

## WAP Annual File Report – Attachment

U.S. Department of Energy  
WEATHERIZATION ANNUAL FILE WORKSHEET (attachment)

### II.11 Miscellaneous

DNR/DE began using the NEAT audit on a statewide basis on July 1, 1994. The NEAT re-approval was obtained on 12/10/2003. Audit material was submitted in PY 2008 for validation. DNR/DE received DOE audit approval in May 2010.

Efforts will be made to have representation of low income persons, particularly handicapped and Native Americans on the PAC.

Technical Work Group: The state, working with the Professional Alliance, formed a Technical Work Group. This group will advise the state on various technical matters. The Technical Work Group is represented by:

Kevin Scherr, DNR/DE

Terry Sanders, Ozark Action, Inc., West Plains

Stephen Boniello, KC Department of Housing & Community Development, Kansas City

Randy Martin, Economic Security Corporation, Joplin

Todd Steinmann, Ozarks Area Community Action Corporation, Springfield

The Technical Work Group will make technical recommendations regarding the Missouri Weatherization Program.

### Disaster Plan

Declaration of a disaster for WAP purposes is determined by a Presidential or Gubernatorial order declaring either a Federal or State emergency. It may be the result of natural or man-made factors. It is the responsibility of the DNR/DE Weatherization Assistance Program, through its subgrantee network, to assist state and community authorities in normalizing areas affected by a disaster by providing WAP resources to assist Missouri low-income citizens in recovering and rebuilding after the disaster. The Weatherization Program will adhere to the following guidelines when responding to any disasters in which the low-income population has been affected. These guidelines are intended to maximize the assistance we are able to provide while protecting the limited resources of the program.

Disaster-mitigation planning activities shall be implemented as soon as practical after the declaration of a disaster. A WAP subgrantee shall not commit WAP resources (labor or financial) until it receives approval from the DNR/DE.

Any additional disaster-related funds will be allocated based on the extent of the disaster in each subgrantee area. Funds must supplement, not supplant, other funds available for disaster assistance. All funds received by the client to cover damages must be considered prior to the allocation of WAP resources. Attachment 2-3, the Disaster Certification form located at the end of this section, should be completed for each client requesting disaster assistance.

Safety measures, such as levees or other protections, should be in place prior to mitigation activities. Agency staff should consult with local utilities to ensure electric, gas and sewer hazards have been corrected or repaired.

#### A. Allowable Disaster Activities

Allowable disaster activities may include debris removal and other clean-up work in preparation for weatherization as well as normal weatherization services. If agency staff is assigned to another area of the state to assist in disaster activities, it will be the parent subgrantee's responsibility to maintain their salaries and to arrange for agency reimbursement. The following ECM priority list is recommended for disaster homes.

Labor for gutting damaged components of the house and debris clean up.

Primary heating system replacement and repair (including ductwork repair; replacement, cleaning and sealing of all joints; and venting, flue and chimney replacement, repair and cleaning).

Domestic water heaters (venting and flues included).

Window and door repair and/or replacement.

Air sealing (basic infiltration and exfiltration work).

Attic insulation and ceiling coverage.

Wall insulation.

Restoration of electrical power (from electrical meter into the house).

Increased incidental and Repair costs (DOE approval must be given).

Specific procedures to weatherize mobile homes under the disaster provisions are found in Attachment 2-3 of the Missouri Weatherization Operational Manual.

#### B. Eligibility Requirements

WAP subgrantees must ensure that applicants for disaster assistance (1) meet the current eligibility requirements, (2) are located within the designated disaster area and (3) have been directly affected by the disaster. Homes located in a FEMA-sanctioned area are not eligible for assistance.

Applicant homes must be certified as habitable, and a disaster certification form must be completed, signed and retained in the client file. The owner of a rental unit must list the property with Section 8 or provide other proof that the unit will remain exclusively for the low-income. A landlord contribution, based on a sliding scale, will be required (if a landlord contributes a furnace or other material, its value can be counted toward the contribution).

Client income eligibility may be based on one month's income. The fuel priority selection criteria allows for up to 100 points for disaster clients. Victims needing heating system or water heater repair or replacements will be served first.

Disaster-damaged homes may be re-weatherized without regard to the initial date of weatherization if the damage is not covered by insurance. Victims may receive repair or replacement to domestic hot water heaters as a health-and-safety measure. Repairs to the building structure that exceed the DOE average expenditure per home limits must be approved by the state.

#### C. Equipment Procurement

All purchased items should meet minimum energy-efficiency ratings as detailed in 10 CFR 440, Appendix A. Subgrantees must comply with all requirements specified in 10 CFR Parts 600 and 440, OMB A-87 (if applicable), OMB A-122 (if applicable), and the requirements specified in the DNR General Terms and Conditions for Federal Subgrants, Missouri Weatherization Operational Program Manual's Competitive Procurement Standards.

#### D. Additional Funding

If additional funds are received from the department or other fund sources, a subgrantee may allocate up to \$10,000 per unit. If no additional funds are received, the state plan cost limits apply. Program operations money may be used to support mitigation and clean-up activities. No additional administrative funds will be provided for disaster work.

E. Disaster Expenditures Accountability and Reporting

Disaster expenditures must be accounted for and reported separately from other costs. The monthly report must show these expenses under "other". The costs will not be included in the averages. Program year budget adjustments must be submitted to the DNR/DE within 30 days of the date of the incurred costs.

1 MISSOURI DEPARTMENT OF NATURAL RESOURCES

STATE OF MISSOURI

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10 PUBLIC MEETING OF MISSOURI STATE PLAN FOR THE

U.S. DEPARTMENT OF ENERGY'S AMERICAN RECOVERY AND

11 REINVESTMENT ACT FUNDING

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17 Friday, April 24, 2009

Lewis and Clark State Building

18 1101 East Riverside Drive,

Jefferson City, Missouri 65102

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## 1 A P P E A R A N C E S

2 For the Department of Natural Resources:

## 3 MISSOURI DEPARTMENT OF NATURAL RESOURCES

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1 (Proceedings commenced at 10:08 a.m.)

2 MRS. OERLY: Good morning. I'm Marcy

3 Oerly with the Department of Natural Resources

4 Energy Center. I am the program manager for

5 Missouri's Low Income Weatherization Assistance

6 Program. I would like to welcome you to this

7 public hearing regarding the State's

8 application and state plan for federal funding

9 of the Low Income Weatherization Assistance

10 Program.

11 If you haven't already done so, we ask

12 that you please clearly write your name and

13 affiliation on the sign-in sheet found -- well,

14 I think it's actually being passed around the

15 room right now. And there's also a copy of the

16 state plan for your review which is over here

17 on this table in the front. And it can also be

18 found on the Energy's website at

19 [www.dnr.mo.gov/energy/weatherization/wx.htm](http://www.dnr.mo.gov/energy/weatherization/wx.htm).

20 If anybody needs that, I know it is a long

21 address, so I can give that to you if anybody

22 needs it at the end of this hearing.

23 I want to emphasize that this hearing is

24 to discuss Missouri's state plan for the U.S.

25 Department of Energy's American Recovery and

4

1 Reinvestment Act which Missouri is calling

2 Transform Missouri funding.

3 Today's hearing will be held from 10 to

4 11:30 or until all comments are noted for the

5 public record. Written comments will also be

6 accepted during today's hearing. Comments will

7 be accepted until close of business on April

8 24, 2009.

9 After the hearing and review of all

10 submitted comments, the department will

11 finalize the annual application and submit it

12 to the U.S. Department of Energy.

13 To begin the hearing, I plan to give a

14 brief background concerning the Low Income

15 Weatherization Assistance Program and then

16 explain and/or clarify significant additions or

17 policy clarifications found in the state plan.

18 I will then open the floor for public comment.

19 We ask that open discussion be held until all

20 comments have been noted and that questions

21 pertain only to this particular state plan.

22 The program funds are provided by the U.S

23 Department of Energy and are administered by

24 the Missouri Department of Natural Resource's

25 Energy Center. The state-wide program is

5

1 administered at a local level by 16 community

2 action agencies, a unit of local government,

3 and non-for-profit agency.

4 The Low Income Weatherization Assistance

5 Program's objectives are to increase the energy

6 efficiency of homes owned or occupied by

7 low-income persons and reduce their total

8 expenditures on energy while ensuring their

9 health and safety.

10 The program prioritizes services to the

11 elderly, people with disabilities, and families

12 with children. Since 1978, the weatherization

13 funds have helped to weatherize more than

14 150,000 homes in Missouri.

15 For eligible households, the

16 weatherization program provides cost-effective

17 energy efficiency improvements that may include

18 reducing infiltration, increasing insulation in

19 walls, attics, floors, and foundations. Other

20 measures include heating systems clean and

21 tunes, heating system replacement, and minimal

22 building envelope repairs. Only measures that

23 are determined cost effective are installed on

24 eligible households.

25 When weatherizing a home, heating systems

6

1 and gas appliances are tested for home hazards

2 such as gas leaks and carbon monoxide. Visual

3 and diagnostic inspections help homes become

4 safer in addition to becoming more energy

5 efficient.

6 The program focuses on long-term reduction

7 in utility bills and the comfort and safety of

8 those served. For example, according to the

9 Department of Energy figures, in 2008

10 weatherized homes nationally saved 1.9 billion

11 in energy costs as a group. At current prices

12 home energy savings average \$413 each year.

13 These savings accrue annually for the life

14 of the measures thus allowing low-income

15 households more affordable energy bills and

16 makes available more money for food, medicine,

17 transportation, and other necessities.

18 Federal weatherization funds in the amount

19 of \$128,148,027 have been allocated to the

20 State of Missouri by the U.S. Department of

21 Energy. The grant period for the funding will

22 be for a three-year period and is assumed for

23 planning purposes to begin on June 1, 2009, and

24 end on March 31, 2012.

25 However, funding for the Transform

7

1 Missouri sub-grants is completely contingent

2 upon award of funds by the U.S. Department of

3 Energy and appropriation made available by the

4 Missouri General Assembly.

5 In order to build upon and expand the  
6 successes in Missouri weatherization program,  
7 the State is proposing to allocate the 60  
8 percent of sub-grantee weatherization  
9 allocation according to a distribution formula  
10 in a same manner as previous years.  
11 The formula uses a base funding amount of  
12 \$50,000 per sub-grantee with a balance of funds  
13 dispersed according to the low-income  
14 population in each local sub-grantee's service  
15 area. The other 40 percent of the sub-grantee  
16 weatherization allocation is to be allocated  
17 through the Transform Missouri Initiative.  
18 As outlined in the state plan, 20 percent  
19 of the funds being utilized for the initiative

20 will be for performance-based initiative.

21 These funds are referred to as the Transform

22 Missouri Performance Based Initiative -- or

23 Incentive. Excuse me.

24 Missouri is proposing that 20 percent of

25 the federal Transform Missouri Weatherization

8

1 Assistance funding will be used as an incentive

2 for superior sub-grantee performance. No later

3 than 15 months into the grant period, the

4 Energy Center will evaluate each sub-grantee's

5 performance against defined benchmarks. If the

6 sub-grantees meet or exceed the established

7 criteria, incentive funds will be distributed

8 to the low-income population criteria in each

9 sub-grantee service area.

10 The other 20 percent of the funds being

11 utilized for the Transform Missouri Initiative

12 will be for innovative projects that result in

13 increased benefit and provide greater positive

14 impact for clients, neighborhoods, and

15 communities served. These funds are referred

16 to as the Transform Missouri Housing

17 Initiative.

18 The housing initiative will focus on

19 projects that provide energy efficiency

20 services to clients and significantly leverage

21 other sources of funding for greater client

22 benefit and job creation. These initiatives

23 may focus, for example, on larger multifamily

24 housing units or neighborhood-based programs.

25 These funds will be distributed on a

9

1 competitive basis through a request for

2 proposals.

3 At this time I would like to present for

4 the record a list of the Weatherization

5 Assistance Program providers, their program

6 allocations, and estimated number of homes to

7 be weatherized. And this information can be

8 found on Page 1 of the annual file worksheet.

9 And just to note, once all sub-grantee's

10 production schedules are received, the

11 estimated number of homes to be weatherized

12 will be adjusted based on actual sub-grantee

13 information.

14 Based on recommendations from the Policy

15 Advisory Council and others, changes to the

16 state plan have been or will shortly be

17 incorporated. These changes include the

18 following;

19 Under type of work to be down on Page 2 of

20 the master file, the words pilot basis which is

21 next to refrigerator replacement and the words

22 will discuss with technical worker next to the

23 cooling measures have been removed.

24 Next, under rental procedures on Page 12

25 and 13 of the master file, the words a minimum

10

1 of next to a 5 percent cash contribution have

2 been added.

3 Number 3 under energy savings on Page 2 of

4 the annual file, the following energy savings

5 methodology is explained.

6 For determining the energy savings by fuel

7 type, data from the Oak Ridge National

8 Laboratory's report which is estimating the

9 national affects of the U.S. Department of

10 Energy's Weatherization Assistance Program with

11 state level data, a Meta-evaluation Using

12 studies from 1993 to 2005, was used in

13 combination with data collected from the

14 sub-grantees' Program Year 2008 Homes Complete

15 Summary Reports regarding the percent of homes

16 with electric savings only, gas savings only,

17 and a combination of both gas and electric

18 savings.

19 Also at the conclusion of the hearing, the

20 department will consider other modifications

21 based on comments today and from the Policy

22 Advisory Council meeting that was held

23 yesterday.

24 The most significant additions to the

25 state plan including the following:

11

1 Under types of work to be done on Pages 2

2 and 3 of the master file, the Transform

3 Missouri Housing Initiative is explained. As

4 stated earlier, 20 percent of the Transform

5 Missouri weatherization funding will be used by

6 the department for initiatives that result in

7 increased benefit and greater positive impact

8 for clients, neighborhoods, and communities

9 served.

10 These funds will be focused on initiatives

11 that provide energy-efficiency services to

12 clients and significantly leverage other source

13 of funding for greater client benefit and job

14 creation. These initiatives may focus on

15 larger multifamily housing units or

16 neighborhood-based programs. These funds will

17 be distributed on the competitive basis for a

18 request for proposal.

19 Proposals must include projects that

20 demonstrate increased coordination among

21 funding sources to pool housing funds from

22 multiple sources. For example, weatherization

23 funds may not be used to replace faulty roofs,

24 therefore some homes cannot be weatherized.

25 Increased coordination among a variety of

12

1 different governmental agencies or civic groups

2 may help to identify funds that can be used in

3 conjunction with weatherization funds to

4 provide greater client benefit.

5 Coordination also may allow projects with

6 higher visibility and impact such as neighbor

7 sweeps. Many homes in a targeted neighborhood

8 could be improved by using funds from various

9 funding sources to meet multiple needs at each

10 home as workers move through the neighborhood.

11 In addition, due to limited funding in the

12 past, Missouri's sub-grantees have not

13 typically pursued large multifamily projects.

14 Multifamily proposals, especially done through

15 a coordinated effort among funding source, may

16 result in significant, concentrated

17 energy-efficiency improvements.

18 Under assessment of effectiveness found on

19 Pages 4 and 5 of the master file, benchmarks

20 for successful performance are described as:

21 Number 1, at month four of the three-year

22 sub-grant period, a minimum of 65 percent of

23 expected production and expenditure has been

24 reached.

25 Two, at month six of the three-year

13

1 sub-grant period, a minimum of 70 percent of

2 expected production and expenditure has been

3 reached.

4 Three, at month nine of the three-year

5 sub-grant period, a minimum of 75 percent of

6 expected production and expenditure has been

7 reached.

8 Four, at month 12 of the three-year

9 sub-grant period, a minimum of 85 percent of

10 expected production and expenditure has been

11 reached.

12 And five, at month 15 of the three-year

13 sub-grant period, a minimum of 90 percent of

14 expected production and expenditure has been

15 reached.

16 If a sub-grantee falls behind expected

17 production and/or expenditure in any period,

18 the Energy Center will alert the sub-grantee by

19 letter of the department's concern about

20 production or expenditure levels and of the

21 need to accelerate production.

22 If an agency continues to fall behind at

23 the next three-month period, the Energy Center

24 will send a letter requesting a corrective

25 action plan. The corrective action plan should

14

1 explain at a minimum why expenditure and

2 production goals have fallen short and contain

3 a detailed explanation of what corrective

4 action has or will be taken.

5 Energy Center staff will evaluate the plan

6 for adequacy taking into account any

7 extenuating circumstances and agency actions to

8 correct the deficiency. If production remains

9 insufficient, the department may re-capture and

10 re-distribute funds to other high performing

11 sub-grantees.

12 The Energy Center will evaluate each

13 established sub-grantee's performance against

14 defined benchmarks after the first nine months

15 of the grant period. If analysis indicates a

16 sub-grantee has fallen behind expected

17 production and/or expenditure levels, the

18 Energy Center will report to department

19 management.

20 It will then be decided whether to

21 initiate a competitive process to select

22 additional sub-grantees in areas of the state

23 where it is determines necessary to ensure

24 effective and timely use of the Transform

25 Missouri weatherization funds.

15

1 The Energy Center will offer assistance as

2 resources allow to help sub-grantees increase

3 production to successful performance levels.

4 This assistance may include special technical

5 or administrative training for sub-grantee

6 staff or identification of additional

7 contractors.

8 Also under the assessment of effectiveness

9 found on Pages 4 and 5 of the master file, the

10 details of the Transform Missouri performance

11 based initiative(sic) are explained. Twenty

12 percent of the Transform Missouri

13 weatherization funding will be used by the

14 department as an incentive for superior

15 sub-grantee performance. Performance-based

16 benchmarks for successful sub-grantee

17 performance are as follows:

18 The Energy Center will evaluate each

19 sub-grantees performance against defined

20 benchmarks no later than 15 months of the grant

21 period. If sub-grantees meet the specific

22 criteria, incentive funds remains after the

23 funding of new sub-grantees, if needed, would

24 be distributed to high-performing agencies

25 according to the population poverty criteria

16

1 and waiting lists. Those criteria include:

2 Number 1, the sub-grantee is expending a

3 minimum of 95 percent of the funds projected to

4 be spent at the 15th month of three-year

5 sub-grant period.

6 Number 2, the sub-grantee has weatherized

7 a minimum of five homes above the production

8 expected at 15 months into the three-year

9 sub-grant period.

10 Number 3, the sub-grantee has had no major

11 findings in the previous two Energy Center

12 fiscal and procedure and technical monitoring

13 visits or in the sub-grantee's A-133 audit

14 report.

15 And number 4, monthly quarterly and annual

16 reports are submitted on time.

17 Again, under assessment of effectiveness

18 on Page 5 of the master file, program

19 evaluation is explained as measurement and

20 evaluation of program effectiveness is vital

21 and may be achieved through varied techniques

22 and information sources.

23 Among the analysis approaches the

24 department will use is one focused on data

25 gathering and analysis to assess equity of

17

1 program delivery and to identify underserved

2 geographic areas of population. This analysis

3 will help the department identify ways in which

4 to focus resources for greater impact and

5 client benefits.

6 By using a geographic information system

7 based tool to identify homes and weatherization

8 actions taken in homes, the Energy Center will

9 also be able to support sub-grantees' planning

10 efforts and identify likely needs.

11 Other additions to the plan include the

12 following:

13 The State will utilize the 6,500 average

14 cost per home average as authorized by the U.S.

15 Department of Energy. The State has set income

16 guidelines at 200 percent of the federal

17 poverty levels to comply with Federal

18 Weatherization Assistance Program regulations.

19 Also in accordance with federal

20 regulations, homes previously weatherized

21 between September 30, 1975, and September 30,

22 1974, are eligible to be re-weatherized. Any

23 home weatherized after September 30, 1994, is

24 not eligible to be re-weatherized with federal

25 funds.

18

1 Lighting retrofits, refrigerator

2 replacement, and cooling measures were added to

3 the list of eligible weatherization measures.

4 The sub-grantee on-site monitoring procedures

5 were more clearly defined and a number of

6 sub-grantees' homes and files to be reviewed

7 will be based on an annual risk assessment.

8 And the Lead Safe Weatherization protocols were

9 updated in the health and safety portion of the

10 plan to comply with federal regulations.

11 In conclusion that is a summary of the

12 additions and clarifications to the program

13 year 2009 through program year 2011 Missouri

14 application and state plan for the U.S.

15 Department of Energy's American Recovery and

16 Reinvestment Act or Transform Missouri funding

17 for the Low Income Weatherization Assistance

18 Program.

19 The plan is now open for public comment.

20 And again, we ask that open discussion be held

21 until all comments have been noted and

22 questions pertain only to this particular state

23 plan.

24 We also ask that if you do make a comment

25 that you come to the podium and state your full

19

1 name and affiliation for our transcript. You

2 may also be asked to spell your last name for

3 us as well. And you can also submit a business

4 card for our transcriber.

5 MR. GASSNER: Okay. Did anybody not sign

6 the sign-in sheet? Okay. We'll go ahead and

7 start with Marilyn. I think you have comments.

8 MRS. MILLER: I am Marilyn Miller, energy

9 conservation director at the West Central

10 Missouri Community Agency in Appleton City,

11 Missouri.

12 I have concern regarding the distribution

13 plan for the total amount of funding. I think

14 the 20 percent performance-based incentive is

15 good. It should provide the assurance that 80

16 percent, that's 60 percent plus the 20 percent,

17 of the funding will be expended by March 31,

18 2012.

19 I believe the intent of our President

20 Obama with the Low Income Weatherization

21 Assistance Program was to create green jobs and

22 weatherize homes. This leads me to comment on

23 the remaining 20 percent Transform Missouri

24 housing initiative reserved at this time for

25 some later date.

20

1 As explained in the state plan, this

2 project requires local match and other

3 conditions that are not part of the

4 weatherization requirements. I completely

5 support leveraging other funds and our agency

6 does that very well but should not be a

7 criteria for awarding weatherization funds.

8 As stated in the state plan, these funds

9 will be distributed on a competitive basis

10 through a request for proposals. There is no

11 timeframe identified when this money will be

12 available or how the Missouri Department of

13 Natural Resources will select sub-grantees.

14 The Department of Energy final rule for

15 weatherization, Section 440.15 of Title 10 code

16 of federal regulations addresses the selection

17 process for sub-grantees in detail.

18 Experimenting with a new initiative at a time

19 when we need to be creating green jobs and

20 weatherizing homes I disagree with.

21 This money needs to be allocated to the

22 sub-grantees immediately. I want to thank the

23 staff for developing an upfront funding formula

24 that is feasible.

25 I also support the Missouri Association

21

1 for Community Action, the Missouri Energy

2 Partnership Project. Through this project I

3 believe we can move Missouri into a new age of

4 energy conservation and affordability. Thank

5 you, Marilyn Miller, West Central Community

6 Action Center.

7 MR. GASSNER: Thank you, Marilyn. Jean

8 Barham?

9 MRS. BARHAM: I'm Jean Barham, executive

10 director of the Delta Area Economic

11 Corporation, Portageville, Missouri. I too

12 have some concerns about the state plan. I

13 think that I'm concerned about the lack of

14 collaboration with the existing grantees prior

15 to the development of the plan.

16 I also think that the performance-based

17 portion of it is a very positive thing. Some

18 of my concerns on the Missouri initiative is

19 there is not enough information to know exactly

20 how this is going to work. And I know in our

21 area that we very much supplement the

22 weatherization program through other resources.

23 And one of the things I'm concerned about

24 is, you know, are other entities going to be

25 coming in doing the same kinds of things we're

22

1 going to be doing and using our waiting list?

2 That waiting list has been developed with the

3 funds without DNR funds with the funds that we

4 have from other sources.

5 And is there going to be confusion in the  
6 area with our clients on exactly who's  
7 providing services, you know? Is there going  
8 to be duplication? Who is going to bear the  
9 burden of the administrative requirement that  
10 no homes be re-weatherized that were done since  
11 September of '94?

12 So in conclusion I'm just saying that I  
13 think there needs to be more discussion on  
14 this. There needs to be more information, and  
15 there needs to be more consultation with the  
16 existing sub-grantees. Thank you.

17 MR. GASSNER: Thank you, Jean. Todd?

18 MR. STEINMANN: Good morning, everyone.

19 I'm Todd Steinmann from OACAC out of

20 Springfield, Missouri. I'm the weatherization

21 director. My comments are; number 1, OACAC

22 does support the request from MACA board of

23 directors, the Missouri Community Action

24 Directors Association and community action

25 energy task force to request \$250,000 of

23

1 Transform Missouri funds as allowed by law to

2 sponsor the development of an energy

3 conservation and leveraging project called

4 Missouri Energy Project.

5 Comment number 2, OACAC is in full support

6 of the Transform Missouri based incentive;

7 however, we do disagree with the method being

8 used. We recommend DNR to be a proactive

9 partner with each sub-grantee and assist a

10 sub-grantee that perhaps falls behind on

11 production or expenditure by working with that

12 sub-grantee to ensure that each sub-grantee

13 succeed in this grant.

14 OACAC would like to see the removal of

15 funds from a sub-grantee as a last option, not

16 the first option. By the method being used, it

17 makes it very hard for a sub-grantee to

18 administer the funds not knowing if they will

19 have or not have 20 percent of the funds.

20 As far as the other conditions of

21 receiving the performance-based incentive,

22 OACAC would like to see the option of defunding

23 as a last option in this also. And instead,

24 OACAC would like to have DNR work with the

25 sub-grantee to resolve any of the issues rather

24

1 than removing 20 percent of the funds.

2 Comment number 3, OACAC does support DNR

3 efforts to bring partners into the

4 weatherization program; however, with the

5 increase in funding, this is not the time to

6 make dramatic program changes and add to the

7 workload of the sub-grantees. OACAC's

8 recommendation is for DNR to change their

9 decision on holding 20 percent of the funds for

10 Transform Missouri housing initiative from the

11 current sub-grantees.

12 OACAC asks DNR to release the funds in the

13 normal distribution form to the sub-grantees so

14 the sub-grantees can weatherize the many

15 eligible Missouri citizens' homes that

16 desperately need the assistance.

17 It makes it very difficult for

18 sub-grantees to budget for the Transform

19 Missouri funds when you don't know if you will

20 receive 60, 80, or 100 percent of the funds.

21 Each percentage will dramatically change

22 production schedule along with how many

23 additional staff and equipment will be needed.

24 Comment number 4, OACAC is prepared and

25 equipped to use 100 percent or more of the

25

1 Transform Missouri funds for the OACAC service

2 area.

3 I would also like to add as a fifth

4 comment is we are encouraged that the DNR is

5 adding to the up-front funding that they have

6 got to the policy of two months but we also

7 encourage that those funds not removed until

8 the end of the program year and not at the

9 beginning of the 8th month of the program year.

10 Thank you.

11 MR. GASSNER: Thank you, Todd. Terry?

12 MR. SANDERS: Terry Sanders, housing

13 division director for Ozark Action in West

14 Plains, Missouri.

15 Ozark Action Incorporated commends DNR

16 Energy Center for maintaining a quality

17 statewide weatherization program as well as its

18 desire to further improve the quality of the

19 program. I support the overall concept of the

20 Transform Missouri state plan but do have a

21 number of concerns and comments.

22 The major concerns are first the Transform

23 Missouri housing initiative. This proposal

24 will use 20 percent of the ARRA funds which is

25 over 25 million dollars for innovative

26

1 approaches. While the plan has merit, it

2 diverts this amount from the President's and

3 congressional intent of providing proven

4 weatherization approach with documented results

5 and quality, job creation, and proven energy

6 savings.

7 And I believe the best use of the ARRA

8 funds would be to appropriate 100 percent of

9 the funds to the sub-grantees, after 15 months

10 evaluate performance, re-capture funds from any

11 non-performing agency, and then re-allocate

12 those funds.

13 If this initiative is to remain in the

14 state plan, I believe it should be expanded to

15 include some additional details, specifically

16 sub-grantee selection; who will be eligible to

17 apply, how priority will given to applicants

18 under the federal regulation, the public

19 hearing process that is required to make awards

20 to new sub-grantees. The RFP process should be

21 detailed to include projected timeframes for

22 the RFP, proposals, and sub-grant awards.

23 A statement should be added concerning

24 what efforts will be implemented to assure

25 reasonable statewide distribution of these

27

1 funds. The evaluation method for proposal

2 should be included specifically if leveraging

3 or matching funds will be entered into that

4 evaluation. It is my understanding that in

5 2001, Congress explicitly repealed the language

6 allowing matching funds to be required as a

7 condition of allocating DOE funds.

8 The specific language that the use of

9 initiative funds must follow the same

10 regulations contained in the state plan should

11 be added. This section should also include

12 language that requires all sub-grantees

13 including any new sub-grantees to comply with

14 the same administrative and reporting

15 requirements.

16 The performance initiative, I fully

17 support the concept of the performance

18 initiative but believe some additional

19 information needs to be added or clarified.

20 The first, an award timeframe. The state

21 plan states that evaluation will occur after

22 month 15. It should include an estimated time

23 that these funds will be awarded to enable

24 sub-grantees to adequately plan for additional

25 funding.

28

1 The percentage of funds spent requirement.

2 The statement plan requires the sub-grantee to

3 expend a minimum of 95 percent of funds

4 projected through month 15. I believe that

5 should be 95 percent of program operation

6 funds, not total funds. Regardless, the state

7 plan should specify exactly which expenditure

8 will be critical and considered in that

9 evaluation.

10 The state plan states that the sub-grantee

11 has no major findings in monitoring or audits.

12 Major findings is a very subjective term. I

13 would suggest changing this is no unresolved

14 findings.

15 And I've got a comment here about

16 unallocated performance funds. I'm going to go

17 ahead and conclude it. It was pretty well

18 clarified at the pact meeting. But it's very

19 possible that some sub-grantees will not

20 receive performance funds. The state plan

21 should identify how and when these unused funds

22 will be re-allocated. This would eliminate the

23 need to revise the state plan requiring

24 additional resources, time, and DOE approval in

25 order to invest the unallocated funds in

29

1 weatherizing Missouri homes.

2 Other comments on the annual plan Page 2,

3 I fully support the evaluation and revision of

4 the estimated energy savings methodology but I

5 would like to see the estimated energy savings

6 included in the state plan prior to public

7 review and hearings for the future.

8 On Page 4 of the annual plan under

9 effectiveness of training and technical

10 assistance, I would recommend changing NEAT

11 audit result and savings to investment ratio to

12 NEAT slash MHEA audit results and savings to

13 investment ratio.

14 And the master file on Page 12 under

15 rental procedures and landlord contributions, I

16 recommend the change to landlord must provide a

17 minimum 5 percent contribution.

18 I want to assure DNR and the Energy Center

19 that Ozark Action is fully prepared and

20 equipped to effectively use 100 percent or more

21 of the ARRA funds for weatherization. And

22 last, that we support the inclusion of MACA

23 Missouri Energy Partnership Project into the

24 state plan. Thank you.

25 MR. GASSNER: Thank you, Terry. David

30

1 Miller?

2 MR. MILLER: David Miller with the

3 Missouri Ozark Community Action, executive

4 director. Missouri Ozark Community Action does

5 support the request from the Missouri

6 Association Community Action to request the

7 250,000 of Transform Missouri funds to sponsor

8 the development of an energy conservation and

9 leverage project called Missouri Energy

10 Project.

11 The Missouri Energy Project will

12 specialize in low-income energy issues and a

13 broad array of long-term model solutions for

14 Missourians.

15 Missouri Ozarks will support the Transform

16 Missouri grant application; however, I do

17 disagree with the funding methods being used.

18 I recommend that the Department of Natural

19 Resources Energy Center to appropriate funding

20 100 percent in whole to the U.S. Department of

21 Energy American Recovery and Reinvestment Act.

22 In the Transform Missouri grant

23 application, Roman numeral II.10, adjustments

24 to on-file information, Transform Missouri

25 transfer-based incentive is recommending 20

31

1 percent of the transfer -- Transform Missouri

2 WAP funding to be used by Missouri DNR as an

3 incentive for superior sub-grantee performance.

4 No later than 15 months into the grant

5 period, the Energy Center will evaluate the

6 sub-grantee's performance against defined

7 benchmarks. This 15-month delay prevents the

8 Weatherization Assistance Program from carrying

9 out the proposed -- carrying out the purpose of

10 the American Recovery and Reinvestment Act to

11 stimulate the economy and create jobs and

12 retain them.

13 Missouri Ozark Community Action will

14 support again the Transfer Missouri grant

15 application; however, I do disagree with the

16 funding method being used. I recommend the

17 Department of Natural Resource Energy Center to

18 appropriate funding 100 percent in whole the

19 U.S. Department of Energy American Recovery and

20 Reinvestigate Act.

21 In the Transfer Missouri Grant application

22 on numeral II.10, adjustment to on-file

23 information, Transform Missouri Housing

24 Initiative is recommending 20 percent of the

25 Transform Missouri WAP funding will be used by

32

1 the Missouri DNR for initiative that result in

2 increased benefit with greater positive impact

3 for client, neighborhoods, and communities

4 served. These funds will be focused on

5 initiatives that provide energy efficiency

6 services to clients and significantly

7 leveraging other sources of funding for greater

8 client benefit and job creation.

9 These initiatives may focus on large --

10 larger multifamily housing units or

11 neighborhood-based programs. These funds will

12 be distributed on a competitive basis through a

13 request for proposal.

14 The matching fund requirements are not

15 allowable as a criteria for allocating Federal

16 DOE fund. Congress explicitly repealed

17 language allowing them to be consider in early

18 2000. These funds are also focused on larger

19 multifamily housing units and

20 neighborhood-based programs.

21 Based on the 2000 U.S. Census, 61 of

22 Missouri's 115 counties are below a population

23 of 2,000. The focus on these larger

24 multifamily housing units or neighborhood-based

25 programs will not allow sub-grantees to assist

33

1 low-income persons in rural Missouri.

2 Missouri Ozark Committee Action recommends

3 the release of funds 100 percent in a manner to

4 ensure that eligible sub-grantees are able to

5 weatherize these homes of eligible Missourians

6 to stimulate the committee and to create and

7 retain jobs as outlined by our President Obama.

8 MR. GASSNER: Thank you, David. Dave?

9 MR. LEYLAND: My name is Dave Leyland.

10 I'm the executive director for Community Action

11 Partnership in Saint Joe, Missouri. Community

12 Action Partnership of Greater Saint Joseph,

13 CAPSTJOE, is requesting to be allowed to resume

14 operation of the Weatherization Program serving

15 Andrew, Buchanan, Clinton, and DeKalb Counties.

16 From 1978 to 1990, CAPSTJOE, formerly EOC

17 Action Agency, successfully provided the Low

18 Income Weatherization Program in Andrew,

19 Buchanan, Clinton, and DeKalb Counties. In

20 1990 when funding for weatherization was

21 severely reduced, the EOC Weatherization

22 Program was merged to Community Services

23 Incorporated, CSI, in Maryville, Missouri.

24 This merger was to be an experimental

25 project and only necessary during the time of

34

1 decreased weatherization funding. It was

2 agreed by both CAPSTJOE, CSI, and the

3 Department of Natural Resources that CAPSTJOE,

4 EOC at the time, was not permanently

5 surrendering the Weatherization Program.

6 CAPSTJOE continues to be an eligible

7 agency to receive weatherization funding. In

8 selecting the sub-grantee, preference is given

9 to a community action agency or other public or

10 non-profit agency which has or is currently

11 administering an effective program under this

12 part, Title II of the Economic Opportunity Act

13 of 1964.

14 We believe it is extremely important that

15 the communities in Andrew, Buchanan, Clinton,

16 and DeKalb counties, including the City of

17 Saint Joseph be served by their local community

18 action agency.

19 If you have questions or comments, please

20 contact me, Dave Leyland, Community Action

21 Partnership of Greater Saint Joseph. Thank

22 you.

23 MR. GASSNER: Thank you Dave. Bob?

24 MR. JACKSON: Good morning. My name is

25 Bob Jackson. I'm the manager of the Property

35

1 Preservation Provision with the city of Kansas

2 City, Department of Housing and Community

3 Development. Through the decision to increase

4 funds for residential weatherization

5 assistance, the city is excited with the

6 opportunity to showcase and assist the public

7 with opportunities to deliver high-quality

8 energy efficiency services in Clay, Black, and

9 Jackson counties.

10 Since the announcements of ARRA funds, 206

11 contractors have joined the program. The

12 degree of excitement provides hope and

13 opportunity to many small businesses that

14 heretofore did not see the value of

15 participating in the Weatherization Program

16 opportunity.

17 Interest remains high for other businesses

18 that seek to provide assistance with their

19 expertise. While different, the funding

20 adjustments for funding -- for funding -- for

21 funding -- boy, I tell you what? For

22 performance-based funding at 20 percent and an

23 additional 20 percent through the competition

24 for Transfer Missouri housing initiative

25 provides an opportunity for different

36

1 strategies to provide assistance through

2 partnerships and to deliver those services to

3 the public in unique ways.

4 This city is up to the challenge for both

5 changes. Within the draft state plan for ARRA

6 funds, MDNR proposes to contract for

7 administration field monitoring of the

8 weatherization network. While contracting a

9 portion of the management structure for ARRA

10 fund is cost effective and provides employment

11 for subcontractor monitors, missing is

12 institutional understanding of the

13 personalities of the low-income market and how

14 the market affects the delivery or service by

15 sub-grantees.

16 The learning curve by contract -- by the

17 subcontract monitor can greatly affect the

18 future and the existing -- of existing

19 weatherization network. Through accepting the

20 need of increased oversight and with the use of

21 contract monitors, we recommend that an

22 oversight board be established to provide an

23 appeal process that guarantees objective

24 assessment of monitored agencies.

25 We are eager to fulfill our

37

1 responsibility. We look forward to the

2 opportunity to increase assistance to

3 low-income residents in and around Kansas City.

4 And as a closing note, the city of Kansas

5 City also supports the mock-up partnership or

6 proposal with the Missouri project. Thank you.

7 MR. GASSNER: Thank you, Bob. Dana?

8 MRS. SEIPEL: Good morning, everyone. My

9 name is Dana Seipel. I'm with Community

10 Services Incorporated the Maryville, Missouri.

11 I would like to thank you for the opportunity

12 to provide testimony on behalf of the Community

13 Services Incorporated, also known as CSI.

14 Community Services Incorporated or CSI would

15 like to respond to the public comments

16 expressed by CAPSTJOE in last week's and this

17 week's hearing for the state plan.

18 CSI serves in a five-county region in

19 Northwest Missouri, and in a nine-county region

20 for the Weatherization Program. We operate

21 seven head-start centers and five outreach

22 offices that are fully staffed with personnel

23 and volunteers from the communities that they

24 serve and have a very active CSBG program that

25 operates a multitude of programs to help our

38

1 low-income clients.

2 We have numerous partnerships with all

3 community entities such as ministerial

4 alliances, the Salvation Army, Red Cross, and

5 et cetera. These partnerships extend into the

6 nine-county area that serve for weatherization

7 as well. We feel that we are very intuitive to

8 our clients' needs by helping them with all

9 aspects of their lives at the very first visit

10 with us, and we refer them to the necessary

11 programs the very first day.

12 CSI has been administering the

13 Weatherization Program since the mid 1970s in

14 our five-county region. In 1990 we assumed

15 responsibility for the four-county region that

16 CAPSTJOE had at that time. The two agencies

17 merged the programs together because of lack of

18 funds on both parties. This was initially

19 supposed to be a one-year pilot program and a

20 review would be done after that year was up.

21 That year turned into 19 years that CSI

22 has administrated the Weatherization Program

23 for all nine counties. With limited funding

24 throughout that time, we have formed

25 partnerships with utility companies such as

39

1 KCPL, Missouri Gas Energy, Empire, Ameren

2 Electric, Associated Cooperatives, and others

3 to aggressively help the maximum amount of

4 clients that we could serve.

5 CSI has a fully trained weatherization

6 staff that consists of two BPI certified

7 auditors, eight technicians, and numerous

8 contractors in all areas that are involved in

9 our mission to help our clients. We work very

10 closely with our county directors to help our

11 clients by having educational energy workshops

12 to introduce the Weatherization Program and

13 show our clients and the public what we can do

14 to help them by reducing energy costs.

15 CSI has aggressively formed partnerships

16 with local businesses to promote our program so

17 that we can reach everyone that needs help.

18 CSI also involves the media in promoting our

19 program and has had a special aired on ABC News

20 about our Weatherization Program.

21 In addition, CSI has a HUD Section 8

22 Rental Assistance Program that houses 187

23 families, and we just recently partnered with

24 MHDC for the HERO Program to help supplement

25 funding for weatherization of additional homes.

40

1 While we understand and respect CAPSTJOE's

2 desire to reclaim funding that was assumed by

3 CSI in 1990, we strongly feel that in the best

4 interest of our clients, the funding should

5 remain with CSI due to an established client

6 base and service process.

7 I would also like to add that the Transfer

8 Missouri funds are for a three-year period.

9 After that time it is likely that funding could

10 return to normal limits and the agencies could

11 possibly find themselves in the same situation

12 that occurred in 1990. Thank you very much.

13 MR. GASSNER: Thank you, Dana. Jackie,

14 have you handed in your -- I know you said

15 written comments so have you handed those in?

16 MRS. TIMM: I will e-mail them.

17 MR. GASSNER: Okay. Ronda?

18 MRS. WICKHAM: Hello. I'm Ronda Wickham

19 from Missouri Valley Community Action Agency.

20 I would like to say that the Missouri Valley

21 Community Action does support the request for

22 MACA board of directors about the Transform --

23 to use 250,000 of the Transform Missouri funds

24 as allowed to sponsor the development of energy

25 conservation and leveraging project called

41

1 Missouri Emergency Project.

2 Missouri Valley Community Action is in

3 full support of the Transform Missouri

4 performance-based incentive. We too, however,

5 recommend that DNR assist sub-grantees that may

6 be behind in productions or expenditures as an

7 active partner so that everybody will succeed

8 in meeting all the goals proposed.

9 Further, Missouri Valley would propose

10 that the removal of 20 percent of funds from

11 any sub-grantee be the last option rather than

12 the initial response.

13 Missouri Valley Community Action supports

14 DNR's efforts to bring partners into the

15 weatherization initiative with a Transform

16 Missouri housing initiative; however, with the

17 increased funding and increased production

18 schedules, it does not seem prudent now at this

19 time to drastically change the program and put

20 increased amounts of work and stress on the

21 sub-grantees.

22 Missouri Valley would suggest that DNR

23 release the 20 percent of funds set aside for

24 the Transform Missouri housing initiative to

25 the regular sub-grantees in the usual manner of

42

1 distribution and let the sub-grantees

2 weatherize Missouri homes with 100 percent of

3 funds rather than 60 or 80 percent of the ARRA

4 funding. Thank you.

5 MR. GASSNER: Thank you, Ronda. Jeffrey

6 Owens?

7 MR. OWENS: I think -- I don't know if

8 this is appropriate but I'm a concerned citizen

9 of Boone County. I was born and raised in

10 Missouri. I've served in the U.S. Army in

11 Operation Iraq Freedom.

12 When I joined, I joined out of a sense of

13 patriotism and the belief that we were going to

14 try to do what we could to prevent the attacks

15 of September 11.

16 I found myself stationed in Germany. I

17 was deployed to Iraq which was as much of a

18 surprise to anyone I think at the time for two

19 consecutive tours of duty for a total of 15

20 months.

21 Having been stationed in Germany and

22 returning to my home state of Missouri, I was

23 gravely concerned about the lack of

24 appreciation for the global energy problem.

25 Since then I've endeavored as much as possible

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1 through this support of the U.S. Army GI Bill.

2 I got myself back into school. I will soon

3 graduate with a masters of science and physics

4 at the University of Missouri of Columbia.

5 I have spent my time volunteering with the

6 Solar Energy Society, Columbia Climate Change

7 Coalition for Missouri for safe energy and just

8 trying to understand this problem. I want to

9 congratulate all of you who clearly represent

10 the warriors in this piece of the energy

11 puzzle, and I want to try and find a way while

12 I still reside in Boone County to assist.

13 I think what I can offer today is I played

14 the roll of potential applique to the Low

15 Income Weatherization Assistance Program. So

16 after learning about this public hearing on

17 KOMUA this morning six o'clock news, my office

18 went to the -- well, actually there's a lot of

19 Google heads on the Missouri Department of

20 Natural Resources.

21 And instead of the usual Energy Center

22 page, it took me directly to the Low Income

23 Energy Assistance Program. So far so good.

24 Scrolling down I found to apply for assistance

25 I should contact the local weatherization

44

1 agency.

2 Following the link I was directed to one

3 of the sub-grantees for the Central Missouri

4 area, and I believe the only at this point, the

5 Central Missouri Community Action.

6 My comment is that probably along with

7 this link for Boone County, several of the

8 county links could be re-directed to the actual

9 weatherization page of the website.

10 I went ahead and contacted the program

11 director and in the process discovered that

12 they had a complete page of information

13 including a three-page PDF that served as an

14 application for low-income residents of Boone

15 County who would be able to apply for the

16 Weatherization Program.

17 My final comment is that I think what I've

18 heard in here today is a power struggle

19 somewhat, is what I'm hearing, over the 20

20 percent of the funds that are being withheld

21 from the Community Action Centers, the real --

22 the people who have been doing this business

23 year in and year out. And now suddenly with

24 this enormous surge of funding, I think we all

25 understand the potential that this has for

45

1 transforming the energy pitcher here in the

2 state of Missouri.

3 So my final comment is that I hope that

4 this sort of discussion keeps in mind clearly

5 the objectives which is to reduce and conserve

6 the energy resource that we're blessed with in

7 this state. Thank you very much.

8 MR. GASSNER: Thank you. Patty?

9 MRS. MAGRUDER: Thank you. These comments

10 are also in regard to the ARRA Weatherization

11 Assistance Program state plan for Sections 3,

12 1.2, 3.4 -- do you want me to say my name?

13 Patty Magruder, Missouri Association for

14 community action.

15 For Sections 3, 1.2, 3.4, 6.3 where the

16 wording addition sub-grantees, new sub-grantees

17 if needed, procuring new implementation

18 sub-grantees, and any other sections or similar

19 language may be found in the state plan, the

20 DNR Energy Center should indicate that the

21 State will follow the requirements of Sections

22 440.14, state plans and 440.15 sub-grantees of

23 Title 10 of the code of federal regulations in

24 selecting any additional entities to receive

25 ARRA weatherization funding as stated in

46

1 Sections 2.3, and 5.21 of the DOE funding

2 announcement.

3 In addition, the appearance is that the

4 State is attempting to carve out 20 percent of

5 the ARRA weatherization operational funds for

6 distributions to entities that are not

7 necessarily current sub-grantees as found in

8 Sections Roman numeral II.10 and Roman numeral

9 III.3.1 titled Transform Missouri housing

10 initiative which would not be allowable under

11 CFR Section 440.15, Paragraph B, as it states

12 in part that funds will be allocated to areas

13 on basis of the relative need for

14 weatherization project by low-income persons.

15 And it references Paragraph A that states

16 in part that preference is given to any CAA or

17 other public or non-profit entity which has or

18 is currently administering an effective program

19 under this part or under Title II of the

20 Economic Opportunity Act of 1964.

21 The DNR Energy Center should consider

22 modifying this section to agree with federal

23 regulation.

24 And to finish I am presenting a written

25 proposal, I have done that, for the Missouri

47

1 Energy Partnership Project on behalf of the

2 Missouri Community Action and weatherization

3 networks for the DNR Energy Center to consider

4 including in the state plan.

5 The purpose for the Missouri Energy

6 Partnership is to generate new partnerships

7 that will provide sustainable non-federal

8 resources to enhance the Weatherization Program

9 and extend the impact of its investments with

10 complimentary activities and policies.

11 The project specific long-term goals are

12 to create clean energy, greener home

13 partnerships, streamlined program

14 collaborations, and green collar employment in

15 the emerging low-carbon market. Thank you.

16 MR. GASSNER: Thank you, Patty. Did

17 anybody else want to provide comments? Yeah,

18 Darin.

19 MR. PREIS: My name is Darin Preis. I'm

20 the executive director of Central Missouri

21 Community Action. I support the comments of my

22 colleagues from across the state that are

23 current weatherization contractors. I also

24 just want to fully endorse the Missouri

25 Association for Community Action Plan to expand

48

1 the use of Transform Missouri funds for the

2 energy partnership project to expand the

3 benefit of weatherization programs and services

4 and energy conservation for low-income

5 Missourians across the state.

6 I also just want to say very briefly that

7 CCA is prepared to spend 100 percent or more of

8 the Transform Missouri funds allotted for the

9 eight-county area served by CHCA, and we look

10 forward to working with DNR to accomplish that.

11 MR. GASSNER: Thank you, Darin. Would

12 anyone else like to provide comment?

13 MR. SANDERS: I would like to add one

14 addition.

15 MR. GASSNER: Okay, Terry.

16 MR. SANDERS: Terry Sanders, again, Ozark

17 Action in West Plains. As I listened to

18 everyone make comments today and particularly

19 the citizen who commented about power struggle,

20 I think that's not an unfair statement that he

21 made. But I want to say that from Ozark

22 Action's perspective, I feel like I have an

23 obligation to promote what I think is the best

24 use of funds.

25 But I want to at the same time assure

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1 Anita and the Energy Center staff that once the

2 state plan is finalized, we intend to comply

3 with it, weatherize as many homes throughout

4 the state as we can, and continue the

5 partnership we've had for many years.

6 And I can't speak for anybody else but I

7 believe that statement probably fairly

8 represents every community action agency here.

9 Thank you.

10 MR. GASSNER: Thank you, Terry. Did

11 anyone else want to comment? I will -- let's

12 make the sign-in sheet available to make sure

13 everybody that has not already signed in will

14 do so.

15 The official public hearing will be open

16 until 11:30. Informally, we can discuss -- if

17 there are no addition questions -- or comments

18 excuse me. Comments at this time we can

19 informally have discussions. And if anybody

20 that comes in between now and 11:30 that wants

21 to provide actual public comment on the

22 official record, they can do so.

23 Before we do that, I do want to thank

24 everyone for their comments, everyone else for

25 being here, and I'd like to echo a little bit

50

1 of what Terry said is that the working

2 relationship that we have with the community

3 action agencies I think is a good -- a good

4 network, a good opportunity to provide

5 low-income weatherization assistance system

6 program through the state.

7 We were very encouraged to provide that

8 service and to be a partner with you in getting

9 this weatherization done across the state of

10 Missouri. So thank you all and thank you for

11 your efforts.

12 (Public hearing officially commenced at 11:30 a.m.)

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1 CERTIFICATE OF REPORTER

2 STATE OF MISSOURI )

3 COUNTY OF BOONE )

4 I, Roxann Zuniga, Certified Shorthand Reporter,

5 the officer before whom the foregoing hearing was taken, do

6 hereby certify that the testimony of said persons was taken

7 by me to the best of my ability and thereafter reduced to

8 typewriting under my direction, that I am neither counsel

9 for, related to, nor employed by any of the parties to the

10 action in which this hearing was taken, and further that I

11 am not a relative or employee of any attorney or counsel

12 employed by the parties thereto, nor financially or

13 otherwise interested in the outcome of the action.

14

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16 \_\_\_\_\_

17 Notary Public in and for

18 the State of Missouri

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Urban League of Metropolitan St Louis

State Plan Hearing on the Transform Missouri Funds

April 24, 2009

Overall the Urban League supports the state's plan with changes supported by the Policy Advisory Committee. This additional funding is an exciting opportunity to have a greater impact in our community. The Urban League of Metro St Louis welcomes the challenge of earning the performance 20% and have planned in a manner that will facilitate successfully meeting the performance benchmarks. We had already begun putting together projects before the project initiatives concept was unveiled and welcome the opportunity to apply for some of those funds. We request the following changes:

Annual File Worksheet

## II.7 DOE-Funded Leveraging Activities

In describing examples of leveraging, please include examples of services being provided in addition to the example of goods and the obvious funds. An example would be where one entity seals the home and the weatherization subgrantee adds insulation.

## State/Master Plan III.3.1 Type of Work to Be Done

In the first paragraph of the Transform Missouri Housing Initiative describing the focus of initiatives for the 20% allocated to special projects, language indicating that said projects should significantly leverage other sources of funding is present. Please add language indicating that a definition and description of what constitutes leveraging can be found in the weatherization manual. Then provide the leveraging definition and description in that document to include utility funds regardless of whether DNR manages the funds for the utilities or not, and partnership activities where the sub-grantee receives services (e.g. another entity repairing or doing some of the work on units) versus goods or money.

#### State/Master Plan III.3.4 Assessment of Effectiveness

Add language giving some consideration of leniency if an act of God occurs that adversely affects the performance of the subgrantee in achieving the described benchmarks (e.g. ice storm, blizzard).

Wherever benchmarks are described referencing expenditures, describe expenditures as those in the categories of administrative, leveraging, program operations, audit fees, and insurance. Exclude travel and training costs from the benchmark expenditures as they are not spent evenly throughout the contract year and are subject to a yet to be produced schedule.

Change item 3 under the criteria for allocating performance based incentive funds from "The subgrantee has had no major findings in the previous two Energy Center fiscal/procedural and technical monitoring visits or in the subgrantee's A-133 audit" to the subgrantee has had no uncorrected major findings in the previous two Energy Center fiscal/procedural and technical monitoring visits or in the subgrantee's A-133 audit.

#### State/Master Plan IV Quality Control Measures

##### 2. Materials Purchasing Standards

This section references detailed bidding standards found in the WX Program Operations Manual, we request that the bidding standards be revised to reflect usage of the bidding process to establish prices paid for services versus who may provide those services. We further ask that the average of the responsible bids be used to establish the prices paid for the contractor services.

#### Annual Plan

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

#### Transform Missouri Housing Initiatives

Add wording that effective subgrantees will be given preference for these funds in accordance with 10CFR 440.15.

The Urban League looks forward to the challenges and oppertunities presented by this additional funding.

Missouri Policy Advisory Council

April 24, 2009

Columbia, Missouri

Meeting Minutes

PAC Members in Attendance:

Robert Jackson

Todd Steinmann

Anne Ross

Ryan Kind

Chris Rohlfing

Terry Sanders

Pam Levetzow (by telephone)

The Council meeting was convened by chairman Robert Jackson.

The primary subject of the meeting was review and discussion about the Missouri draft state plan for the use of American Recovery and Reinvestment Act (ARRA) monies for the Weatherization Assistance Program for Low-Income Persons. All Council members and audience members were supplied a copy of the draft state plan.

The Council members walked through and discussed each page of the draft state plan. Members of the Missouri Department of Natural Resources (MDNR) staff provided background about the provisions of the draft plan and answered questions from Council members and audience.

Members of the PAC discussed the difficulty in providing good per/home cost estimates when developing each subgrantee's budget for review by the MDNR. The per/home cost limit was increased by the federal government for use of ARRA funds.

While reviewing the state plan portions regarding training, Mr. Jackson pointed out the importance of more training venues for subgrantee agencies. MDNR staff acknowledged this need and explained that MDNR staff will make this a priority in its discussions with the primary MDNR training provider, which is Linn State Technical College. Mr. Rohlfing suggested that MDNR take the approach of requiring contractors working in the Weatherization Program to have a specific level of training and certification.

While reviewing the state plan portions regarding the MDNR risk assessment tool for subgrantees, Mr. Steinmann asked to see the risk assessment tool, the criteria used by MDNR to determine the risk profile of each subgrantee, and information about factors that subgrantees might improve. MDNR staff agreed to provide the risk assessment tool to the PAC and subgrantees.

The PAC members discussed the Missouri Housing Initiative contained in the state plan. MDNR staff provided additional explanation about the purposes of the Initiative. The initiative proposes to reserve 20 percent of the ARRA funds to use for innovative projects such as improved effectiveness or efficiency of Weatherization service delivery to clients or recruitment of non-traditional partners or additional funds to increase client benefit. A member of the audience asked for more information about when the state will issue the request for proposals to seek applications to be considered for funding from the Missouri Housing Initiative. MDNR staff estimated that the request for proposal would be issued in Summer 2009. Mr. Steinmann noted the challenges facing subgrantee agencies with the increased funding, the ramp-up needed, and the importance of applying for special funding opportunities such as the Missouri Housing Initiative. Mr. Sanders inquired whether all potential applicants for the Missouri Housing Initiative funds will be informed that community action agencies will have preference in receipt of these funds. MDNR staff explained that potential applicants will be informed of all federal guidance and regulations. In response to a question from the audience, MDNR staff explained that the request for proposal will be sent to all existing subgrantees and additional entities or organizations that may be interested in and eligible to apply for the Missouri Housing Initiative funds. Pertaining to the use of Missouri Housing Initiative funds, Ms. Ross asked that language be added to the state plan noting the importance of geographic distribution of the Initiative funds across the state. MDNR staff agreed to add the language to the state plan. Mr. Sanders suggested that MDNR consider underserved areas of the state as an evaluation criterion for selecting Housing Initiative funding recipients.

Several PAC members and audience members asked about the status of federal guidance regarding the applicability of Davis-Bacon prevailing wage requirements to the Weatherization Assistance Program. MDNR staff explained that it appears that Davis-Bacon will apply to the Program; however, MDNR continues to wait for more specific federal guidance.

While discussing ramp-up needs, the PAC members discussed the challenge of using all sources of Weatherization Program funds available - the significantly increased federal money from ARRA, the regular federal WAP funds, and utility company funds. Mr. Kind suggested that the MDNR approach the Public Service Commission to allow utility funds to be spent over a longer period of time so that ramp-up may focus on the use of ARRA funds. MDNR will broach this subject with utility companies and Public Service Commission staff.

The PAC discussed portions of the state plan addressing performance criteria for successful subgrantee performance. Mr. Jackson asked for more clarification about the ramifications of a subgrantee's failure to meet the performance criteria. MDNR will add additional language to the plan. Ms. Ross asked that language be added to the state plan specifying that MDNR will consider production delays caused by natural disasters when evaluating subgrantee performance. MDNR agreed to add this language.

The PAC members in attendance unanimously approved the concepts presented in the state plan with some additions of language as noted in these minutes.

MDNR staff also updated the Council members on the status of the Missouri state appropriations process for state fiscal years 2009 and 2010. The state appropriations process must be completed before ARRA subgrants may be distributed and any funds spent. The Missouri House has completed appropriations bills for the use of ARRA funds. The Senate continues its discussions regarding ARRA appropriations.

Mr. Steinmann pointed out the existence of a vacant position on the PAC and the importance of a full complement of PAC members. MDNR staff will review the PAC membership and move toward filling the vacancy.

The PAC also discussed the subject of advance payments to subgrantees. Members of the PAC pointed out increased subgrantee need for advance payments in order to pay ramp-up costs such as equipment procurement, salaries for new staff and staff training. MDNR distributed to PAC members and audience a discussion paper that outlined several possible MDNR policies regarding advance payment. MDNR staff asked for feedback and recommendations from the PAC and audience regarding an advance payment policy and invited feedback and recommendations via e-mail following the meeting, also.

1

1 DEPARTMENT OF NATURAL RESOURCES  
DIVISION OF ENERGY  
2 STATE OF MISSOURI

3 In Re: )  
)  
4 Proposed Amendment to )  
the State's Three-Year )  
5 Weatherization Assistance )  
Program under the American )  
6 Recovery and Reinvestment )  
Act Finalizing Proposed )  
7 Project Awards Under the )  
Energize Missouri Housing )  
8 Initiative )

9

10  
Public Hearing  
11 May 20, 2010  
3:00-4:30 p.m.  
12 Lewis & Clark State Office Building  
LaCharrette Nightingale Creek Conference Room  
13 1101 Riverside  
Jefferson City, Missouri 65101

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## 1 P R O C E E D I N G S

2 MR. GASSNER: Good afternoon. I'm Joe

3 Gassner with the Department of Natural Resources'

4 Division of Energy. I am the manager for the

5 Missouri's Low-Income Weatherization Assistance

6 Program. I'd like to welcome you to this public

7 hearing regarding amendments to the State's American

8 Recovery and Reinvestment Act, ARRA, State Plan for

9 federal funding of the Low-Income Weatherization

10 Assistance Program.

11 We have copies of the amended State Plan

12 here for your review, and it was -- it was also  
13 available on the Department's website. Today's  
14 hearing will be held from 3:00 p.m. until 4:30 p.m.  
15 or until all comments are noted for the public  
16 record. Written and electronic comments will also be  
17 accepted and entered into the official record until  
18 close of business this evening, May 20th, 2010.  
19 Before we get going this morning [sic],  
20 we'll go ahead and introduce ourselves if that's  
21 okay. And Dru, do you want to go ahead and start?  
22 MR. BUNTIN: Hi. I'm Dru Buntin. I'm  
23 Deputy Director of the Department of Natural  
24 Resources.  
25 MR. KATERNDAHL: Dean Katerndahl,

3

1 Mid-America Regional Council.

2 MS. LEAKEY: Christina Leakey, City of

3 Independence.

4 MR. WEBB: Herb Webb, City of  
5 Independence.

6 MR. PARSONS: John Parsons, Community  
7 Action Agency St. Louis County.

8 MR. LEYLAND: Dave Leyland, Community  
9 Action Partnership St. Joseph.

10 MS. HENDERSON: Terri Henderson, Green  
11 Hills Community Action Agency.

12 MS. TELKAMP: Anita Telkamp, City of  
13 St. Charles.

14 MS. HAWKINS: Jessica Hawkins, City of  
15 O'Fallon.

16 MR. WEAVER: Todd Weaver, Legacy  
17 Building Group.

18 MR. DOLAN: Tim Dolan, Urban League  
19 St. Louis.

20 MS. WRENCH: Brenda Wrench with the  
21 Urban League of St. Louis.

22 MS. RANDOLPH: Anita Randolph, Division  
23 of Energy, Department of Natural Resources.

24 MS. WILBERS: Lee Ann Wilbers,  
25 Department of Natural Resources, General Services.

4

1 MS. KLIETHERMES: Andrea Kliethermes,  
2 Director's Office, DNR.

3 MR. O'BRIEN: Tim O'Brien, DNR, Division  
4 of Energy.

5 MR. McVICKER: Todd McVicker, Department  
6 of Natural Resources' Division of Energy.

7 MR. COLE: Randy Cole, Central Missouri  
8 Community Action.

9 MR. GIROUERD: Chris Girouerd,  
10 Representative Paul LeVota's office, City of  
11 Independence.

12 MR. GASSNER: Okay. Thank you. I'd  
13 like to start by going over the purpose of this  
14 public hearing, which is to give opportunity to have  
15 written or oral comments entered into the official  
16 record.

17 A public hearing is not intended to be a

18 question-and-answer session. Please keep this in  
19 mind when submitting comments. Although you heard me  
20 mention this hearing is to discuss amendments to  
21 Missouri State Plan for the U.S. Department of  
22 Energy's ARRA funding, I want to point out that this  
23 plan still very closely follows the original ARRA  
24 Weatherization State Plan.  
25 As you may remember, 20 percent of the

5

1 Missouri ARRA WAP funding, or \$25,629,605, was  
2 committed to be subgranted by the Missouri Department  
3 of Natural Resources' Division of Energy for  
4 initiatives that result in increased benefit and  
5 greater positive impact for clients, neighborhoods  
6 and communities served.  
7 The Department of Natural Resources  
8 released the Energize Missouri Housing Initiative  
9 request for proposals on February 23rd, 2010, and a

10 pre-proposal meeting was held on March 9th, 2010.  
11 Project proposals were due and received on  
12 March 31st, 2010. Evaluation of proposals was  
13 completed in April 2010. The public hearing is  
14 currently being held right now.  
15 After the hearing and review of all  
16 submitted comments, the Department will finalize the  
17 amended State Plan that incorporates the proposed  
18 project and award amounts and submit it to the U.S.  
19 Department of Energy (DOE) for approval.  
20 The grant period for the Energize  
21 Missouri Housing Initiative will begin June 1st,  
22 2010, and end on March 31st, 2012. DNR will  
23 administer these funds through 12 regional --  
24 regional community action agencies, three city  
25 governments and three not-for-profit organizations.

1 All subgrantees will be required to  
2 follow standard technical quality, reporting and  
3 administrative requirements established by federal  
4 rule and DNR, Division of Energy policies and  
5 procedures. Program funds are provided by DOE and  
6 are administered by the Missouri Department of  
7 Natural Resources' Division of Energy.  
8 The Low-Income Weatherization Assistance  
9 Program's (WAP) objectives are to increase the energy  
10 efficiency of homes owned or occupied by low-income  
11 persons and reduce their total expenditures on energy  
12 while ensuring their health and safety.  
13 For eligible households, Weatherization  
14 Program funds provide cost-effective energy  
15 efficiency improvements that may include reducing air  
16 infiltration, increasing insulation in walls, attics,  
17 floors and foundation. Other measures include  
18 heating system "clean and tunes", heating system  
19 replacement, minimal building envelope repairs and  
20 others. Measures that are determined to be  
21 cost-effective may be installed on eligible  
22 households.  
23 When weatherizing a home, heating

24 systems and gas appliances are tested for home  
25 hazards such as gas leaks and carbon monoxide.

7

1 Visual and diagnostic inspections help homes become  
2 safer in addition to being more energy efficient.  
3 The program focuses on long-term reduction in utility  
4 bills and the comfort and safety of those served.  
5 It is estimated that approximately 4,600  
6 homes will be weatherized during the 21-month grant  
7 period using Energize Missouri Housing Initiative  
8 ARRA WAP funding.  
9 At this time I would like to describe  
10 the amendments to the ARRA Weatherization State Plan.  
11 Beginning February 1st, 2010, the Missouri Department  
12 of Natural Resources' Energy Center gained division  
13 status, so any reference to the Energy Center in the  
14 State Plan was changed to the Missouri Department of  
15 Natural Resources' Division of Energy, or DNR/DE. In

16 addition, all references to Transform Missouri were  
17 changed to Energize Missouri.

18 Okay. In the Annual File under Roman  
19 Numeral II.3, Subgrantees, there are 20 proposed --  
20 there are 20 proposed Energize Missouri Housing  
21 Initiative subgrantees. Their allocations and  
22 numbers of homes to be weatherized were added  
23 beginning with subgrantee No. 30. I will go over a  
24 brief summary of these 20 project proposals, their  
25 tentative funding award and the number of homes

8

1 expected to be weatherized for each project.  
2 Okay. I'll start with the Urban League  
3 of Metropolitan St. Louis. Urban League of  
4 Metropolitan St. Louis planned three projects as part  
5 of Urban League Energize St. Louis. They are, A,  
6 partnering with Rebuilding Together - St. Louis to

7 weatherize 400 single-family homes through targeted  
8 neighborhood sweeps; B, weatherization of 242  
9 HUD-certified housing units in partnership with Park  
10 Place Housing; and C, weatherization of five  
11 St. Louis City homeless shelters serving women and  
12 children through partnering with the St. Louis City  
13 Continuum of Care. The tentative funding amount is  
14 \$4,732,541, and it is projected that 842 units will  
15 be weatherized.

16 The second project from Urban League of  
17 Metropolitan St. Louis, intends to weatherize 400  
18 single-family homes via neighborhood sweeps in the  
19 following targeted communities: Jennings, Normandy  
20 and Maplewood. Urban League will incorporate  
21 innovative technologies using an infrared camera to  
22 identify energy efficiency needs, programmable  
23 thermostats, new foam insulation technology in the  
24 weatherization process. The tentative funding award  
25 is 2,100,000, and approximately 299 units are

1 expected to be weatherized.

2 The Ozark Area Community Action Corp. in  
3 Springfield, we call OACAC, partners with the City of  
4 Springfield, area utility community -- companies, and  
5 Hamilton Properties to weatherize 646 homes. The  
6 plan includes focusing on making emergency repairs  
7 and repair or replacing inefficient heating systems.  
8 OACAC projects that this plan will create 14 new  
9 weatherization jobs. The tentative funding amount is  
10 \$2,275,144, and they expect 646 units to be  
11 weatherized.

12 Central Missouri Community Action of  
13 Columbia, their partnership to target underserved  
14 populations and rural areas across eight counties  
15 served by CMCA in conjunction with Associated  
16 Electric.

17 And also, the City of Spring --  
18 Columbia, Section 8 rental assistance recipients, the  
19 City of Jefferson City for residents of the Old Town  
20 District in -- in conjunction with Habitat For  
21 Humanity, the City of Fulton for their Hero Grant

22 recipients and neighborhood surround Dream designated  
23 downtown area. The tentative funding for CMCA is 1.5  
24 million, and they expect 230 units to be weatherized.  
25 The West Central Missouri Community

10

1 Action Agency in Appleton City. West Central will  
2 use leveraged funding on homes that require work  
3 beyond the scope of normal weatherization  
4 capabilities and regulations by partnering with  
5 Missouri Housing Development Commission, Rural  
6 Electric Cooperative and Associated Electric  
7 Cooperative, Inc. to provide weatherization and home  
8 improvements and services to clients. Rural Electric  
9 Cooperative will provide an energy kit to every  
10 income-eligible client who receives an energy audit.  
11 The tentative funding for West Central is \$1,770,000,  
12 and they expect 295 units to be weatherized.

13 The Missouri Ozarks Community Action in  
14 Richland is partnering with AECI, the Associated  
15 Electric Cooperative, Inc. Their partnership will be  
16 to weatherize 250 Low-Income Weatherization  
17 Assistance Program homes in their service area.  
18 Associated Electric will leverage \$300 towards  
19 weatherization per home and provide an energy kit  
20 which includes items such as water heater wrap, hot  
21 water pipe wrap, three compact fluorescent light  
22 bulbs, insulation kits for electrical outlets and  
23 wall switches, low-flow shower head, caulk and  
24 weather stripping. This project is tentatively  
25 funded for \$1,302,500, and they expect 250 units to

11

1 be weatherized.

2 Missouri Ozarks Community Action in  
3 Richland also has a project with Lebanon, the City of  
4 Lebanon. This proposal is to specifically target

5 low-income family homes within the Lebanon city  
6 limits. The City of Lebanon will leverage \$100  
7 towards the weatherization of each home. The goal is  
8 to weatherize 150 homes. MOCA already identified  
9 homes to be weatherized, so work would begin  
10 relatively quickly. The tentative award amount is  
11 \$720,000, and 150 units are expected to be  
12 weatherized.

13 The Ozark Action, Inc. in West Plains is  
14 partnering with six electric cooperatives to  
15 weatherize homes in their region. The focus would be  
16 on rural housing and implementing new base load  
17 measures such as lighting retrofits, including CFL  
18 and LED lights, refrigerators, high-efficiency water  
19 heaters and other high-efficiency projects to promote  
20 electric savings. \$1,137,680 is the tentative award  
21 amount, and 200 homes are expected to be weatherized.

22 The Economic Security Corp. in Joplin  
23 will have a partnership with the ESC's Housing  
24 Development Division to leverage home funds for home  
25 rehabilitation with weatherization funds. Home funds

1 up to \$20,000 can be used for rehabilitation adding  
2 considerable additional services for the homeowner.  
3 ESC will partner with Empire District Electric  
4 Company to -- to deliver approximately \$175,000 of  
5 additional weatherization services to homeowners in  
6 their service area. The tentative project amount is  
7 \$991,710, and they project to weatherize 248 units.  
8 Northeast Community Action Corp. in  
9 Bowling Green, we call NCAC, this project involves  
10 the weatherization of six multifamily USDA and rural  
11 development properties that are owned by NCAC with  
12 financing from the USDA Rural Development Rural  
13 Housing Multifamily Program. NCAC plans to  
14 weatherize 127 total units. They will put emphasis  
15 on elderly, handicapped and small children.  
16 The Community Action Partnership of  
17 Greater St. Joe, CAPSTJOE, will partner with the City  
18 of St. Joseph to weatherize 180 households using

19 leveraged funding to weatherize homes and have the  
20 ability to use discretionary funding for home repair  
21 such as roof repair and/or electrical or plumbing  
22 work. This proposal plans to create six to ten new  
23 jobs. The tentative award amount is \$967,789. They  
24 expect 180 units to be weatherized.  
25 The City of Independence will partner

13

1 with Kansas City Housing and Community Development  
2 Department to weatherize over 100 homes in northwest  
3 Independence. This is including looking at  
4 approximately 20 whole-house-approach renovations  
5 based on the Weatherization Rehab and Asset  
6 Preservation model. \$625,683 is the tentative award  
7 amount, and again, they expect to do about 100  
8 weatherized homes.  
9 The Mid-America Regional Council in  
10 Kansas City, MARC. MARC is partnering with KCP&L in

11 an intense concentration of effort in a single  
12 inner-city community in order to weatherize  
13 approximately 659 housing units. MARC intends to  
14 focus on outreach, coupled with the weatherization  
15 process, to attain high participation rates. Focused  
16 approach on revitalization of the Green Impact Zone  
17 in Kansas City with a neighborhood saturation  
18 approach. \$4.5 million is the tentative award amount  
19 for this project, and 659 units are expected to be  
20 weatherized.

21 The partnership -- the City of O'Fallon  
22 will have a partnership between NCAC and the City of  
23 O'Fallon to weatherize approximately 64 homes within  
24 the City of O'Fallon using expert marketing  
25 strategies to obtain qualified clients. The

14

1 tentative award amount for this project is \$350,000,

2 and again, they expect to weatherize 64 units.

3 The City of St. Charles partnership

4 between NCAC and City of St. Charles to weatherize

5 homes within the City of St. Charles. The City will

6 provide some focus on mobile homes. Weatherization

7 work will be completed by NCAC. This award --

8 tentative award amount is also \$350,000, and they

9 expect 48 units to be weatherized.

10 The Missouri Valley Community Action

11 Agency in Marshall partnered with the Career Services

12 Department of MBCAA and the Associated Electric

13 Cooperative to provide additional funding to the

14 seven counties in Marshall's service area.

15 Associated Electric Co-Op will reimburse MBCAA up to

16 50 percent of the material and labor costs related to

17 the energy audit and additional weatherization not to

18 exceed \$300. \$214,907 is the tentative award amount.

19 35 units are expected to be weatherized.

20 The Community Action Agency of St. Louis

21 County, CAASTLC, is partnering with Youth Build and

22 Lemay Housing to target low-income homes within Lemay

23 for weatherization energy efficiency measures

24 utilizing Youth Build as the contractor. The focus

25 would be on senior and disabled residents of Lemay,

15

1 Missouri. \$550,000 is the tentative award amount and

2 94 homes are expected to be weatherized.

3 The Green Hills Community Action Agency

4 in Trenton. This project utilizes a neighborhood

5 sweep approach in both Livingston and Linn Counties

6 to weatherize 40 homes creating 12 new jobs. This

7 project will also utilize wraparound services for

8 these low-income families to educate them about

9 energy conservation. \$291,651 is the tentative award

10 amount for this project, and 40 homes are expected to

11 be weatherized.

12 The Delta Area Economic Opportunity

13 Corp. in Portageville, we call DAEOC, they will have

14 a partnership with Lowe's Commercial Services

15 utilizing discount prices on Energy Star appliances,

16 Bootheel Heating & Cooling, giving a 20 percent

17 discount on labor and materials. MD -- MHDC Home  
18 Repair/Dream Program total grant funding of \$686,000  
19 applied towards roof, siding and major interior  
20 improvements. The program also partners with World  
21 Development to leverage funds towards roof repairs  
22 and more structural work to homes that weatherization  
23 will not allow. DAEOC will apply the funding to  
24 their entire six-county area. \$300,000 is the  
25 tentative award amount for this project with 56 units

16

1 expected to be weatherized.  
2 And finally, the Helping Ministry  
3 Neighborhood Development Corp. in south -- with  
4 Southeast Community Builders in Hayti Heights. The  
5 Southeast Community Builders will partner with the  
6 Carpenters to provide training that will lead to an  
7 HBI PACT certification. This will provide BPI

8 training and will weatherize approximately 92 homes.  
9 The PACT is a Pre-Apprentice -- Pre-Apprenticeship  
10 Certificate Training curriculum, which includes the  
11 latest in green construction skills and concepts.  
12 PACT enhances worker skills to increase  
13 proficiency in several facets of green building.  
14 Training topics -- training topics include  
15 construction materials for green carpentry,  
16 material-efficient framing systems, alternative water  
17 source systems, waste and recycling alternatives for  
18 carpentry and masonry and diagnostic tools used in  
19 energy-efficient and green building. Okay. So those  
20 are the projects.  
21 Getting back to -- in the Annual File,  
22 section Roman Numeral II.6, Training, Technical  
23 Assistance updates to this section were made to  
24 include the most current training courses listed on  
25 the DNR/DE website. The new EPA Renovation, Repair

1 and Paint requirements concerning lead safety have  
2 also been incorporated. In addition, items  
3 concerning crew and contractor compliance with OSHA  
4 10, Lead Safe and worksite compliance with required  
5 health and safety equipment, personal protection gear  
6 and reference material were added to the list of  
7 items that will be reviewed during technical  
8 monitoring visits.

9 Also, the last paragraph of this section  
10 concerning DNR/DE staffing has been updated to  
11 include the most current staffing plan for subgrantee  
12 monitoring.

13 Roman Numeral II.7, DOE-Funded  
14 Leveraging Activities. The last sentence of the  
15 paragraph 3 was updated to include the most recent  
16 information concerning Energize Missouri Housing  
17 Initiative.

18 Roman Numeral II.8, Policy Advisory  
19 Council Members. The Policy Advisory Council members  
20 were updated. There is currently a vacancy in the  
21 Public Service Commission position.

22 II.9, State Plan Hearings. This section

23 was updated to include the most recent public notices  
24 for the revised State Plan. There was a press  
25 release 5/10 of 2010, and Jefferson City News Tribune

18

1 on May 13th, 2010.  
2 Okay. Next, number -- Roman Numeral II,  
3 No. 10, Adjustments to the On-File Information  
4 included updates to the Energize Missouri Performance  
5 and Housing Initiative. Paragraphs were made to  
6 reflect the most current information. Those are  
7 pretty minor.  
8 II.11, Miscellaneous. The technical  
9 work group members were updated.  
10 Okay. Now, on the Master File, Roman  
11 Numeral III.1.2, the Selection of Areas to be Served.  
12 This section was updated with the Energize Missouri  
13 Housing Initiative proposed project areas.

14 Section Roman Numeral III.2, Climatic  
15 Conditions. This section was updated with proposed  
16 new subgrantees and the weather station that would  
17 serve that area.  
18 Roman Numeral III.3.4, Assessment of  
19 Effectiveness. Added benchmarks for successful  
20 performance for the \$25,629,605 of the Energize  
21 Missouri Housing Initiative funding. Also the fifth  
22 paragraph and the last two sentences in the sixth  
23 paragraph were deleted because the information  
24 contained was no longer applicable. Also item No. 2  
25 under the Energize Missouri Performance-Based

19

1 Incentive heading was edited to read, "The subgrantee  
2 has weatherized a minimum of five homes above the  
3 expected production."  
4 Roman Numeral III.6.1, Overview.  
5 They -- we updated the second paragraph with the most

6 current energy savings information provided from DOE.

7 A couple of notes include that the

8 DNR/DE will continue to utilize \$6,500 average costs

9 per home, not to exceed average as authorized by the

10 U.S. Department of Energy.

11 Also, DNR/DE will continue to set income

12 guidelines at 200 percent of federal poverty levels

13 to comply with federal Weatherization Assistance

14 Program regulations.

15 Okay. This is a summary of the

16 amendments of the Missouri ARRA State Plan for

17 federal funding of the Low-Income Weatherization

18 Assistance Program.

19 I would like to note that Missouri's

20 Weatherization Policy Advisory Council held a meeting

21 this morning, May 20th, 2010. During the meeting,

22 members reviewed and discussed the ARRA

23 Weatherization amended State Plan. By a unanimous

24 vote, the Council approved the amended State Plan and

25 its submission to the U.S. Department of Energy.

1 This concludes the State's presentation  
2 of amendments to the Low-Income Weatherization  
3 Assistance Program State Plan for the ARRA DOE  
4 funding. We would like to open the floor at this  
5 time for public comment. If you have a comment,  
6 please state your name and affiliation for our  
7 transcript. You may also submit a business card for  
8 our transcriber.

9 And we'll go ahead now and start with  
10 comments.

11 MR. GIROUERD: Thank you all for your  
12 time. I'm here representing the minority leader,  
13 Paul LeVota, State Representative, in his bid for the  
14 City of Independence. I'd like to read a letter.

15 THE COURT REPORTER: Could you state  
16 your name, please?

17 MR. GIROUERD: Absolutely. My name is  
18 Chris Girouerd. I apologize.

19 "I am writing to provide written

20 comments in support of the City of Independence  
21 application for the statewide Low-Income  
22 Weatherization Assistance Program. As you know,  
23 Independence has been recommended for \$625,000 to  
24 perform weatherization improvements to an estimated  
25 100 Independence homes (owner-occupied and

21

1 multifamily rental projects).  
2 "Their proposal calls for utilizing  
3 the WAP assistance to supplement planned targeted  
4 neighborhood investments within the Fairmount-Carlisle  
5 353 Redevelopment area and other neighborhoods in the  
6 annexation area of the school district.  
7 "They also proposed an approach that  
8 would result in 'whole house' renovations as opposed  
9 to Band-Aid-type weatherization improvements in order  
10 to ensure the sustainability of the dwelling.  
11 "Independence is offering a homeowner

12 [sic] education piece centered on maintaining the  
13 energy efficiency of the home as one aspect of  
14 personal asset preservation as well as the job  
15 training component that will utilize trainings from  
16 the EPA Brownfield Job Training Program who will  
17 benefit from hands-on job training experience and  
18 employment opportunities created through the grant.  
19 "I believe the City of Independence  
20 would be a worthy recipient of this grant. Thank you  
21 for your consideration. Sincerely, Paul LeVota."

22 Thank you.

23 MR. GASSNER: Great. Thank you. Other  
24 comments? I know we do also have some written  
25 comments that have been submitted, and we will hand

22

1 those to the transcriber. Anybody else have comments  
2 to present?

3 (NO RESPONSE.)

4 MR. GASSNER: Okay. Well, we will -- we  
5 will need to stay for a little longer to make sure  
6 there is nobody else that shows up to present  
7 comments. We can at this time go into a more  
8 informal session. We can allow the transcriber to --  
9 to end her duties for a little while unless we have  
10 any additional formal comments. But -- and which we  
11 will open it back up. But now we're okay to -- to  
12 kind of go into a more informal session to discuss  
13 anything if anybody has any questions.

14 (A RECESS WAS TAKEN.)

15 MR. GASSNER: If there are no more  
16 comments, this will conclude our public hearing.  
17 Thank you to all that attended and have shown your  
18 support of the Weatherization Assistance Program.

19 (PROCEEDINGS CONCLUDED.)

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1 C E R T I F I C A T E

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3 STATE OF MISSOURI )

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5 COUNTY OF COLE )

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7 I, Pamela Fick, Registered Merit Reporter

8 and Certified Shorthand Reporter do hereby certify

9 that I was personally present at the proceedings had

10 in the above-entitled cause at the time and place set

11 forth in the caption sheet thereof; that I then and

12 there took down in Stenotype the proceedings had; and

13 that the foregoing is a full, true and correct

14 transcript of such Stenotype notes so made at such

15 time and place.

16 Given at my office in the City of

17 Jefferson, County of Cole, State of Missouri.

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21 PAMELA FICK, RMR, CCR #447, CSR

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DEPARTMENT OF NATURAL RESOURCES  
DIVISION OF ENERGY  
STATE OF MISSOURI

POLICY ADVISORY COUNCIL MEETING

May 20, 2010  
10:00 a.m.

Capitol Plaza Hotel  
Truman Room B & C  
415 West McCarty Street  
Jefferson City, Missouri 65101

REPORTED BY:

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## PROCEEDINGS

MR. JACKSON: Good morning, everyone. We're going to go ahead and get started. We believe we have a quorum of the Policy Advisory Council. What we're going to do first is just go around and introduce ourselves including all those that are here in attendance that are not PAC members. And first thing I'll do is start with the phones. However, I'm going to ask that those of you that would like to come up to the table so that those that are conferencing in can actually hear comments as you ask them and so forth and we won't have to do so much translation. So with the vacant seats and seeing that it's early in the morning, there should be no excuse for us not wanting to be close to one another. I'll invite you-all to come up so that -- again, that we can have conversations for those that are conferencing in to hear. With that, again, I will introduce myself. I'm Bob Jackson with the City of Kansas City. I'm a weatherization subgrantee and, at this point, Chair of the PAC for life. I would ask those on the phone to take time to introduce themselves while we reassemble up here and we can get the council meeting started. So I'm turning it over to those of you that are conferencing in. Thank you.

MR. JOINES: Good morning. My name is John Joines, chief executive officer, Economic Security Corporation in Joplin, and I'm a subgrantee.

MR. JACKSON: Thank you, John. Anyone else?

(NO RESPONSE.)

MR. JACKSON: Well, with that, I'm going to ask Mr. -- starting to my left with Mr. Dru Buntin. He can introduce himself and we'll work our way all the way around the table. And then we'll work to the rest of the audience. Thank you.

MR. BUNTIN: I'm Dru Buntin. I'm Deputy Director of the Department of Natural Resources.

MS. KLIETHERMES: My name is Andrea Kliethermes. I work in the Director's Office at DNR.

MR. SCHERR: Kevin Scherr with the Energy -- or Division of Energy. Work with the technical.

MS. FLORES: I'm Roxy Flores. I work for the Office of Administration.

MS. HENDERSON: Terri Henderson, GreenHills Community Action Agency, subgrantee.

MR. KATERNDAHL: Dean Katerndahl, Mid-America Regional Council.

MR. LEYLAND: Dave Leyland Community Action Partnership, Greater St. Joseph.

MS. OERLY: And Marcy Oerly. I work for the Department of Natural Resources in the Division of Energy in the Weatherization Program.

MR. GASSNER: I'm Joe Gassner with Division of Energy, Weatherization Program.

MS. RANDOLPH: Anita Randolph, Division of Energy.

MS. LEAKEY: Christina Leakey, City of Independence, Community Development.

THE COURT REPORTER: Sorry, ma'am. I didn't hear you.

MS. LEAKEY: Christina Leakey, City of Independence, Community Development.

MR. WEBB: Herb Webb with the City of Independence and Community Development also.

MR. PARSONS: John Parsons, Community Action Agency, St. Louis County.

MR. STEINMANN: Todd Steinmann, Ozark Area Community Action Corporation, now Springfield, Missouri, Weatherization Director and PAC member for life.

MR. SANDERS: Terry Sanders, Housing Division Director at Ozark Action in West Plains and PAC member.

MR. ROHLFING: Chris Rohlfing, Boone Electric Cooperative in Columbia, Missouri, PAC member.

MS. TELKAMP: Anita Telkamp, City of St. Charles, Community Development.

MS. HAWKINS: Jessica Hawkins, City of O'Fallon, Office of Community Development.

MR. JACKSON: And starting with the back?

MR. MILLER: Bob Miller, Missouri Valley Communication Action Agency, Marshall, Missouri.

MS. WICKHAM: Ronda Wickham, Missouri Valley Community Action Agency, Marshall, Missouri.

MR. SMITH: Melinda Smith, Missouri Ozarks Community Action.

MR. MOTT: Rob Mott, Department of Natural Resources' Division of Energy.

MS. JEFFRIES: Kathy Jeffries, Department of Natural Resources' Division of Energy.

MR. McVICKER: Todd McVicker, Division of Energy.

MR. JACKSON: Thank you. Do we have an attendee list going around? And I thought I heard a beep. I'd just ask if anyone else just recently joined on the conference call?

MR. AuBUCHON: Yeah. It's Rich AuBuchon. Sorry I'm late.

MR. JACKSON: Thank you. And Rich is also a PAC member, so -- okay. Okay. With that, I'm going to turn this over to Mr. Buntin with DNR and we'll just get things moving from there and see where we go.

MR. BUNTIN: All right. And I apologize. We -- we had many things to make copies of, and one of the things that we're making copies of right now is the agenda, so we'll pass that around. But one of the first things we wanted to get to was the -- the -- as most of you are familiar, the approach we took on the -- the increase in the ARRA weatherization funds was the 60 percent base funding, 20 percent performance and then the 20 percent innovative. I'm going to turn it over in a minute to Joe Gassner to explain kind of the -- the review panel that we had, the criteria that we used. You have a sheet in front of you that shows the proposed funding amounts, the agencies that submitted applications and the rationale of the proposed funding levels. We welcome your comments on that. As most of you are also aware, we have a public hearing on the revised state plan this afternoon at the DNR building headquarters at the Lewis & Clark building. So there will be a public hearing this afternoon at two o'clock -- three o'clock. And it will go till 4:30 or until everyone has a chance to submit their comments. So with that, I'll turn it over to Joe to talk about the process for -- for the innovative 20 percent.

MR. GASSNER: Okay. Basically what we -- we had the RFP, Request for Proposal, and the -- that was outlined with the evaluation process. Basically we wanted to make sure that they met eligibility requirements which included submission of -- of the proposal on time. Eligibility of the applicant themselves, experience and qualification of the applicant, the anticipated project outcomes and measurable results and other criteria outlined in the RFP. The actual criteria had strengths of goals, benefits approach and impacts which is worth 35 points. That included clear and complete project description, definitive goals, methodology and technology, specific tasks, et cetera. There was a description of projected measurable outcomes, including energy savings, client recruitment methodology and technology improvements, cost reduction, et cetera. There was a description of nonenergy benefits, economic development, job creation, environment, et cetera. Description of amount -- description and amount of leverage and in kind funds and partners involved with the project and a description of additional benefits to clients and the number of homes to be weatherized. So that was all included in the strengths of goals, benefit approach and impact categories. And in that we also noted that we wanted to observe a geographic distribution of subgrants throughout the state to make sure that the consideration was given when making decisions about project funding selections. Another evaluation criteria was experience and qualification -- qualifications of contractors' organizational and management capability and project partners. That was also worth 35 points. The review committee looked at the technical qualifications, experience, competence, certification and training levels. Management and administrative qualifications and structure was another criteria, experience in assisting low-income individuals and families and the ability to increase services to underserved - underserved populations, experience and traceability -- traceable capability to execute similar

projects in the past, organizational assets and capital. So that was a second category. Pricing, reasonableness of the budget and timeline was a third category that the review committee considered, and that was worth 25 points. In addition to pricing, there was also an achievable breakdown of tasks or steps within the -- with a reasonable schedule, adequate financial information, including leveraged funds for participating partners, if applicable, reasonable and detailed budget for the grant period. So that was all within pricing. A fourth criteria -- or fourth item was minority- and women-owned business enterprises which was worth five points, which there was an executive order which describes the percent of minority business enterprises and women business enterprises that were needed. We also had Roxy Flores on the review committee who represented that -- that realm. So that was the evaluation criteria that the review committee considered when -- when looking at these projects.

Did you want me to go over the actual awards, then, next?

MS. RANDOLPH: I'm Anita Randolph. I just wanted to make sure everybody located the right document that we're looking at. There's also a second document, weatherization program explanations and reduced funding. Those both pertain to the discussion that we're having right now.

MR. GASSNER: Okay. There were 22 proposals that were submitted. Two of them were ineligible because they did not meet the requirements of eligible weatherization practices that were going to be implemented. The total dollar amount that was requested from the -- from the eligible applications was \$31,018,498, and of which we had 25,629,605 available. We -- we proposed to award 20 projects, and I'll just kind of go through those one by one and explain a little bit of detail about them, who the applicant is, a brief description of the project and the tentative funding that would be awarded, and then the units, the number of homes that would be weatherized with that applicant.

Okay. So the first one I'll talk about is the Urban League of Metropolitan St. Louis City. The Urban League Metropolitan St. Louis planned three projects as part of the Urban League Energizes St. Louis. They are Partnering with Rebuilding Together - St. Louis to weatherize 400 single-family homes through targeted neighborhood sweeps. The second was the weatherization of 242 HUD-certified housing units in partnership with Park Place Housing, and three that had weatherization of five St. Louis City homeless shelters serving women and children through partnering with the St. Louis City Continuum of Care. The tentative funding is \$4,732,541. They propose -- they expect to have 846 weatherized units.

Another one from Urban League was for the Urban League of Metropolitan St. Louis County. Urban League intends to weatherize 400 single-family homes via neighborhood sweeps in the following targeted communities: Jennings, Normandy and Maplewood. They also had proposed for Lemay, but as you'll find out later, there was another entity that had proposed -- sent in a proposal for Lemay, and so that was -- that portion was taken out of Urban League's. Urban League will incorporate innovative technologies, use of infrared camera -- cameras to identify energy efficiency needs, programmable thermostats, new foam insulation, technology in the weatherization process to do these units. This one was for 2.1 million, and they expect to weatherize 299 units.

The Ozark Area Community Action Corp., Springfield, Missouri, otherwise known as OACAC. OACAC is partnering with the City of Springfield, area -- area utility companies and Hamilton Properties to weatherize 646 homes. The plan includes focusing on making emergency repairs and repairing/replacing inefficient heating systems. OACAC projects that this plan will create 14 new weatherization jobs. The total on this tentative funding is 2.27 million -- or 2.275 -- \$2,275,144. They would weatherize 646 units.

Next is Central Missouri Community Action in Columbia. Partnerships to target underserved populations in rural areas across eight counties served by CMCA in conjunction with Associated Electric, also the City of Columbia Section 8 rental assistance recipients, City of Jefferson City residents in "Old Town" district in conjunction with Habitat For Humanity, the City of Fulton Hero Grant recipients and neighborhood surround Dream designated downtown area. The total of this project was 1.5 million. They expect to weatherize 230 units.

Next is the West Central Missouri Community Action Agency in Appleton City. West Central will use leveraged funds on homes that require work beyond the scope of normal weatherization capabilities and regulations by partnering with Missouri Housing Development Commission, the Rural Electric Cooperative and Associated Electric Cooperative to provide weatherization and home improvements and services to clients. Rural Electric Cooperative will provide an energy kit to every income-eligible client that receives an energy audit. The tentative funding is \$1,770,000 and the units -- 295 units are expected to be weatherized in that project.

Next is Missouri Ozarks Community Action out of Richland, and they will be partnering also with AECI. The Missouri Ozarks Community Action, Inc. and Associated Electric Cooperative, Inc. are partnering to weatherize 250 low-income Weatherization Assistance Program homes in their service area. Associated Electric will leverage \$300 towards weatherization per home and will provide an energy kit which includes items such as water heater wrap, hot water pipe wrap, three compact fluorescent light bulbs, insulation kits for electrical outlets and wall switches, low-flow showerhead, caulk and weatherstripping. This project is tentatively funding at \$1,302,500, and they expect to weatherize 250 units.

Another Missouri Ozarks Community Action project is for partnering with Lebanon. The proposal specifically will target low-income family homes within Lebanon city limits. The City of Lebanon will leverage \$100 towards the weatherization of each home. The goal is to weatherize 150 homes. MOCA already identified homes to be weatherized so this work could be done relatively quickly. That total project is expected for \$720,000 for the award, and 150 homes are expected to be weatherized.

The Ozark Action, Inc. in West Plains. Ozark Action is partnering with six electric cooperatives to weatherize homes in their region. The focus would be on rural housing and implementing new base load measures such as lighting retrofits, including CFL and LED lighting, refrigerators, high energy efficiency water heaters and -- and others to promote electric savings. The proposed tentative award would be \$1,137,680, and they would expect to weatherize 200 units.

Next is Economic Security Corp. out of Joplin, ESC. Partnering with ESC's Housing

Development Division to leverage home -- to leverage home funds for home rehabilitation with weatherization funds. Home funds up to two -- \$20,000 can be used for rehabilitation, adding considerable additional services for the homeowner. ESC will partner with Empire District Electric Company to deliver approximately \$175,000 of additional weatherization services to homeowners in their service area. The total of this is tentatively at \$991,710, and they expect to weatherize 190 units.

Next we have NCAC, Northeast Community Action Corp. out of Bowling Green. This project involves a weatherization of six multifamily USDA rural development properties that are owned by NCAC with financing from the USDA Rural Development Rural Housing Multifamily Program. NCAC plans to weatherize 127 total units. Emphasis will be on the elderly, handicapped and small children. This project is tentatively funded for \$350,000, and they project 127 units would be weatherized.

Next we have the Community Action Partnership of Greater St. Joe. CAPSTJOE will partner with the City of St. Joseph to weatherize 180 households using leveraged funding to weatherize homes and have the ability to use discretionary funding for home repair such as roof repair and/or electrical plumbing work. Their proposal plans to create six to ten new jobs. The total funding tentatively awarded would be \$967,789 with 180 units to be weatherized.

Next we have the City of Independence. The City of Independence will partner with Kansas City Housing and Development Department to weatherize over 100 homes in northwest Independence. Let's see. Renovation is based on the weatherization rehab, and an asset preservation model will be considered. The project amount would be \$625,683, and approximately 100 units are expected to be weatherized.

Next we have the Mid-America Regional Council out of Kansas City, MARC. Mid-America Regional Council is partnering with KCP&L in an intense concentration of effort in a single inner-city community in order to weatherize 732 housing units. MARC intends to focus on outreach coupled with the weatherization process to attain high participation rates. Focused approach on revitalization of the Green Impact Zone in Kansas City with a neighborhood saturation approach. I think that their actual funding is -- would be -- is for \$4.5 million, and they expect to actually do 659 units with that funding.

Next we have the City of O'Fallon. Their partnership between NCAC and the City of O'Fallon to weatherize approximately 64 homes within the City of O'Fallon using expert marketing strategies to obtain -- to obtain qualified clients. The funding amount is \$350,000 with 64 units expected to be weatherized.

Next we have the City of St. Charles. They have a partnership again with NCAC and the City of St. Charles to weatherize homes within the City of St. Charles. City of St. Charles will provide some focus on mobile homes, weatherization work to be completed by NCAC. That is also for \$350,000, and they expect to weatherize 48 homes.

Next we have the Missouri Valley Community Action Agency out of Marshall. Missouri Valley partnered with the Career Services Department of Missouri Valley and Associated Electric

Cooperative to provide additional weatherization to the seven counties in Missouri Valley service area. Associated Electric Co-Op will reimburse Missouri Valley up to 50 percent of material and labor costs related to the energy audit and additional weatherization, not to exceed \$300. The total project is tentatively funded at \$214,907, and 38 units are expected to be weatherized.

Next we have the Community Action of St. Louis County, CAASTLC. Community Action of St. Louis County is partnering with Youth Build and Lemay Housing to target low-income homes within Lemay for the weatherization energy efficiency measures utilizing Youth Build as the contractor. The focus would be on a senior and disabled -- and disabled residents of Lemay. That award is tentatively \$550,000, and 94 units are expected to be weatherized.

Next we have Green Hills Community Action Agency out of Trenton. Green Hills -- the Green Hills project utilizes a neighborhood sweep approach in both Livingston and Linn Counties to weatherize 105 homes, creating 12 new jobs. This project will also utilize wraparound services for 105 low-income families to educate about energy conservation. Tentative project funding would be \$291,651, and 40 units are expected to be weatherized.

Next is the Delta Area Economic Opportunity Corp., DAEOC, out of Portageville. They will partner with Lowe's Commercial Services utilizing discount prices on Energy Star appliances; Boot Heel Heating & Cooling, giving a 20 percent discount on labor and materials; MHDC Home Repair/Dream Program, for a total grant funding of \$686,000 applied towards roof, siding and major interior improvements. This program also partners with World Development to leverage funding towards roof repair and more structural work to homes that weatherization will not allow. DAEOC will apply the funding to their entire six-county area. The award -- tentative award amount is \$300,000, and they expect to weatherize 56 units.

And last we have the Helping Ministry Neighborhood Development Corp. d/b/a Southeast Community Builders, Hayti Heights. The Southeast Community Builders will partner with the Carpenters to provide training that will lead to HBI PACT certification. They will provide BPI training and will weatherize 92 homes. Pre-Apprenticeship Certificate Training curriculum, which includes the latest in green construction skill and concepts. ThePACT enhances Pre-Apprenticeship Certificate Training, enhances worker skills to increase proficiency in several facets of green building. Training topics include construction materials for green carpentry, material-efficient framing systems, alternative water source systems, waste and recycling alternatives for carpentry and masonry and diagnostic tools used in energy efficient and green building. The tentative award amount is \$600,000, and 92 homes would expect -- would be expected to be weatherized.

So that's the -- that's the proposals that we have. Is there any discussion or comments on those?

MR. JACKSON: Anyone?

(NO RESPONSE.)

MR. JACKSON: Okay. Okay. Thanks, Joe. I think our next item, and again, this is DNR

commentary, would be the Performance Based Incentive funds that is on the agenda.

MR. BUNTIN: And I kind of skipped around on the agenda because I didn't have it in front of me. The first thing we had on there --

MR. JACKSON: Production, production.

MR. BUNTIN: -- was the production and expenditure update, so I apologize for that. It doesn't really matter. We can go to the Performance Based Incentive funds if you prefer.

MR. JACKSON: Let's right the ship and we'll take agenda item No. 1 and omit No. 2 and get us back on schedule. So I agree with you. We should do item No. 1. So who at DNR will lead that conversation?

MR. GASSNER: Okay. I'll talk. Okay. Okay. Just to update you as far as the production expenditures we have, as the agencies are aware, we try to keep them informed. Things are going pretty well with -- overall in Missouri --

MR. JACKSON: Which document are you using? Is this the document you're using?

MR. GASSNER: Yes.

MR. JACKSON: All right. There's a document that says Weatherization ARRA Production Schedule. Is that the first one you're going to use?

MR. GASSNER: Correct.

MR. JACKSON: It's not the only one, I guess. So this is what it looks like, just a spreadsheet.

MS. RANDOLPH: And -- and then the other documents in the package are the status of the regular weatherization funds and the status of each of the utility funds that are managed by Department of Natural Resources. So, Bob that's the explanation for the entire packet.

MR. JACKSON: Okay. Go ahead, Joe. I'm sorry.

MR. GASSNER: Okay. So you can see each -- each individual agency on this. I won't go through each one. I just -- I will just kind of point out where -- where overall things are at with this. And again, overall I think we're doing well with having 60 percent of the funding out there. The ARRA production and expenditures are going well. However, we still have a tremendous amount of pressure being put on us from -- you know, all the way up to the top, to the President and Vice President level in Washington, everyone within DOE at their top levels. We have a tremendous amount of interest in this Weatherization Assistance Program being successful. And so even though these numbers are good, they're going to ask for us to keep plugging and keep improving. And so, you know, that message will be delivered to the Weatherization Assistance Program entities. All -- all -- everybody included in the Weatherization Assistance Program has heard this and will continue to hear it. You know, again, this production expenditures that we

have right here, very good and we're pleased with this amount. We -- and we also are very impressed with the trend. The trend is going up and that's good. We completed over 500 -- about 550 units in April. That production is very good. Overall, we have an estimated production of 2,428 homes that would be weatherized through the end of April, and we've actually weatherized 2,965 homes. So again, that's -- that's -- we're well above 100 percent and we're very pleased with that. We still have more to do. We still have a lot more homes to weatherize, and so we will keep -- keep plugging along. And I know in speaking with different agencies, they are continuing to ramp up, especially with some of the additional 40 percent, there is additional ramp-up, so we do expect these numbers to increase.

Our total expenditures through April 30th is \$18,058,597, and that -- that's also pretty good. We -- we're not quite where we want to be with the actual expenditures. Some of the homes -- some -- some of the homes are not costing as much to weatherize as what had been originally planned, so that's why even though we have more than 100 percent of production, we don't -- we're not quite there as far as how much expenditure amount we should have. So we -- we hope that that will also increase.

Was there anything else in specific that anybody had questions about on this -- our funding production and expenditures? And again, you can look at individuals where -- where everybody shakes out, but we're pretty pleased overall with the State of Missouri. Yeah, John.

MR. PARSONS: If the cost per home is lower than expected, is there any way that we can work on that to get it higher?

MR. GASSNER: Well, one of the things that will be later in an air conditioning policy we're going to be proposing. That will be one thing. We -- we've done several different base load measures that we've tried to allow to help with -- if the measures cost test in our -- you know, so they have a savings investment ratio of one or more, then they're eligible. Obviously we can't do things that aren't eligible for weatherization, but we are looking at any measures -- we're looking at different measures that we can implement within the weatherization program that could help utilize some of the funding. So yeah, the air conditioning policy that we'll talk about later is one of those. Anybody else?

MR. JACKSON: Did you intend to go over any of the other production schedules or you just wanted to focus on the ARRA? Otherwise, we can go to the next agenda item.

MR. BUNTIN: One thing I would say that's not on the agenda per se, but would pertain to the regular weatherization funds, and we've discussed -- I know we discussed it at the last meeting, is the carryover issue. Right now it's 15 percent in policy, but I think after discussions with many of you, we recognize that, you know, we need to consider some flexibility in that regard for carryover of the regular weatherization funds. So what we would ask or at least what we're proposing is that each individual agency submit what they think they need in terms of flexibility and carryover and justification for that, that we can provide and then -- so that we in turn can justify -- justify that to DOE, I think with the -- with the focus on getting the ARRA funds expended and the deadlines that exist for those funds, coupled with the fact that when those go away, there -- there would be a significant drop-off if there was not some flexibility in that

regard. So I just want to send the message that we're open to that. We just need to have justification for that, and we can talk about what -- what is needed in that.

MR. STEINMANN: Could someone of your staff send an e-mail out to the group asking that question to have a response so --

MR. JACKSON: Well, let -- let me -- I guess it's a logic of timing when you make that ask because it seems to me that as long as the notion of consideration is out there, there are still too many things evolving for us to get a real clear sense. If we are premature in that commitment, we might be creating another problem. So I guess my question is, when does that -- when do you need that information so that we time it based on real -- you know, a little more experience under ARRA and where we are, because if there are too many things, you know, coming down the pike, including the national evaluation and other things, are going to impact our resources. So I would say later is a better time to ask than early.

MR. SANDERS: Particularly since that grant runs for another 14 months yet.

MR. STEINMANN: However, we need to know as early as possible so we know what to plan for. I mean if -- if we can carry over 50 percent, that's a lot different than 25 percent. So if it's only going to be 25 percent, then we need to make adjustments through the year to be at that point.

MR. JACKSON: Yeah. And I'm not disagreeing, but my point is, let us not be premature in the ask. I'm not saying wait until the last moment. I'm saying let's -- my -- I just think that there are too many unknowns under ARRA, some other -- the last item on the agenda and some other things that I think could really affect tomorrow. And so I would say we need to consider that. I appreciate the notion that there at least is going to be individual agency considerations to the circumstance of each agency as a solution rather than just across the top one-size-fits-all and that's all there is at this moment.

MR. BUNTIN: Yeah. And I think that's why I was trying to point out each individual agency, you know, if you can justify that level, then we're willing to consider that. And I just wanted to throw that out there to folks, and it's up to you in terms of when you want to make that ask.

MR. STEINMANN: And -- and the decision on that is with DNR; is that correct? Because DOE don't have any policy about restriction on carryover, correct?

MR. GASSNER: They don't have a policy. They do have interest, and so if there was something that they felt was unusual, they may step in.

MR. BUNTIN: And I think you heard Shawn Green at the last meeting saying the higher the percentage, the more that -- that --

MR. STEINMANN: It could impact the future funding from Congress.

MR. BUNTIN: Yeah.

MR. GASSNER: Right.

MS. RANDOLPH: We could also --

MR. STEINMANN: Double-edged sword.

MS. RANDOLPH: I'm sorry?

MR. STEINMANN: Double-edged sword.

MR. RANDOLPH: We also would direct you back to the carryover policy that's in our operations manual. It does speak to the 15 percent, but it does also currently state that if you think you need more than 50 percent carryover, you certainly can provide that information to us.

MR. GASSNER: And I made copies of that for existing agencies or -- and others if -- if anybody wants a copy of that portion where it talks about it's in the operation manual/, I made some copies, so come by and see me if you want it. It explains it all in there.

MS. RANDOLPH: But I think Dru is certainly reenforcing the fact that we are wanting to be flexible.

MR. BUNTIN: I don't think it's in any of our interest to push for expenditures of both of those funds and then have it just dramatically, you know, drop off. We recognize that. And so I just wanted to reiterate that we're -- we're hearing what you're saying and we're open to -- to carryover. We just need to be able to justify it on an individual agency by agency basis.

MR. JACKSON: Okay. Some new folks came in, and I just wanted to let you know that you're still a part of this conversation. So if any of the discussion is of interest where you have an issue or a question, you know, just feel free to be recognized so that you can be considered. So I assume the absence of that, we can go to the next item on the agenda.

MR. GASSNER: Yeah. I did not intend to go over each -- I mean, we -- we've supplied this information on funding for the others. If anybody has any questions about the DOE production and expenditures or the utility production and expenditures, I'll be happy to try and discuss that with you, but obviously the focus has been on ARRA funding. That's -- that's where we're getting the most pressure. And so that's where we're utilizing the most effort overall.

MR. JACKSON: Okay. So item No. 3.

MR. GASSNER: Okay. That's the Energize Missouri Performance Based Incentive funds, the performance benchmarks and the timing of subgrant performance and funds distribution. Let's see.

MS. RANDOLPH: You have an e-mail -- actually a copy of an e-mail, has Marcy Oerly's name at the top. This -- while -- while Joe is looking for that, I'll help everybody find the right

document. This is an e-mail that Marcy sent out explaining how we were planning to implement the performance -- the assessment of performance and the award of the monies for the 20 percent performance fund. And probably should have mentioned earlier, for John and Richard on the telephone, I sent you this e-mail and the documents on the 20 percent innovative proposals. I sent those by e-mail to you this morning.

MR. JOINES: I have it.

MS. RANDOLPH: If you're at your e-mail, you should be able to get into those documents.

MR. GASSNER: Okay. Well, the subgrantee, the -- the criteria for the Performance Based Incentive funding was pretty much as spelled out in -- previously in the state plan, that we'll distribute funds to each subgrantee to meet the following four criteria. We'll use the historical distribution formula which is based on population/poverty criteria and waiting list to determine how much of the incentive funds to award to each successful subgrantee. The subgrantee is expending a minimum of 90 percent -- 95 percent of all funds projected to be spent by June 30th, 2010, and the expenditure amount would be taken from the subgrantee's monthly expenditure report submitted to DNR/DE. The formula used to get the projected amounts is as follows: The agency's total budget divided by three years, multiplied by the ten months available, divided by the 12 months which are in a year, times the 95 percent which is the projected expenditure target amount. So for example, if an agency's total budget was \$3 million divided by -- you divide that amount by three which gives you \$1 million. Multiply that times ten is 10 million. Divide that by 12 which comes out to 833,333. That number is then multiplied by .95 which is 95 percent, which would give you \$791,667. So that is the amount that the agency must spend in this scenario by June 30th, 2010, in order to qualify that portion of the incentive, you know, that one criteria. There's four criteria, but for the -- for that portion of it, that's the number that you would have to hit. So we just kind of wanted to give you an actual formula with the example so you can plug in your own numbers -- you know, each agency could plug in your own numbers that way. Okay. Another criteria is the subgrantee has weatherized a minimum of five homes above the number of homes the subgrantee had forecasted to weatherize. So just whatever number, if you'd -- if you had projected to weatherize 100 homes and you're at 105 at this time, then you would meet that criteria. No. 3, the subgrantee has no unresolved findings in the previous two fiscal/procedural and technical monitoring visits or in the subgrantee's A-133 audit. And No. 4, monthly, quarterly and annual reports are submitted on time.

So those are the four criteria that will be evaluated if -- for the Performance Based Incentive funding. And if you were at -- this information, we will look at this later. Each agency we will look at to see if they qualify. However, if you want -- that will be actually looked at in June. However, if you want to get that prior to that time and you are -- each agency is eligible to go ahead and submit a request as soon as they feel that they have reached these four criteria. Any questions on that?

MS. OERLY: I -- I do want to note, though, that the funding won't be available until probably June or July. They could qualify now, but we won't be able to provide that funding allocated to them because it has to -- we have to do a revised budget to DOE which they would have to approve.

MR. BUNTIN: But in terms of planning purposes --

MS. OERLY: Right.

MR. BUNTIN: -- we wanted you-all to be able to submit it and understand what you were going to receive.

MS. OERLY: Right.

MR. SANDERS: At the point where performance funding is going to be awarded to everyone who qualifies, which July, August, September, does that require a revision to the state plan again to incorporate those amounts?

MS. RANDOLPH: Yes, it does.

MS. OERLY: (Nodded head.)

MS. RANDOLPH: Sure does.

MR. STEINMANN: So tentatively, you've probably got one planned for when?

MS. RANDOLPH: We -- as the e-mail said and Joe was -- was emphasizing, we would like subgrantees that -- we would like subgrantees to apply for the funds as soon as they meet the criteria. You know, look at your status and say I'm there. Just send us a written request applying, so to speak, for the performance-based money. Our plan right now is to -- is to process two distributions of the performance money. We will begin as soon as we start getting applications for the performance money. We will start revising the state plan, we will get that to DOE so we can get performance money out quickly to agencies that qualify for it now. Then we will do a second assessment -- after you-all turn in your June reports, then do a second assessment in mid-July and process the rest of the performance distributions. So what we have in mind right now is a two-part -- two-part distribution of money.

MR. SANDERS: And when you say process those, does that -- does that include the revision to our subgrants?

MS. RANDOLPH: Yes. Yes, we have to --

MR. SANDERS: So --

MS. RANDOLPH: -- revise our state plan to US DOE, and then we have to send out revised subgrants to all of the subgrantees.

MR. SANDERS: Is -- is there a big advantage to the division to do that twice? I mean, from -- from our point as an agency, it would be nice to confirm that I've met the qualifications right now and I have a dollar amount in mind. Obviously, none of us are needing the money today. It

would be easier for us to not have to do the budget revisions and the grant revision until a final number in the event that some agencies may not qualify, the numbers change or -- until that final point confirmation would be nice, but -- but actually having it in hand is not that important at the moment.

MR. JACKSON: And I'd say it ought to be easiest not only on DNR, but when you consider another PAC meeting technically before you give us two -- two levels of awards, that's technically two meetings. So if we could, you know, synthesize it down to one single, then I would assume it would be easier on everyone and is a better planning strategy just for practical.

MR. GASSNER: Yes. DOE is looking into whether or not we would need to have an additional meeting for that, but they haven't decided yet and they haven't let us know. But yeah, you're right, Bob. I mean, that could be -- and Terry, that could be helpful. It would be nice to know who is interested in it and -- so we can identify those. But as far as the actual dollar amounts, it would be easier on our end too as well as yours to not formalize the dollar amount until --

MR. SANDERS: And already you've sent us a chart, so I mean, we know the -- if everyone gets performance funding, we know what the dollar amounts would be. But just even an e-mail back and forth saying we think we've met the qualifications, an e-mail back confirming that yes, you have indeed, lets us begin planning that amount without having to do any additional work.

MS. RANDOLPH: We appreciate the feedback. That's certainly the -- that kind of feedback and assessment is exactly what -- what we appreciate from the PAC. We can certainly take that feedback and discuss it.

MR. STEINMANN: Because the numbers could possibly change, and you don't want to have to do another budget revision 30 days after you did the last one.

MR. BUNTIN: Understood.

MS. RANDOLPH: I guess we were -- we were thinking you-all would like to have that money as fast as possible --

MR. SANDERS: Well, of course --

MS. RANDOLPH: -- so we were willing to do a two-phased --

MR. SANDERS: And in normal years we would be --

MS. RANDOLPH: -- award.

MR. SANDERS: -- but things are far from normal at the moment.

MR. BUNTIN: Agreed.

MR. GASSNER: Yeah, we noticed that.

MR. JACKSON: Okay. Any other questions on that?

(NO RESPONSE.)

MR. JACKSON: Then let's look at the draft air conditioning policy.

MR. GASSNER: Kevin, do you want to go over that?

MR. BUNTIN: Before Kevin goes into that, some of the agencies that are nonPAC members had indicated a strong interest in getting a clear definition of the air conditioner policies, so we had heard from some of them that this was something that they would like us to consider. And in response to that, this was developed and it was distributed, I believe, to the -- to the technical --

MR. SCHERR: It has been distributed to the technical review committee. They have reviewed it. This was actually brought up I'd say about a year ago to the technical review committee. We discussed it, the policies, the draft policies had been developed and sent out again to the review committee and they've reviewed it.

MR. JACKSON: When you say they've reviewed it -- because I have a staff person on there. I'm trying to figure out what they be -- what you -- what do you mean when they reviewed it? Were there questions answered or some consensus of it? Because I've got a couple of pages of questions, and I don't want to belabor that here, just that we need to flesh this out so that whatever the policy is, we can implement it as quickly as possible. For me, it will help push the unit cost upobviously, but it will save folks money and provide a benefit, so I think --

MR. SCHERR: They were -- they were all asked to respond with questions or comments, and as a matter of fact, I think your staff member has responded with questions, and those questions were answered.

MR. JACKSON: Okay. Well --

MR. SCHERR: As far as I know, they were, because...

MR. JACKSON: I just think that the network probably needs to weigh in on what that means -- what this means to -- to them, because I -- like I said, I got the e-mails and I -- I would say there were questions and comments, but there was no clear outcome. And however we could as a network vet those and get them put into some cogent perspective of what it is we can do, and maybe there's some additional questions that have come about since then, and get them answered so that it can be implemented as expeditiously as possible. So that's just kind of a general sense of what I think we need to try to -- to accomplish, so...

MR. BUNTIN: Do you want to -- Kevin, do you want to just go through --

MR. SCHERR: I can review this. The policy --

MR. BUNTIN: And -- I'm sorry. I'm going to interrupt you again. Am I correct in that this policy just allows for the agencies to -- to use it? It doesn't work -- in no way requires them to --

MR. SCHERR: It in no way requires them to do this.

MR. BUNTIN: Okay. And I won't interrupt you again, I promise.

MR. SCHERR: The air conditioner policy would include two parts. One would be repair and one would be replacement. Under the repair portion, there would be three different types of repairs or different categories, I would say. One would be under incidental repairs. Again, everybody's familiar with the -- under incidental repairs you're limited to \$600 per funding source. You can do the repairs on an air conditioning unit if it's under \$600 and consider it incidental repairs. If the repairs -- if you run it through the NEAT Program as a tune-up and a SIR, savings to investment ratio, SIR, of one greater, then you're allowed to repair the air conditioning unit under an energy efficiency measure. The third would be under health and safety. If you've got a physician's letter that states that this client needs air conditioning, it's a health and safety issue, then we can repair it under health and safety.

MR. STEINMANN: And -- and under the last two, the 600 doesn't apply, correct?

MR. SCHERR: The 600 does not apply if it's under energy efficiency or health and safety.

MR. SANDERS: And on -- on the incidental repair, the 600 is strictly material, not -- does not include labor?

MR. SCHERR: It's material -- material and it's for funding source. Now, under that -- also under the room air conditioning, if the repair costs exceed two-thirds of the replacement value of a window air conditioning, we can go ahead and replace that window air conditioning unit as a repair. That only applies to the window air conditioning unit. Under the replacement portion of this policy, you basically have two different categories it's under. Savings-to-investment ratio, if you run it through the -- again, through the NEAT Program or MHEA Program and it comes back with a savings-to-investment ratio of one or greater, then we can replace that unit. If it does not, we do not replace it unless, again, it's a health and safety. Then you'd, again, need a physician's letter indicating that this client needs air conditioning. Then we can replace that unit. In all these cases, a current unit has to be in place. In other words, that home has to have either window air conditioning, central air or some kind of air conditioning unit for us to repair or replace it. We cannot repair or replace -- replace a unit that doesn't exist, except for the health and safety under replacement policy. If they come across a client and they've got a physician's notice that they need air conditioning, then we can provide a window unit.

MR. JACKSON: Can I suggest something? The health and safety seems to be the big thing that maybe you ought to make a third section and you have an installation solely for a health and safety so that it doesn't muddy the interpretation of the repair and/or replacement. But if you've got a third section -- section that only addresses installation for health and safety only -- because it's kind of hard to thread through this, and our minds go back and forth. I know we debated it -- you know, ways to look at it, so if we can pull that out and make it a separate section, then I

think it provides a little more clarity to really what health and safety installations are.

MR. SCHERR: Okay.

MR. JACKSON: Okay?

MS. TELKAMP: I have a question. Anita Telkamp, City of St. Charles. Through our home rehab program is funded with CEG, and as part of our property maintenance code because of our area, we feel that air conditioning is necessary for health and safety. If we have that as part of our ordinance or the building code that we've adopted, is that going to be good enough for -- to meet these requirements even without a doctor's or physician's notice?

MR. SCHERR: Probably something we'd have to look at. I guess you're saying under a safety concern?

MR. BUNTIN: That you had a -- you had a local ordinance?

MS. TELKAMP: Local ordinance.

MR. SCHERR: That requires air conditioning?

MS. TELKAMP: Uh-huh.

MR. BUNTIN: It would be something we could raise with DOE?

MS. RANDOLPH: We -- yeah, we would need to look at that. The Weatherization Assistance Program is heavily based upon savings-to-investment ratio. That is, getting the best value for the public dollars. We would certainly -- we would certainly be happy to look at the ordinance that you bring up and talk about it with DOE.

MR. JACKSON: Let me ask a -- just -- just some general questions that came to us because trying to address this all -- mixing with all these questions, most window air conditioning units are generally -- are often in our housing stock, not wired to take the type of load that a -- even though it's a 110 unit -- to take the load for the window unit itself. So then we start getting into wiring, branch circuits, codes, how far we go trying to provide the energy for that unit. It can really -- that's -- we just kept saying, boy, how do we -- you know, that -- we need to look at that because it's going to really hit -- hit cost. And just understand even if it's a health and safety replacement and/or installation, then it -- it can get the cost up there, particularly on a two-story home or something like that, so...

MR. SCHERR: Just like any other installation of appliance. I mean, that's one of the things we need to look at is, is the wiring, you know, adequate for that appliance. When we go to install a air conditioning unit such as window AC, generally we're doing it for energy efficiency. That unit is going to be using less energy than the current unit that's there. And then we do require a current unit to be there to replace, so generally that unit we're putting in is going to take less power.

MR. BUNTIN: So you're saying -- what you're saying, Bob, is that even the existing unit, it may not have adequate -- it may not be --

MR. JACKSON: Yeah. I'm saying that the supply, the energy supply may be insufficient, which is generally, you know, the case when you've got extension cords and everything else running around the place and you've got -- you know, so just -- we're looking at that. Not to say that we shouldn't do this. We just see that -- that, you know, somewhat complexes the objective there and pushes costs up.

MR. SCHERR: Oh, I understand.

MR. JACKSON: Okay.

MR. SCHERR: Yes. Just like any other appliance we install, you know, furnaces or whatever, we -- that's one of the things we have to look at and consider, is the power source adequate.

MR. JACKSON: Any other questions on -- I thought I saw a hand back here. I don't know whether I saw a head shaking or disagreeing or what.

MS. WRENCH: No. You answered my question about wiring.

THE COURT REPORTER: What's your name, ma'am?

MS. WRENCH: I'm Brenda Wrench with the Urban League. And thank you for asking the question about the wiring.

MR. JACKSON: Yes, ma'am.

MS. TELKAMP: Anita Telkamp for the City of St. Charles. If -- you said you can't put in a central system if there was none existing. But if you had a house that had maybe four or five window units and you wanted them to go to a central system and you could prove that there was energy savings, thereby reducing the number of window units and going to a central system, could you then qualify for that central system?

MR. SCHERR: I think that is something that's considered in the NEAT Program. You combine the energy use for those units compared to the SIR on a new unit, and those are -- that -- things like that would be considered on a case-by-case cost.

MS. RANDOLPH: Does our policy speak to that?

MR. SCHERR: No.

MS. RANDOLPH: We'll go back and look at that.

MR. JACKSON: And also have -- have someone to take a look at NEAT. The last notes I had

said that with the replacement and the SIRs that are also embedded in these, it only has a two- or four-ton unit in there, and in between it kind of blew a lot of logic in there. I had some staff to run a number of tests. But for me to say that I'm fluent in using NEAT, I'm not about to go there, but I know enough to know when it's not right. So just looking at what those variables are, the impact I -- the impression I got is that there are insufficient variables in NEAT to allow some of the replacements to cross-test. That was the issue.

MS. RANDOLPH: We do have a number of people here who may be new to the Weatherization Assistance Program. Does everybody understand the reference to NEAT? We keep talking about NEAT. Do you want to give just a thumb -- a thumbnail explanation, Kevin, about NEAT?

MR. SCHERR: NEAT, N-E-A-T, is National Energy Audit Tool. It's developed by the Oak Ridge National Laboratory for DOE. It is a audit tool that's -- the home information is entered into this program, and it produces a result of what energy efficiency measures can be applied to have a savings-to-investment ratio.

MS. RANDOLPH: Of at least one --

MR. SCHERR: Of at least -- well --

MS. RANDOLPH: -- or better.

MR. SCHERR: Yeah. We can only apply those if they have a one or greater savings-to-investment ratio.

MS. RANDOLPH: So NEAT is the software tool that is used during the energy assessment, energy audit of the home to help identify the cost-effective energy efficiency improvements that can be done to that house. And so we just -- just refer to it by its abbreviation, NEAT, N-E-A-T.

MR. STEINMANN: On site-built homes.

MS. RANDOLPH: Right. That's a good distinction, Todd.

MR. STEINMANN: And we have another computerized audit system for mobile homes, MHEA.

MS. RANDOLPH: It's called MHEA, M-H-E-A.

MR. JACKSON: Are there any other questions on the air conditioning policy? Okay. And the last item -- and it ought to be last -- is item No. 5, Office of Inspector General monitoring visit.

MR. GASSNER: Okay. Well, we had the DOE Inspector General that came to Jefferson City and talked to us within the Department of Natural Resources. They will be going out to several subgrantees, at least three and as many as five subgrantees over the next month or two. The -- we wanted to go ahead and notify the -- or mention the five potential subgrantees that they are considering visiting.

MR. JACKSON: You're down to four now.

MS. RANDOLPH: Did you have your phone -- your phone conversation?

MR. JACKSON: Yes, I did.

MR. GASSNER: So -- so now you're -- you've got asterisks next to your -- to Kansas City? Kansas City was one that was being considered as well as CAASTLC, DAEOC, Urban League and OACAC. So those are the five subgrantees that are being considered to have a monitoring visit by the Inspector General's Office. This could be a pretty intensive review and visit. Again, it could take two, three weeks or more, and it's expected to probably start in June. They will try to coordinate as well as they can with the agencies prior to coming. We will also have the opportunity to have DNR staff available to assist and, you know, be present when they do their monitoring, but it's not required that we be there. Anyway, so just to kind of heads-up. And this is -- you know, this is the Inspector General's visit that we're talking about. There's also going to be an increase in other monitoring as well, so just kind of to get a heads-up to all the agencies that additional monitoring, additional scrutiny with ARRA funds is definitely out there. Be prepared, you know, be aware that at some point in time, it will happen to you as well. Additional monitoring will be coming your way.

MS. RANDOLPH: I think we -- one note before -- before a question, John. I just think we want to emphasize we do not know for certain which subgrantees the Inspector General will visit. They have talked about possibly visiting the ones that -- that Joe named. I guess with the exception of Kansas City, now we know for certain that the Inspector General will be visiting Kansas City, but otherwise we don't know for certain. We're just -- we're just trying to convey the conversations that have taken place with the Inspector General.

MR. STEINMANN: Bob, it's your barbecue; you know that, don't you?

MR. JACKSON: Shut up. Well, I see it as an opportunity for the Inspector General to find out what a good job we do, so there shall be lemonade coming from the lemon, is all I can suggest. If you can survive that, we will be probably having T-shirts made that I survived the Inspector General's visit, so...

MS. RANDOLPH: John, did you have a question?

MR. PARSONS: Is that a home monitoring, technical monitoring procedure?

MR. GASSNER: Technical monitoring is what they primarily discussed, although it could definitely go over reporting and, you know, Davis-Bacon requirements.

MS. RANDOLPH: Procedures -- procedures, processes.

MS. OERLY: It will be both. It will be both.

MR. JACKSON: Let's -- let's just sum it up: They will review your DNA.

MR. PARSONS: Okay. We got a call but we -- returned a call but nobody answered, so we left a message.

MR. JACKSON: They were probably speaking to us.

MR. GASSNER: Preoccupied at the time maybe.

MR. BUNTIN: As if that wasn't enough --

MR. GASSNER: Marcy, do you want to talk on that --

MS. OERLY: Well, I don't know a whole lot about it, but DOE is implementing their national evaluation of the weatherization program. And how many agencies did they -- over 450 or -- 400 agencies that will be asking for information. And it's going to require a lot of time, they indicated, from the agencies. We don't know which Missouri agencies they're going to choose, and that's going to be starting in the next few weeks too.

MR. JACKSON: Right. Well, in -- for the sake of fairness, I suggest that the agencies -- that the Inspector General does not visit be considered.

MS. OERLY: I don't know that we have any choice in the matter.

MR. JACKSON: But those of you who have been around and have seen them before, they do crunch a lot of data, they pull data from the utility companies. I mean, it's going to be on and on and on. It's just going to -- it's going to be a lot of data requests, is what it boils down to, and we -- it's...

MR. BUNTIN: From what I understood, they've been considering this for quite some time.

MR. JACKSON: Seven years, yes, sir.

MR. BUNTIN: Yeah. And so now they -- they chose now, when we don't have anything to do particularly, to do this. So it's just more an FYI than anything.

MR. STEINMANN: Timing is everything.

MR. JACKSON: True. Any other questions? Anyone? I mean, anything that's not on the agenda?

MR. SANDERS: One item that is not on the agenda but is the revisions to the actual state plan and the two documents.

MS. RANDOLPH: It's actually part of No. 2, review of the proposed state plan.

MR. SANDERS: Okay. But we've not really looked at the state plan, and I know -- I have a

couple of small questions.

MR. JACKSON: Then let -- I'll turn it back over to DOE and we'll take it from there.

MS. RANDOLPH: You have -- you have a copy of the proposed revised state plan, you have the master file and the annual file and you have one sheet that says at the top, "An outline of updates to the revised state plan." The one sheet is intended to help you find and focus on the parts of the state plan that we actually revised. You know, most -- most of it didn't change from the plan we turned in more than a year ago, but the portions dealing with the 20 percent innovative funds obviously did change. And so Marcy did a summary to try to help you pinpoint the parts of the plan that had new language or revised language in them.

MR. JACKSON: Maybe for the sake of brevity, unless we just go to questions and go right to the heart, that will get us through that, so Terry, we'll start with you.

MR. SANDERS: Okay. Well, the first one that I've got is in the Master file on page 5. There's a section 3.3.3 on final inspections, but the information that's printed in there deals with -- that we -- the State has set the income to 200 percent of poverty. And I just wondered if that's the wrong information in that section.

MS. OERLY: We had a little problem.

MS. RANDOLPH: Good question.

MS. OERLY: I'll -- DOE has -- before, they used a software program called WinSAGA. They switched to a new software program called PAGE. And what -- when you enter into that program, it looks fine when you're entering it, but when the report prints out, things are not printing out correctly.

MR. JACKSON: So PAGE doesn't page well.

MR. OERLY: That's exactly right. So we will double-check that.

MS. RANDOLPH: We'll go back and double-check that.

MS. OERLY: It may -- it may be in there and it may not, so I'll double-check that.

MR. SANDERS: My other question was in the Annual file on page 3. There's the -- the chart that breaks out the average cost per dwelling, and I was curious why up in 8, total vehicles and equipment was 5,000 or more versus zero, when I know that a substantial amount of money has been spent on equipment already.

MR. BUNTIN: Where are you?

MR. SANDERS: Page 3 of the Annual file.

MR. GASSNER: I know I asked that question. I think I asked Kathy that. Kathy, what's the answer?

MS. JEFFRIES: The answer is we have not set a budget in our overall budget to DOE for vehicles and equipment. It's figured in the program operations instead. If you do the vehicles and equipment, you have to amortize it over the life of the vehicle and all this stuff. It's a lot more intensive to do. So we haven't put anything in there that is just for vehicles. So that's why it's showing zero. That doesn't capture the expenses that have already taken place because that's in the program operations. So there's no budget for vehicles, so that's why it's zero.

MR. SANDERS: Okay. The other two things aren't really outlined specifically in the state plan, but two questions I had. In the monitoring approach, I don't think there were any changes to the previous, or I didn't catch any. With a number of new subgrantees coming online that -- that the division has no experience working with, are you putting together any kind of an upfront training plan as opposed to waiting until work has been done in monitoring to make sure that things are on track?

MR. GASSNER: Thank you, Terry. We are definitely interested and working on a training plan for the new subgrantees. We've discussed that, we've -- you know, we've talked about that in -- within DNR, and we don't have the plan completed yet, but we will be -- we have addressed that they will be needing additional training and oversight.

MR. SANDERS: And I think my last question, are you working on any plans as we move forward -- I mean, and once performance money -- so 100 percent of the ARRA money is out there and allocated -- on when and how you may start looking at agencies so that any underperforming agencies you may recapture and reallocate funds? Again, not something you would have in the state plan at this point, but...

MR. GASSNER: Well, we do have -- within the state plan we do have benchmarks for underperforming, and so we do have the criteria to look at and make sure that they're meeting those measures.

MR. STEINMANN: I -- I think what Terry's asking is, if you do recapture from certain agencies or new subgrantees, it's important to do it in the manner where if it gets redibursed, whoever gets it will have time to accommodate that additional funding.

MR. GASSNER: I understand and appreciate that. I don't have an exact answer because -- but yes, it will be something that we'll give consideration to. Thank you.

MR. STEINMANN: And have you heard any more on a national level if certain states are not performing, if -- you know, if you get more money from DOE and how that would affect everything?

MR. GASSNER: We haven't heard specifically.

MR. BUNTIN: We have -- we have not as far as I'm -- and these folks would know. And we had

the same issue with some of our other ARRA funds from EPA. You know, there hadn't been real clear guidance on that reallocation issue to where we know, you know, on X date they're going to --

MR. STEINMANN: Right.

MR. BUNTIN: -- they're going to determine that they're going to sweep funds or -- from one state and reallocate, we don't -- unless there's something in -- with DOE weatherization that I don't know, and we don't -- we don't know how that's going to work.

MR. GASSNER: There have been threats that -- that, you know, if agencies don't -- or I mean, if states don't, that this would -- you know, that could happen.

MR. STEINMANN: Have you seen any new numbers? The last one I'd seen was to the end of December, and there were certain states that -- big states practically had spent nothing. Have you seen any new numbers since then where have -- have they started to pick it up, like -- like Missouri, for instance, has picked up our production tremendously since -- since January 1st.

MR. GASSNER: I haven't seen anything updated since what you were referring to. I've heard a couple other states, you know, just through news articles or whatever that have increased a little, but I haven't seen anything formally that goes over state by state.

MR. STEINMANN: Just curious.

MR. JACKSON: Any other questions from anyone?

(NO RESPONSE.)

MR. JACKSON: Let me ask a question. Are all the subgrantees going to have to report through MoWAP?

MS. RANDOLPH: Yes.

MR. GASSNER: Yes.

MR. LEYLAND: This is Dave Leyland, Community Action Partnership. Would you clarify what that means?

MS. RANDOLPH: Can't hear you.

MR. GASSNER: Well, he wanted to know what MoWAP means. And I'll let Marcy explain MoWAP. It's our computer-based --

MS. OERLY: It stands for the Missouri Weatherization Assistance Program. It's a web-based computer reporting tracking system. Currently everything -- all our reporting is done by hand, paper copy, and this will allow us to do it web-based, electronically. And it's supposed to be

online July 1st. That's the -- the plan. And actually our agencies have been trained this week. Actually there's a training being held right now, Missouri MoWAP.

MR. PARSONS: A lot of new stuff all at one time.

MR. SANDERS: One question that I do have on MoWAP. First, I'm -- I'm sold that I believe it's going to be a worthwhile improvement, and within a short time frame I think we're going to like it. Currently the state plan still has in this revision that as an agency, we have the option to select clients based on demographic or fuel burden. Isn't MoWAP going to eliminate our choice in that?

MS. OERLY: Well, the -- the fuel-based, that's an option that you can use in there. You don't have to use it if you don't want to.

MR. SANDERS: Okay.

MS. OERLY: But if the agency chooses to use that as a criteria for priority, they may do that.

MR. SANDERS: Well, that may be a glitch that's still in the program, then, because I think it mandates that you put fuel data in, which means it ranks it that way, but don't -- don't swear to that.

MR. JACKSON: Yeah. I -- I just went through it, so...

MS. RANDOLPH: Okay. Thank you for that feedback. We will look at that.

MR. JACKSON: There were some other things -- some other questions that came up, and I don't want to belabor them here, but one of the things that I would ask DNR, a lot of them appear to have, unfortunately or fortunately, their own individual systems that they've been using in the Legacy system for running their programs. I talked to some of the developers, and what we're looking for is a little greater flexibility from DNR on how our existing systems can be integrated with MoWAP so that -- because right now I can guarantee you with MoWAP's limitations, it takes care of DNR's needs, but it does not meet the agency's needs. It can't. I don't think it's envisioned to do that. We've got new data entry right now. And in our earlier discussions, I'm talking about over a year ago, there were discussions that there could be some integration and flat-filed distribution of information into MoWAP from our agencies that would simply be sufficient rather than going backwards and becoming inefficient by dual entry. So my request of DNR is to where there is a request and an opportunity and you happen to have, I would assume, some resources that have pretty much got MoWAP up and running, we would like to take it to the next level and use what we have and some protocol that meet all the security requirements of IT departments and use what we have. Because I can tell you right now, it's really going to hamstring us or we will hire more folks. That's just our option as we speak. And we will comply, but we think there's an easier way.

MR. BUNTIN: Is that a particular issue for -- as I understood it, and somebody correct me if I'm wrong -- for the agencies that do LIHEAP as well? So is that a particular -- let me -- is that a

particular issue for Kansas City and Urban League?

MS. OERLY: No. They have their own -- their own weatherization systems, and so it's -- our two programs are not meshing together. That's the issue.

MR. JACKSON: But the point I'm making is that they can, is what -- and I think --

MR. GASSNER: I think there's somebody...

MS. WRENCH: Brenda Wrench with the Urban League. I would concur, especially given the volume in the two large metropolitan areas. We're tracking a lot more stages of production in terms of volume that doesn't coincide with MoWAP. So we're happy to comply, but we'd like to apply -- we'd like to report in summary rather than by stages because we're already integrating a much more comprehensive stage of production management software system. So Bob -- and Bob is right, it's going to add significantly to staff loads and take away from money investment per home in the current -- and we've been working; we're one of the pilot sites. We've been giving Joe and Marcy this feedback so that -- we think we can work with MoWAP, but we'd like to report in summary rather than in process.

MR. JACKSON: And again, if we could just have some discussions on what the opportunities and options are for them to integrate as opposed to substituting or anything, I think you'll find that we are confident, and according to our IT folks that we drove down to Jeff City to meet with your developers. They're saying that it's doable, but there has to be some authorization on DNR's side not to give up security, but just to allow what is called a flat file to be imported into MoWAP that allows us to continue to do what we do.

MR. BUNTIN: I think that I certainly don't have the IT expertise, but in terms of being willing to look at what we can do, we'll do that.

MR. JACKSON: Okay. Absolutely nothing else? So everybody is just -- anything else other than the meaning of life that we need to discuss? Because we've already defined it with the parameters and the oversight through the weatherization program, but is there anything else? I know everyone's tired of sitting.

MR. SANDERS: If there are no other questions on the state plan revisions, I would make a motion that the PAC endorse the PAC -- or the state plan as presented.

MR. STEINMANN: Second.

MR. JACKSON: It's been moved and seconded. Let me just ask, does that pleasure DNR that -- and that includes anyone on the phone in case you're still there, still got a pulse?

(NO RESPONSE.)

MR. JACKSON: Okay. It's been moved and seconded that the PAC endorse the amendments to the state plan. All those in favor, aye?

MEMBERS: Aye.

MR. JACKSON: Opposed?

(NO RESPONSE.)

MR. JACKSON: Hearing none --

MR. AuBUCHON: Aye.

MR. JACKSON: Oh, got the -- thank you. Appreciate it. So with that, at least we have that accomplished, given the complexities here. So any other questions? Did you have -- I never saw a sign-in sheet, by the way.

MS. OERLY: Yeah, there is a sign-in sheet. I'm not sure where it's at now.

MR. JACKSON: And those that have it and have not -- or those that are here that have not signed it, including yours truly...

MR. GASSNER: Yeah. Please identify yourself if you have not signed the sign-in sheet. Thank you, Tracy.

MR. JACKSON: Okay. Well, look, is there's anything else? I'm asking DNR.

MR. GASSNER: We might just remind everybody that there is a public hearing at -- it starts at 3:00 p.m. this afternoon at the Lewis & Clark state office building. It will start at 3:00 p.m. and end at 4:30 or when all comments have been recorded.

MR. JACKSON: And you do accept, I believe, written and electronic comments?

MR. GASSNER: Correct. Correct. Written or electronic comments are accepted.

MR. JACKSON: Well, with that said, I guess I thank everybody and we move on.

MR. BUNTIN: That would be what I would want to add too. Thank you all for coming and thank you for your input. We appreciate it.

MR. GASSNER: Very much.

MR. JACKSON: We're adjourned.

(Proceedings adjourned.)

C E R T I F I C A T E

STATE OF MISSOURI )

) ss.

COUNTY OF COLE )

I, Pamela Fick, Registered Merit Reporter and Certified Shorthand Reporter do hereby certify that I was personally present at the proceedings had in the above-entitled cause at the time and place set forth in the caption sheet thereof; that I then and there took down in Stenotype the proceedings had; and that the foregoing is a full, true and correct transcript of such Stenotype notes so made at suchra time and place.

Given at my office in the City of

Jefferson, County of Cole, State of Missouri.

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PAMELA FICK, RMR, CCR #447, CSR

