

## U.S. Department of Energy

## WEATHERIZATION ANNUAL FILE WORKSHEET

Grant: EE00152

Amendment: 000

State: KY

Program year: 2009

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

## II.3 Subgrantees

Grantee	City	Tentative	
		Funding	Units
Audubon Area Community Services, Inc	Owensboro	2,325,403.64	358
Bell-Whitley Community Action Agency, Inc.	Pineville	1,939,915.89	298
Big Sandy Area Community Action Program, Inc.	Paintsville	3,718,644.55	572
Blue Grass Community Action Agency, Inc.	Frankfort	2,246,792.98	346
Central Kentucky Community Action Council, Inc.	Lebanon	2,847,780.32	438
Community Action Lexington-Fayette/Bourbon/Harrison/Nicholas	Lexington	2,319,020.22	358
Community Action of Southern Kentucky	Bowling Green	3,655,105.86	563
Daniel Boone Development Council, Inc.	Manchester	2,524,117.19	388
Gateway Community Services Organization, Inc.	West Liberty	2,343,785.53	361
Harlan County Community Action Agency, Inc.	Harlan	1,249,265.11	192
Kentucky Communities Economic Opportunity Council, Inc.	Barbourville	1,220,125.98	188
Kentucky River Foothills Development Council, Inc.	Richmond	2,134,196.51	328
Lake Cumberland Community Services Organization	Jamestown	4,163,714.91	641
Leslie, Knott, Letcher, Perry Community Action Council	Red Fox	3,170,852.39	488
Licking Valley Community Action Program, Inc.	Flemingsburg	2,337,993.16	360
Louisville/Jefferson County Metro Government	Louisville	4,761,545.81	733
Middle Kentucky River Area Development Council, Inc.	Jackson	1,382,785.02	213
Multi-Purpose Community Action Agency, Inc.	Shelbyville	1,279,113.52	197
Northeast Kentucky Area Development Council, Inc.	Olive Hill	2,997,081.46	462
Northern Kentucky Community Action Commission, Inc.	Covington	3,577,854.64	551
Pennyrile Allied Community Services, Inc.	Hopkinsville	3,154,125.46	485
Tri-County Community Action Agency, Inc.	LaGrange	1,296,313.30	199
West Kentucky Allied Services, Inc.	Mayfield	2,460,223.87	378
<b>TOTALS</b>		59,105,757.32	9,097

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II.4 WAP Production Schedule

<b>Total Units (excluding reweatherized)</b>	<b>9,097</b>
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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:	
<b>Rewatherized Units</b>	<b>0</b>
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Average Unit Costs, including Reweathering, Subject to DOE Program Rules		
VEHICLES & EQUIPMENT AVERAGE COST PER DWELLING UNIT (DOE RULES)		
A	Total Vehicles & Equipment (\$5,000 or more) Budget	\$1,748,000.00
B	Total Units Weatherized	9,097
C	Total Units Reweatherized	0
D	Total Dwelling Units to be Weatherized and Reweatherized (B + C)	9,097
E	Average Vehicle & Equipment Acquisition Cost per Unit (A divided by D)	\$192.15
AVERAGE COST PER DWELLING UNIT (DOE RULES)		
F	Total Funds for Program Operations	\$48,193,925.20
G	Total Dwelling Units to be Weatherized and Reweatherized (from line D)	9,097
H	Average Program Operations Cost per Unit (F divided by G)	\$5,297.78
I	Average Vehicle & Equipment Acquisition Cost per Unit (from line E)	\$192.15
J	Total Average Cost per Dwelling (H plus I)	\$5,489.93

**II.5 Energy Savings**

Method used to calculate energy savings:                      WAP algorithm                       Other (describe below)

The current Metaevaluation results is considered a reasonable and conservation proxy or average energy savings from households of all types.

Estimated energy savings: 268,644 (MBtu)

Estimated prior year savings:    Actual: 0

If variance is large, explain:

**II.6 Training, Technical Assistance, and Monitoring Activities****Training:**

Training is an on-going activity which is provided by Kentucky Housing Corporation (KHC), or by outside trainers as designated by KHC. *For example, KHC is outsourcing some segments of the evaluator training to what are known as the Area Technology Centers (ATC) which are part of Kentucky's Workforce Development Cabinet. An adoption of the Building Performance Institute (BPI) suite of training modules is also being considered because it would enhance the present training curriculum while moving the program closer to a widely recognized standard certification process for program inspectors.*

Participation in training activities depends on the type and subject matter being presented. Potentially, anyone working in the Weatherization Program, including private contractors, could be required to attend training sessions as they relate to their job duties.

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Training needs are assessed in a variety of ways. In some cases, DOE requirements necessitate training projects. Addressing Lead Safe Work Practices, which was accomplished some years back, is a good example of a DOE influenced training project. Addressing Mold and Indoor Air Quality is another. Training needs are also assessed by service provider performance and input. By evaluating annual monitoring reports and other data such as monthly invoices, the training team identifies areas shared by a number of service providers, which may require a training project. This process also yields comparative performance data, whereby training priorities can be identified and assigned on a basis of most need. Other training is built-in to state policies and is conducted as needed. Evaluator training and its related modules fall into this category. Finally, some training is simply ad hoc and originates from service provider requests. While each service provider is allocated sufficient funds to attend training, as well as legitimate conferences such as Affordable Comfort, KHC reserves the right to approve or deny attendance to training events in order to assure effective use of these limited dollars.

**Training curriculum:**

To offset retirement and resignations affecting the work force, service providers are required to have trained and certified staff, including back-up personnel, especially for evaluators.

Attendance at training is a requirement. In order for service provider evaluator staff to perform the required weatherization activities, they are required to be qualified in the following areas:

Dwelling Evaluation: NEAT/MHEA Audits; Mold/Indoor Air Quality Issues; Heat Pump Evaluations

Heat Systems Evaluation including solid fuel, electric and natural gas/propane systems; and, Basic Blower Door.

Evaluator staff are required to be certified and Installer staff are required to be qualified in the following:

Lead Safe Weatherization Work Practices and, CPR.

All new technicians are required to be licensed in HVAC and electric. Technicians shall maintain their professional licenses in accordance with KRS 227A.010-150 for electric and KRS 198B.650-689 for HVAC, and meet all requirements regarding fees and continuing education.

Kentucky's courses are on-going and are offered when there are new hires or when there are sufficient people to conduct a class. Training for PY 2009 will include:

16 hours of Lead Safe Weatherization Work Practices required for all new hires and new contractors. Additionally, an eight (8) hour refresher course as directed by KHC and any other DOE required Lead training

Evaluator classes are offered annually. As personnel staff changes, additional training will be provided. Follow-up will be conducted on site for each person completing the

course.

One two-day class for Heat Pump Evaluations and Duct Sizing

Blower Door Diagnostics

Base-load Measures

Update for National Fuel Gas Code (NFPA) 54

Continuing education for electric license

Moisture and Mold training

After classroom training, follow-up on-site will continue throughout the year to reinforce classroom training.

Specialized training is offered by KHC staff at a leased, off site training center, to thoroughly cover heat systems evaluations and baseload measures. The center is completely furnished with functioning gas, electric, oil, solid fuel furnaces and a heat pump with air conditioning as well as various diagnostic tools, furnace components, and video training materials.

**Technical Assistance:**

KHC will retain funds to use for training, technical assistance and travel for monitoring purposes. KHC will allocate funds to the service providers to attend required state training, regional and national conferences and other training opportunities that may be available or required.

Technical assistance is an on-going daily activity provided to ensure compliance with program requirements and to improve the quality of Kentucky's Weatherization program. On-going technical assistance visits to the field are scheduled and conducted as needed by KHC weatherization program specialists.

**Monitoring:**

KHC will conduct two primary types of monitoring: (1) annual dwelling inspections and (2) annual on-site contractual monitoring. Other technical assistance, monitoring and oversight measures including the invoice review process; audit requirement reviews and fiscal monitoring will be conducted by the Community Action Kentucky, Inc. (CAK).

**(1) On -Site Monitoring:**

KHC weatherization staff will perform program and on-site monitoring. The staff consists of three full-time employees that will review the quality of field work, materials installed, program performance, and compliance with policies and procedures. Each service provider will be monitored bi-annually for program compliance, with subsequent monitoring scheduled as needed.

An on-site dwelling review will be conducted bi-annually by the KHC weatherization monitoring staff on a representative sample of each service provider's completed dwellings in addition to in-progress monitoring during technical assistance to ensure that all work meets WAP standards. KHC has established a goal of 15 %, or 440 units to be visited each year

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based on the total funding for production.

A sample of completed dwellings will receive an on-site dwelling review including a Blower Door test to ensure that all work performed meets Kentucky's Weatherization Assistance Program standards for quality, workmanship, and that materials installed meet the Materials Specifications Standards.

During the visit, field work will be monitored for:

Completeness of work;

Compliance with NEAT and MHEA audit priorities;

Work quality;

Dwelling averages; and

Diagnostic procedures.

If a monitor identifies a problem while on a monitoring visit, technical assistance will be provided at the time with follow-up or more intensive technical assistance or training to be scheduled in the immediate future. Technical assistance related to the actual installation of weatherization measures, energy systems evaluations, and the National Energy Audit (NEAT) and Manufactured Home Energy Audit Tool (MHEA) will be provided as needed. In addition to the field work, a sampling of client files of the dwellings inspected will be reviewed to determine that all required forms with proper signatures are included and that the forms are accurate and complete. Any previous monitoring findings will be evaluated and determined if corrections have been made.

Previous monitoring findings and recommendations will be reviewed 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 with the service provider's Executive Director, if available, the Weatherization Director and other appropriate staff to review all findings, conclusions, and recommendations. Upon completion of a written report, any actions warranted by the monitor's findings will be determined. A copy of all reports, with a cover letter, describing the findings and/or necessary actions to be taken will be sent to the service provider's Executive Director, with a response on any corrective actions due within 30 days. A copy of the report will be filed for future use in evaluating the program.

**Program Compliance Monitoring:**

On a monthly basis, KHC weatherization staff will monitor all service providers by reviewing the price they have paid for common weatherization materials. If a service provider in a geographical area is paying substantially more for materials than others, the agency may be required to identify other service providers that have less expensive materials and begin purchasing from those vendors.

KHC will evaluate the service provider's monthly reports and invoices to determine improvements in any of the areas where the service provider has deficiencies. If the service provider does not show satisfactory improvements, an on-site visit may be made to analyze

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the efficiency and operation of the program.

The areas to be reviewed are:

- Actual completions vs. planned;
- Average weatherization costs not exceeding the limitation of \$ 6,500;
- Average health and safety costs of \$1,200 per unit, not exceeding a maximum of \$2,500;
- Average overhead not greater than 40 percent;
- Monitoring reports for quality of work performed on completions which were inspected during the on-site monitoring visit; and
- Maintain a minimum annual average of 30 percent or greater of all expenditures for installed materials.
- Those service providers identified as having problems in one or more of the above areas will be sent a letter identifying the problem areas and instructing the service provider to submit plans to correct the problem. The service provider will have thirty (30) days in which to respond. KHC staff will review the corrective action plan and accept it, deny it, or ask for clarification within fifteen (15) days of receipt of the plan; and notify the service provider of the result.

*Sixty (60) days after the acceptance of a service provider's corrective action plan, KHC will notify the service provider that it may lose all or a portion of its funding, if significant improvements were not made.*

Clarification on averaging materials:

Materials installed out of regular program funds are a straightforward average and are tracked monthly through the reporting process on the WX-702, Monthly Statistical Report.

Materials purchased and installed through DSM projects are also tracked by the WX-702, Monthly Statistical Report, and shall be calculated into the percent of materials installed.

Donated materials, for the purpose of averaging, shall be assigned the same value as if they had been purchased through the agency's normal acquisition process. For example, if Agency A pays \$3.00 for a tube of silicone caulk, then a value of \$3.00 shall be assigned to a donated tube of silicone caulk. Donated materials are also tracked by the WX-702, Monthly Statistical Report, and shall be calculated into the percent of materials installed.

Percent of materials installed shall be calculated on Actual Operating Dollars only. Therefore, fixed costs: administration, vehicles and equipment over \$5000.00, in-house agency audit, training dollars, and liability insurance, shall be excluded from the calculation of actual percent of materials installed.

On partnering ventures such as rehab projects, only the cost of energy saving materials can be counted when calculating percent of materials installed, not the total cost of the rehab project.

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**(2) Financial Management Monitoring**

KHC is responsible for monitoring all personal service contracts and master agreements through which weatherization funds are allotted and program initiatives implemented. Contract monitoring responsibilities include development of the monitoring tools for programmatic, administrative and fiscal reviews of the sub-grantee or sub-contractors; scheduling desk and on-site reviews with the sub-grantee or sub-contractors; performing desk and on-site reviews; completing the final monitoring report; initiating any necessary plans of correction with the sub-grantee or sub-contractors; reviewing any necessary plans of correction; approving or denying any necessary plans of correction; and compiling documentation of the contract's monitoring and related tracking for audit and program improvement purposes. Monitoring is conducted once during the calendar year; thus, monitors review, at minimum, two quarters of each sub-grantee's data and documentation for the State Fiscal Year.

**Contract Compliance Monitoring:**

Annually, each service provider will be monitored for fiscal and contractual compliance.

For fiscal monitoring, the monitor 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,
- procurement standards,
- previous contract audit,
- allowable and disallowable costs for reimbursement,
- other resources used for weatherization,
- invoicing,
- equipment, and
- property inventory maintenance.

For contractual monitoring, the monitor will verify compliance with documentation of these contract requirements:

- reporting
- personnel policies,
- record confidentiality,
- conflict of interest policy and nepotism,
- client and dwelling eligibility,
- availability for required training,
- purchasing and bidding procedures,
- record retention,
- maximum averages for weatherization, health and safety, and overhead,
- liability insurance, minimum coverage of \$1,000,000,
- vehicular insurance, minimum coverage of \$1,000,000,

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- pollution occurrence insurance, minimum coverage of \$500,000,
- other areas as requested by KHC.

*KHC will approve and monitor all vehicle purchases by service providers with DOE funds. The Agencies will be required to follow all KHC procurement processes as applicable. Agencies will be required to use those vendors on the state purchasing vendor agreement and or KHC's approved vendors list for signal item purchases over \$1,000. All vehicle purchase shall not exceed the state approved vendor price guidelines.*

**Fiscal monitoring:**

Service providers and Community Action Kentucky, Inc. (CAK) will be required to obtain an annual audit in accordance with generally accepted accounting principles. KHC has assumed responsibility for the review of each audit for compliance with OMB Circular A-133 standards and reconciliation of any discrepancies. CAK will issue a management response to any negative finding and resulting corrective action(s) from submitted audits.

CAK will be required to develop procedures to ensure that service providers submit a copy of the draft and final audit to the agency for review. CAK will do a review of the financial statements, reconcile any discrepancies and submit a report of findings, along with a copy of the final audit, to KHC by August 15, 2010.

CAK will monitor the service providers' monthly expenditures to ensure that the line item budget categories are not exceeded by more than 10 percent and that the allocation by funding source. If the service provider exceeds a budget line item by more than 10 percent, CAK will instruct the service provider to submit an amended budget realigning the categories to KHC for approval and monitor their compliance.

**II.7 DOE-Funded Leveraging Activities**

No DOE funds will be diverted to leveraging activities.

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

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

Hearing Date
08/05/2009

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

Public hearing notices were placed in The Louisville Courier Journal and Lexington Herald-Leader on Sunday, July 26, 2009. Copies of the Annual Plan and Amended State Plan were made available. The public hearing was held at the KY Housing Corp.

**II.10 Adjustments to On-File Information**

This adjustment has been implemented and is now incorporated in Section 111.3.1 of the Master

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Plan.

**Master Plan add:**

**Ongoing Training:** Training in the area of mold and indoor air quality issues shall be conducted on an as needed basis henceforth. A set of written protocols has been added to the weatherization operations Manual to provide workers guidance in this area.

**II.11 Miscellaneous****11.8 Policy Advisory Committee Members**

**There is currently no such Council in place. KHC will explore the option of organizing an Advisory Council for the upcoming program year. KHC will solicit input from community partners through publicizing the weatherization assistance program, conducting public hearings and requesting written comments.**

**UPDATED:**

KHC is supportive of the creation of a PAC and is exploring the possibilities of utilizing existing committees to serve in an advisory role in obtaining public comment and suggestions for implementation of the Weatherization Program. Currently KHC has external committees in place that consist of local and state representation from various affordable housing providers, governmental agencies as well as low-income communities across the Commonwealth. In addition, utilizing existing committee avenues will allow for a broader awareness and understanding of the Weatherization Program and expand our ability to reach more eligible households for the program.

**11.9 State Plan Hearing**

*Public hearing notices were placed in The Louisville Courier Journal and Lexington Herald-Leader on Sunday, July 26, 2009. Copies of the Annual Plan and Amended State Plan were made available. The public hearing was held at the office of Kentucky Housing Corporation on Wednesday, August 5, 2009 and was attended by persons. A summary is included as Attachment A.*