

U.S. Department of Energy

STATE PLAN/MASTER FILE WORKSHEET

Identification Number: NT43133, State: KY, Program Year: 2012

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:

For a dwelling unit to be eligible for weatherization assistance, it must be occupied by a client/family who must meet one of the following criteria: (UPDATE PER WPN 11-5)

1. Total annualized income of the client/family residing in the dwelling to be weatherized is at or below 200% of the poverty level determined in accordance with criteria established by the Director of the United States Office of Management and Budget; or
2. The family unit has a member who has received cash assistance payments under Temporary Assistance for Needy Families (TANF) or Kentucky Transitional Assistance Program (K-TAP) sometime during the 12 month period prior to eligibility determination.
3. The applicant's household contains a member who has received cash payments under Title XVI of the Social Security Act during the twelve (12) months preceding the determination of eligibility, the applicant will be categorically eligible.

INCOME - Income means Cash Receipts earned and/or received by the applicant before taxes during applicable tax year(s) but not the Income Exclusions listed in Section B.

A. CASH RECEIPTS:

Cash Receipts include the following: 1. money, wages and salaries before any deductions; 2. net receipts from non-farm or farm self-employment (receipts from a person's own business or from an owned or rented farm after deductions for business or farm expenses); 3. regular payments from social security, railroad retirement, unemployment compensation, strike benefits from union funds, worker's compensation, veteran's payments, training stipends, alimony, and military family allotments; 4. private pensions, government employee pensions (including military retirement pay), and regular insurance or annuity payments; 5. dividends and/or interest; 6. net rental income and net royalties; 7. periodic receipts from estates or trusts; and 8. net gambling or lottery winnings

B. INCOME EXCLUSIONS: The following Cash Receipts are not considered sources of Income for the purposes of determining applicant eligibility: 1. capital gains; 2. any assets drawn down as withdrawals from a bank; 3. money received from the sale of a property, house, or car; 4. one-time payments from a welfare agency to a family or person who is in temporary financial

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difficulty; 5. tax refunds; 6. gifts, loans, or lump-sum inheritances; 7. college scholarships; 8. one-time insurance payments, or compensation for injury; 9. non-cash benefits, such as the employer-paid or union-paid portion of health insurance; 10. employee fringe benefits, food or housing received in lieu of wages; 11. the value of food and fuel produced and consumed on farms; 12. the imputed value of rent from owner-occupied non-farm or farm housing; 13. Federal non-cash benefit programs such as Medicare, Medicaid, Food Stamps, school lunches, and housing assistance; 14. combat zone pay to the military; and 15. Child Support, as defined below in Section E (see WPN 11-5).

Procedures to determine that units weatherized have eligibility documentation:

No dwelling will be weatherized until it is determined that the dwelling /occupants are determined income eligible. Applicant income levels will be verified and documented through the use of the most recent check stubs or Social Security checks or statements, LIHEAP application, Department for Community Based Services' Temporary Assistance for Needy Families (TANF) or Kentucky Transitional Assistance Program (K-TAP), food stamp program and other similar programs. Categorical eligibility will be verified and documented through the use of SSI award letters and copies of SSI checks. These records will be obtained by the intake worker during the application process. The application and supporting documentation will be reviewed and verified by the program coordinator.

After an applicant has been determined eligible for assistance, the Weatherization Coordinator or the Executive Director must sign the WX-800 certifying the eligibility prior to any work being done to the dwelling.

Members of Indian Tribes: Native Americans identified as eligible shall receive benefits equivalent to the benefits provided to other low-income persons.

Definition of children: Below age 6 0

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:

Native Americans identified as eligible shall receive benefits equivalent to the benefits provided to other low-income persons.

III.1.2 Selection of Areas to Be Served

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Each service provider selected to operate the weatherization program will be selected at a public hearing and will be a Community Action Agency or other public or non-profit organization. The service providers are selected based on the Agency's ability to operate programs for low-income families and experience in operating a weatherization or housing rehabilitation/renovation program. Each area is contiguous with the area served by the individual Community Action Agencies or the particular county or municipalities served by local governmental entities, which operate low-income housing rehabilitation programs in their respective areas.

Community Action Kentucky (CAK) has currently twenty-three (23) Community Action Agencies in the state of Kentucky. Each has a number of years of experience at administering and operating a weatherization program. All are expected to operate a program that meets the minimum standards as measured by the grantee during its on-site performance and compliance monitoring.

Those service providers that are identified as not meeting the planned goals of the program, lack in proper supervision, do poor quality work, have not implemented new procedures, exceed cost limitations, experience high overhead, and are overall poor performers, are subject to having their funding levels reduced, until programmatic improvements are made, or are subject to being terminated as a service provider. Prior to taking steps to terminate the service provider, the problems will be identified. The service provider will be contacted and required to submit a Corrective Action Plan outlining the steps to make improvements in the areas identified. Staff of KHC and/or staff of CAK, will provide assistance to the agency in order to improve the status of a service provider.

Any new service providers will be selected based upon required state and federal procedures, which will include an RFP and a public hearing. Any new or replacement service provider will meet the criteria outlined previously.

All service providers will be given the option of subcontracting the weatherization of qualified units with a private sector contractor.

If a service provider elects to subcontract with a private contractor, it shall follow the established guidelines for private sector contracting outlined in the Weatherization Assistance Program Operation and Policy Manual as explained below:

Private Contracting.

An Approved Contractors List (ACL) must be created and maintained, using the following process:

A. The service provider shall place a legal advertisement in all local newspapers or website of the geographical area to be served. The advertisement shall solicit licensed, insured, contractors to perform Energy system repairs or replacements and/or regular weatherization. The service provider will conduct an orientation meeting to explain the Weatherization Program, inspection procedures, work procedures, form requirements, bidding procedures, suspension criteria, reimbursement procedures and policy, to all interested contractors.

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B. The contractors will complete a Weatherization Contractor Application (WX-10) and a Non-Financial Agreement (WX-12). Service provider staff will closely review the information and verify all the information using the Contractor's Work Reference (WX-11).

C. If the contractor meets all the criteria, the WX-12 will be signed by the appropriate service provider staff. The service provider will notify the contractor in writing to acknowledge approval or disapproval. If disapproved, the reasons will be documented in the letter.

D. Once a list has been developed, a procedure meeting will be scheduled for all participating contractors. The program policies and procedures will be explained in detail and all applicable forms and manuals will be discussed as needed. All contractors will be required to attend this meeting. All contractors shall provide a Certification of Insurance, which shall be kept on file by the service provider.

E. Service providers shall advertise annually and allow private contractors the opportunity to be added to the list on an ongoing basis.

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F. The service provider can remove a contractor from the ACL for reasons covered under the non-financial agreement, bidding procedures, suspension criteria, or other related service provider policies. The contractor must be notified in writing of the reasons and be given an opportunity to respond.

Bidding Procedures. The service provider must submit a description of the bidding procedures to the contractors that includes the following:

- A. Compliance with all program policies;
- B. Criteria for measurements, quantities, locations and change orders;
- C. Method(s) to resolve discrepancies between the dwelling needs evaluation and the contractor's interpretation of the measure descriptions;
- D. Procedures for completing the contractor's bid;
- E. Starting dates, extensions, change orders, inspections, and completion dates;
- F. How bids will be awarded; and
- G. Posting of a spreadsheet to provide documentation of the winning bid.

Award of Bids. The service provider will perform the dwelling needs evaluation and be required to adhere to the following procedures to award the bids:

A. The service provider will send letters to all contractors on the ACL an invitation to bid , work orders on NEAT/MHEA generated forms, all applicable forms, and the deadline for submitting the bid.

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B. Contractors are required to submit bids on NEAT/MHEA generated bid forms.

C. The service provider will review the bids to compare with the service provider's estimate. The contractor's bid must fall within a range of 10%, of the service provider's estimate, to be eligible. From the pool of eligible bids, the service provider will determine the lowest or best bid.

D. If all bids exceed the 10% limitation, they shall be returned to the contractors for a re-bid. If the second bid exceeds the estimate, the work order must be reviewed and a decision made to award the bid.

E. The contractor will be notified and the Agency/Contractor Agreement (WX-14) signed by both parties. Change Orders: If at any time during the work process, any changes, additions, or deletions are needed, the service provider, contractor and applicant must agree and sign a Change Order (WX-15).

In Progress Inspections, Final Inspections and Reimbursement: An on-site in-progress inspection may be performed at any time. When the job has been completed, the contractor will complete and send a Notice of Completion (WX-16) and the Final Invoice (WX-17) to the service provider. The service provider will schedule a final inspection and if the work meets program standards, the reimbursement process will begin. If the work fails to meet program standards, the service provider will list the deficiencies on a Deficiency Notice (WX-16A) and allow the contractor to correct the deficiencies. After the re-work, the service provider will perform a re-work inspection.

III.1.3 Priorities

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Priority shall be given to identifying and providing weatherization assistance to families whose annual household income does not exceed 200% of the poverty level. Once this has been established, the household will be prioritized according to its occupancy with preference given to those households containing an individual who is elderly, a young child (children at/or below the age of 6), or disabled. Also, a pattern of high energy usage is factored into the priority ranking. In situations where a household includes a child at risk of being removed from the home due to sub-standard conditions, the priority ranking is waived altogether so that service can be rendered without delay.

Each eligible household is prioritized for selection to receive assistance. This is accomplished by the information gathered on the WX-800 through a point system. The point system awards 10 points for elderly and disabled family members and 10 points if a household consists of a single elderly and/or disabled occupant. Additional points are awarded to households with the lowest annual income which use the highest percentage of their income for residential energy costs, and households which use the highest cost fuels per BTU of energy provided. The point spread for this category ranges from two points for 0-6% of income to 15 points for 34% and above of income. The primary fuel type is also evaluated with a point spread of from 2 to 8 points with electricity receiving 8 points and coal receiving 2 points. In addition, if a household has members who are elderly or disabled, an additional 4 points will be added if the household's energy source is wood or 6 points if the energy source is coal. Households with children under the age of six will receive an additional 5 points.

Households that are eligible and have children identified by the Department for Community Based Services local office as being at risk of being removed from the home, if the home conditions are substandard and are in need of weatherization, will be red flagged as priority and will receive service immediately.

Applications are taken throughout the contract period and maintained until services are provided. The service providers are required to re-prioritize applications on a regular basis. If the application is on file longer than twelve (12) months, the agency must contact the client to re-verify the information given at the time of application before service is provided. If the family size or source of income has changed, a new application must be processed.

The service provider will be required to review and prioritize all WX- 800s (single family) on a regular basis, at least every six (6) months, in order that those applicants with the highest priority ranking are served first. Applicants not receiving sufficient priority ratings for the period reviewed will be annotated and will remain eligible for the following period. Service providers have the option of prioritizing applications by county or for the entire service area, whichever helps the service provider utilize the work crews in the most cost-efficient manner.

It will be the responsibility of each service provider to assure that major political subdivisions of its service area receive the same outreach and intake opportunities relative to their share of eligible household population. Each service provider must have the capacity to find and identify eligible households throughout its service area. KHC will monitor each service provider's files on a routine basis to assure that

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sufficient applications are being taken throughout its service area.

Documentation of Eligible Units. To be eligible for Weatherization services, a dwelling unit must be occupied by an eligible family unit as described above, a completed application must be on file and all client information verified and approved.

Dwelling units whose principle purpose is to house individuals, on a temporary basis, are shelters and are eligible to receive service. Note: Nursing homes, prisons, or similar institutional care facilities are not eligible. Each 800 square feet or each floor of the shelter will count as one dwelling unit.

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Applicant income levels will be verified and documented through the use of the most recent check stub or bank statement, Social Security checks, LIHEAP applications, Department for Community Based Services' TANF or K-TAP programs or food stamps verification printouts or other similar records. The intake worker will obtain these records during the application process. The application and supporting documentation will be reviewed and verified by the Weatherization Program Coordinator. The Weatherization Program Coordinator must sign the WX 800 certifying eligibility before any work can be done to the dwelling.

Re-weatherization Eligibility Criteria: Service providers will not be allowed to use contract funds to install Weatherization materials or provide other Weatherization services to a dwelling previously served with contract funds unless one of the following conditions exist:

1. The dwelling unit has been damaged by fire, flood, or other Act of God and repair of the damage to Weatherization material is not covered by insurance.
2. Written permission from KHC must be received prior to any work starting.
3. Dwelling units weatherized prior to **September 30, 1994**, may receive further Weatherization. These dwellings will receive a new dwelling needs evaluation and will be eligible for services.

Supplementation of Funds:

The service providers will use funds provided under this grant to supplement, and not supplant, state or local funds.

In subcontracts, the wording is such as to restrict using Weatherization funds to supplant state or local funds. Where local funds provide related dwelling repair services, Weatherization funds will be strictly used for approved conservation measures.

III.2 Climatic Conditions

The NEAT/MHEA or EQ-QUIP (appropriately) audit will be used for every evaluation performed. Audit results will ensure that the installed measures reflect the housing stock and climate through the application of local weather parameters and current dwelling characteristics and energy use data. Blower door use on every dwelling will assure minimum ventilation requirements are maintained. There are not enough differences in the climatic conditions in the state to have any major effect on the NEAT or MHEA audits.

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III.3 Weatherization Work

III.3.1 Type of Work to Be Done

Weatherization measures will be selected from those available through the NEAT or MHEA and specific additional itemized measures that are allowed by 10 CFR Part 440, Appendix A. Installed measures will be limited by the audit and allowable federal and state cost limits.

Type of Work

Measures could include but are not limited to the services listed below:

Health and Safety

The correction of existing or potential conditions causing a safety hazard before, or because of, the installation of weatherization materials. These actions are addressed in 111.4.

Health and Safety Justification

The average H&S amount per dwelling for the Kentucky WAP has been approved at \$1,000 dollars, or more, for seven years. When analyzing this history, the percentage of health and safety is far greater in the earlier years due to the lower overall allowable cost per unit and the availability of LIHEAP funding. In 2009 our approved maximum H&S average per unit was increased to \$1,200 along with the increase to \$6,500 allowable maximum weatherization average per unit. However our LIHEAP transfer funding was taken away at this same time resulting in a reduced ability to exceed with other funding if necessary.

ALL WEATHERIZATION

2004-2005

2005-2006

2006-2007

2007-2008

2008-2009

2009-2010

YTD

YTD

YTD

YTD

YTD

YTD

Program Support

1,772,151.00

1,969,471.00

2,020,671.00

2,034,569.00

2,583,259.00

4,742,554.00

WX Material

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676,239.00
653,380.00
1,600,441.00
1,389,061.00
2,276,482.00
4,046,290.00
WX Labor
529,599.00
526,164.00
2,467,291.00
2,257,922.00
2,987,427.00
5,136,781.00
Vehicles & Equipment
158,119.00
127,591.00
156,084.00
5,995.00
514,919.00
1,616,027.00
H&S Material
1,170,931.00
1,370,895.00
683,350.00
552,260.00
814,648.00
1,353,579.00
H&S Labor
2,318,181.00
2,407,502.00
720,844.00
736,874.00
871,299.00
1,412,334.00
H&S %
52.66%
53.56%
18.36%
18.48%
16.78%
15.11%
6,625,220.00
7055003
7648681
6976681

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10048034

18,307,565.00

The following chart represents a 6% random sampling of health and safety measures completed on units in the first quarter of 2011 production. A random numbers chart was utilized for unit selection and job numbers for all selected units can be provided. Evaluation labor is an estimate (2 hours) of time spent during the evaluation and test-out procedure. The LSW figure is also an estimate attributed to the fact that 50% of units in Kentucky's WAP are trailers and of the single family units an estimated 75% are pre-1978.

The heightened awareness of indoor air quality, due to implementation of ASHREA 62.2, will bring an increase to the frequency rate of which mechanical ventilation is used in our state. Also an increase in pre-evaluation and final test out time will result when this new H&S plan is fully implemented. This additional time will be necessary to spend with the client to carefully explain new elements such as the need for ventilation along with gathering written documentation that demonstrates the weatherizing agency has performed due diligence with respect to informing and educating the client of any known or perceived hazards.

Allowed Measure

Percentage of Frequency

Average cost of Measure

Total

Combustible Gas (leaks and proper supply piping to meet code)

10.29%

\$50.00

\$5.15

Combustion Venting (repair & bringing existing venting systems up to code)

39.71%

\$150.00

\$59.56

Combustible surface (brining heat systems into clearance, and safety compliance)

8.82%

\$100.00

\$8.82

Other Appliance Repair (mainly repair to secondary heat systems water heaters)

10.29%

\$50.00

\$5.15

Heating Unit Repair

35.29%

\$225.00

\$79.41

Heating Unit Replace

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36.76%
\$2,000.00
\$735.29
Smoke/CO Detector
94.12%
\$55.00
\$51.76
Lead Safe Work practices
37.50%
\$200.00
 \$75.00
Duct Replace / Install
10.29%
\$100.00
\$10.29
Mechanical Ventilation
14.71%
\$550.00
\$80.88
Evaluation Labor
100.00%
\$75.00
\$75.00

\$3,555.00
\$1186.31
Infiltration Reduction

Repairs to all areas of significant air infiltration, including attic bypasses and repairs to tighten heating ducts.

Baseload

Replacement is dependent upon NEAT/MHEA or EA-QUIP Audit Low Flow Showerheads Minimum of 1 as plumbing conditions permit Fluorescent Light Bulbs - Minimum of 1 Refrigerator Replacement per unit - Units to be replaced shall be taken to a facility, licensed to reclaim refrigerant. No refrigerator taken out of service shall be sold or returned to service. Refrigerator replacements are basic units that do not include ice makers or water dispensers. Water heater jacket, duct wrap or an energy using item that are not heat and cooling systems. Old refrigerator must be removed from the unit being served and disposed of per EPA standards.

Attics

Attic insulation and incidental repairs.

Walls

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Wall insulation and incidental repairs.

Floors

Floor insulation, water pipe wrap and other incidental repairs.

Incidental Repairs

Incidental Repairs are those repairs necessary for the effective performance or preservation of weatherization materials. When a repair activity is a component of an energy efficiency measure that is being installed then the installation and materials are part of the efficiency measure and are classified as incidental repair. Such repairs include, but are not limited to, repairing (or replacement if repair costs exceeds 75% of new installation) windows and doors which could not otherwise be caulked or weather-stripped and providing protective materials, such as paint, used to seal materials installed under this program. Roof repair, knob and tube removal (including the installation of replacement wiring) for protection of and safety of insulation measures, minor electrical repairs (installing miscellaneous wiring, junction boxes and covers to ensure connections meet code), electrical upgrades to handle extra load for HVAC replacement, all of these meet the definition of incidental repair and are allowed as such. The cost of incidental repairs must be included in the cost of the package of measures.

Dwelling Needs Evaluation

Prior to any work being done on a dwelling, the dwelling must receive a Dwelling Needs Evaluation (DNE) as described below. Only those weatherization measures that are identified by the DNE can be performed. In addition, these measures cannot exceed cost limitations.

A. Site Eligibility and Dwelling Needs Evaluation Standards. Each dwelling will have a walk-through inspection of its interior, exterior and immediate surroundings. If any of the following conditions are identified, and cannot be corrected within the scope of the program, the dwelling may not be eligible for weatherization until the conditions are corrected.

1. Asbestos anywhere on the interior or exterior of the dwelling that would need to be addressed directly or incidentally to perform the weatherization process will be a deferral. Asbestos hazard clearance must be given by a certified testing entity before beginning weatherization activity. Any testing, abatement or clearance activities are not reimbursable by this program.
2. Raw sewage inside the dwelling, under the dwelling or within its immediate surroundings that may pose a health threat to the evaluator or work crews.
3. Flea infestation within the dwelling or in any area outside of the dwelling where service provider staff or sub-contractors would have to work.
4. Sanitation or health problems identified and documented by the service provider staff that pose a health hazard to its employees or sub-contractors.
5. Building or site conditions identified and documented by the service provider that pose a health and safety hazard to its employees and sub-contractors and cannot be corrected.
6. Major moisture problems that cannot be corrected, such as

III.3.2 Energy Audit Procedures

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Kentucky received approval to use the NEAT Audit for determining the most cost effective measures on all site-built dwellings in 2009. All dwellings to be weatherized must have either a NEAT/MHEA audit or any other DOE approved audit software performed.

In addition to using the NEAT/MHEA audit or any other DOE approved audit software performed, each dwelling's energy system is inspected for health and safety and receives repairs as necessary. The evaluators have been equipped and trained to measure for heating unit efficiency in the dwelling evaluation process. These inspections and extent of repairs include all fuel lines, the primary heating unit, other combustible fuel appliances and all exhaust gas venting. KHC reserves the right to require approval on any or all audits, prior to work being performed.

<u>Unit Types</u>	<u>Audit Procedures and Dates Most Recently Approved by DOE</u>
Single-Family	NEAT audit approved October 2009
Multi-Family	EA-Quip audit approved 2010 - DOE approved software for buildings of 5 units or more
Mobile Home	MHEA audit approved October 2009

III.3.3 Final Inspection

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Each dwelling unit will be reported as completed only after a service provider has performed a final inspection and certified that applicable work has been completed in a skillful manner, in accordance with the measure priorities determined by the audit procedures and in compliance with federal and state material specifications and installation guidelines.

The service provider will perform a thorough and complete post inspection in accordance with all standards in KY's program. The final inspection will not be performed by the same person who performed or installed weatherization measures or health and safety measures listed on the Work Order.

Each dwelling will receive energy systems safety tests and a blower door test. A back-drafting, worst case scenario, test will be performed on all vented combustion appliances.

This final inspection is documented and accomplished through the use of the "Completed Dwelling Report", (WX-710). The WX-710 is designed for service providers that use either staff work crews or private sector contractors. An appropriate service provider representative must fill out and sign the WX-710 before a dwelling can be reported as complete. The WX-710 requires the inspector to sign a statement certifying that all material installations complied with minimum standards and include job cost, blower door and client demographic information. Service providers are required to submit a copy of the Completed Dwelling Report (WX-710) for every unit reported as completed on the WX702.

III.3.4 Assessment of Effectiveness

A WX702 is generated by each Weatherization Assistance Program service provider based on the production and expenditures. The report provides material, labor and support expenditures and number of completed dwellings on a monthly and cumulative basis. This information is then used to calculate average costs per dwelling for materials, labor, and support for an overall total cost average for each category. These reports are reviewed monthly and the averages compared with similar service providers and to each service provider's planned production and expenditure goals.

When a service provider is identified during on-site monitoring or on monthly reports as exhibiting a pattern of poor work orders, poor work quality, or low production, a training and technical assistance visit is scheduled or a phone call is made, whichever is appropriate. The visit will focus on the specific problem and involve both desk review and field training. Follow up monitoring is performed and a repeat visit is made if necessary.

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III.4 Health and Safety

See attachment.

III.5 Rental Procedures

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Rental Policy

Policy for weatherizing rental housing: single family homes, duplexes to four-plexes and multi-family structures.

Before any weatherization services are provided, including inspection of rental units, ownership must be clearly established. Legal ownership, including all parties that have fractional or limited interest, shall be verified by a copy of the legal title (deed) which shall be kept on file with the agency overseeing the project.

A WX Rental (Agency/Landlord Weatherization Agreement for Rental Property) must be signed by both parties documenting and certifying they agree to comply with the terms of the agreement before weatherization work is initiated. See III.5 Rental Procedures for a complete description of rental property. (moved from section 111.2)

Definition of Renters

·If the applicant can be verified as the sole owner by a deed or a will, the dwelling shall be considered owner occupied.

·If the applicant is occupying a dwelling for which he/she is paying mortgage payments or for which he/she has signed a land contract or had entered into a lease with the option to purchase, the property shall be considered owner occupied.

·If the applicant applying for assistance has no legal fractional or limited interest in the property being occupied, such property is rental regardless if rent is paid or not.

·If the applicant applying for assistance has a legal fractional or limited interest in the property by pays some sort of rent to one or more of the other fractional or limited interest owners, such shall be considered rental.

·If the applicant applying for assistance has a legal fractional or limited interest in the property and pays no rent, such property shall be considered owner occupied.

·If the applicant applying for assistance does not legally own the property but pays no rent and no other entity pays rent on his behalf, such property shall be considered rental.

Owner(s)

General. For any rental unit to receive weatherization service the occupants must meet the current income eligibility guidelines. Once eligibility (per WAP federal guidance for single and multifamily) is confirmed, the owner(s) of the housing unit(s) must agree to following:

1. To not increase the rent on any living unit weatherized for a period of 18 months from the date of the final inspection as documented by the WX-710, Completed Dwelling Report. Furthermore, the owner shall not alter any other rental agreement that is in place for an 18 month period beginning with the date of the

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final inspection. For example, rent that includes utilities shall not be altered during the 18 month period unless it can be demonstrated in writing that such an alteration shall be in the best interests of the tenant occupying the rental unit. The service provider, as well as Kentucky Housing Corporation (KHC), shall reserve the right to accept or deny such alterations on an individual basis.

2. To enter into a Agency/Landlord Weatherization Agreement for Rental Property (WX Rental). This document shall be signed by the agency and owner, and kept on file with the agency overseeing the project.
3. To not sell the rental unit(s) for a period of 18 months, and;
4. To reimburse the Kentucky Housing Corporation (KHC) Weatherization Assistance Program (WAP) the full cost of all weatherization funds in the event that unforeseen circumstances shall necessitate the sale on any and all rental units served within the 18 month period beginning with the date of the final inspection.
5. To inform all tenants about the scope and type of work that will likely be performed on their dwelling (s). This shall take place in conjunction with the program's routine client education component.

Tenant(s)

General. For any rental unit to be considered an eligible unit the occupants must meet the current income eligibility guidelines. Once eligibility is confirmed the tenant(s) of the housing unit(s) must agree to the following:

1. To abide by all conditions set forth on the WX-800, Weatherization Application Form, including providing access to their dwelling for the contractor or work crew, representatives of the service provider, and KHC staff, as the dwelling is being weatherized.
2. To report to the service provider representative and KHC any increase in rent or other alteration in their rental agreement with the owner for an 18 month period beginning with date of the final inspection.

Service Provider

General. For any rental unit to receive weatherization service the occupants must meet the current income eligibility guidelines. Furthermore, the service provider shall establish clear ownership of the property including all parties with fractional and limited interest. A WX-800T Weatherization Application Form shall be completed for each living unit to be served. Also:

1. The service provider shall educate the occupant(s) about the weatherization work that will likely be performed on their dwelling.
2. The service provider shall oversee the project. As such, the service provider will assist as needed in every aspect of the job: scheduling, inspecting, special arrangements if any, resolving disputes, and obtaining all needed signatures and documentation.

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3. The service provider shall assure that all households weatherized have a direct means of communicating with its representatives during both the weatherization work and the ensuing 18 month rental control phase.

4. The service provider shall inspect, document, and develop work specifications for each living unit using accepted inspection processes and appropriate energy audit software. The service provider shall perform and document a final inspection in which all parties involved must sign off on to verify completeness of and satisfaction with, all work performed.

Limitations and Scope of Work

General. Any occupant of a rental unit of any kind is eligible for weatherization service provided the occupant's household meets the income guidelines set by the Department of Energy (DOE). Additionally, the owner(s) of the dwelling must agree to the conditions previously stated and enter into a Landlord/Tenant Agreement with the tenant(s). Apart from these conditions the following restrictions apply to weatherizing rental housing units:

1. No service provider shall weatherize more rental units than one third (33%) of its planned completions for a contract year without written approval from KHC. In seeking such approval the service provider must explain how exceeding this cap will benefit the clients that it serves and that in doing so equitable service shall be maintained throughout its entire service area.

2. No owner, developer, or landlord shall receive weatherization service for more than 25 rental units under its ownership (full or in partnership) with any individual service provider in a contract year, without written approval from KHC.

3. KHC reserves the right to consider large multi-family projects that exceed the limitations described above; and allow such projects to go forward provided , a.) The service provider can show that such projects are a best use of its resources for the area that it serves; b.) And that equitable service will be maintained in its service area.

4. All rental weatherization projects shall be prepared and completed in accordance to the appropriate DOE approved energy audit software, local ordinances, state weatherization assistance program policy and prevailing building codes.

5. Service providers that wish to serve multi-family structures larger than stand-alone ten-plex units must advertise in local media, i.e., newspapers, community cable channels, websites, etc. the opportunity for all area owners/landlords/developers to have their properties weatherized by the WAP. For such projects, KHC reserves the right to allow or deny service based on the written justification provided by the service provider, all other conditions described in this section, and assurance that all Equal Opportunity requirements with respect to contracting (if applicable) are met. Preference shall be given to owners/landlords/developers that make financial contributions towards the weatherization of their properties. 6. No undue or excessive enhancement to the value of the dwelling units is allowed. Only weatherization measures generated from the approved audit software, that is appropriate to the type of structure, may be installed. All Health and Safety measures must be in conformance with section III.4 (Health and Safety) of this plan.

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III.6 Program Management

III.6.1 Overview

The Weatherization Assistance Program will be administered by KHC. KHC will be responsible for program administration, on-site monitoring, training, technical assistance, planning contract negotiation, quarterly reporting, processing invoices, contractual and compliance monitoring, manual changes and assistance in formulating policy.

The Cabinet for Finance and Administration will be responsible for final disbursement of funds for the weatherization program. KHC will contract with CAK, which will subcontract with the 23 service providers to provide weatherization assistance. Duties of CAK will be outlined in the memorandum of understanding between KHC and CAK.

III.6.2 Administrative Expenditure Limits

The Grantee will retain no more than 5% of available funds for administrative purposes, of which a portion will be made available to CAK for their administrative assistance. The service provider will receive 5% administrative funds. In determining the amount of additional administrative funds, if any, that may be allocated to qualified service providers, up to the DOE maximum, the administrative burden of each of the service providers in administering the weatherization program will be considered.

At the decision of KHC and based on the amount of the overall allocation of weatherization funds, an additional 5% may be allocated to service providers if the following conditions are met:

1. The service provider is not administering the program under any sanctions or a corrective action plan, and;
2. The service provider has no excessive administrative charges against the program, and;
3. Any outstanding audit has been finalized, and;
4. The service provider received less than \$350,000 of new DOE funds to administer the program.

III.6.3 Monitoring Approach

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Monitoring will be accomplished in the following manner:

1. In compliance with 10 CFR 440.12(b)(6), KHC has established the following monitoring plan to ensure service providers adhere to contractual and federal regulatory constraints, have adequate programmatic and financial management control, and achieve acceptable quality standards in the field work performed.
2. All service providers will receive on-site monitoring and desk reviews throughout the contract year for program oversight using an On-Site Dwelling Review Report, Weatherization Program Review, monitoring reports from previous visits, and the Service Cost Worksheets.
3. All Service Providers, including CAK, will be monitored for sub-contract compliance and financial management.
4. An annual review of the audit will be performed CAK. The review will compare the audit schedules related to weatherization expenses as well as review the entire audit for any findings or concerns. Audit review and comments will then be forwarded to KHC for review by CAK. The KHC weatherization monitors will review field work; provide training, technical assistance; review program performance; and provide management with an assessment of the program.

A monthly desk review of each service provider's WX702 Monthly Invoice, Completed Dwelling Reports and other required documents and report will be performed. The purpose of the review is to tie invoices to reported completions by comparing expenditures on the Completed Dwelling Reports to the program operations amounts on the invoices. Unless there is a justification as to why the two reports are not in agreement, invoice requests in excess to the line item cost amounts on the Completed Dwelling Reports will be disallowed.

A Monthly desk review of each service provider will be conducted to:

- compare the expenditure averages and production rates with planned,
- determine the cost efficiency,
- determine the overhead rate, and
- ensure that expenditure averages per completed dwelling are in compliance with WAP guidelines.

KHC will review each service provider's progress, identify those with problems, provide technical assistance where necessary and request a Corrective Action Plan. When determined necessary, CAK will provide technical assistance to agencies that are having administrative or technical problems. Agencies working under a Corrective Action Plan will be monitored closely for signs of improvement.

An on-site dwelling review will be conducted annually by the KHC weatherization monitoring staff on a representative sample of each service provider's completed dwellings to ensure that all work meet WAP standards. Work quality will be evaluated as well as completeness, compliance with NEAT/MHEA or EA-QUIP audit priorities and expenditure maximums and performance of diagnostic procedures. The client files of all dwellings inspected will be reviewed to determine that all required forms are included and that they are accurate and complete. A complete file may contain all or some of the following: (Depending whether the agency has private contractors or is crew based.)

1. An Application and Prioritization for Weatherization, WX-800;

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2. Income verification;
3. Proof of ownership, or
4. Agency/Landlord Agreement, WX Rental

5. Work Order and completion report, generated from approved audit software 6. (Completed Dwelling Report,) WX-710

7. Copy of the NEAT, MHEA or EA-QUIP audit

8. Energy Systems Check List

9. Agency Contractor Agreement, WX-14 (Private Contractor)

10. Contractor Notice of Completion WX-16 (Private) Contractor)

11. Change Order, WX-15, if applicable

12. Private Contractor Invoice, WX-17, if applicable

13. Request to Exceed WX910/Fule Change Request , Fuel Change Request, WX-910, if applicable

14. EPA verification statements regarding Lead and Mold Hazards

15. Baseload check list, WX-BLR

16. Project Review 106 17. Health and Safety Client Screening Questionnaire

The monitor may also look at the Weatherization Contractor Application , WX-10; Weatherization Contractor Work Reference, WX-11; the Approved Vendor List; and the Service Cost Worksheets, WX-702.

Previous monitoring findings and recommendations will be reviewed (via emailed photo documentation or future onsite visit) to evaluate the success and appropriateness of all corrective actions implemented by the service provider. Upon completion of the on-site review, the monitor will hold an exit conference interview with the service provider's Executive Director, the Weatherization Program Coordinator and other appropriate staff to review all findings, conclusions, and possible recommendations. Upon completion of a written report, KHC will decide any actions warranted by the monitor's findings.

KHC will monitor NEAT/MHEA audit library set up costs during the annual onsite technical review. Any service provider found to be paying substantially more than other service providers in their geographical area will be required to rebid those materials and/or services. KHC reserves the right to approve or deny any inputs that appear to not be cost effective.

For fiscal and contract performance monitoring, KHC weatherization monitors will verify compliance with and documentation of these fiscal requirements: expenditures, source and application of funds for expenditures, access to and retention of fiscal records, previous contract audit, cost, other resources, invoicing, liability insurance policy, equipment purchase approval and property inventory maintenance. KHC weatherization staff will monitor the invoices and expenditures on a monthly basis for expenditures to the appropriate fund source. If expenditures exceed the planned budget by more than 10%, a budget realignment will be required.

For contractual monitoring, the KHC compliance officer will verify compliance with and documentation of these contractual requirements: disallowed cost reimbursements, reporting, personnel policies, record confidentiality, conflict of interest and nepotism, client and dwelling eligibility, availability for required training, purchase bidding, listed assurances and certifications and record retention.

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III.6.4 Training and Technical Assistance Approach

Training and technical assistance (T&TA) is available and required of all service providers agency personnel and private contractors covering any aspect of operating the Weatherization Assistance Program. Requests can be initiated by a service provider or a monitor. KHC will decide the most appropriate personnel or method to provide training and technical assistance.

After concluding a training or technical assistance activity, a T&TA report will be completed to document which trainer conducted the activity, what training or assistance was provided, when and where the activity occurred and which service provider staff participated in the activity. This report will be completed by each agency and forwarded to KHC for review.

Training and technical assistance will be provided through on-site visits, regional training sessions or statewide training sessions. Any out-of state training meetings or conferences must receive prior approval.

KHC will provide training and technical assistance to all service providers as described in the following plan:

- 1) Routine Technical Assistance. Technical assistance covering any programmatic aspect of operations can be provided during monitoring visits by the monitoring staff or at any time the service provider encounters a problem. If the monitor identifies major problems, more extensive technical assistance will be scheduled in the immediate future following the monitoring visit. Technical assistance related to the actual installation of weatherization measures will be provided by experienced staff.
- 2) State Training. Statewide training will be scheduled by KHC when it is deemed that statewide training is needed. Appropriate service provider staff and private contractors are required to attend each state sponsored related training sessions. Funds are made available to support the expenses incurred while attending the training for agency staff only.
- 3) On-Site Training will be conducted as needed.

Classroom and field training sessions, providing hands-on experience, will be continued for service provider evaluators and heat system technicians performing energy system health and safety tests and repairs. Field training sessions will reinforce classroom training that has already been conducted and will provide updated information on new heating equipment and components.

Certification Training Criteria

Any service provider weatherization staff assigned evaluation or inspection activities as any portion of their job duties must participate in the Basic Blower Door, Energy Systems, and NEAT and MHEA training courses to perform those duties; and other related topics as deemed necessary by KHC. Each course will have a written examination and a laboratory examination requiring a passing score of 70% for successful completion. It will be the responsibility of the service provider to train crew leaders or private contractors in Basic Blower Door knowledge and skills for using the blower door during material installation at client dwellings. Certified dwelling needs evaluators will be required to pass a refresher course that encompasses all aspects of the evaluator training every three (3) years. This new requirement will begin late in the grant cycle. A 10 to 12 day course is anticipated. Failure of a service provider staff member or private contractor to meet the following series of certification criteria successfully within the time frames established by KHC will result in that individual or private contractor being prohibited from performing the assigned or contracted activities on client dwellings. Participation in and the successful completion of advanced, refresher and other related training is required to maintain qualified staff to perform program

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activities. KHC will make every effort to assist the service provider personnel with attaining the required skill levels.

Prior to being certified, the agency personnel must participate in and complete the following:

1. Basic Blower Door. Be able to show an understanding of dwelling pressure diagnostic principles, related terminology, and a sequence of test procedures on a written examination. Be able to demonstrate on-site, the ability to properly test a dwelling. The demonstration would include correctly preparing the dwelling, installing the blower door, reading the gauges, determining the ventilation rate, and locating air infiltration by-passes and heat system duct leakage.
2. NEAT and MHEA training. Demonstrate ability to perform a Dwelling Needs Evaluation using the NEAT or MHEA audit which includes gathering accurate measurements, inputting data to the software program and interpreting and using the data to prioritize repair measures.
3. Dwelling Needs Evaluation and Material Specifications. On a written examination, show understanding of the Dwelling Needs Evaluation process, measure priority order, and the concept of the whole-house approach to weatherization services. Be able to use the Material Specification Manual to identify proper materials and the correct installation methods. Demonstrate on-site the ability to conduct a thorough Dwelling Needs Evaluation by performing each procedure in the correct sequence and identifying the corrective measures required by the test dwelling.
4. Energy Systems. Attend and successfully complete a series of training sessions addressing all types of combustion fuels and appliances. Topics include, but are not limited to, heating unit inspection, furnace examination, understanding of combustion principles; heating unit operations, and component functions; health and safety and troubleshooting tests and equipment; ventilation principles and systems; electricity and use of code books and other reference materials. Demonstrate in a laboratory and in a field setting the ability to properly perform all required health and safety tests, test energy systems for operation malfunctions and identify and perform proper corrective measures.
5. Lead Based Paint Safe Work Practices. Attend and successfully complete eight (8) hours of lead based paint safe work practices as it pertains to weatherization. Additionally, attend an eight (8) hour refresher course as directed by KHC, and any other DOE required Lead training.
6. CPR Training. Attend and successfully complete a Basic First Aid/CPR class. Attendees can schedule training with the local Red Cross or other agencies that have a certified course in CPR.
7. Energy Related Mold and Moisture and Basic Air Conditioning. Attend and successfully complete eight (8) hours of training on recognizing conditions that promote mold growth they may encounter in conducting weatherization work applications and methods to best prevent new mold growth.
8. Renovation, Repair and Painting (RRP). Attend an EPA certified 8 hour course and achieve a Lead Renovator (RRP) certification.
9. Occupational Safety and Health Administration (OSHA). Attend a certified OSHA 30 hour training.

Each service provider is required to have a certified crew leader or other existing field staff to act as backup to the evaluator. Staff whose sole duty is energy systems repair or replacement are required to pass energy systems components of the training sessions. Heat system work limited to solid fuel is exempt from the certification criteria training requirements; however, sufficient field training on solid fuels will be provided.

All training sessions will be identified, scheduled and taught by KHC staff or arranged with a certified instructor in a particular field. As new procedures and initiatives are introduced, training will be identified and scheduled. KHC reserves the right to prohibit individuals who do not successfully complete applicable training requirements from performing Dwelling Needs Evaluation.

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III.6.5 Energy Crisis Plan

Currently, Kentucky does not expend WAP funds under an energy crisis plan, but will take this issue under consideration.