAL FILE WORKSHEET (continued)**Grant: EE00103****Amendment: 000****State: MN****Program year: 2009****Budget period: 04/01/2009 - 03/31/2012**

Amy Bicek
Office of Energy Security
Department of Commerce
Suite 500
85 - 7th Place East
St. Paul, MN 55101

Reason: Comments on Weatherization Assistance Program Plan for American Recovery and Reinvestment Act of 2009 and State Plan

Dear Amy Bicek and the Office of Energy Security,

The Weatherization Assistance Program (WAP) has a track record of creating jobs and reducing energy use, and the Minnesota Blue Green Alliance welcomes the additional funding coming to Minnesota for the program as an excellent way to further good, green jobs and climate solutions. In reviewing the draft "State Plan" and the "American Recovery and Reinvestment Act State Plan" for the Weatherization Assistance Program for Low Income (referred to as State Plans, unless otherwise noted), please consider the following comments from the Blue Green Alliance:

- **Public Process:**

While the minimal public notice provided for the public hearing and comment period on the weatherization plans may meet U.S. Department of Energy requirements, the Office of Energy Security (OES) has missed a significant opportunity to gain valuable public input by failing to communicate this process to key stakeholders and on state agency websites. On April 15th, the Blue Green Alliance requested information from Director Glahn on public hearings for the weatherization and other energy plans utilizing ARRA funds. At that time, he did not mention this hearing or public process, and suggested a more informal approach for gathering public input. We acknowledge an intern who specifically requested the Weatherization plans received a notice of the hearing on April 9th and a draft on April 22nd; however, not knowing he was the only person to receive this notice, we did not receive notice until a forwarded email after the public hearing on April 27th. Moving forward OES must do a better job of engaging the public earlier in the process. As noted briefly below given less than one day to gather comments, stakeholders can contribute to developing a more robust and successful weatherization program that creates good, green jobs.

On the manner of public notice, the public meeting and draft plans should at a minimum be posted on the Minnesota state Department of Commerce, Office of Energy Security, and Stimulus websites with a reasonable time to submit comments. In addition, OES may wish to create an interested parties list for ongoing communication with stimulus fund programs.

- **Types of Weatherization Work to Be Done**

The types of weatherization work to be done listed in the draft plans is very limited, and it excludes lower cost measures such as weather stripping. The Blue Green Alliance would like to make sure that such work is not excluded.

- **Prevailing Wage and Workers' Rights**

The Blue Green Alliance has a goal of creating tens of thousands of good, green jobs in Minnesota. The American Recovery and Reinvestment Act requires that person employed using Recovery Act WAP funds be paid at least a prevailing wage. The Blue Green Alliance advocates that all positions

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WEATHERIZATION ANNUAL FILE WORKSHEET (continued)

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within both plans be paid at least a prevailing wage. This is for two reasons. First, it is the right thing to do. Second, it will simplify the administration of the grants if all the Weatherization Assistance Programs. The Office of Energy Security has a responsibility to work with other state agencies to ensure the enforcement of prevailing wage.

The Blue Green Alliance also advocates that currently nonunionized subgrantees of WAP funds respect the right of workers to organize through majority sign up.

- Savings to Investment Ratio

Current regulations on the Weatherization Assistance Programs require a Savings to Investment Ratio of 1 based on a 10 year payback period. Given the goal of the program to save low income energy users money and the important co-benefits of addressing excess energy use on the environment and creating jobs, the Blue Green Alliance would like to see weatherization improvements evaluated on lifespan of the improvements if the payback period is longer than 10 years. This change would hopefully allow additional projects, including the installation of locally manufactured, energy-efficient windows.

- Training and Technical Assistance

The current draft plan only uses Dunwoody College of Technology for training workers, and it lacks a community outreach plan for the training. Minnesota has a wealth of community and labor organizations that train workers for similar jobs to the jobs created by the Weatherization Assistance Program. The Blue Green Alliance recommends that the Office of Energy Security partner with both labor and community organizations for recruitment and to utilize their resources, such as union apprenticeship programs. The apprenticeship programs are already being utilized by the Ramsey and Washington Counties Community Action Programs.

- Tracking Energy Saving and Job Retention and Creation

The current draft plan lacks provisions for tracking of actual energy savings from the investment of WAP funds. Tracking of actual energy and cost savings to the clients and making the metadata available to the public is important to ensure taxpayers are getting a return on their investment and could be used to improve the Weatherization Assistance Program, Conservation Improvement Program, and other related programs.

One of the primary goals of the American Recovery and Reinvestment Act is to create and retain jobs. The Blue Green Alliance requests that the Office of Energy Security track and publicly report the number and quality of jobs created by the additional WAP funds.

The Blue Green Alliance hopes that the above comments are helpful in finalizing the State Plans for the Weatherization Assistance Program. If you would like any further explanation of the comments, please contact Joshua Low of the Blue Green Alliance at 612-659-9124 x 311 or jlow@bluegreenalliance.org or jlow@bluegreenalliance.org.

Sincerely,

Brett Smith
Minnesota Blue Green Alliance Steering Committee
Co-Chair

Gerry Parzino
Minnesota Blue Green Alliance Steering Committee

WinSAGA, 02/12/2010

1:42:49PM

DOE F 540.2

U.S. Department of Energy

OMB Control No. 1910-5127

(08/05)

WEATHERIZATION ANNUAL FILE WORKSHEET (continued)

Expiration Date: 6-30-08

Grant: EE00103

Amendment: 000

State: MN

Program year: 2009

Budget period: 04/01/2009 - 03/31/2012

Co-Chair

U.S. Department of Energy

STATE PLAN/MASTER FILE WORKSHEET

Grant Number: EE00103, State: MN, Program Year: 2009

This worksheet should be completed as specified in Section III of the Weatherization Assistance Program Application Package.

III.1 Eligible Population

III.1.1 General Description

Definition of income used to determine eligibility:

1. Eligibility: Minnesota uses a combined LIHEAP/WAP application for both Energy and Weatherization assistance. The state will reevaluate eligibility factors during the program year to consider changing Weatherization eligibility to 200% of Federal Poverty as allowed by the American Recovery and Reinvestment Act of 2009. Households where one or more members have received payment under Title IV or XVI of the Social Security Act during the preceding 12 months are also eligible. In all cases, eligibility is determined by the eHEAT software system, a tool developed by Minnesota's state LIHEAP team to determine eligibility as well as centralize payments to utility companies.
2. Documentation: Household eligibility documentation is available through eHEAT and the subgrantees' paper files. All weatherization events are initiated in the eHEAT software system and downloaded into Weatherization Assistant (WA). This safeguard ensures that all households receiving WAP assistance are eligible.

Procedures to determine that units weatherized have eligibility documentation:

Dwelling Eligibility: Subgrantees are required to keep records that allow them to ascertain which dwellings have been previously weatherized, the date weatherization activities were completed, and a description of USDOE and other funds used for weatherization. No dwellings weatherized after September 30, 1994 using USDOE funds will receive additional WAP service using USDOE funds. Dwellings weatherized prior to that cut-off date may be reweatherized if the household in the dwelling is currently eligible and a current energy audit documents that additional cost-effective work can be performed. eHEAT also provides documentation of units that are vacant or occupied by ineligible households.

Definition of children: Below age 18

Recommend tribal organization(s) be treated as local applicant? No

If YES, Recommendation: If NO, statement that assistance to low-income tribe members and other low-income persons is equal:

All eligible households, including those with Native American Indian members, are

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STATE PLAN/MASTER FILE WORKSHEET (continued)

Grant Number: EE00103, State: MN, Program Year: 2009

served equally without regard to race, color, national origin, gender or religion.

III.1.2 Selection of Areas to Be Served

Minnesota serves all 87 counties in the state in order to provide equal access to WAP services for all eligible households. In addition, six of the eleven Native American Indian reservations, are served as direct subgrantees of DOC and the remainder by another WAP subgrantee in the same area.

III.1.3 Priorities

As required by federal regulation, Minnesota prioritizes households with elderly or disabled family members and families with children of 18 or less. Minnesota also uses high residential energy use and high energy burden in prioritizing households for WAP service. Subgrantees' eHEAT workplans are used to indicate the order in which priority households are served. eHEAT provides each subgrantee with a list of priority households, which may be further sorted into smaller subgroups. With some exceptions priority households are served first by subgrantees. Exceptions might include emergency situations or coordination with non-weatherization home rehabilitation dollars.

III.2 Climatic Conditions

Minnesota has a continental-type climate, subject to frequent outbreaks of continental polar air throughout the year, with Arctic outbreaks during the cold season. Periods of prolonged heat occur during summer, particularly in the southern portion of Minnesota. Mean annual temperatures range from 36 ° F in the extreme north to 49 ° F along the Mississippi River in the southeast. State temperature extremes range from -60 to 114° F. Monthly mean temperatures vary from 85 in the southwest to -11° F in the northwest. Mean temperatures during January in the northern portions of the State average near 4° F. Minnesota is located in International Energy Conservation Code Climate Zones 6 and 7. Minnesota uses the Weatherization Assistant software tool and adjusts for clients specific climatic conditions and fuel costs as appropriate.

III.3 Weatherization Work

III.3.1 Type of Work to Be Done

All dwellings to be weatherized must have a comprehensive energy audit that treats the dwelling as a whole system. Data from the audit is entered into the WA software that

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STATE PLAN/MASTER FILE WORKSHEET (continued)

Grant Number: EE00103, State: MN, Program Year: 2009

determines the energy conservation measures that are cost-effective for the dwelling. The following energy conservation measures are considered:

1. Air Leakage and infiltration reduction
2. Attic insulation
3. Wall insulation
4. Health and safety repairs/replacement
5. Duct sealing and room-by-room pressure balancing
6. Cleaning and tuning heating systems
7. Efficiency-based heating system replacements
8. Manufactured homes only: Belly and duct repairs/sealing

Lighting retrofits are allowed in multi-family buildings provided that:

1. the subgrantee uses an audit that is designed for multi-family buildings AND
2. the audit demonstrates an SIR that is greater than one using the criteria found in 10 CFR 440.21 or other recognized cost effectiveness calculations.

III.3.2 Energy Audit Procedures

Minnesota audit protocols are specified in both the policy manual and the field guides. Minnesota uses the Weatherization Assistant software for all site built and manufactured homes, which was approved by USDOE in 2005.

<u>Unit Types</u>	<u>Audit Procedures and Dates Most Recently Approved by DOE</u>
Single-family	Wx Assistant, 2005
Multi-family	Wx Assistant, 2005
Mobile Home	Wx Assistant, 2005

III.3.3 Final Inspection

Each subgrantee or its authorized representative is required to conduct a final inspection of the dwelling unit to certify that all weatherization and mechanical work has been completed in a workmanlike manner, in compliance with applicable rules and codes, and in accordance with the priorities determined by the audit. The Minnesota Weatherization Policy Manual specifies the activities/tests that must be completed in a final inspection. Dwelling units cannot be reported as complete until all work passes a final inspection and all required signatures are obtained on the required forms.

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STATE PLAN/MASTER FILE WORKSHEET (continued)

Grant Number: EE00103, State: MN, Program Year: 2009

III.3.4 Assessment of Effectiveness

The grantee conducts annual visits and periodic reviews of each subgrantee. This assessment of effectiveness is completed using: 1) an electronic administrative monitoring tool sent to all grantees and carefully reviewed by DOC staff; on-site visits and interviews with coordinators, fiscal staff, and energy auditors; on-site visits to job completions and interviews with crews and contractors; and extensive use and analysis of over 10 different reports incorporated into the Minnesota version of Weatherization Assistant (WA). These reports extract SIR information on all conservation measures as well as Health and Safety data, demographic analysis, and safety checks and measurements on mechanical systems. Details from these reports are provided monthly and in more detailed quarterly reports.

Monthly WA reviews assess individual subgrantees' strengths/weaknesses, job completion performance, and Training and Technical Assistance (T&TA) needs through on-site visits, email requests, detailed evaluations from regional training sessions, quarterly auditor round-table forums, and the annual State-wide Energy Conference.

Any subgrantee consistently failing to meet WAP program standards may be subject to sanctions, depending on the nature and seriousness of the compliance failure.

All grantee staff meet on a weekly basis to keep an open dialog between monitors on all agencies. Staff share upcoming agency-specific visits, purpose of the visit, and who they are planning to meet with. After the visit, grantee staff report back to the other grantee staff members, and Weatherization supervisor on key findings. A letter regarding the visit is also sent to the agency for their files. Minnesota also use a Minnesota Monitoring Log (MML) to document issues found on local subgrantee visits. This database is used by all Weatherization program staff, and allows staff to watch a subgrantee's progress on various issues.

III.4 Health and Safety

See attachment.

III.5 Rental Procedures

The following rental procedures apply in Minnesota:

1. Subgrantee managers work on a case-by-case basis with rental property owners to ensure and document that any WAP benefit to a rental building or dwelling will be directed to the eligible low-income occupants receiving conservation measures using DOE, WAP/WX or CIP funds.
2. The Minnesota Weatherization Policy Manual requires subgrantees to have in place procedures that ensure eligible households are served according to their priority, whether or not the eligible household rents or owns its dwelling. Subgrantees' procedures are reviewed by the State WAP office. Minnesota's tenant eviction policy is specified in the Landlord Agreement. The agreement states that the landlord agrees not to evict the tenant(s) during the period of the agreement except for documented cause. The building owner agreement also protects the tenant(s) rights if the property is sold during the term of the

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STATE PLAN/MASTER FILE WORKSHEET (continued)

Grant Number: EE00103, State: MN, Program Year: 2009

agreement. Minnesota does not have other restrictions or lien requirements.

3. Minnesota encourages, but does not require, financial participation of landlords as a requirement for weatherization.

4. The Minnesota Weatherization Policy Manual's General Rental Requirement Policy requires that subgrantees adequately demonstrate to DOC's satisfaction that the rental building's value will not be unduly enhanced by the completion of weatherization activities.

5. The General Rental Policy also requires that all tenants be advised of their right to contest any rent increases made after the completion of weatherization work and that they have the right to request a review of the rent increase. If such a request were received, it would first be reviewed at the subgrantee level, and then at the State level if necessary. In response building owners must be able to establish to the subgrantee's and/or DOC's satisfaction that any rent increases are related to matters other than the weatherization activities.

6. Minnesota does not offer alternative dispute resolution or arbitration procedures in addition to the tenant rights under the building owner agreement, but agencies may direct tenants to available Legal Aid or tenant-landlord mediation services.

7. Minnesota allows subgrantees to weatherize shelters following 10 CFR 440.22(f) requirements.

III.6 Program Management

III.6.1 Overview

The Department of Commerce (DOC) has been designated as the statewide administrator of Minnesota's Weatherization Assistance Program (WAP). DOC's Office of Energy Security includes not only WAP but also the State Energy Program (SEP), Energy Efficiency and Conservation Block Grant (EECBG), Low Income Energy Assistance Program (LIHEAP), the Conservation Improvement Program (CIP), as well as other energy regulatory areas. Placement of WAP in close proximity to these programs (especially LIHEAP and CIP) provides the best opportunities for coordination of programs affecting low-income households. The WAP grant-contracts with all subgrantees include four types of funds: USDOE (ARRA and Regular), LIHEAP, Oil and Propane. Of the four, only USDOE (ARRA and Regular) funds are governed by the WAP State Plan. LIHEAP funds are governed by the LIHEAP State Plan, and the remaining two are governed by relevant Minnesota statute.

DOC is responsible for the administration and oversight of USDOE (ARRA and Regular) and PVE in accordance with the conditions set forth in this plan. Responsibilities include statewide programmatic/fiscal planning and development, training and technical assistance (TTA), monitoring, evaluation and reporting. DOC annually contracts program delivery activities with 32 local subgrantees. These subgrantees include 24 Community Action Agencies, 6 tribal councils, one private non-profit agency, and one community development authority.

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STATE PLAN/MASTER FILE WORKSHEET (continued)

Grant Number: EE00103, State: MN, Program Year: 2009

The American Recovery and Reinvestment Act of 2009 has set the average unit cost for each dwelling unit completed with ARRA funds at \$6,500.

Minnesota's WAP funds are distributed via a formula that was revised during PY 2004 to better reflect the current conditions and energy conservation needs in Minnesota. The formula now encompasses the following factors:

1. US Census data. 2000 census data updates numbers and distribution of low-income households across the state.
2. WAP and LIHEAP income eligibility criteria (50% of the state median income). Data about the number of households with incomes at 100% of poverty level or less is also taken into account in determining eligibility. These two factors allow Minnesota to cast a large eligibility net, while also providing attention to those households most in need.
3. Heating and cooling degree days. Reflect that Minnesota's climate is an important energy conservation consideration.
4. Energy Costs. Acknowledges that low-income household energy bills take up a much larger share of their income and that eligible households are disproportionately affected by increasing home energy costs.

In Program Year 2009 DOC will also create and administer a "High Performance Fund" for subgrantees. Subgrantees will be reviewed periodically to determine their progress being made. Subgrantees not meeting their goals may be required to return funds which will be placed into the High Performance Fund. The corresponding number of units will also be deducted from the subgrantees unit requirement. Funds and units in the High Performance Funds will be distributed to high performing subgrantees throughout the Program Year.

III.6.2 Administrative Expenditure Limits

DOC has elected to retain 3.297% of 2009 USDOE ARRA funds for statewide program administration. The remaining 6.142% is allocated to subgrantees by formula.

Subgrantees receiving USDOE funds of less than \$350,000 will receive up to an additional 5% for administrative purposes. The additional funds will come from subgrantees' program allocation and will be inversely pro-rated according to the amount of USDOE funds received. The higher a subgrantee's allocations, the less the subgrantee will receive in additional administrative dollars. The pro-rate formula percent decreases at a rate of 0.5% per \$25,000 until the allocation reaches \$350,000.

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STATE PLAN/MASTER FILE WORKSHEET (continued)

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III.6.3 Monitoring Approach

The overall goals of monitoring are to assure compliance with rules/policies and the efficiency, quality and effectiveness of subgrantee operations. An additional goal is to identify and correct issues that have the potential to cause major program deficiencies. Because work with subgrantees has a broader focus than compliance, Training and Technical Assistance dollars may fund activities in this area. Full-time staff includes Program Managers and a Technical Training Coordinator. Program Managers complete the majority of monitoring activities with occasional back-up and support from the Training Coordinator. General monitoring strategies include the following:

1. Desk monitoring. This encompasses ongoing and/or reviews of monthly programmatic and fiscal data submitted by subgrantees. Programmatic data regarding each household served is reported via Weatherization Assistant (WA). Examples of WA data include such things as cost-effectiveness and cost data by measure and by job, mechanical test results and blower door readings. Fiscal data is reported in the eHEAT software system and includes subgrantee monthly expenses and cash requests as well as allocations. Finally, all subgrantees complete an electronic monitoring questionnaire prior to the on-site visit. The questionnaire is reviewed by grantee staff who identify issues for follow-up during the monitoring visit.
2. Subgrantee visits. Each subgrantee receives at least one on-site visit per year. Additional visits are scheduled as needed to address specific subgrantee issues as they arise. On-site visits include:
 - a) Inspections of completed dwellings to determine compliance with federal and state requirements and client satisfaction and work quality. A minimum of 2 dwellings and up to 10% of completed dwellings will be inspected per subgrantee.
 - b) Household file reviews: Although much of the file reviews can be completed via Weatherization Assistant data, grantee staff review paper files for such things as signatures on bids/invoices and other documentation. The 10% on-site file review sample may include those dwellings that are selected for on-site inspection.
 - c) Administrative Review: This review includes follow-up on any issues raised by the monitoring questionnaire, as well as any other administrative and and/or fiscal issues as needed.
3. Tracking. Findings/other issues are tracked to resolution via the Minnesota Monitoring Log (MML).

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STATE PLAN/MASTER FILE WORKSHEET (continued)

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4. Reports. Written reports are provided to subgrantees within thirty days of the subgrantee visit.
5. Analysis. The WA and eHEAT databases make it possible to review not only individual household data, but also aggregate data by subgrantee and across the state. Over time it also enables longitudinal analysis of various programmatic and fiscal data. The results of such analysis are used to discern not only trends and common themes, but also to guide program policy, overall program direction, and TTA needs.

III.6.4 Training and Technical Assistance Approach

Minnesota Grantee and Subgrantee staff members participate in Training and Technical Assistance (TTA) activities through specific training sessions, conferences/workshops, and individual training. Training is conducted by state staff, subgrantee personnel who have demonstrated competency in a given field and, in some cases, through the retention of an outside trainer.

Two training components have a certification or attendance requirement. First, all subgrantee energy auditors must attend a week long course developed by the State through a contract with Dunwoody College of Technology (Minneapolis, MN). Successfully passing the required competency examination allows individuals to demonstrate they meet the State of Minnesota's minimum qualifications for residential energy auditors. An individual may opt out of the class with certain qualifications, but must take and pass the competency exam to work in the Minnesota Weatherization Program as an auditor.

Lead Safe Work Practices (LSW) training is a requirement for all subgrantee WAP auditors, crews and insulation contractors as specified in the 2009-2010 Minnesota Weatherization Policy Manual. LSW training must be led by EPA qualified trainers to meet the state requirement.

Individuals must show proof of successful completion of LSW training to the State.

Training and Technical Assistance activities (TTA) for both subgrantee and state WAP staff has a major and on-going role in the provision of weatherization services to low-income households in Minnesota. TTA activity should increase the efficiency, quality, and effectiveness of Minnesota WAP. All TTA activities have at least one of the following objectives:

1. Maximize energy savings.
2. Ensure the health/safety of low income households.
3. Minimize production costs.
4. Improve the quality of weatherization work on dwellings.
5. Improve program management/administrative procedures.
6. Avoid waste, fraud and abuse.

The State WAP Office retains 70% of the state's TTA allocation for training, planning, oversight and monitoring of activities. The remaining 30% is passed through to subgrantees. Each subgrantee receives \$10,000 TTA base amount. The remaining balance is distributed to the

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subgrantee based on the allocation formula.

T&TA funds may be used to train contractors at the local agency level for those contractors participating in the Program. In making the determination to pay for contractor training, Grantees and subgrantees will secure a retention agreement in exchange for the training. Contract agreements between subgrantees and contractors should stipulate that contractors will work in the Program for a specific amount of time and should align with the cost of the T&TA provided.

TTA activities are described in the Annual Plan. The local service providers are the primary recipients of TTA activities. While all subgrantees are not required to attend all TTA activities, each state Program Manager verifies through the subgrantee's Work Plan that sufficient training is provided to appropriate staff. The State does not currently require certification of subgrantee staff prior to hire. It is the responsibility of the subgrantee to ensure qualifications of hires.

Program managers verify adequacy of hires through monitoring activities.

Individual subgrantee TTA needs are assessed in two ways:

1. Monitoring activities, including the review of fiscal and programmatic reports submitted to the State WAP office are used to identify specific areas where improvement is needed. Specific TTA activities that address identified problems may be completed during monitoring visits or carried out at a later date, depending on the complexity of the need. In addition, informal conversations (not connected to monitoring) with subgrantee personnel are used as a means of identifying specific TTA needs at the subgrantee level.

2. Subgrantees assess their own TTA needs and objectives via the submission of a TTA workplan/budget. Each subgrantee's work plan and budget are reviewed as part of the contract submission process and evaluated during monitoring activities.

On a broader level, TTA needs (including client education) are assessed in a number of ways:

1. State WAP staff members compile and compare individual subgrantee monitoring results to determine multi-agency needs and trends.

2. Subgrantee surveys are used to elicit input for not only general policy/procedural issues but also TTA needs.

3. The Minnesota Weatherization Advisory Group (MWAG) provides an excellent source of input and feedback regarding TTA. MWAG is composed of representatives of all subgrantees.

4. The Policy Advisory Council (PAC) is used to garner input from a broader spectrum of WAP-affected constituents within the state.

5. Cooperation with other energy program units within the DOC can also be a good source of information about energy conservation issues, some of which may be addressed by TTA activities.

TTA effectiveness is assessed as follows:

1. Re-monitoring to see whether TTA activities have improved local subgrantee performance.

2. Evaluation forms are distributed as a part of every group TTA event, and the completed evaluations provide information about the effectiveness of the workshop, class, or other group

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activity.

3. The results of items 1 and 2 become part of the next TTA needs assessment.

In light of the additional funding provided by ARRA, Minnesota will increase communication with the service providers to assure that adequate training is provided to existing and new coordinators, crew, contractors, and others working within the program.

Minnesota is in constant communication with all subgrantees on a variety of issues, including the need for training. Grantee staff meet on a weekly basis and often a subgrantee is identified for additional training. Subgrantees are also routinely encouraged to contact DOC with training requests. Individual subgrantee training requests are often opened to other local subgrantees for their participation as well. With additional monitors being hired under this program, new crew/contractors being added to the network, Minnesota does understand and is prepared for the influx of training required. Minnesota is prepared and well positioned to ensure that all subgrantee staff are trained to complete their job effectively and efficiently. DOC has already been working with subgrantees to ensure they have the resources they need to be successful under this program. The Weatherization Supervisor also communicates regularly with the MWAG and MnCAP associations to ensure that all subgrantees are receiving adequate training.

The Grantee will provide all of the training opportunities listed under II.6 of the Annual File each year of the program. Other training opportunities may also become available during the program and will be widely publicized to all subgrantees. The Grantee also has set aside some T&TA funds for subgrantee training opportunities. Minnesota typically does not require mandatory attendance at its events due to already high attendance rates. While some subgrantees routinely do not attend attends, Grantee staff make every attempt to encourage the subgrantee to send someone to the training event. The Weatherization Supervisor reserves the right to require subgrantee attendance at various training events.

DOC does not require subgrantees and contractors to obtain a specific certification per se. All auditors are required to complete the Auditor Training course and pass a competency exam (currently run through Dunwoody College of Technology).

Once the EPA-approved LSW curriculum is developed/released DOC will ensure that all contractors and crew attend and complete the necessary training for both LSW and the lead renovators for the appropriate workers.

III.6.5 Energy Crisis Plan

The purpose of this plan is to allow the WAP program to respond quickly and effectively to disasters that affect the lives and dwellings of low income households. This plan will be implemented whenever and wherever there is a federal or state disaster designation.

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1. **GOAL:** In the event of a disaster, low income households often incur the greatest hardship and have the least amount of resources available to assist them in recovery. Minnesota's WAP goal is to assist eligible households in restoring their dwellings to the pre-disaster state.
2. **HOUSEHOLD ELIGIBILITY:** Households in disaster areas must meet the same eligibility criteria as other WAP-eligible households.
3. **DWELLING ELIGIBILITY:** In order for a dwelling to be considered eligible for WAP assistance under this plan it
 - a) Must be occupied by an eligible household (or was prior to the disaster).
 - b) Must be in a designated area as defined above.
 - c) Must be a habitable structure, or will be once all work is complete.
 - d) Was an in-progress unit at the time of the disaster where already installed materials are damaged or destroyed by the disaster.
 - e) Is located in a county contiguous to the official disaster counties and damage was caused by the disaster.
 - f) Previously weatherized dwellings may be reweatherized without regard to the date of the original weatherization.
4. **PRIORITY SERVICE:** Disaster-damaged dwellings will be a priority in designated disaster areas. Both in-progress and previously weatherized dwellings are included. This priority designation will last for up to one year, depending on the circumstances of the disaster, as determined by the DOC.
5. **ELIGIBLE ACTIVITIES:** All dwellings must have a current energy audit in order to determine which of the following allowed activities are needed and feasible within the parameters of the WAP rules and guidance:
 - a) Limited clean-up in those areas of the dwelling where weatherization and/or health and safety materials will be installed. Costs will be charged to the General Repairs measure type in the WA software.
 - b) Removal of previously installed weatherization and/or health and safety materials that are damaged beyond repair, and will be replaced as part of the current activity.
 - c) Installation of weatherization materials as described in the State Plan.
 - d) Repair or replacement of mechanical system components, including but not limited to heating plants, water heaters, venting, controls, and distribution.

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6. **WORK QUALITY/INSPECTION**: All work must be completed according to the standards contained in the WAP Policy manual and field guides, as well as building, mechanical or other relevant codes. No unit will be counted as complete until all materials are installed in a quality manner and have passed a final inspection by subgrantee staff.

7. **COORDINATION WITH OTHER FUNDS**: It is expected that WAP activities will be coordinated with other funded activities to the maximum extent practicable. This will not only help make the most prudent and non-duplicative use of all funds, but will also help to ensure that service to eligible households will be maximized. However, WAP funds will not be used to supplant other funds such as FEMA and insurance dollars, which must be applied first in renovating disaster-damaged dwellings.

8. **WALK-AWAY**: Some dwellings may be beyond the scope of the WAP assistance. Minnesota WAP subgrantees may not be able to weatherize such dwellings, as delineated in the WAP Policy Manual. There may also be additional walk-away reasons engendered by disaster-related damage. In any case the subgrantee will carefully evaluate and document the reasons for walking away.

9. **REQUIRED DOCUMENTATION**: Electronic and/or paper files must contain sufficient documentation to establish the eligibility of the household and dwelling, as well as justify the work performed, in accordance with Minnesota's State Weatherization Assistance Plan and WAP policy manual. Such documentation includes but is not limited to:
 - a) Household eligibility;
 - b) Certification of disaster status (could be FEMA letter, or habitability document, etc.);
 - c) Existing conditions that will be remediated by WAP activities;
 - d) Amount of other funds being used in renovation of the dwelling;
 - e) Reasons for walking away where appropriate;
 - f) Other, as specified by the DOC

10. **COSTS/AVERAGES**: While exact costs for work in disaster-damaged dwellings are anticipated to run somewhat higher than the state average cost per unit, Minnesota will maintain its statewide average at about the same level as it would be if there were no disaster completions.

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11. **REPORTING:** Disaster-related completions and expenses will be tracked and reported separately from other completions as required by USDOE grant guidance, using the WA and eHEAT software.

III.4 Health and Safety

Health/Safety issues are addressed at a number of levels throughout Minnesota's Weatherization Assistance Program (WAP). Minnesota's WAP Policy Manual is incorporated by reference into all grant contracts with subgrantees. Minnesota provides written guidance to its subgrantees and grantee staff through the distribution of two field guides. The first guide is a general field guide that includes both client and worker health/safety information and Minnesota's walk-away policy. The second guide is devoted to mechanical systems issues and includes testing procedures and test standards. Both guides detail steps to be taken in dealing with hazards. In addition to the more formal information in the policy manual and field guides, Minnesota distributes other relevant information to its subgrantees such as furnace or water heater recalls from the Consumer Product Safety Commission.

Minnesota and its subgrantees budget Health/Safety measures and other costs outside the overall per unit average. Minnesota strives to keep health/safety costs at a low percent in keeping with weatherization's primary goal of energy conservation. The Minnesota WAP Policy Manual expresses the percent as an average Health/Safety cost per unit in order to provide some flexibility to subgrantees in dealing with the variety of problems they may encounter in client dwellings. This percent/average is reviewed annually and updated as needed at the start of the

new subgrantee grant contract. Minnesota highly recommends each of its subgrantees obtain appropriate Pollution Occurrence Insurance. In conformance with USDOE rules and guidance, Minnesota includes the following in its Health/Safety Plan:

1. **Grantee Health and Safety:** Grantee staff members are required to know and understand weatherization-related health/safety issues via a thorough knowledge of the contents of both the policy manual and the two field guides. In addition, grantee staff attend numerous training sessions that address these issues. Grantee staff is required to follow safe work practices when at a subgrantee job site. Costs associated with grantee health/safety are charged to the state administrative and/or TTA line items.

2. **Crew/Contractor Health and Safety.** The Minnesota Weatherization Field Guide and its companion Minnesota Mechanical Systems Field Guide are both incorporated by reference into all subgrantee weatherization contracts with DOC. Both field guides describe subgrantee responsibilities for staff and contractors. The guides address common worker safety issues including vehicle safety, falls, back injuries (proper lifting procedures), exposure to hazardous materials, electrical hazards, repetitive stress injuries, and the use of personal protective gear. The field guide language requires that local subgrantees and their installers comply with OSHA rules pertaining to worker safety. Subgrantees should develop local health and safety plans pertinent to their local situations. Subgrantees are also encouraged to provide regular training for their crews and auditors in all worker and weatherization-related health/safety topics.

Minnesota will strengthen its commitment to subgrantee staff health and safety during the coming program year by adding a policy to its Weatherization Policy Manual that addresses not only compliance with OSHA (29 CFR 1910 and 1926) regulations, but also local health and safety plans and use of Material Safety Data Sheets.

All weatherization staff are trained to identify actual and potential hazards in clients' dwellings. Subgrantee staff is allowed to walk away from any dwelling that is unsafe, and to make reasonable efforts to correct the hazard (either directly or via referral) so that

weatherization of the dwelling may proceed. The Minnesota Weatherization Policy Manual (also incorporated by reference into all subgrantee contracts) contains a walk away policy that delineates the circumstances in which a subgrantee may choose to walk away and when a walk away is required. The policy requires that "a subgrantee make a documented determination that circumstances exist which prevent weatherization activities from proceeding." The policy also requires that the subgrantee "inform the client and landlord (if rental property) of the problem in writing." The contents of the letter must specify what corrective actions will be required in order for weatherization to proceed.

3. Client Health and Safety: Subgrantee staff is instructed to be alert to any possible client health issues relevant to a broad range of potential weatherization activities. Energy auditors are the primary staff concerned with identifying such issues, either as a part of the actual energy audit and/or by required interviews with household members. Since these issues may also arise when installers are in the dwelling, they are also trained to identify health/safety issues. Once an issue is identified, subgrantee staff work with the client to address the hazard either directly, through referrals, or deferrals of work. All issues and efforts to resolve them must be documented in the household electronic and/or paper file.

4. Moisture Assessment A major indoor air quality problem is excess moisture or humidity in a home. Too much moisture may result in moisture penetration, condensation, and build-up in walls and ceilings. Moisture accumulation also causes wood rot. Too much indoor moisture or humidity can also lead to the growth of mold and mildew, which can cause adverse health effects to the occupants.

Some moisture is needed in a home. The lack of sufficient moisture in winter air can irritate noses and cause dry skin. The ideal indoor relative humidity during the heating season should range between 30 and 50 percent.

a. Moisture Problems: Symptoms and Sources

As the moisture assessments are conducted in each home, energy auditors use the following symptoms to identify potential moisture problems:

- Damp atmosphere or a musty smell in house, basement, or crawlspace
- Client complaints of allergy-like symptoms
- Mold growth on walls and ceilings, especially in bathrooms and kitchens
- Mold growth on attic roof sheathing
- Signs of condensation on walls or windows
- Water damage or mold on the underside of roof decking
- Evidence of crawlspace moisture
- Rusted metal in basements, crawlspaces, bathrooms and kitchens
- Efflorescence (white, powdery deposits) on concrete or masonry surfaces
- Water stains on foundation walls

When a moisture problem is identified, energy auditors determine the cause of the problem and outline solutions or generate specific work order measures to mitigate the problem.

NOTE: The Minnesota Weatherization Assistance (WA) software is used by the auditor on each home to document and generate specific Health and Safety

measures that address or alleviate moisture problems. "Whole House," "Equipment," and "Building Shell" tabs within the software detail 41 individual remedies, all addressing Health and Safety concerns. Many of these are related to moisture issues. Additionally, "User Defined" measures and costs can be specifically added by each agency within their WA Library to provide extra work order Health and Safety details otherwise not indicated within the Health and Safety "check offs" in the WA software.

b. Moisture Problem Solutions

Identifying and solving the source of moisture problems should be the first priority when a problem is found. The following are possible solutions to moisture problems:

1) Mechanical Ventilation

One of the main strategies for solving moisture problems in a home is mechanical ventilation. Installing intermittent or continuous ventilation is allowed and paid for with Health and Safety funds. Moisture problems may be reduced or eliminated by ventilating areas that routinely generate large moisture loads such as bathrooms and kitchens.

Clients are instructed on and reminded of the importance of using kitchen exhaust fans while cooking and using bathroom exhaust fans after showers or baths. Clients are also educated on the proper operation and use of fans.

The **Minnesota Mechanical Systems Field Guide**, **The Minnesota Weatherization Field Guide** and **"Do Your Part, A Guide to Help You Understand and Improve Your Home's Energy Use"** give specific suggestions on addressing moisture issues and help in individual client education.

2) Plumbing/Sewer Repairs

Leaking water pipes and sewer lines cause moisture and pose serious health problems for affected houses. Auditors carefully note any problems. Referrals are made in each case regarding non-weatherization resources which may assist the household in making repairs to pipes or sewer lines. Cleanup of any unsanitary conditions due to plumbing leaks is the responsibility of the client.

3) Attic Bypass Sealing

Attic bypass sealing must be done on all homes, even if the house is below the Overall Tightness Limit (OTL). One of the most important benefits of attic bypass sealing is that it prevents the migration of moisture into the attic where it could cause ice damming, wood rot, and mold growth. Pressure diagnostic measurements are taken on a both a 'pre' and 'post' basis to ensure and measure bypass sealing effectiveness.

4) Crawlspace Ground Moisture Barriers

Crawlspace moisture can lead to condensation, mold, and rot. Air passing through the soil can contain radon and pesticides. It is important to prevent the moisture, radon and soil gasses from entering the house. This is done by covering the crawlspace ground with an airtight moisture barrier which establishes an air barrier and seals out water vapor and soil gasses.

5) Bulk Water Control

Repairs on deteriorated windows or framing that allow moisture or water to enter the house can be completed, but the costs are limited to General Repair average expenditures. Window replacements can only be done when the WA software's SIR calculations allow it as a specific conservation measure. Minor roof and foundation repair

may be done to prevent moisture or water from entering the house but are limited to specified expenditure averages.

6) Client Education

Auditors provide general education to all clients about problems that can occur due to high indoor moisture levels or actual moisture penetration and what practices lead to moisture problems. "**Do Your Part, A Guide to Help You Understand and Improve Your Home's Energy Use,**" explains the program and gives guidance on health and safety topics, including moisture issues. "**Do Your Part**" is left with the client and is part of a one-on-one client education module between the auditor and the home owner. Clients are instructed about relative humidity levels, how they can be maintained in the house, and how to operate any newly installed bath or kitchen fans.

Energy auditors provide education on moisture to clients if they identify practices that might result in high moisture levels in the home. The following are client practices which may have an effect on the moisture levels:

- Use of kitchen exhaust fans and moisture factors when cooking
- Use of bathroom exhaust fans when bathing and showering
- Proper use and placement of humidifiers and dehumidifiers
- Consideration, care and watering of plants
- Covering of aquariums
- No storage of firewood inside the dwelling or attached garage
- Considerations and instruction on the use of plastic as window covers
- Keeping gutters clean
- Repair of leaky plumbing or fixtures
- Site drainage
- Sump Pumps

c. If Moisture Problems Cannot Be Resolved

If moisture problems in a house are severe and cannot be resolved under existing allowable health and safety measures and repair allowances, agency auditors explain to clients that weatherization measures that could make the situation worse (e.g. attic and wall insulation and high-efficient furnace installation) may not be done until moisture or mold factors are remedied by the client or landlord. Weatherization measures that do not disturb mold or exacerbate existing moisture problems may be completed.

7) Mold Assessment

All homes are visually inspected for existing mold. Although the entire house should be inspected for mold, particular attention is paid to the following areas: bathrooms, kitchens, laundry areas, basement walls, ceilings next to exterior walls, attics, and crawlspaces. The mold assessment is completed in tandem with the moisture assessment is performed by the auditor. Auditors document the presence of mold. Details are filed in the client/house file and or WA software. The existence of mold is documented to confirm that mold was pre-existing and that weatherization activities were not the cause of mold growth.

Energy auditors inform clients of any mold that is found and of its location. Auditors also explain to clients that the auditor is not a mold expert and that the mold assessment was

a visual assessment only and that no testing for mold was completed..

a. Mold Remediation

Controlling moisture is crucial to controlling mold. If mold is found in a home, it is likely to be the result of moisture, excessive humidity, or water intrusion. Moisture problems must be solved before any mold problem is addressed.

If the auditor determines that moisture problems can be solved satisfactorily, the agency may determine that the mold will not be disturbed by weatherization activities and work can proceed without the need for remediating the mold.

The agency may also defer any work on the home until the mold is remediated by the client or landlord. This policy is recommended if there are large areas with mold growth. If the auditor determines the moisture problem cannot be satisfactorily eliminated, weatherization work must be deferred.

b. Mold Clean-up Information and Referrals

If the weatherization work can be completed without disturbing mold/mildew, or if cleanup is not required, work may be completed at the discretion of the auditor or program manager. If cleanup is required, information and cleanup procedures will be provided to the client.

Information sources for mold clean up include but are not limited to the University of Minnesota Extension Service, FEMA, Minnesota Department of Health, and Canada Mortgage and Housing Corporation. Procedures are designed to protect the health of the occupants and cleanup personnel during any remediation.

8) Potential Hazard Considerations (Health and Safety Assessment): Minnesota has followed the "house-as-a-system" approach to weatherization since 1990. Both grantee and subgrantee staff understand that health/safety concerns are important and are a required part of every dwelling audit. Minnesota audits every dwelling using the Weatherization Assistant software that includes a very detailed assessment of potential hazards. The assessment sets a framework for individual weatherization work plans. In some instances the hazard must be remedied prior to the start of any weatherization measure; in other instances the hazard is addressed as a part of weatherizing the dwelling. In a few instances, subgrantees make the choice to walk away from a dwelling when the health/safety problems are beyond the scope of weatherization activities. Subgrantees evaluate each dwelling individually and make decisions accordingly. Grantee staff regularly provide assistance to subgrantees in problem-solving specific situations. All health/safety problems and their resolutions are recorded in the electronic and/or paper household file. Specific issue areas include:

a) **Biologicals:** Subgrantees are always alert to potential and actual problems with biological contaminants such as mold, odors, viruses/bacterial and rotting wood. Major remediation of such problems is beyond the scope of weatherization and is not completed with USDOE funds. However, subgrantees are allowed to assess moisture problems as a part of the energy audit and to address them using health/safety or general repair dollars. Because both health/safety and general repair dollars are limited, USDOE-funded activities are held at a reasonable level. Subgrantees are also encouraged to assist clients in identifying other funds to address major biological hazards.

b) **Combustion Appliances/Gases:** Testing of combustion appliances, including heating plants, water heaters, kitchen ranges and space heaters, is always performed during the energy audit. Acceptable test procedures are included in the Mechanical Field

Guide. Both the policy manual and the field guides provide standards that must be met before weatherization can proceed. The Minnesota Weatherization Policy Manual requires that all combustion appliances be working safely and dependably prior to the start of weatherization work and at the time of the final inspection. In extreme cases, a family may be asked to leave the dwelling until a problem is remedied. When repairs and/or replacements have been completed, other weatherization activities can continue. Once all weatherization activities are completed, testing is repeated at final inspection. Tests performed at audit and final inspection include carbon monoxide, draft, spillage, fuel leaks, and calculating the adequacy of the combustion air supply. In addition, every dwelling must pass a worst case draft test after installers complete their work and again at final inspection. Test standards are spelled out in the Mechanical Standards Policy of the Minnesota Weatherization Policy Manual. Finally, in compliance with Minnesota law, carbon monoxide monitors and smoke detectors are installed as needed in all dwellings.

c) **Fire Hazards:** All energy audits include an assessment of fire hazards within the dwelling. This assessment may include clearances to combustibles, creosote build-up, and storage of flammable materials in proximity to combustion appliances. Resolution of these types of hazards may include repairs before or during weatherization activities. Clients are educated about potential hazards.

d) **Existing Occupant Health Problems:** Subgrantee staff are instructed to be alert to any possible client health issues relevant to a broad range of potential weatherization activities. Energy auditors are the primary staff concerned with identifying such issues either as a part of the actual energy audit and/or by required interviews with household members. Since these issues may also arise when installers are in the dwelling, they are also trained in spotting health/safety issues. Once an issue is identified, subgrantee staff work with the client to deal with the hazard, either directly, through referrals, or deferrals of work. All issues and efforts to resolve them must be documented in the household electronic and/or paper file.

e) **Indoor Air Quality:** Assessments of any indoor air quality problems are conducted at the time of the energy audit. As the conditions in each dwelling vary greatly, potential remedies are developed on a case-by-case basis. Possibilities might include minor repairs that are part of weatherization, client education, and referrals to other potential fund sources for major problems.

f) **Asbestos/Radon/Formaldehyde/VOCs:** Major abatement costs are never charged to USDOE funds, but energy audit assessments of the potential contaminants are allowed.

1. **Asbestos** is encountered in a number of ways in Minnesota weatherization activities as indicated below:

- Residential and multi-family heating plant replacements. In such cases, weatherization is deferred until the replacement, including abatement, is completed with non-USDOE funds.

- Asbestos-containing (sometimes referred to as "slate" siding is common. Subgrantee staff are allowed to remove it for wall insulation purposes. This type of siding is presumed to contain asbestos and therefore installers are required to use asbestos-safe work practices when encountering such sidings. The asbestos in these types of sidings is non-friable as long as the siding remains intact and will remain intact as long as it is not crumbled, pulverized, or otherwise disturbed to such a degree as to cause the asbestos to no longer bind with its matrix. Drilling or sawing these types of sidings can cause the asbestos in the siding to become friable. Therefore, in order to insulate the walls in dwellings where these sidings are present, the siding must be removed in a

manner that keeps the siding intact. When the walls have been insulated, the siding must be reinstalled in a manner that keeps the siding intact. Keeping the siding intact ensures work on slate-sided dwellings will not pose a health risk to workers or clients. Asbestos-containing siding may be removed from dwellings of five units or less. Dwellings with five or more units fall under EPA asbestos regulations which have more stringent requirements governing removal of this type of siding. These regulations apply to structures or dwellings used for, or once used for, commercial purposes. Removal of siding from these structures may be allowed once the applicable standards are determined and applied. If the siding removal is not needed, other weatherization measures may be applied to these structures.

- Vermiculite insulation in attics and walls is assumed to contain asbestos. Installers are required to use asbestos-safe work practices including site preparation, clean up, and personal protective equipment. Attics should be depressurized when attic work is being completed.

2. **Radon** assessments are not part of weatherization in Minnesota. Houses with previously identified radon problems should not be left with an increased negative pressure in the contaminated area than existed before weatherization work began.

4. **Formaldehyde/VOCs:** Volatile Organic Compounds (VOCs) are widely used as ingredients in many household products, such as paints, varnishes, fuels, and many cleaning, disinfecting, cosmetic, and hobby products. These products can release the organic compounds as vapor when they are used and, to some extent, when they are stored. Formaldehyde is a volatile organic compound found in many building materials and household products, such as new carpets and plywood. These products release the organic compounds over time. Organic compounds sometimes have adverse health effects on people.

Because of the potential for adverse health effects, local agencies must take this into consideration when determining air tightness limits of dwellings and whether installing ventilation may be needed.

g) Lead Paint:

Appropriate containment and clean up procedures must be used to protect occupants from lead-based paint hazards while weatherization work is in-progress using appropriate containment strategies. Proper notification of the existence of these hazards must be given to the occupants.

When weatherization work is in progress the following must be followed as referenced in Weatherization Program Notices WPN 09-6, WPN 08-6, and WPN 02-6.

- Crews and contractors must use containment procedures to insure the protection of the occupants.
- Occupants, especially young children or pregnant women, may not enter the work site.
- Occupants are allowed to return only after the work is done and the home has passed a visual inspection.
- Occupants' belongings must be protected from lead contamination.
- The work site must be set up to prevent the spread of leaded dust and debris.
- Warning signs must be posted at entrances to the worksite when occupants are present; at the main and secondary entrances to the building; and at exterior work sites. The signs must be readable from 20 feet from the edge of the worksite. Signs should be in the occupants' primary language, when practical.

- The work area must be contained.
- If containment can not be achieved with occupants in the unit occupants must move out of the unit or the work must be deferred until containment can be achieved.
- Measures to ensure that containment procedures do not interfere with occupant and worker egress in the case of an emergency must be established.

Containment procedures must ensure that any dust or debris will not be spread beyond the work area to non-work areas. The

level of containment must be determined by the auditor/inspector or supervisor before work is

assigned to a crew or contractor.

The level of containment is based on the hazards present, the age of the home, the scope of work activities, and any customer health issues. LSW work generally falls into two levels of containment. Level 1 and Level 2 containment and their related standards are outlined in Weatherization Program Notice WPN 08-6.

Level 1 containment is required in pre-1978 homes when **less than** 6 ft² of interior painted surface per room or 20 ft² of exterior painted surface will be disturbed. Level 1 containment consists of methods that prevent dust generation and contains all debris generated during the work process. The containment establishes the work area which must be kept secure.

Measures that *may* fall within this guideline include:

- Installing or replacing a thermostat
- Drilling and patching test holes
- Replacing HEPA filters and cleaning HEPA vacuums
- Changing Furnace Filter
- Removing caulk or window putty (interior)
- Removing caulk or window putty (exterior)
- Removing weather-stripping

Level 2 containment is required when Weatherization activities will disturb **more than** 6 ft² of interior surface per room or 20 ft² of exterior surfaces in homes built prior to 1978. Level 2 containment consists of methods that define a work area that will not allow any dust or debris from work area to spread. Level 2 containment requires the covering of all horizontal surfaces, constructing barrier walls, sealing doorways, covering HVAC registers with approved materials, and closing windows to prevent the spread of dust and debris.

Measures requiring level 2 containment *may* include:

- Drilling holes in interior walls
- Drilling holes in exterior walls, removing painted siding
- Cutting attic access into ceiling or knee walls
- Planing a door in place
- Replacing door jambs and thresholds
- Replacing windows or doors

- Furnace replacements

Level 2 containment must **ALWAYS** be used where any of the following is conducted even if the activities will disturb less than the minimum hazard levels within the Level 1 category:

- Window replacement
- Demolition of painted surface areas
- Using any of the following:
 - Open-flame burning or torching;
 - Machines to remove paint through high-speed operation without HEPA exhaust control; or
 - Operating a heat gun at temperatures at or above 1100 degrees Fahrenheit.

Proper LSW Clean-up and disposal of debris is required to properly clean up the job site. All dust, dirt, material scraps, containers, wrappers, and work related debris must be removed from the customer's home. A HEPA vacuum should be used to clean up the work areas. Further cleaning may be necessary based on the hazard.

Disposal of debris must meet federal, state and local regulations.

A visual inspection by the crew or contractor must be done to ensure cleaning process is complete. Verification of this will be done by the Auditor/Inspector at the time of final inspection of the weatherization work. If debris, paint chips, or dust is observed, the weatherization crew or contractor must be required to repeat the cleaning process.

Notification of a lead hazard must be given to all clients in dwellings that come under the LSW guidance. All agencies must use the lead notification publication, "Renovate Right - Important Lead Hazard Information for Families, Child Care Providers and Schools." for this notification. A signed certification of receipt of this notice must be present in the client file.

Monitoring of LSW practices to verify compliance with minimum standards will be completed by review of client files for proper documentation, client interviews during on-site monitoring visits, compliance with current certification of workers, and periodical on-site inspection of contractor/crew truck rigging and equipment.

Agencies found not to be in compliance with the minimum LSW standards will be given notification of the requirements to bring the agency's work back to standard and provided with the appropriate training opportunities to assist them.

Minnesota will use EPA certified curriculum and trainers for implementation of the LSW standards stated.

h) **Building Structure:** Dwellings in need of major rehabilitation are referred to other funding sources. Weatherization activities are either deferred until rehabilitation activities are complete or, in some instances, are completed along with rehabilitation activities. Minor repairs to enable weatherization material to be installed or to protect a weatherization material may be completed by the subgrantee. These repairs are usually posted to the general repair expense category, but in a few instances may also be appropriate as health/safety activities or included in the overall cost of the Weatherization measure.

i) **Electrical Issues:** Weatherization audits in Minnesota assess and document electrical hazards, especially as they pertain to weatherization activities. Both the policy manual

and the field guide contain information about identifying and addressing electrical issues. Correcting electrical wiring problems is generally not an allowable weatherization measure. Wires are inspected to ensure they are not bare or frayed. Service boxes are inspected to ensure they have secure covers. Fuses and breakers are inspected to ensure they are properly sized. If it is determined a hazardous situation exists, the problem must be corrected before weatherization work is started. Program funds may be used to correct minor electrical problems but spending must be within the General Health and Safety Repair cost limits. A licensed (if required) electrical contractor will be used to perform electrical work needed to correct a problem.

The presence of knob-and-tube wiring may dictate that some insulation activities cannot be completed. Any insulation activities completed where knob-and-tube wiring is present must conform to applicable codes. In consultation with Minnesota Board of Electricity, the following procedure and standard has been developed:

PROCEDURE:

1. Knob and tube wiring:

- a. Service Providers must verify if the knob-and-tube system is in service before proceeding with any additional measures.
- b. Service Providers must inspect the wiring that is to be covered to determine the type(s) of wiring present, the circuit protection, wiring condition, and to identify any other hazards.
- c. Service Providers must obtain permission from the homeowner or authorized agent to install proper overcurrent protection. If permission is not given, insulation cannot be installed.
- d. Install insulation only as follows:
 - In those areas where knob-and-tube wiring is active, circuits must be protected by properly sized overcurrent protection;
 - Insulation is to be placed up to a depth of two inches from the underside of the knob-and-tube wiring provided that an open air space is permanently maintained above such wires; OR
 - Barriers must be installed in such a manner around knob-and-tube wiring to ensure that the insulation shall not directly cover the wiring and that an adequate air space of at least one inch on all sides is maintained.
 - Document if sidewall cavities are insulated. **DO NOT INSULATE SIDEWALLS** containing live knob-and-tube wiring.

STANDARD:

1. National Electrical Code requires the following **MINIMUM** circuit protection:
 - a. 15 amp fuse for #14 wire
 - b. 20 amp fuse for #12 wire
 - c. S-type fuses and adapters for live knob-and-tube wiring or appropriately size circuit breakers.
2. Covered electrical junction boxes must be installed where needed to meet code. All splices must be within properly sized junction boxes with approved covers.
3. Bare wires and other hazards are to be corrected.

4. Wiring junction boxes that are to be covered with insulation are to be flagged for location.
5. Document all conditions and corrections in the appropriate comment section of the Weatherization Assistant audit tool.

EXCEPTIONS:

Exposed knob-and-tube wiring in an accessible attic space can be replaced using weatherization funds if the following conditions exist;

1. The knob-and-tube wiring branch circuit has proper overcurrent protection.
2. The replacement cost can be divided between the attic measure cost and general repair costs without lowering the attic insulation measure SIR below one, and
3. The general repair cost remains within fund source limits.
4. ALL WIRING AND REPAIRS MUST BE PERFORMED BY A LICENSED ELECTRICAL CONTRACTOR AND INSPECTED (VERIFICATION REQUIRED) PRIOR TO AGENCY APPROVAL

j) **Refrigerant Issues:** Cooling measures and refrigerator replacements are not completed with USDOE funds at this time. Refrigeration appliances that are replaced must be disposed of according to the environmental standards in the Clean Air Act (1990), Section 608, as amended by the Final Rule, 40 CFR 82, May 14, 1993. The party recovering the refrigerant must possess an EPA-approved Section 608 Type II license or an approved universal certification.

k) **Code Compliance Issues:** All weatherization work in Minnesota is required to be completed to the standard contained in the applicable code. This applies in places where code is actively enforced and as a work standard where code enforcement is lacking. Subgrantee staff is expected to be knowledgeable about code issues and standards in their service area.

9) Deferral Standards: Minnesota's walk-away policy is incorporated into the Weatherization Policy Manual and in the Weatherization Field Guide. This policy specifies the process a subgrantee must use in determining whether to proceed or defer weatherization. The following PROCEDURE and STANDARD are can be found in the Policy Manual.

PROCEDURE:

1. The Service Provider must:
 - a. Make a documented determination that circumstances exist which prevent weatherization activities from proceeding.
 - b. Inform the client and landlord (if rental property) of the problem in writing. Describe how the problem relates to the decision not to weatherize or not to continue work.
2. The letter may contain any or all of the following, as appropriate:
 - a. Corrective actions required before weatherization work can take place.
 - b. A time frame for all corrective actions must be stated in the letter.
 - c. The letter must notify the client of their right to appeal the local decision.
3. A copy of the letter and any other notes or communication related to the circumstances of the case must be placed in the household's file.

STANDARD:

1. Service Provider must not weatherize if:

- a. The unit was weatherized after September 30, 1994 (this pertains to the use of only DOE funds. Non-DOE money, such as EAP/WX, may be used).
- b. The dwelling is vacant. (Exception: multifamily units using DOE funds and the 50% or 66% client eligibility rule.)
- c. Demolition of the dwelling is scheduled within the next 12 months.
- d. The dwelling is condemned.
- e. The dwelling has serious structural problems which make weatherization impossible, unsafe, or impractical.
- f. The dwelling is a mobile home that is not adequately installed, supported, or permanently connected to required utilities.
- g. The dwelling is a camper, recreational vehicle, boat, railroad car, bus, or other structure designed and constructed as temporary living quarters.
- h. The dwelling's heating and/or mechanical systems components have not passed necessary safety tests.
- i. The client/owner refuses to allow any weatherization work and/or necessary diagnostic and safety tests.
- j. There are uncorrected mold problems or other documented health and safety issues that make weatherization impossible, unsafe, or impractical.

2. A service provider may choose not to weatherize a dwelling unit under the following conditions:

- a. There are vermin, unsanitary, or other health and safety problems on the property that present a hazard to the weatherization workers.
- b. The client or occupants are physically or verbally abusive.
- c. If there is an animal in house that is menacing or if the worker is uncomfortable being around the animal, require the client to restrain the animal before proceeding with the work. If the client refuses, document the situation.
- d. Any animal bites should be immediately responded to and reported. If necessary, seek medical care. If a worker is bitten by a bat, an attempt should be made to kill the bat without destroying the head. The bat should be placed in plastic and shipped to a local lab to test for rabies.