



TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS

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June 28, 2010

Mr. Forest R. "Bob" Christy, Jr.
Interim Director, General Services Department
City of Houston
P.O. Box 61189
Houston, Texas 77208-1189

Re: DOE ARRA Weatherization Assistance Program Contract # 16090000689

Dear Mr. Christy:

Enclosed is a report that details the monitoring review of your Department of Energy (DOE) American Recovery and Reinvestment Act (ARRA) Weatherization Assistance Program (WAP) contract with the Texas Department of Housing and Community Affairs (the Department). This information is provided to ensure that compliance with the contract is maintained and that services to the poor, elderly, and disabled are offered in the most expeditious and economical manner.

The monitoring report includes eight (8) findings and one (1) recommendation. Please submit a response to this report to this office within thirty (30) days of the date of this letter.

If we can be of any assistance, please feel free to contact David Escamilla, Senior Program Officer, at (512) 475-3859. The assistance provided to the Program Officers by the agency is greatly appreciated.

Sincerely,

A handwritten signature in black ink, appearing to be "S. Gamble", followed by a horizontal line.

Sharon D. Gamble
Manager
Energy Assistance Section

cc: Honorable Annise D. Parker, Mayor, City of Houston

**ARRA WEATHERIZATION ASSISTANCE PROGRAM MONITORING REPORT
OF
CITY OF HOUSTON
Directory of Monitoring Sections**

- Section I. Financial Review
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**ARRA WEATHERIZATION ASSISTANCE PROGRAM MONITORING REPORT
OF
CITY OF HOUSTON**

DATES OF REVIEW: MAY 3 – MAY 7, 2010

FOCUS OF REVIEW

CONTRACT NAME	CONTRACT NUMBER	CONTRACT AMOUNT	CONTRACT DATES
ARRA	16090000689	\$11,783,198.00	9/1/2009 to 8/31/2011

On-site review of the City of Houston's (COH) implementation of the Department of Energy's (DOE) American Recovery and Reinvestment Act (ARRA), Weatherization Assistance Program (WAP). Specific areas of review included Financial Reporting, Contract Agreements, Procurement, Personnel, and the Management of the DOE ARRA WAP contract.

PROGRAM EVALUATION

The evaluation of the program consisted of interviews with the City of Houston personnel, analysis of the fiscal system, review of programmatic records, on-site inspections, client interviews, and inventory review.

The following issues were noted during the review:

- Low ARRA contract expenditures.
- One paid vendor invoice for materials and labor services reviewed in the amount of \$16,018.54, did not identify clients served.
- Travel expenditures in the amount of \$797.42, were incorrectly charged to Materials, Program Support and Labor.
- Same subcontractor utilized for initial unit assessment services, also performed weatherization services work.
- No debarment verification review was conducted for contracted subcontractors.
- Onsite review of weatherized units revealed that COH did not conduct a thorough final inspection on seven (7) of the eight (8) units inspected.
- Client file review conducted, revealed that several files did not contain required client documentation, and/or contained forms that were not properly and/or fully completed.

**ARRA WEATHERIZATION ASSISTANCE PROGRAM MONITORING REPORT
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- Three (3) appeal files reviewed revealed that annual income calculation was calculated incorrectly; as Federal non-cash benefit for Medicare was counted as part of annualized gross income, resulting in applicants being denied services in error.

Section I. Financial Review

EXPENDITURES AS OF MARCH 2010

CONTRACT NAME	YEAR-TO-DATE EXPENDITURES	% OF ORIGINAL CONTRACT AMOUNT	# UNITS COMPLETED	# UNITS IN PROGRESS
ARRA	\$120,574.01	1.02%	53	210

Recommended Improvement #1: At the time of monitoring, COH had an administrative expenditure ratio of 92.68% for ARRA WAP. COH is reminded that administrative expenditures must be at or below 5%, by the end of the contract period. Any expenditure above the maximum allowable limit will be subject to disallowed costs.

Finding #1: As of the March 2010, expenditure report, COH had expended \$120,574.01, or 1.02% of ARRA WAP contract funds, and 25% of the contract period had elapsed. COH was asked to produce a Plan of Action to implement DOE ARRA WAP, as a result of the Preliminary Monitoring visit conducted on December 14, 2009. COH also received a Notice of Possible Deobligation letter in May 2010, with the requirement to submit a Mitigation Action Plan. That Mitigation Action Plan submitted to the Department included action steps COH will undertake to include implementing more aggressive outreach actions, hiring of additional intake staff, subcontracting an additional inspector, and pursuing multi-family unit weatherization opportunities.

Action Required: COH must assure the Department in its response to this report that the action steps outlined in the Mitigation Action Plan will be implemented and that further plan revisions will be made as needed, to insure COH meets the Department's production goals. Additionally, COH can expect the Department to provide continual monitoring of COH's performance, to include conducting follow-up monitoring visits throughout the contract period.

Reference: Contract; Section 4, and Section 24

ARRA WEATHERIZATION ASSISTANCE PROGRAM MONITORING REPORT
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Finding #2: A review of vendor invoices for materials and labor services revealed that one (1) paid subcontractor invoice (PMG) in the amount of \$16,018.54, did not identify clients served.

Action Required: COH must reconcile the vendor invoice noted above, and identify costs associated with each client served by the subcontractor for the amount billed. A copy of the reconciled invoice must be submitted to the Department with COH's response to this report. Additionally, COH must assure the Department in its response to this report that improved financial review procedures will be implemented to insure that all subcontractor invoices clearly identify clients served before the invoices are paid.

Reference: 10 CFR Part 440; §440.24

Finding #3: A review of program expenditures revealed that travel expenditures in the amount of \$797.42 were incorrectly charged to Materials, Program Support and Labor.

Action Required: COH must perform the necessary accounting actions to correctly charge the travel costs noted above to the appropriate budget category. A copy of the corrective action accounting adjustment must be submitted to the Department with COH's response to this report. Additionally, COH must assure the Department in its response to this report that improved financial procedures will be implemented to insure that program expenditures are correctly charged to the appropriate budget category.

Reference: Contract; Section 11, and Section 35

Section V. Procurement

Finding #4: A review of procurement action documentation for subcontractor services revealed that COH was utilizing the same subcontractor that provided initial unit assessment services, to also perform weatherization work measures.

Action Required: In an effort to insure program integrity, COH must conduct a procurement action to obtain an independent subcontractor that will perform weatherization work measures independently of the initial unit assessment work activity. The benefit of having two (2) separate subcontractors perform each work activity independently assures program integrity and is an internal control safeguard against the potential risk of fraud and abuse. A copy of the procurement action to obtain a separate subcontractor to conduct independent initial inspections and/or weatherization work

ARRA WEATHERIZATION ASSISTANCE PROGRAM MONITORING REPORT
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measures must be submitted to the Department with COH's response to this report.

Reference: Contract; Section 26

Finding #5: A review of procurement action documentation for subcontractor services revealed that COH did not conduct a vendor debarment verification review, for each vendor awarded an ARRA WAP contract for materials and/or labor services.

Action

Required: COH must conduct a vendor debarment verification review for each subcontracted vendor awarded an ARRA WAP contract for materials and/or labor services. A copy of the vendor debarment verification document for each subcontracted vendor awarded an ARRA WAP contract for materials and/or labor services, must be submitted to the Department with COH's response to this report. Failure to provide the required vendor debarment verification documentation will result in disallowed costs for all materials installed and/or labor services provided.

Reference: Contract; Section 37

Section VIII. Performance Review

Finding #6: Onsite review of weatherized units revealed that COH did not conduct a thorough final inspection on seven (7) of the eight (8) units inspected.

Action

Required: COH must return to the client units identified as requiring returns in Attachment A, and address the additional work measures noted on each unit. Additionally, COH must also assure the Department in its response to this report that procedures will be implemented that will insure final inspections of completed units are conducted in a more thorough and comprehensive manner.

Reference: 10 CFR Part 440; §440.16 (g)

Section X. Client File Review

Finding #7: Client file review revealed that several files as noted below; did not contain required client documentation, and/or contained forms that were not properly, and/or fully completed.

**ARRA WEATHERIZATION ASSISTANCE PROGRAM MONITORING REPORT
OF
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Client File #:	Issue:
10542-10	The income eligibility documentation is not within 12 months from the work start date indicated on the BWR.
10417-10, 10024-09, 10027-09, 10542-10, 10361-10, 10205-09, 10383-10, 10123-09	These files are missing the BWR certification of final inspection page, and invoices for materials purchased, and/or invoices for labor services.
10027-09, 10417-10, 10024-09	The Blower Door Data Sheet is missing a Sub-recipient Representative final test signature.
10027-09, 10417-10, 10024-09, 10542-10	The work start date noted on the BWR is not the date that the actual work started on home.

Action

Required:

COH must address the client file documentation issues noted above. A copy of each corrected and/or obtained client file document noted above must be submitted with the response to this report. Additionally, COH must also assure the Department in its response to this report that procedures will be implemented that will insure client file recordkeeping requirements will be adhered to as outlined in the ARRA WAP contract.

Reference: Contract; Section 13

Section XI. Denied Files

Finding #8:

A review of the applicant denial/appeal files revealed that three (3) applicants were denied assistance in error, as the Federal non-cash benefit for Medicare each applicant received was counted as part of their annualized gross income.

Action

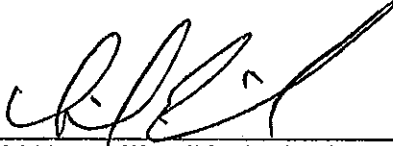
Required:

The Department acknowledges that it provided the names of the three applicants to COH during the Exit Conference, and instructed COH to contact each applicant and inform them that their application would be processed for ARRA WAP assistance. However, COH must assure the Department in its response to this report that procedures will be implemented that will insure client applications are screened more thoroughly and in accordance with program income eligibility guidelines.

Reference: 10 TAC §5.19 (b) (2) (L)

ARRA WEATHERIZATION ASSISTANCE PROGRAM MONITORING REPORT
OF
CITY OF HOUSTON

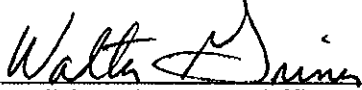
Texas Department of Housing and Community Affairs representatives; David Escamilla, and Walter Griner, participated in an exit conference with Mr. Gavin Dillingham, Ms. Ana Shah, Ms. Tanja Rouse, Ms. Olga Ramirez, Ms. Marisol Medina, and Mr. Renon Libunao, and Mr. Warren Campbell.

Signature: 

David Escamilla, CGAP, Senior Program Officer

6/28/10

Date

Signature: 

Walter Griner, Program Officer

6/28/10

Date

**ARRA WEATHERIZATION ASSISTANCE PROGRAM MONITORING REPORT
OF
CITY OF HOUSTON**

ATTACHMENT A

Start Date/Inspected	Fund Source	Comments
#10417-10	ARRA	Return to seal register in the den; seal the a/c door with a jamb-up and door-sweep; perform a tune-up on the HVAC, and install additional insulation in the walls up to the required r-value amount.
#10361-10	ARRA	Return to install additional wall insulation up to the required r-value amount; and block the heat source in the attic.
#10383-10	ARRA	No return required.
#10205-09	ARRA	Return to repair and/or replace cook-stove.
#10027-09	ARRA	Return to address additional air infiltration measures.
#10024-09	ARRA	Return to adjust door-sweep on front door; seal registers in den; and install an additional 4 CFL bulbs.
#10542-10	ARRA	Return to bring the water heater up to local code; and block the heat source in the attic.
#10123-09	ARRA	Return to connect the HVAC flue in the closet.



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Juan S. Muñoz, Ph.D.

June 21, 2010

Mr. Ben Figueroa
Executive Director
Institute of Rural Development
915 South 9th Street
Kingsville, Texas 78363

Re: DOE Weatherization Assistance Program Contract # 56090000465
LIHEAP Weatherization Assistance Program Contract # 81090000498
ARRA Weatherization Assistance Program Contract # 16090000787

Dear Mr. Figueroa:

Enclosed is a report that details the monitoring review of your Department of Energy (DOE), Low Income Home Energy Assistance Program (LIHEAP), and American Recovery and Reinvestment Act (ARRA), Weatherization Assistance Program (WAP) contracts with the Texas Department of Housing and Community Affairs (the Department). This information is provided to ensure that compliance with the contract is maintained and that services to the poor, elderly, and disabled are offered in the most expeditious and economical manner.

The monitoring report includes four (4) findings and two (2) recommendations, and one (1) note. Please submit a response to this report to this office within thirty (30) days of the date of this letter.

If we can be of any assistance, please feel free to contact David Escamilla, Senior Program Officer, at (512) 475-3859. The assistance provided to the Program Officers by the agency is greatly appreciated.

Sincerely,

A handwritten signature in black ink, appearing to read "Sharon D. Gamble".

Sharon D. Gamble
Manager
Energy Assistance Section

cc: Mr. Albert Garcia, Board Chair, Institute of Rural Development

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**2009 WEATHERIZATION ASSISTANCE PROGRAM MONITORING REPORT
OF
INSTITUTE OF RURAL DEVELOPMENT**

DATES OF REVIEW: MAY 10 - MAY 14, 2010

FOCUS OF REVIEW

CONTRACT NAME	CONTRACT NUMBER	CONTRACT AMOUNT	CONTRACT DATES
DOE	56090000465	\$51,947.00	4/1/2009 to 3/31/2010
LIHEAP	81090000498	\$43,568.00	4/1/2009 to 3/31/2010
ARRA	16090000787	\$225,708.00	9/1/2009 to 8/31/2011

On-site review of the Institute of Rural Development (IRD) implementation of the Department of Energy's and Low Income Home Energy Assistance Program's Weatherization Assistance Program (WAP), and the American Recovery Reinvestment Act (ARRA) Weatherization Assistance Program. Specific areas of review included Financial Reporting, Contract Agreements, Procurement, Personnel, and the Management of the Department of Energy and Low Income Home Energy Assistance Program and American Recovery Reinvestment Act contracts.

PROGRAM EVALUATION

The evaluation of the program consisted of interviews with the Institute of Rural Development personnel, analysis of the fiscal system, review of programmatic records, on-site inspections, client interviews, and inventory review.

The following issues were noted during the review:

- Monthly bank statement reconciliations were not thoroughly documented, and aged outstanding checks were not being formally tracked.
- Four (4) out of six (6) units inspected will require a return to address additional work measures.
- No documentation of which energy audit was utilized to weatherize homes.
- Complete BWR forms were not in client file.
- No documentation of verification of LSW practices.

**2009 WEATHERIZATION ASSISTANCE PROGRAM MONITORING REPORT
OF
INSTITUTE OF RURAL DEVELOPMENT**

Section I. Financial Review

EXPENDITURES AS OF MARCH 2010

CONTRACT NAME	YEAR-TO-DATE EXPENDITURES	% OF ORIGINAL CONTRACT AMOUNT	# UNITS COMPLETED	# UNITS IN PROGRESS
DOE	\$35,567.85	68.47%	14	0
LIHEAP	\$39,181.16	89.93%	14	0
ARRA	*\$38,955.66	17.26%	13	3

*Expenditures as of April 2010

Recommended Improvement #1: A review of the accounting work papers (Monthly Expense Worksheets) for the months of February-2010 (DOE/LIHEAP), and March-2010 (DOE/LIHEAP/ARRA), 2010, revealed that various expenditure differences existed in various budget categories when compared to the Monthly Expenditure Reports. The differences occurred due to adjustments made to each account to correct expenditures charged in error from one WAP grant to another WAP grant. Documentation provided to explain the adjustments was provided during the monitoring visit. The Department acknowledges that the April-2010 ARRA WAP Monthly Expenditure Report accurately reflected the expenditures contained within the accounting work papers (Monthly Expense Worksheet). Accordingly the Department recommends that IRD continue to implement process improvements to insure accounting work papers and report integrity remain constant and transparent.

Recommended Improvement #2: A review of the March 2010, Monthly Expenditure Report revealed that IRD had an administrative expenditure ratio of 12.31% for DOE WAP, and 8.12% for LIHEAP WAP. IRD is reminded that administrative expenditures must be at or below 5% for DOE WAP and 7.22% for LIHEAP WAP, by the end of the contract period. Any expenditure above the maximum allowable limit will be subject to disallowed costs.

Note #1: As of the May-2010, ARRA WAP Monthly Expenditure Report, IRD has expended 30% of contract funds. The Department will continue to closely monitor IRD's production to assure services to eligible Duval County applicants are provided.

Finding #1: A review of bank statement reconciliation records for the months of January through March, 2010, revealed that IRD was not fully documenting the reconciliation process; to include who conducted the reconciliation and who verified the results. Additionally, it was also noted during the bank statement review that IRD had no formal documented tracking process to track aged outstanding checks (90 days and older).

**2009 WEATHERIZATION ASSISTANCE PROGRAM MONITORING REPORT
OF
INSTITUTE OF RURAL DEVELOPMENT**

Action

Required:

IRD must implement procedures that will insure monthly bank statement reconciliations are fully documented, and must also implement a formal documented process to track aged outstanding checks. A copy of the formal written implemented procedures must be submitted with the response to this report.

Reference: 2 CFR Part 215; §215.21 (b) (2) (3)

Section VIII. Performance Review

Finding #2:

Onsite inspection of weatherized units revealed that four (4) of the six (6) units inspected, will require a return to address additional work measures.

Action

Required:

IRD must return to the client units identified as requiring returns in Attachment A, and address the additional work measures noted on each unit. IRD must also insure that the additional work measures performed on PY-2009 WAP client unit (WAP-DUV-230-SD) are charged to agency unrestricted funds, as the PY2009 WAP contract period has elapsed. IRD must also assure the Department in its response to this report that future final inspections of completed units will be conducted in a more thorough and comprehensive manner.

Reference: 10 CFR Part 440; §440.16 (g)

Finding #3:

During the monitoring visit unit review, it was discovered that IRD had not formally documented which energy audit was completed and/or utilized for each home weatherized. Additionally, it was also noted during the unit review that the BWR documentation for each client unit inspected, only contained the certification of final inspection page, and not the first two (2) pages, that detail the measures performed, associated cost for each measure, and which grant fund was utilized to pay for each measure performed.

Action

Required:

The Department acknowledges that IRD informed the Department during the unit review that it was utilizing the Priority List, as the energy audit for each home weatherized. However, no formal Priority List documentation was available in each client file for the units reviewed. Accordingly, IRD must submit to the Department with its response to this report, a copy of the Priority List documentation utilized for each client unit weatherized. The Priority List documentation should have detailed information for which measures were performed and which were omitted, with justification for the omissions. IRD must also provide to the Department with its response to this report, a copy of the fully completed BWR document for each unit weatherized. Failure to provide the required

**2009 WEATHERIZATION ASSISTANCE PROGRAM MONITORING REPORT
OF
INSTITUTE OF RURAL DEVELOPMENT**

documentation will result in disallowed costs for all costs associated with the weatherization of each client unit. IRD must also assure the Department in its response to this report, that action will be taken to insure each client unit will have an energy audit completed and/or documented before each unit is weatherized, and that will insure that BWR documentation will be fully completed for each weatherized unit, after all weatherization measures are performed.

Reference: 10 TAC §5.526, and Contract; Section 13 (B) (4)

Finding #4:

A review of WAP client files for the units inspected, revealed that IRD had no formal documentation of verification of Lead Safe Weatherization (LSW) practices.

Action

Required:

IRD shall document verification of LSW practices for all units weatherized that were built before 1978. The documentation should include photos to verify LSW practices are followed. Additionally, all completed units must be inspected to insure compliance with LSW procedures and practices. IRD must submit to the Department with its response to this report the LSW verification plan that has been implemented by IRD to insure compliance with LSW requirements.

Reference: 10 TAC §5.524

2009 WEATHERIZATION ASSISTANCE PROGRAM MONITORING REPORT
OF
INSTITUTE OF RURAL DEVELOPMENT

Texas Department of Housing and Community Affairs representative; David Escamilla, participated in an exit conference with Mr. Ben Figueroa, Ms. Tonie Perez, Ms. Lisa Alvarado, and Mr. David Flores.

Signature:



David Escamilla, CGAP, Senior Program Officer

Date

6/21/2010

**2009 WEATHERIZATION ASSISTANCE PROGRAM MONITORING REPORT
OF
INSTITUTE OF RURAL DEVELOPMENT**

ATTACHMENT A

Units Inspected	Fund Source	Comments
WAP-DUV-230-SD	DOE/LIHEAP	Return to address additional infiltration in hallway and backdoor.
WAP-DUV-034-SD	DOE/LIHEAP	No return required.
WAP-DUV-054-RL	DOE/LIHEAP	No return required
WAP-ARRA-058-SD	ARRA	Return to address additional applicable Priority List measures.
WAP-ARRA-IG-SD	ARRA	Return to address certification tag for attic insulation, solar screens, and additional applicable Priority List measures.
WAP-ARRA-162-SD	ARRA	Return to address floor insulation, and additional applicable Priority List measures.



TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS

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Michael Gerber
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June 28, 2010

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Mr. Bill Howerton, Jr.
Executive Director
City of Lubbock, Community Development
P.O. Box 2000
Lubbock, TX 79457

Re: Department of Energy (DOE) Weatherization Assistance Program (WAP) Contract # 56090000466
DOE – American Recovery and Reinvestment Act WAP Contracts # 16090000668 & 16090000708
Low-Income Home Energy Assistance Program WAP Contract # 81090000499

Dear Mr. Howerton,

Enclosed is a report that details the monitoring review of City of Lubbock, Community Development (CO Lubbock) Weatherization Assistance Program contracts with the Texas Department of Housing and Community Affairs (The Department). This information is provided to ensure that compliance with the contracts is maintained and that services to the poor, elderly and disabled are offered in the most expeditious and economical manner.

The monitoring report includes six (6) findings, two (2) recommended improvements and one (1) note. Please submit a response to this report to this office within thirty (30) days of the date of this letter.

If we can be of any assistance, please feel free to contact Matt Embry at (512) 936-9988 or matt.embry@tdhca.state.tx.us. The assistance provided to the Program Officer by the agency is greatly appreciated.

Sincerely,

A handwritten signature in black ink, appearing to be "Sharon Gamble", written over a horizontal line.

Sharon Gamble
Manager
Energy Assistance Section

Co: Peter Laverty, Board Chair

221 EAST 11TH • P. O. BOX 13941 • AUSTIN, TEXAS 78711-3941 • (800) 525-0657 • (512) 475-3800

**2009 WEATHERIZATION MONITORING REPORT
OF
CITY OF LUBBOCK**

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**2009 WEATHERIZATION MONITORING REPORT
OF
CITY OF LUBBOCK**

Dates of Review: March 29- April 1, 2010

FOCUS OF REVIEW

CONTRACT NAME	CONTRACT NUMBER	* CONTRACT AMOUNT	CONTRACT DATES
DOE	56090000466	\$263,407.00	4/1/2009 to 3/31/2010
LIHEAP	81090000499	\$321,938.00	4/1/2009 to 3/31/2010
ARRA	16090000668	\$1,272,305.00	9/1/2009 to 8/31/2011
ARRA	16090000708	\$1,176,924.00	9/1/2009 to 8/31/2011

* Latest contract amendments

On-site review of the City of Lubbock's (CO Lubbock) implementation of the Department of Energy's (DOE) and Low Income Home Energy Assistance Program's (LIHEAP) Weatherization Assistance Program (WAP) and the DOE American Recovery and Reinvestment Act WAP (ARRA). Specific areas of review included Financial Reporting, Contract Agreements, Procurement, Personnel, and the Management of the Department of Energy and Low Income Home Energy Assistance Program contracts.

PROGRAM EVALUATION

The evaluation of the program consisted of: interviews with the CO Lubbock personnel, analysis of the fiscal system, review of programmatic records, on-site inspections, client interviews, and inventory review.

The following was noted during the review:

- Low Expenditures, DOE, LIHEAP, and ARRA
- Invoicing- Material/Labor Separation
- Insurance- Lead Based Paint Occurrences
- Procurement-Health and Safety area on Bid needs Material/Labor Categories
- Audit- Procurement Due 2010
- Lead Safe Work-Client Information
- Compliance with Program Rules- Requested Information not Provided
- Multi-Family- Outreach
- Denied Files-Incomplete, Appeals Procedure, Denial Procedure
- LIHEAP, DOE, ARRA- Conflict of Interest

**2009 WEATHERIZATION MONITORING REPORT
OF
CITY OF LUBBOCK**

Section I. Financial Review

Finding #1:

Low Expenditure Rates DOE, LIHEAP, ARRA

At the time of the review CO Lubbock had low expenditures for DOE, LIHEAP and ARRA contracts (see table below). Reported data as of February, 2010 for DOE indicates CO Lubbock has no DOE units in progress. Reported data as of February, 2010 for LIHEAP indicates that CO Lubbock has 12 units in progress. At current Cost Per Unit (CPU) rates an additional estimated \$45,460.56 will be expended in the final month of the LIHEAP contract, bringing the PY09 LIHEAP total to an estimated \$227,338.07 or 70.62% of the total contract. Reported data as of February, 2010 for ARRA indicated 0 units in progress, the Program Officer noted that the ARRA program had just began implementation.

Action Required:

The Department requires Co Lubbock to provide a written plan of action to address expected outcomes for all categories. **Reference: Texas Administrative Code, Title 10, Part 1, Chapter 5, Subchapter A, Rule § 5.141; OMB Circular A-102 (2) (b); 10 CFR 600.142; 10 CFR 600.236 (3)**

EXPENDITURES AS OF FEBRUARY 2010

CONTRACT NAME	YEAR-TO-DATE EXPENDITURES	% OF ORIGINAL CONTRACT AMOUNT *	# UNITS COMPLETED	# UNITS IN PROGRESS
DOE	\$226,546.72	82.87%	37	0
LIHEAP	\$181,877.51	56.49%	39	12
ARRA	\$2,448.48.50	0.19%	0	0

* At the time of monitoring

Finding #2:

Invoices

A review of back-up documentation from contractor invoices revealed that in 12 of 15 of client files reviewed the contractor is not itemizing costs between labor and materials.

Action Required:

The Department requires CO Lubbock to require all WAP contractors to provide an invoice that has separate labor and material charges. **Reference: DOE Contract, Section 10, (A) (5)**

**2009 WEATHERIZATION MONITORING REPORT
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and (6); LIHEAP Contract, Section 10, (A) (5) and (6); and
ARRA Contract, Section 10, (A) (5) and (6)

**Section III. General Liability and Pollution Occurrence
Insurance**

Finding #3: **Lead Based Paint or Related Work**
A review of CO Lubbock insurance policies revealed that the policy riders did not include a rider for Lead Based Paint occurrences.

Action Required: The Department requires CO Lubbock to document that the current self-insurance policy covers Lead Based paint occurrences or that CO Lubbock purchase a rider specific to lead Based Paint occurrences and to provide written documentation as part of the response to this report. **Reference: DOE Contract, Section 18; LIHEAP Contract, Section 18; ARRA Contract, Section 22**

Section V. Procurement

Recommended Improvement #1: A review of the bid packet revealed that the bid form provided for the contractors did not contain separate categories for material and labor estimates. The Department recommends that CO Lubbock revise the bid form to reflect material and labor estimates.

Section VI. Audit

Note #1: CO Lubbock went out for bid on audit services in 2006. The Department notes that CO Lubbock is due for audit services procurement in 2010.

Section VII. Performance Review

Finding #4: **Lead Safe Works Practices (LSW)**
A review of client file revealed that 5 of 16 files reviewed did not include documentation of client receipt of the Renovate Right-Important Lead Hazard Information for Families, Child Care Providers and Schools.

Action Required: The Department requires CO Lubbock to provide training for all WAP staff regarding the documentation requirements for LSW. The Department requires CO Lubbock to provide written documentation of this training and a roster of those in attendance as part of the response to this report. **Reference: Weatherization Program notice 09-6**

**2009 WEATHERIZATION MONITORING REPORT
OF
CITY OF LUBBOCK**

Finding #5:

Compliance with Program Rules

At the time of monitoring, a CO Lubbock holiday caused time constraints, resulting in the inability to collect Building Weatherization Reports (BWR) for units inspected. Multiple contacts were made with CO Lubbock staff (via phone- 4/27/2010, Brad Reed; 4/29/2010, Daniella Garza; via email 4/27/2010 Brad Reed; 4/29/2010 and 4/30/2010, Daniella Garza; 4/30/2010, Joe Rangel; and 4/30/2010, Bill Howerton) to obtain the requested information. At the time of this report, no information has been received from CO Lubbock.

Action Required:

The Department requires CO Lubbock to submit back up BWR's for clients 09TO281, 09OS340, 09EV231 and one ARRA final inspection as part of the response to this report. Failure to provide the requested documentation may result in disallowed costs. Reference: Texas Administrative Code, Title 10, Part 1, Chapter 5, Subchapter A, Rule § 5.16

Section X. Multi-Family Review

Recommended Improvement #2: A review of client files indicated that at the time of the review CO Lubbock had not completed Weatherization measures for any Multi-Family units. The Department recommends that CO Lubbock consider conducting outreach to target Multi-Family units, specifically the Department recommends that CO Lubbock consult the DOE/HUD agreement concerning HUD approved Multi-Family units.

Section XI. Denied Files

Finding #6:

Denied File Documentation

A review of denied files revealed incomplete or inadequate documentation, specifically; incomplete applications, missing denial notices, missing income documentation and inadequate explanation for denial.

Action Required:

The Department requires CO Lubbock to provide training to all WAP staff regarding documentation requirements for denied files. The Department requires CO Lubbock to provide written documentation of this training and a roster of those in attendance as part of the response to this report. Reference: Texas Administrative Code, Title 10, Part 1, Chapter 5, Subchapter E, Rule § 5.505; 10 CFR § 440.24

2009 WEATHERIZATION MONITORING REPORT
OF
CITY OF LUBBOCK

Section XII. ARRA Summary

Note #2:

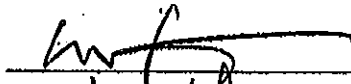
ARRA Procurement Standards

A review of ARRA Procurement documentation revealed that CO Lubbock had entered in to a contract for WAP ARRA with Lee Rangel; dba Lee's Home Improvement. Lee's Home Improvement was also an existing contractor for DOE and LIHEAP WAP programs for PY09. Lee Rangel is a first degree relative (brother) of WAP Contract Coordinator, Joe Rangel. The Program Officer determined that this relationship constituted a "perceived or real" conflict of interest pursuant to the Conflict of Interest and Nepotism sections of the DOE, LIHEAP and ARRA contracts, 10 CFR 600.142, 10 CFR 600.236 and the Texas Administrative Code, Title 10, Part 1, Chapter 5, Subchapter A, Rule § 5.10.

Upon return to Austin, the Program Officer discussed this issue with supervisors and was advised to resolve this matter immediately. The Department requested and received further information regarding this issue from the City of Lubbock under separate cover. The Department is currently reviewing that information and will provide a written response to City of Lubbock promptly.

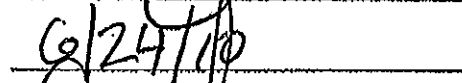
Texas Department of Housing and Community Affairs Program Officers, Matt Embry and Doug Misenheimer participated in an exit conference with Bill Howerton, Brad Reed, Rodney Durain, Russell Sell, Phyllis Brown, Joe Rangel and Rhonda Gentry.

Signature: _____




Matt Embry, Program Officer
Energy Assistance, TDHCA

Date: _____



Signature: _____



Doug Misenheimer, Program Officer
Energy Assistance, TDHCA

Date: _____



**2009 WEATHERIZATION MONITORING REPORT
OF
CITY OF LUBBOCK**

ATTACHMENT A

Units Inspected	Fund Source	Return	Comments
09LO271*	LIHEAP	No	No issues.
09OS340*	LIHEAP	No	No issues.
09IN242*	LIHEAP	No	No issues.
09RU605*	DOE/LIHEAP	Yes	Return to bring attic insulation up to R-38.
09RA240*	LIHEAP	No	No issues.
09MARI~	DOE/LIHEAP	No	No issues.
09SA290*	ARRA/LIHEAP	No	No issues, final inspection.
09MA230*	LIHEAP	No	No issues.
09TO281*	DOE/LIHEAP	No	No issues.
09EV231*	DOE	Yes	Oven CO is 190 PPM. Stove replacement. Bathroom exhaust fan replacement.
09BR213*	DOE/LIHEAP	No	No issues.
09REND~	LIHEAP	No	No issues.
09LU560*	DOE	No	No issues.
09BR301*	DOE/LIHEAP	No	No issues.



TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS

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Tom H. Gann
Lowell A. Keig
Juan S. Muñoz, Ph.D.

June 7, 2010

Mr. Joe A. Martinez
Executive Director
Nueces County Community Action Agency
101 South Padre island Drive
Corpus Christi, Texas 78405

Re: DOE Weatherization Assistance Program Contract # 56090000467
LIHEAP Weatherization Assistance Program Contract # 81090000500
ARRA Weatherization Assistance Program Contract # 16090000669

Dear Mr. Martinez:

Enclosed is a report that details the monitoring review of Nueces County Community Action Agency (NCCAA) Weatherization Assistance Program contracts with the Texas Department of Housing and Community Affairs (The Department). This information is provided to ensure that the compliance with the contracts is maintained and that services to the poor, elderly, and disabled are offered in the most expeditious and economical manner.

The monitoring report includes two (2) findings and three (3) recommendations. Please submit a response to this report to the office within thirty (30) days of the date of this letter. A copy of this monitoring report will be provided to your board chair.

If we can be of any assistance, please feel free to contact Brian P. Fayhee, Program Officer, at (512) 475-3822. The assistance provided to the Program Officer by the agency is greatly appreciated.

Sincerely,

A handwritten signature in black ink, appearing to read "Sharon Gamble", with a horizontal line extending to the right.

Sharon Gamble
Manager
Energy Assistance Section

cc. George Rosas

**2009 WEATHERIZATION MONITORING REPORT
OF
NUECES COUNTY COMMUNITY ACTION AGENCY**

Section 1	Financial Review
Section 2	Travel and Timesheets
Section 3	General Liability and Pollution Occurrence Insurance
Section 4	Property Management
Section 5	Procurement
Section 6	Audit Page
Section 7	Personnel Policies and Practices
Section 8	Performance Review
Section 9	Client File Review
Section 10	Multifamily Review & Multifamily Review Work Sheet
Section 11	Denied Files
Section 12	Summary Work Sheet

**2009 WEATHERIZATION MONITORING REPORT
OF
NUECES COUNTY COMMUNITY ACTION AGENCY**

**WEATHERIZATION ASSISTANCE PROGRAM (WAP)
CORRECTIVE ACTION REQUIRED AND RECOMMENDED IMPROVEMENTS**

Dates of Review: March 3rd -- March 5th 2010

Focus of Review:

Allocation Code: 5809
Programmatic Year PY 09
Contract Number 58090000440
Contract Amount: \$1,277,030.00
Contract Period: 1/1/09-12/31/09

On-site review of Community Action Program Inc, (CAP Inc,) implementation of the Comprehensive Energy Assistance Program (CEAP), in accordance with the Low Income Energy Assistance Act of 1981, (LIHEAP), and the 2009 CEAP Service Delivery Plan by CAP Inc. Specific areas of review included Financial Reporting, Contract Agreements, Procurement, Personnel, and the Management of the Service Delivery Plan Components.

Program Evaluation

The evaluation of the program consisted of interviews with personnel, analysis of fiscal system and review of programmatic records.

The following issues were noted during the review:

- Not metering refrigerators
- Health and Safety violation in C.O. testing
- Health and Safety violation in C.O. detection installation
- C.O. detection systems
- Declaration of Income Statement (DIS)

**2009 WEATHERIZATION MONITORING REPORT
OF
NUECES COUNTY COMMUNITY ACTION AGENCY**

Section IX. Client File Review

Finding # 1: Refrigerators were not metered in units.

Nueces County was unable to produce evidence of refrigerators being metered in 12 client file reviews for DOE, LIHEAP, and 6 files that were reviewed for DOE ARRA. DOE requires that a refrigerator be metered for a total time of 2 hours on any home that the agency is conducting an assessment. LIHEAP requires that a refrigerator is metered for 30 minutes unless the manufacture date is 1993 or prior on any home that is being assessed by the agency. Documentation must be placed in each client file with the house assessment. The client files reviewed are listed in Table 1.

Table 1

Case Number	Case Number
09 NU GIF 3	09 NU GIF 10-D
09 NU GIF 7	09 NU GIF 10-E
09 NU GIF 8	09 NU GIF 10-F
09 NU GIF 9	09 NU GIF 10-G
09 NU GIF 11	09 NU GIF 10-H
09 NU GIF 20	09 NU GIF 10-J
09 NU GIIF 10-A	09 NU GIF 10-K
09 NU GIF 10-B	09 NU GIF 10-L
09 NU GIF 10-C	09 NU GIF 10-M

Client files **09 NU GIF 10-A; 09 NU GIF 10-B; 09 NU GIF 10-G** were not available for onsite inspections, but there was lack of documentation providing evidence of refrigerators being metered in the client files.

Action Required: NCCAA is required to return and meter each refrigerator listed above. NCCAA is required to apply the same metering techniques in all future homes being assessed and must establish written procedures in the policy and procedures section. **Reference: TAC RULE §5.606 (DOE), TAC RULE §5.702 (LIHEAP)**

Finding #2: Failure to perform Carbon Monoxide testing.

A) NCCAA failed to administer carbon monoxide testing on combustion gas stoves in nine (9) apartment units and five (5) residences out of the thirteen (14) homes inspected. C.O. testing was preformed by the contractor on all homes that had gas furnaces. Failure to test combustion appliances directly endangers the clients' wellbeing and welfare. The units in Table 2 were inspected and had C.O. findings. The units showing a CO reading in the table have stoves that were burning high C.O. levels at the time of inspection and need to be removed from the client's apartment to alleviate health and safety concerns.

**2009 WEATHERIZATION MONITORING REPORT
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NUECES COUNTY COMMUNITY ACTION AGENCY**

B) Upon review, NCCAA client files did not provide adequate support documentation showing C.O. testing was completed during the assessment or by the contractors. Units **09 NU GIF 10-A; 09 NU GIF 10-B; 09 NU GIF 10-G** were not available for onsite inspections, but there was lack of documentation for C.O. testing in the client files.

Table 2

Client File	C.O. Issue
09 NU GIF 10-A	Not in file
09 NU GIF 10-B	Not in file
09 NU GIF 10-D	Stove was not tested
09 NU GIF 10-E	Stove was not tested
09 NU GIF 10-F	Back right burner on stove had 26 PPM
09 NU GIF 10-G	Not in File
09 NU GIF 10-H	Back right burner on stove had 26 PPM
09 NU GIF 10-J	Stove was not tested
09 NU GIF 10-K	Main stove had 308 PPM
09 NU GIF 10-L	Front left side of stove had 40 PPM
09 NU GIF 10-M	Back right burner on stove had 26 PPM
09 NU 042	Stove was not tested
09 NU 066	Stove was not tested
09 NU	Stove was not tested

Actions Required:

A) NCCAA is required to return to the above residences and replace the stoves on the five (5) units that tested above the maximum level of Part Per Million (PPM). **Reference: TAC RULE §5.528 (d)**

B) NCCAA must place all C.O. testing documentation in the client file showing C.O. testing was completed for the home and appropriate measures were taken. NCCAA will order at least two (2) C.O. detectors to perform such test and produce needed documentation. **Reference: Contract Section 10 (14), (15)**

Recommended Improvement #1: NCCAA did not install C.O. testers in nine (8) of the thirteen (14) units for the onsite inspection. It is suggested that NCCAA install a C.O. detection device for any unit/residence that has combustion appliance regardless if appliances are replaced or serviced. Not placing a C.O. detection device within the residence/unit is a direct violation of Health and Safety standards, it places the client's health and wellbeing at risk of harmful and deadly gasses that may be omitted into the air. NCCAA should return to the units listed in Table 3 and install C.O. detectors in each unit. The C.O. detector must be five (5) feet from any combustion appliance. It is

**2009 WEATHERIZATION MONITORING REPORT
OF
NUECES COUNTY COMMUNITY ACTION AGENCY**

recommended that NCCAA include verification on their assessment form that a C.O. detector is present in the residence.

Table 3

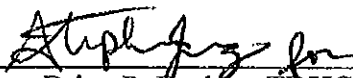
Client File	C.O. Issue
09 NU GIF 10-A	Not in file
09 NU GIF 10-B	Not in file
09 NU GIF 10-D	No C.O. tester in unit
09 NU GIF 10-E	No C.O. tester in unit
09 NU GIF 10-F	No C.O. tester in unit
09 NU GIF 10-G	Not in File
09 NU GIF 10-H	No C.O. tester in unit
09 NU GIF 10-J	No C.O. tester in unit
09 NU GIF 10-K	No C.O. tester in unit
09 NU GIF 10-L	No C.O. tester in unit
09 NU GIF 10-M	No C.O. tester in unit

Recommended Improvement #2: NCCAA will send each employee to C.O. testing training and keep and keep a copy of the Texas Mechanical Field Guide in each automobile for immediate reference for Health and Safety measures.

Recommended Improvement #3: Upon review of client files NCCAA did not have three of the required signatures on the Declaration of Income statement (DIS). A total of 25 client files were reviewed during the monitoring and only client file 2009 NU 10-C did not have the full documentation which is 4% of the aggregate reviewed. Because the overall percentage is so low a recommendation is suggested instead of a finding. If this issue should arise during the next monitoring a finding shall be issued. On DIS forms, signatures from the following are required:

- 1) Client
- 2) Case Worker
- 3) Weatherization Manager or Weatherization Director

Texas Department of Housing and Community Affairs representative, Brian P. Fayhee participated in an exit conference with Mr. Joe Martinez, Mr. Joe Flores, Ms. Alma Barrera, and Ms. Christie Martinez.

Signature: 
Brian P. Fayhee, TDHCA Program Officer

6/2/10
Date



TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS

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Ms. Phyllis Cook
Executive Director
Panhandle Community Services
P.O. Box 32150
Amarillo, Texas 79120-2150

Re: DOE Weatherization Assistance Program Contract # 56090000468
LIHEAP Weatherization Assistance Program Contract # 81090000501
ARRA Weatherization Assistance Program Contract # 16090000670

Dear Ms. Cook:

Enclosed is a report that details the monitoring review of Panhandle Community Services (PCS) Weatherization Assistance Program contracts with the Texas Department of Housing and Community Affairs (The Department). This information is provided to ensure that the compliance with the contracts is maintained and that services to the poor, elderly, and disabled are offered in the most expeditious and economical manner.

The monitoring report includes four (4) findings and two (2) recommendations. Please submit a response to this report to the office within thirty (30) days of the date of this letter. A copy of this monitoring report will be provided to your board chair.

If we can be of any assistance, please feel free to contact Brian P. Fayhee, Program Officer, at (512) 475-3822. The assistance provided to the Program Officer by the agency is greatly appreciated.

Sincerely,

A handwritten signature in black ink, appearing to read "Sharon Gamble", with a horizontal line extending to the right.

Sharon Gamble
Manager
Energy Assistance Section

cc. Judge Ronnie Gordo, PCS Board Chair

Directory of Monitoring Sections

Section I.	Financial Review
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Section XII.	Summary

**2009 WEATHERIZATION MONITORING REPORT
OF
PANHANDLE COMMUNITY SERVICES**

Dates of Review: March 29- April 1, 2010

FOCUS OF REVIEW

CONTRACT NAME	CONTRACT NUMBER	* CONTRACT AMOUNT	CONTRACT DATES
DOE	56090000468	\$643,857.00	4/1/2009 to 3/31/2010
LIHEAP	81090000501	\$806,233.00	4/1/2009 to 3/31/2010
ARRA	16090000670	\$3,093,124.00	9/1/2009 to 8/31/2011

* Latest contract amendments

On-site review of the Panhandle Community Services, (PCS) implementation of the Department of Energy's (DOE) and Low Income Home Energy Assistance Program's (LIHEAP) Weatherization Assistance Program (WAP) and the DOE American Recovery and Reinvestment Act WAP (ARRA). Specific areas of review included Financial Reporting, Contract Agreements, Procurement, Personnel, and the Management of the Department of Energy and Low Income Home Energy Assistance Program contracts.

PROGRAM EVALUATION

The evaluation of the program consisted of: interviews with the PCS personnel, analysis of the fiscal system, review of programmatic records, on-site inspections, client interviews, and inventory review.

The following was noted during the review:

- High Cost Per Unit in LIHEAP Program
- Untimely submittal of Expenditure Reports
- Lead Safe Work-Client Information
- Denied Files-Incomplete, Appeals Procedure, Denial Procedure

**2009 WEATHERIZATION MONITORING REPORT
OF
PANHANDLE COMMUNITY SERVICES
EXPENDITURES AS OF MAY 2010**

CONTRACT NAME	COST PER UNIT	% OF ORIGINAL CONTRACT AMOUNT *	# UNITS COMPLETED	# UNITS IN PROGRESS
DOE	\$4,545.27	81.99%	90	0
LIHEAP	\$4,038.98	50.82%	78	7
ARRA	\$5,390.26	7.48%	32	14

Section I. Financial Review

Finding #1:

Late submittal of expenditure reports

PCS was delinquent for submittal of expenditure reports for DOE, ARRA, and LIHEAP. July's DOE and LIHEAP reports were submitted on August 18th, 2010. November's DOE ARRA report was submitted on December 11th, 2010.

Action Required:

The Department requires PCS to submit DOE and LIHEAP expenditure reports on or before the 15th of each following month, and submittal of ARRA reports by the 5th of the following month.
Reference: DOE Contract, Section 11, (A); LIHEAP Contract; Section 10, (A); and ARRA Contract, Section 11, (A).

Recommended Improvement #1: At the time of the review PCS exceeded the Cost Per Unit requirements LIHEAP contract. Reported data for the final program report submitted in May, 2010 for of the LIHEAP indicates that PCS is \$38.96 above the contractual amount for Cost Per Unit (CPU). Prior to finalizing future reports PCS will properly expend all LIHEAP funds for the contractual amount.

Section V. Procurement

Recommended Improvement #2: A review of the bid packet revealed that the bid form provided for the contractors did not contain separate categories for material and labor estimates. The Department recommends that PCS revise the bid form to reflect material and labor estimates.

**2009 WEATHERIZATION MONITORING REPORT
OF
PANHANDLE COMMUNITY SERVICES**

Section VII. Performance Review

Finding #2: **Lead Safe Works Practices (LSW)**
During the onsite review of 12 units, 3 separate clients stated that the contracted workers performing weatherization work did not perform adequate Lead Safe Work Practices, nor provide onsite education to the client about Important Lead Hazard Information.

Action Required: The Department requires PCS to establish a quality assurance plan for Lead Safe Work Practices and submit a copy of this plan to the Department as part of the response to this report. The Department requires PCS to provide training for all WAP staff regarding the proper overall procedures for LSW, which includes onsite education. Documentation of this training including a roster of those in attendance will be submitted as part of the response to this report. Onsite inspections are required and must be documented by PCS weatherization staff while weatherization work is being completed on residences and multifamily units that require Lead Safe Renovating. **Reference: Texas Administrative Code, Title 10, Part 1, Chapter 5 Rule §5.524; EPA Final Rule**

Section VII. Client File Review

Finding #3: **Incomplete assessment form**
Review of client files indicated that three client files had incomplete blower door data forms, showing lack of signatures on the initial assessment (09PT039, 09RN026), and final inspection (09GR051).

Action Required: The Department requires that PCS implement in their Standard Operating Procedures to make it mandatory for staff to sign all documentation when weatherization work has been performed or assessments have been conducted. **Reference: Texas Administrative Code, Title 10, Part 1, Chapter 5, Subchapter E, Rule § 5.530; 10 CFR § 440.2**

Section X. Multi-Family Review

Note: Two multi-family units were reviewed and determined as incomplete due to late shipments of refrigerators and stoves. The late shipments prevented a final inspection of the units. The blower door was set up and administered on each unit indicating that one unit had issues that needed to be addressed before the unit could be deemed weatherized. Unit 201B, Job #2009PT040 has air infiltration on the bottom left of the back door releasing a substantial amount of air. Prior to finalizing the unit PCS must return to the unit and administer C.O. testing and prevent air infiltration in the bottom left of the back door.

2009 WEATHERIZATION MONITORING REPORT
OF
PANHANDLE COMMUNITY SERVICES

Section XI. Denied Files

Finding #4:

Denied File Documentation

A review of denied files revealed incomplete or inadequate documentation, specifically; incomplete applications due to lack of signatures required by PCS employees, and missing income documentation.

Action Required:

The Department requires PCS to provide training to all WAP staff regarding documentation requirements for denied files. The Department requires PCS to provide written documentation of this training and a roster of those in attendance as part of the response to this report. **Reference: Texas Administrative Code, Title 10, Part 1, Chapter 5, Subchapter E, Rule § 5.505**

Texas Department of Housing and Community Affairs Program Officers, participated in an exit conference with Phyllis Cook, Angela Ascencio, Ken Rusler, Doug Burton, and Carol Luke,

Signature: 
Brian Fayhee, Program Officer

Date: 7/26/10

**2009 WEATHERIZATION MONITORING REPORT
OF
PANHANDLE COMMUNITY SERVICES**

DOE/LIHEAP Units Inspected 4

Units Inspected Returns 0

ATTACHMENT A

Units Inspected	Fund Source	Comments
09RN094	DOE/LIHEAP	No return required.
09PT111	DOE/LIHEAP	No return required.
09RN026	DOE/LIHEAP	No return required.
09PT088	DOE/LIHEAP	No return required.



TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS

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Rick Perry
GOVERNOR

Michael Gerber
EXECUTIVE DIRECTOR

July 30, 2010

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Juan S. Muñoz, Ph.D.

Ms. Phyllis Cook
Executive Director
Panhandle Community Services
P.O. Box 32150
Amarillo, Texas 79120-2150

Re: DOE Weatherization Assistance Program Contract # 56090000468
LIHEAP Weatherization Assistance Program Contract # 81090000501
ARRA Weatherization Assistance Program Contract # 16090000670

Dear Ms. Cook:

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The monitoring report includes four (4) findings and two (2) recommendations. Please submit a response to this report to the office within thirty (30) days of the date of this letter. A copy of this monitoring report will be provided to your board chair.

If we can be of any assistance, please feel free to contact Brian P. Fayhee, Program Officer, at (512) 475-3822. The assistance provided to the Program Officer by the agency is greatly appreciated.

Sincerely,

A handwritten signature in black ink, appearing to read "SGamble", followed by a horizontal line.

Sharon Gamble
Manager
Energy Assistance Section

cc. Judge Ronnie Gordo, PCS Board Chair

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**2009 WEATHERIZATION MONITORING REPORT
OF
PANHANDLE COMMUNITY SERVICES**

Dates of Review: March 29- April 1, 2010

FOCUS OF REVIEW

CONTRACT NAME	CONTRACT NUMBER	* CONTRACT AMOUNT	CONTRACT DATES
DOE	56090000468	\$643,857.00	4/1/2009 to 3/31/2010
LIHEAP	81090000501	\$806,233.00	4/1/2009 to 3/31/2010
ARRA	16090000670	\$3,093,124.00	9/1/2009 to 8/31/2011

* Latest contract amendments

On-site review of the Panhandle Community Services, (PCS) implementation of the Department of Energy's (DOE) and Low Income Home Energy Assistance Program's (LIHEAP) Weatherization Assistance Program (WAP) and the DOE American Recovery and Reinvestment Act WAP (ARRA). Specific areas of review included Financial Reporting, Contract Agreements, Procurement, Personnel, and the Management of the Department of Energy and Low Income Home Energy Assistance Program contracts.

PROGRAM EVALUATION

The evaluation of the program consisted of: interviews with the PCS personnel, analysis of the fiscal system, review of programmatic records, on-site inspections, client interviews, and inventory review.

The following was noted during the review:

- High Cost Per Unit in LIHEAP Program
- Untimely submittal of Expenditure Reports
- Lead Safe Work-Client Information
- Denied Files-Incomplete, Appeals Procedure, Denial Procedure

**2009 WEATHERIZATION MONITORING REPORT
OF
PANHANDLE COMMUNITY SERVICES
EXPENDITURES AS OF MAY 2010**

CONTRACT NAME	COST PER UNIT	% OF ORIGINAL CONTRACT AMOUNT *	# UNITS COMPLETED	# UNITS IN PROGRESS
DOE	\$4,545.27	81.99%	90	0
LIHEAP	\$4,038.98	50.82%	78	7
ARRA	\$5,390.26	7.48%	32	14

Section I. Financial Review

Finding #1:

Late submittal of expenditure reports

PCS was delinquent for submittal of expenditure reports for DOE, ARRA, and LIHEAP. July's DOE and LIHEAP reports were submitted on August 18th, 2009. November's DOE ARRA report was submitted on December 11th, 2009.

Action Required:

The Department requires PCS to submit DOE and LIHEAP expenditure reports on or before the 15th of each following month, and submittal of ARRA reports by the 5th of the following month. **Reference: DOE Contract, Section 11, (A); LIHEAP Contract; Section 10, (A); and ARRA Contract, Section 11, (A).**

Recommended Improvement #1: At the time of the review PCS exceeded the Cost Per Unit requirements LIHEAP contract. Reported data for the final program report submitted in May, 2010 for of the LIHEAP indicates that PCS is \$38.96 above the contractual amount for Cost Per Unit (CPU). Prior to finalizing future reports PCS will properly expend all LIHEAP funds for the contractual amount.

Section V. Procurement

Recommended Improvement #2: A review of the bid packet revealed that the bid form provided for the contractors did not contain separate categories for material and labor estimates. The Department recommends that PCS revise the bid form to reflect material and labor estimates.

2009 WEATHERIZATION MONITORING REPORT
OF
PANHANDLE COMMUNITY SERVICES

Section VII. Performance Review

Finding #2:

Lead Safe Works Practices (LSW)

During the onsite review of 12 units, 3 separate clients stated that the contracted workers performing weatherization work did not perform adequate Lead Safe Work Practices, nor provide onsite education to the client about Important Lead Hazard Information.

Action Required:

The Department requires PCS to establish a quality assurance plan for Lead Safe Work Practices and submit a copy of this plan to the Department as part of the response to this report. The Department requires PCS to provide training for all WAP staff regarding the proper overall procedures for LSW, which includes onsite education. Documentation of this training including a roster of those in attendance will be submitted as part of the response to this report. Onsite inspections are required and must be documented by PCS weatherization staff while weatherization work is being completed on residences and multifamily units that require Lead Safe Renovating. **Reference: Texas Administrative Code, Title 10, Part 1, Chapter 5 Rule §5.524; EPA Final Rule**

Section VII. Client File Review

Finding #3:

Incomplete assessment form

Review of client files indicated that three client files had incomplete blower door data forms, showing lack of signatures on the initial assessment (09PT039, 09RN026), and final inspection (09GR051).

Action Required:

The Department requires that PCS implement in their Standard Operating Procedures to make it mandatory for staff to sign all documentation when weatherization work has been performed or assessments have been conducted. **Reference: Texas Administrative Code, Title 10, Part 1, Chapter 5, Subchapter E, Rule § 5.530; 10 CFR § 440.2**

Section X. Multi-Family Review

Note: Two multi-family units were reviewed and determined as incomplete due to late shipments of refrigerators and stoves. The late shipments prevented a final inspection of the units. The blower door was set up and administered on each unit indicating that one unit had issues that needed to be addressed before the unit could be deemed weatherized. Unit 201B, Job #2009PT040 has air infiltration on the bottom left of the back door releasing a substantial amount of air. Prior to finalizing the unit PCS must return to the unit and administer C.O. testing and prevent air infiltration in the bottom left of the back door.

2009 WEATHERIZATION MONITORING REPORT
OF
PANHANDLE COMMUNITY SERVICES

Section XI. Denied Files

Finding #4:


Denied File Documentation

A review of denied files revealed incomplete or inadequate documentation, specifically; incomplete applications due to lack of signatures required by PCS employees, and missing income documentation.

Action Required:

The Department requires PCS to provide training to all WAP staff regarding documentation requirements for denied files. The Department requires PCS to provide written documentation of this training and a roster of those in attendance as part of the response to this report. **Reference: Texas Administrative Code, Title 10, Part 1, Chapter 5, Subchapter E, Rule § 5.505**

Texas Department of Housing and Community Affairs Program Officers, participated in an exit conference with Phyllis Cook, Angela Ascencio, Ken Rusler, Doug Burton, and Carol Luke,

Signature:  for Fayhee Date: 7/30/10
Brian Fayhee, Program Officer

**2009 WEATHERIZATION MONITORING REPORT
OF
PANHANDLE COMMUNITY SERVICES**

DOE/LIHEAP Units Inspected 4

Units Inspected Returns 0

ATTACHMENT A

Units Inspected	Fund Source	Comments
09RN094	DOE/LIHEAP	No return required.
09PT111	DOE/LIHEAP	No return required.
09RN026	DOE/LIHEAP	No return required.
09PT086	DOE/LIHEAP	No return required.



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June 7, 2010

Mr. Felix Taylor
Executive Director
Rolling Plains Management Corporation
P.O. Box 490
Crowell, Texas 79227

Re: DOE Weatherization Assistance Program Contract #56090000470
LIHEAP Weatherization Assistance Program Contract #81090000503
ARRA Weatherization Assistance Program Contract #16090000675
ARRA Weatherization Assistance Program Contract #16090000766

Dear Mr. Taylor:

Enclosed is a report that details the monitoring review of your Weatherization Assistance Program contracts with the Texas Department of Housing and Community Affairs. This information is provided to ensure that compliance with the contract(s) is maintained and that services to the poor, elderly, and disabled are offered in the most expeditious and economical manner.

The Department has identified **two (2) findings** and **one (1) recommendation** for the Weatherization Assistance Program. Please submit a response to this report to this office within thirty (30) days of the date of this letter.

If we can be of any assistance, please contact Jason A. Seale, Program Officer, at (512) 463-0172. The assistance provided to the Program Officer by Rolling Plains Management Corporation is greatly appreciated.

Sincerely,

A handwritten signature in black ink, appearing to be "SG", followed by a horizontal line.

Sharon Gamble
Manager
Energy Assistance Section

PY09 WEATHERIZATION MONITORING REPORT
OF
ROLLING PLAINS MANAGEMENT CORPORATION

Directory of Monitoring Sections

- Section I. Financial Review
- Section II. Travel and Timesheets
- Section III. General Liability and Pollution Occurrence Insurance
- Section IV. Property Management
- Section V. Procurement
- Section VI. Audit
- Section VII. Personnel Policies and Procedures
- Section VIII. Performance Review/Onsite Inspections
- Section IX. Administrative
- Section X. Client File/Multifamily Review
- Section XI. Denied Files

PY09 WEATHERIZATION MONITORING REPORT
OF
ROLLING PLAINS MANAGEMENT CORPORATION

Dates of Review: April 12, 2010 – April 15, 2010

Focus of Review

CONTRACT NAME	CONTRACT NUMBER	CONTRACT AMOUNT	CONTRACT DATES
DOE	56090000470	\$351,772.00	4/1/2009 to 3/31/2010
LIHEAP	81090000503	\$425,170.00	4/1/2009 to 3/31/2010
ARRA	16090000675	\$1,660,427.00	9/1/2009 to 8/31/2011
ARRA – City of Wichita Falls	16090000766	\$410,915.00	9/1/2009 to 8/31/2011

On-site review of Rolling Plains Management Corporation (RPMC) implementation of the Department of Energy, Low Income Home Energy Assistance Program and American Recovery and Reinvestment Act of 2009 Weatherization Assistance Program (WAP). Specific areas of review included Financial Reporting, Contract Agreements, Procurement, Personnel and the Management of the Department of Energy, Low Income Home Energy Assistance Program and American Recovery and Reinvestment Act of 2009 contracts.

Program Evaluation

The evaluation of the program consisted of: Interviews with the RPMC personnel, analysis of the fiscal system, review of programmatic records, on-site inspections, client file reviews and inventory review.

The following was noted during the review:

- Low Expenditures for ARRA Contracts
- Lack of Documentation for LSW Practices

PY09 WEATHERIZATION MONITORING REPORT
OF
ROLLING PLAINS MANAGEMENT CORPORATION

Section I. Financial Review

EXPENDITURES AS OF FEBRUARY 2010

CONTRACT NAME	YEAR-TO-DATE EXPENDITURES	% OF ORIGINAL CONTRACT AMOUNT	# UNITS COMPLETED	# UNITS IN PROGRESS
DOE	\$273,599.77	77.78%	61	0
LIHEAP	\$305,637.55	71.89%	88	3
ARRA (675)	\$194,347.83	11.70%	33	10
ARRA (766)	\$13,670.92	3.33%	0	5

Recommended Improvement #1 Review of the February 2010 expenditure reports for DOE, LIHEAP and DOE ARRA contracts revealed Administrative expenditures were above the maximum allowable of 5%, 7.22% and 5% respectively. Current Administrative expenditures for the DOE contract are 6.21%, 7.40% for the LIHEAP contract, 11.22% for the ARRA contract and 30.56% for the ARRA-City of Wichita Falls contract. The Department reminds RPMC that Administrative expenditures must be at or below the contract maximum by the PY09 closeout or be subject to disallowed cost.

Finding #1 As of the February 2010 monthly expenditure reports, RPMC had expended 11.70% of ARRA WAP Contract #16090000675 and 3.33% of ARRA WAP Contract #16090000766. The ARRA WAP Contract requires the development and implementation of equitable WAP services throughout the entire service area.

Action Required The Department requires RPMC to submit a detailed plan of action to increase production and adherence to the DOE Production Schedule in the response to this report. Failure to submit a plan to the Department may result in suspension of ARRA WAP contracts. **Reference: ARRA Contract Section 4**

PY09 WEATHERIZATION MONITORING REPORT
OF
ROLLING PLAINS MANAGEMENT CORPORATION

Section VIII. Onsite Inspections

Finding #2

On-site unit inspections revealed a documentation deficiency in minimum standards for Lead Safe Work Practices as outlined by DOE. Review of client file documentation affirmed the potential of lead hazards in pre-1978 units that were recipients of weatherization services provided by RPMC.

**Action
Required**

RPMC is reminded of the implementation of EPA's LRRPP (Lead; Renovation, Repair and Painting Program) Final Rule effective April 22, 2010. The listed reference will provide Minimum Standards for LSW, found in WPN 08-6, Attachment A. Failure to follow EPA guidelines for LSW could result in fines administered by the EPA as well as disallowed costs administered by the Department. **Reference: WPN 08-6, WPN 08-6, Attachment A – Minimum Standards for LSW, WPN 09-6**

Program Officer Jason A. Seale conducted an exit interview with RPMC staff members Mark Halsell, Lori Bufkin, Felix Taylor, Lacy Tamplen and Linda Urban.

Signature



Jason A. Seale
Energy Assistance Program Officer

6/4/10
Date

PY09 WEATHERIZATION MONITORING REPORT
OF
ROLLING PLAINS MANAGEMENT CORPORATION

ATTACHMENT A

Units Reviewed	Comments
13 units reviewed	8 DOE/LIHEAP, 2 ARRA – Returns noted below

Client	Return(s) To Address
DURRR1	Return to address infiltration in hot water heater closet by sealing/patching existing hole.
CJI101	Return to install discharge pipe from relief valve on existing hot water heater (IRC P2803.6.1)
PTH617	No returns necessary
RTY706	Return to install paneling/insulation and seal where 20K Btu wall furnace was installed. Noted during inspection that zoned non-conditioned space was open to conditioned living area.
APO201	No returns necessary
STH607	No returns necessary
ECR3615	Return to connect vent pipe extension from combustion appliance to outside.
JBR3211	Return to caulk/seal exterior attic access.
LVA2420	No returns necessary
DMA2417	Return to seal additional infiltration in master bedroom.

Action Required: Return and address. Upon completion, verification of returns must be submitted to the Department within thirty (30) days of this report.



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Juan S. Muñoz, Ph.D.

July 19, 2010

Mr. Felix Taylor
Executive Director
Rolling Plains Management Corporation
P.O. Box 490
Crowell, Texas 79227

Re: ARRA Weatherization Assistance Program Contract #16090000675

Dear Mr. Taylor:

Enclosed is a report that details the unit inspection review of your American Recovery and Reinvestment Act (ARRA) Weatherization Assistance Program (WAP) contract with the Texas Department of Housing and Community Affairs (the Department). This information is provided to ensure that compliance with the contract is maintained and that services to the poor, elderly, and disabled are offered in the most expeditious and economical manner.

The Department has identified **one (1) finding** requiring corrective action for the Weatherization Assistance Program. Please submit a response to this report to this office within thirty (30) days of the date of this letter.

If we can be of any assistance, please contact Jason A. Seale, Program Officer, at (512) 463-0172. The assistance provided to the Program Officer by Rolling Plains Management Corporation is greatly appreciated.

Sincerely,

A handwritten signature in black ink, appearing to be "SG", followed by a horizontal line.

Sharon Gamble
Manager
Energy Assistance Section

PY09 ARRA WAP UNIT INSPECTION REPORT
OF
ROLLING PLAINS MANAGEMENT CORPORATION

**WEATHERIZATION ASSISTANCE PROGRAM (WAP)
CORRECTIVE ACTION REQUIRED AND RECOMMENDED IMPROVEMENTS**

Dates of Review: June 7, 2010 – June 9, 2010

FOCUS OF REVIEW

CONTRACT NAME	CONTRACT NUMBER	CONTRACT AMOUNT	CONTRACT DATES
DOE/ARRA	16090000675	\$1,660,427.00	9/1/2009 to 8/31/2011

PROGRAM EVALUATION

The evaluation of the program consisted of sixteen (16) client file reviews, fifteen (15) on-site inspections, interviews with clients, and analysis of both quality of subcontractor workmanship and final inspection techniques.

The following was noted during the review:

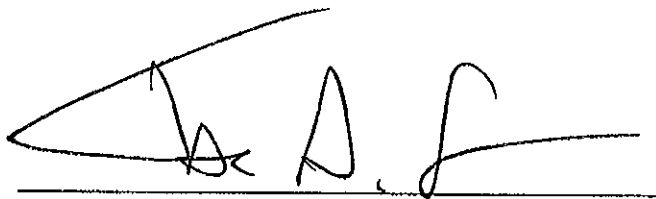
- Subcontractor workmanship deficiencies on one (1) client unit inspected.

PY09 ARRA WAP UNIT INSPECTION REPORT
OF
ROLLING PLAINS MANAGEMENT CORPORATION

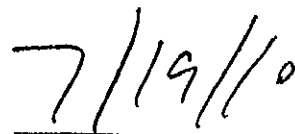
Performance Review

Finding #1: On-site home inspection of weatherized units revealed that one (1) of the fifteen (15) units inspected would require a return to address deficiencies in subcontractor workmanship. Deficiencies include additional ventilation to bring the unit above the Building Tightness Limit (BTL).

Action Required: RPMC must return to the client unit listed in Attachment A, and address the deficiency noted. RPMC must also assure the Department in its response to this report that proactive measures will be taken to prevent future instances of poor workmanship from its subcontractors. Those measures at a minimum should include periodic visits to client units while work is in progress, to ensure that the quality of work that is being performed meets RPMC's requirements, and the Department's expectations. **Reference: 10 CFR Part 440; §440.16 (g)**



Jason A. Seale
Program Officer, Energy Assistance



Date

PY09 ARRA WAP UNIT INSPECTION REPORT
OF
ROLLING PLAINS MANAGEMENT CORPORATION

ATTACHMENT A

Units Inspected – 15 ARRA

Unit Returns – 1 ARRA

Units Inspected	Fund Source	Return	Comments
FGO907	ARRA	Yes	Return to install additional ventilation to bring unit above the Building Tightness Limit (BTL)
ACO909	ARRA	No	No returns
EBA323	ARRA	No	No returns
KAN401	ARRA	No	No returns
MAL327	ARRA	No	No returns
VACANT [REDACTED]	ARRA	No	No returns
BPI905	ARRA	No	No returns
LNO901	ARRA	No	No returns
VACANT [REDACTED]	ARRA	No	No returns
JAL905	ARRA	No	No returns
KHO913	ARRA	No	No returns
RFI930	ARRA	No	No returns
DOW928	ARRA	No	No returns
BCL927	ARRA	No	No returns
STO931	ARRA	No	No returns



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Mr. Laurence Doxsey
Environmental Policy Director
City of San Antonio
P.O. Box 839966
San Antonio, Texas 78283

Re: DOE/ARRA Weatherization Assistance Program Contracts #16090000751

Dear Mr. Doxsey:

Enclosed is a report that details the follow-up monitoring of the City of San Antonio (COSA) Weatherization Assistance Program contract with the Texas Department of Housing and Community Affairs (The Department). This information is provided to ensure that compliance with the contract is maintained and that services to the poor, elderly, and disabled are offered in the most expeditious and economical manner.

The monitoring report includes six (6) findings and one (1) recommended improvement. Please submit a response to this report to this office within thirty (30) days of the date of this letter.

If we can be of any assistance, please feel free to contact J.R. Mendoza, Senior Program Officer, at (512) 936-7811. The assistance provided to the Program Officers by the agency is greatly appreciated.

Sincerely,

A handwritten signature in black ink, appearing to be "S. Gamble", followed by a horizontal line.

Sharon D. Gamble
Community Affairs Division

Cc: Ms. Sheryl Sculley, City Manager

**2009 WEATHERIZATION MONITORING REPORT
CITY OF SAN ANTONIO**

Directory of Monitoring Sections

Section I. Financial Reporting

Section II. Travel and Timesheets

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Section IV. Property Management

Section V. Procurement

Section VI. Audit

Section VII. Personnel Policies and Practices

Section VIII. Performance Review

Section IX. Administration

Section X. Multifamily

Section XI. Denied Files

**2009 WEATHERIZATION MONITORING REPORT
CITY OF SAN ANTONIO**

Dates of Review: May 10-13, 2010

FOCUS OF REVIEW

CONTRACT NAME	CONTRACT NUMBER	CONTRACT AMOUNT	CONTRACT DATES
DOE ARRA	16090000751	\$6,213,863.00	9/1/2009 to 8/31/2011

The May 10-13, 2010 on-site monitoring consisted of a review of the City of San Antonio (COSA) implementation of the Department of Energy's ARRA Weatherization Assistance Program. Specific areas of review included Financial Reporting, Contract Agreements, Procurement, Personnel, and the Management of the Department of Energy and Low Income Home Energy Assistance Program contracts.

PROGRAM EVALUATION

The evaluation of the program consisted of: interviews with the COSA personnel, analysis of the fiscal system, review of programmatic records, on-site inspections, client interviews, and inventory review. Additionally, COSA subcontracts the programmatic portion of the weatherization program to City Public Service (CPS), the utility provider for the City of San Antonio and surrounding areas. Programmatic monitoring was conducted at the CPS offices. This is the first year that COSA and CPS have operated a Weatherization Program from TDHCA. COSA performs the administrative oversight of the program and CPS conducts the outreach, intake, unit assessment, creation of work orders, manages the construction subcontractors who install the weatherization measures, performs the final inspections and maintain client files. CPS incurs the costs of program staff, weatherization materials and labor then requests reimbursement from COSA.

The following was noted during the review:

- LIHEAP Administrative expenditure percentage is above the allowable maximum of 5%
- Inconsistent Blower Door readings
- No documentation of compliance with 10 CFR 440 Appendix A
- No documentation of Lead Safe Work (LSW) practices
- A whole house evaluation was not thorough
- Missing documents in the client files
- Incorrect income documents were used to determine program eligibility

**2009 WEATHERIZATION MONITORING REPORT
CITY OF SAN ANTONIO**

Section I. Financial Reporting

EXPENDITURES AS OF AUGUST 2009

CONTRACT NAME	YEAR-TO-DATE EXPENDITURES	% OF ORIGINAL CONTRACT AMOUNT	# UNITS COMPLETED	# UNITS IN PROGRESS
DOE ARRA	\$350,519.10	6%	113	266

Recommended Improvement #1: At the time of monitoring, COSA Administrative expenditure percentage was at 9% which is above the maximum allowable percentage of 5%. The Department reminds COSA that the Administrative expenditure percentage must be at or below 5% by the end of the contract period. Failure to bring the Administrative percentage below the maximum will result in disallowed costs.

Reference: Contract Attachment A

Finding #1: Inconsistent Blower Door Readings A review of Blower Door Data Sheets showed inconsistent initial blower door readings compared to other initial and final blower door readings. Multiple blower door data sheets had initial readings of around 800 cfm at 50 pascals and the final blower door readings were above 1500 cfm with no measures performed to increase air infiltration.

Action

Required: As part of the response to this report, COSA must provide an assurance that all blower doors will be performed according to the manufacturer directions. This will provide the highest possibility of obtaining the correct reading on a unit. In addition, if training is required on the use of the blower door, a training request should be documented in the response to this report.

Reference: Texas Blower Door Standards

Finding #2: Inadequate Support Documentation for Material Standards At the time of monitoring, COSA did not have documentation that all weatherization materials installed by its contractors, met the minimum standards as stated by DOE. Failure to ensure each product meets DOE requirements will result in disallowed costs.

Required

Action: A copy of all material products used by each of its contractors must be maintained. In addition, each product must conform to DOE minimum standards. As part of the response to this report, COSA must provide a copy of the materials requiring specification, from each contractor. In addition COSA must provide an assurance that a file will be maintained to ensure all materials installed meet DOE requirements.

**2009 WEATHERIZATION MONITORING REPORT
CITY OF SAN ANTONIO**

Finding #3: Inadequate Support Documentation for LSW Practices At the time of monitoring, there was no documentation of LSW practices being performed on weatherized units built pre-1978. To ensure compliance that LSW practices are being performed according to EPA guidelines, policies should be created that detail the procedures to ensure LSW will be performed on each unit, when applicable and the process to verify that the practices are being performed. At a minimum, contractors should provide pictures of LSW practices on each unit and COSA or CPS should provide on-site verification of, LSW practices, on a certain percentage of pre-1978 units.

Required

Action: As part of the response to this report, COSA must ensure that verification of LSW practices will be performed. In addition, COSA should provide a copy of the policy that details how the verification will be performed.

Reference: DOE WPN 09-6 and EPA Final Rule

Finding #4: Deficiencies in Onsite Inspections Onsite inspection of weatherized units noted the following:

- A) Assessments of window air conditioners did not meter the unit to obtain the existing efficiency. Assessments contained efficiencies of the unit at the time it was manufactured. Obtaining efficiencies from the date the unit was manufactured may result in unreliable SIR readings in the NEAT audit.
- B) Proper tools and equipment were not purchased to perform thorough final inspections. Where as onsite unit inspections did not reveal major issues, final inspectors did not have adequate ladders or drills to climb in to attics or to check for wall insulation.
- C) An inspection of six (6) weatherized units, revealed two (2) units where exterior walls were not insulated. To comply with DOE and the State Historic review requirements CPS attempted to insulate exterior walls through the interior. In the two (2) units noted above, clients refused to have the wall insulated through the interior. CPS did not contact SHPO for approval to insulate the wall(s) through the exterior. This resulted in the wall(s) not being insulated, reducing the potential for additional energy savings. A SHPO review of the work order and other required documents, will provide the needed documentation to determine if certain weatherization measures can be performed.
- D) Revealed a return on each unit to address additional weatherization measures or measures that were not installed correctly. An inspection of two (2) units revealed heat sources not being blocked. In addition, in one (1) unit the contractor closed off the return air access for the air handler and in another unit, the contractor installed the floor insulation incorrectly.

Required

Action: As part of the response to this report,

- A) COSA must assure the Department that all window air conditioning units will be metered to obtain the existing efficiency and that these efficiencies will be

**2009 WEATHERIZATION MONITORING REPORT
CITY OF SAN ANTONIO**

documented in the assessment. COSA must also provide documentation of what tools or equipment (watt meters) was purchased to obtain the required readings.

Reference: DOE ARRA Contract Section 13

B) COSA must assure the Department that final inspectors will have the essential tools to provide a more thorough final inspection. COSA must provide documentation of the tools that were purchased. At a minimum, the Department recommends "A" frame ladders, drills, flashlights and screw drivers.

Reference: DOE ARRA Contract Section 13

C) COSA must develop a policy and assure the Department that all weatherization measures will be addressed regardless if it requires a review by SHPO. COSA must provide a copy of the policy with the response to this report.

Reference: DOE ARRA Contract Section 11

D) COSA must return to each unit and address all items as noted in Attachment A of this report. As part of the response to this report, COSA must provide documentation of the corrections.

Reference: DOE ARRA Contract Section 11

Finding #5: **Incomplete Blower Door Data Sheets** A review of ten (10) client files revealed Blower Door Data Sheets in four (4) client files that did not contain signatures of the individuals performing the Blower Door reading. In addition, three (3) client files did not contain documentation that the clients received the Lead safety pamphlet.

Action

Required: As part of the response to this report, COSA must provide an assurance and detail how it will ensure all required documents and forms will be completed and maintained in the client file, when applicable. COSA must return to 9316BARR, 9245ROUN and 9446MCKI to obtain a signature on the receipt of the Lead Safe Pamphlet and as part of the response to this report, provide a copy of these receipts.

Reference: DOE ARRA Contract Section 13

Finding #6: **Denied File Deficiency** A review of five (5) Denied files revealed one (1) file where the W-2 tax document was used to determine income eligibility. The use of the W-2 document resulted in the denial of services for client 9807LAMA. Program requirements require income documentation from the previous thirty (30) days from the date of application.

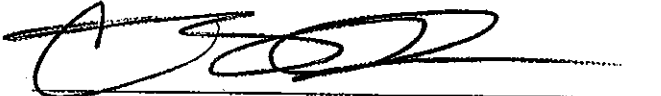
Action

Required: As part of the response to this report, COSA must provide an assurance that program eligibility determinations will be derived from the previous thirty (30) days income from the date of application. In addition, COSA must notify client 9807LAMA, that it will review its application and that updated income documentation must be submitted for determination of program eligibility. As part of the response to this report, COSA must provide an update on the status of this clients application.

Reference: DOE ARRA Contract Section 13

2009 WEATHERIZATION MONITORING REPORT
CITY OF SAN ANTONIO

Texas Department of Housing and Community Affairs representative, J.R. Mendoza participated in an exit conference with Mr. Laurence Doxsey, Mr. Philip Gates, Ms. Faouzia Stanley, Ms. Sarah Kirby and Ms. Maria Koudouris.



Celedonio Mendoza Jr.
Senior Program Officer

6/17/2010

Date

**2009 WEATHERIZATION MONITORING REPORT
CITY OF SAN ANTONIO**

ATTACHMENT A

Unit	Funding Source	If Material was not installed correctly, list deficiencies? (Units will receive a return to correct the deficiencies)
9137ARLI	ARRA	Block Heat sources
95442SANT	ARRA	Weatherstrip door to the furnace Block around furnace access Provide additional return air for air handler
9140BETA	ARRA	Address wall insulation on exterior wall Floor insulation was installed incorrectly. Remove and reinstall.
9410RUNN	ARRA	Return and address ducts
9245ROUN	ARRA	No Return
9121ROUN	ARRA	No Return



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Juan S. Muñoz, Ph.D.

July 23, 2010

Mr. Robert Phillips
Executive Director
Sheltering Arms Senior Services, Inc.
3838 Aberdeen Way
Houston, Texas 777025

Re: ARRA Weatherization Assistance Program Contract #16090000673
Unit Inspection Report

Dear Mr. Phillips:

Enclosed is a report that details the unit inspection review of Sheltering Arms Senior Services, Inc. (SASS) Weatherization Assistance Program (WAP) contract with the Texas Department of Housing and Community Affairs (the Department). This information is provided to ensure that compliance with the contracts is maintained and that services to the poor, elderly, and disabled are offered in the most expeditious and economical manner.

The monitoring report includes **four (4) findings**. Please submit a response to this report to this office within thirty (30) days of the date of this letter.

If we can be of any assistance, please feel free to contact David Escamilla, Sr. Program Officer, at (512) 475-3859. The assistance provided to the Program Officer by the agency is greatly appreciated.

Sincerely,

A handwritten signature in black ink, appearing to read "S. Gamble", with a horizontal line extending to the right.

Sharon Gamble
Manager
Energy Assistance Section

Cc: Mr. Keith Rowden, Board Chair

PY09 ARRA WAP UNIT INSPECTION REPORT
OF
SHELTERING ARMS SENIOR SERVICES, INC.

AMERICAN RECOVERY AND REINVESTMENT ACT OF 2009 (ARRA)
WEATHERIZATION ASSISTANCE PROGRAM (WAP)

Dates of Review: May 10, 2010 – May 13, 2010

FOCUS OF REVIEW

CONTRACT NAME	CONTRACT NUMBER	CONTRACT AMOUNT	CONTRACT DATES
DOE/ARRA	16090000673	\$11,176,032.00	9/1/2009 to 8/31/2011

PROGRAM EVALUATION

The evaluation of the program consisted of eighty-three (83) client file reviews, eighty-three (83) on-site inspections, interviews with clients, and analysis of both quality of subcontractor workmanship and final inspection techniques.

The following was noted during the review:

- Subcontractor workmanship deficiencies on seventeen (17) units requiring returns.
- Inadequate Client File Documentation
- Inadequate Energy Audit Procedures
- Inadequate Building Weatherization Reports (BWR)

PY09 ARRA WAP UNIT INSPECTION REPORT
OF
SHELTERING ARMS SENIOR SERVICES, INC.

Performance Review

Finding #1:

Unit Inspection Returns

On-site inspection of weatherized units revealed that seventeen (17) of the eighty-three (83) units inspected would require a return to address issues concerning weather stripping installation, additional air infiltration measures and addition of mechanical ventilation to bring two units above the Building Tightness Limit (BTL).

Action Required:

Sheltering Arms Senior Services, Inc. (SASS) must return to the client units listed in Attachment A, and address the issues noted. SASS must also assure the Department in its response to this report that proactive measures in its final inspection procedures will be taken to prevent future instances of returns from its subcontractors. Those measures at a minimum should include periodic visits to client units while work is in progress, to ensure that the quality of work that is being performed meets the Department's requirements and expectations. **Reference: 10 CFR §440.16 (g)**

Finding #2:

Inadequate Client File Documentation

A review of the client files revealed that SASS is not completing documentation as required by the contract. Of the eighty-three (83) client files reviewed:

- Thirteen (13) files were missing appliance assessment forms.
- All eighty-three (83) files contained wall and attic inspection forms with dates that are identical to the work end date on the BWR.
- One (1) file contained a final blower door data sheet completed before the work end date on the BWR.

Action Required:

SASS must provide the Department with a written procedure indicating how the agency will comply with the requirement of complete documentation as required by the contract. The written procedure must be submitted in response to this report. **Reference: ARRA Contract Section 13 (B)(11), ARRA Contract Section 13 (B)(12)**

PY09 ARRA WAP UNIT INSPECTION REPORT
OF
SHELTERING ARMS SENIOR SERVICES, INC.

Finding #3

Inadequate Energy Audit Procedures

Of the eighty-three (83) client files reviewed, seventeen (17) files revealed measures listed on the BWR that were not entered in the NEAT Audit. No documentation was provided explaining the measures installed into the applicable units without justification.

Action Required:

As part of the response to this report, SASS must input the omitted measures into in the NEAT Audit to determine if installed measures are allowable. Additionally, SASS must submit documentation to the Department for all measures installed in all applicable units and any pertinent documentation supporting if a measure was or was not allowable to be installed from the revised NEAT Audit. Any measure installed that does not meet the criteria of a Savings-to-Investment Ratio (SIR) of one (1) or greater will be disallowed. A list of the referenced units can be found in Attachment B of this report. **Reference: TAC §5.527 (a)**

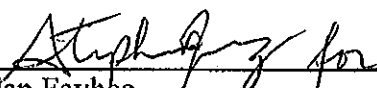
Finding #4

Inadequate Building Weatherization Reports (BWR)

A review of the client files revealed that SASS is not completing the BWR's as required by the contract. One (1) client file did not contain the Building Weatherization Report (BWR), but was recovered prior to exiting the file review. The BWR was accurate once reviewed. Seven files indicated that efficiency measures were not properly entered into the Energy Audit.

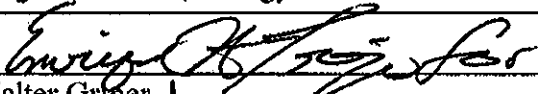
Action Required:

SASS must provide the Department a written procedure indicating how the agency will comply with the requirement of filling out the BWR as required by the contract. The written procedure must be submitted in response to this report. **Reference: ARRA Contract Section 13 (B)(4)**



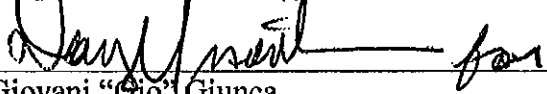
Brian Fayhee
Program Officer, Energy Assistance

7/22/2010
Date



Walter Griner
Program Officer, Energy Assistance

7/22/2010
Date



Giovanni "Gio" Giunca
Program Officer, Energy Assistance

7/22/2010
Date

Units Inspected – 83 ARRA

Unit Returns – 17 ARRA

Units Inspected	Funding Source	Return	Comments
C2702	ARRA	No	No returns necessary
C0272	ARRA	No	No returns necessary
C2701	ARRA	No	No returns necessary
C2704	ARRA	No	No returns necessary
C2703	ARRA	No	No returns necessary
C02706	ARRA	No	No returns necessary
C2708	ARRA	No	No returns necessary
C2709	ARRA	No	No returns necessary
C2710	ARRA	No	No returns necessary
C2711	ARRA	No	No returns necessary
C209A	ARRA	No	No returns necessary
C208A	ARRA	No	No returns necessary
C207A	ARRA	No	No returns necessary
C0204C	ARRA	No	No returns necessary
C203	ARRA	No	No returns necessary
C0202C	ARRA	No	No returns necessary
C0200C	ARRA	No	No returns necessary
C0199C	ARRA	No	No returns necessary
C0197C	ARRA	No	No returns necessary
207B	ARRA	No	No returns necessary
C2723	ARRA	No	No returns necessary
C2722	ARRA	No	No returns necessary

Units Inspected – 83 ARRA

Unit Returns – 17 ARRA

Units Inspected	Funding Source	Return	Comments
C2721	ARRA	No	No returns necessary
C2719	ARRA	No	No returns necessary
C2717	ARRA	No	No returns necessary
C2716	ARRA	No	No returns necessary
C02715	ARRA	No	No returns necessary
C02714	ARRA	No	No returns necessary
C02713	ARRA	No	No returns necessary
C02712	ARRA	No	No returns necessary
C0197B	ARRA	No	No returns necessary
C0204A	ARRA	No	No returns necessary
C0203A	ARRA	No	No returns necessary
C0202A	ARRA	No	No returns necessary
C0201A	ARRA	No	No returns necessary
C0199A	ARRA	No	No returns necessary
C0198A	ARRA	No	No returns necessary
C2705	ARRA	No	No returns necessary
C2724	ARRA	No	No returns necessary
C209B	ARRA	No	No returns necessary
C204B	ARRA	No	No returns necessary
C0203B	ARRA	No	No returns necessary
C0198B	ARRA	No	No returns necessary
C0200B	ARRA	No	No returns necessary

Units Inspected – 83 ARRA

Unit Returns – 17 ARRA

Units Inspected	Funding Source	Return	Comments
C0106	ARRA	No	No returns necessary
C0243	ARRA	No	No returns necessary
C0244	ARRA	No	No returns necessary
C0245	ARRA	No	No returns necessary
C0247	ARRA	No	No returns necessary
C0248	ARRA	No	No returns necessary
C0266	ARRA	Yes	Return to caulk/seal at window frame to trim
C0268	ARRA	Yes	Return to adjust weatherstrip at HVAC closet door to frame
C0269	ARRA	Yes	Return to adjust weatherstrip at HVAC closet door to frame
C0271	ARRA	Yes	Return to adjust weatherstrip at HVAC closet door to frame
C0228	ARRA	No	No returns necessary
C0262	ARRA	No	No returns necessary
C0259	ARRA	Yes	BTL calculated at 932cfm @ 50Pa. Blower door reading at inspection was 747cfm @ 50Pa. Return to install additional ventilation to bring unit above the BTL.
C0215	ARRA	Yes	Return to adjust weatherstrip at HVAC closet door to frame
C0216	ARRA	Yes	Return to adjust weatherstrip at HVAC closet door to frame
C0221	ARRA	Yes	Return to adjust weatherstrip at HVAC closet door to frame
C0222	ARRA	Yes	Return to adjust weatherstrip at HVAC closet door to frame

Units Inspected – 83 ARRA

Unit Returns – 17 ARRA

Units Inspected	Funding Source	Return	Comments
C0223	ARRA	No	No returns necessary
C0224	ARRA	Yes	Return to adjust weatherstrip at HVAC closet door to frame
C0251	ARRA	Yes	Return to adjust weatherstrip at HVAC closet door to frame
C0254	ARRA	Yes	BTL calculated at 932cfm @ 50Pa. Blower door reading at inspection was 919cfm @ 50Pa. Return to install additional ventilation to bring unit above the BTL.
C0255	ARRA	Yes	Return to adjust weatherstrip at HVAC closet door to frame
C0258	ARRA	No	No returns necessary
C0260	ARRA	No	No returns necessary
C0261	ARRA	No	No returns necessary
Bldg. 18, [REDACTED]	ARRA	No	No returns necessary
Bldg. 18, [REDACTED]	ARRA	Yes	Return to add weatherstripping to back door
Bldg. 18, [REDACTED]	ARRA	No	No returns necessary
Bldg. 18, [REDACTED]	ARRA	No	No returns necessary
Bldg. 18, [REDACTED]	ARRA	Yes	Return to patch holes in ceiling above furnace Return to place weatherstripping around furnace door frame
Bldg. 18, [REDACTED]	ARRA	Yes	Return to add caulking to the bottom portion of both windows in north-facing bedroom upstairs
Bldg. 18, [REDACTED]	ARRA	Yes	Return to add weatherstripping around furnace door frame
Bldg. 15, [REDACTED]	ARRA	No	No returns necessary

Units Inspected – 83 ARRA

Unit Returns – 17 ARRA

Units Inspected	Funding Source	Return	Comments
Bldg. 16, [REDACTED]	ARRA	No	No returns necessary
Bldg. 16, [REDACTED]	ARRA	No	No returns necessary
Bldg. 16, [REDACTED]	ARRA	No	No returns necessary
Bldg. 16, [REDACTED]	ARRA	No	No returns necessary
Bldg. 16, [REDACTED]	ARRA	Yes	Return to patch sheet rock in closet around furnace to reduce air infiltration
C0186B	ARRA	No	No returns necessary
C201B	ARRA	No	No returns necessary

SASS must return and address all units as indicated and include in its response to this report within thirty (30) days a summary of all actions and measures taken to address the units indicated above.

ATTACHMENT B

Units Related To Finding #3 of SASS PY09 ARRA WAP Unit Inspection Report

C2708

C02712

C2709

C02715

C02714

C02713

C207A

C02706

C02707

C2711

C2721

C2705

C2716

C2722

C2701

C2702

C2703



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Juan S. Muñoz, Ph.D.

June 3, 2010

Mr. Bill Powell
Executive Director
South Plains Community Action Association
P. O. Box 610
Levelland, TX 79336

Re: Department of Energy Weatherization Assistance Program Contract #56090000472
Department of Energy ARRA Weatherization Assistance Program Contract #16090000676
LIHEAP Weatherization Assistance Program Contract #81090000505
Southwestern Public Service Weatherization Program Contract#409066

Dear Mr. Powell:

Enclosed is a report that details the monitoring review of South Plains Community Action Association's, Inc. (SPCAA) Weatherization Assistance Program contracts with the Texas Department of Housing and Community Affairs (The Department). This information is provided to ensure that compliance with the contracts is maintained and that services to the poor, elderly, and disabled are offered in the most expeditious and economical manner.

The monitoring report includes two (2) recommended improvements and twelve (12) findings. Please submit a response to this report to this office within forty-five (45) days of the date of this letter.

If we can be of any assistance, please feel free to contact Rosy L. Falcon, Program Officer, at (512) 936-7810. The assistance provided to the Program Officer by the agency is greatly appreciated.

Sincerely,

A handwritten signature in black ink, appearing to be "S. Gamble", with a horizontal line extending to the right.

Sharon Gamble
Manager
Energy Assistance Section

CC: Joe Dee Brooks

Directory of Monitoring Sections

- Section I. Financial Review
- Section II. Travel and Timesheets
- Section III. General Liability and Pollution Occurrence Insurance
- Section IV. Property Management
- Section V. Procurement
- Section VI. Audit
- Section VII. Personnel Policies and Practices
- Section VIII. Performance Review and Onsite Inspections
- Section IX. Administrative
- Section X. Client File Review Work Sheet and Multi-Family Review
- Section XI. Denied Files
- Section XII. Summary

**2009 WEATHERIZATION MONITORING REPORT
OF
SOUTH PLAINS COMMUNITY ACTION ASSOCIATION**

Dates of Review: April 5-8, 2010

FOCUS OF REVIEW

CONTRACT NAME	CONTRACT NUMBER	* CONTRACT AMOUNT	CONTRACT DATES
DOE	56090000472	\$182,303.00	4/1/2009 to 3/31/2010
LIHEAP	81090000505	\$202,041.00	4/1/2009 to 3/31/2010
DOE ARRA	16090000676	\$821,522.00	9/1/2009 – 8/31/2011
Southwestern Public Service	409066	\$63,024.00	1/1/2009 to 12/31/2009

* Latest contract amendments

On-site review of the South Plains Community Action Association's, (South Plains CAA) implementation of the Department of Energy's and Low Income Home Energy Assistance Program's Weatherization Assistance Program (WAP). Specific areas of review included Financial Reporting, Contract Agreements, Procurement, Personnel, and the Management of the Department of Energy and Low Income Home Energy Assistance Program contracts.

PROGRAM EVALUATION

The evaluation of the program consisted of: interviews with the South Plains CAA personnel, analysis of the fiscal system, review of programmatic records, on-site inspections, client interviews, and inventory review.

The following was noted during the review:

- Low Expenditures in ARRA, LIHEAP, and DOE contracts.
- Monthly general ledgers did not reconcile with the expenditure reports submitted.
- DOE and LIHEAP Administrative expenditures were above the maximum allowed.
- Lack of support documentation for expenditures in PY 09 and PY 08 closeout.

**2009 WEATHERIZATION MONITORING REPORT
OF
SOUTH PLAINS COMMUNITY ACTION ASSOCIATION**

- Staff timesheets contained inadequate information.
- Travel funds were used for an unapproved training event.
- Lack of documentation for maintenance of equipment and vehicle.
- Contractor contracts lacked the “Rights to Inventions Made Under a Contract or Agreement” clause.
- Personnel Policies lacked compliance with protection against “political affiliation or belief.”
- Lack of documentation of services and outreach efforts in Bailey and Yoakum Counties.
- Energy Audits completion date was the same date as the weatherization work completion date.
- Health and Safety, Attic, Foundation, Window, Mobile Home, Water Heater, Baseload Measures, Air Conditioning, and Energy Repair Measures were not adequately addressed.
- Weatherized homes were found to have various deficiencies in measure installation.
- Weatherized homes with gas appliances did not have a Carbon Monoxide detector and/or smoke alarm installed.
- Incorrect R-values, Heating/Cooling Costs, and Appliance Efficiencies were inputted into the audit and the Building Weatherization Report had significant deficiencies when compared to the Audit.
- Client files were incomplete and were found to have insufficient information.

**2009 WEATHERIZATION MONITORING REPORT
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SOUTH PLAINS COMMUNITY ACTION ASSOCIATION**

Section I. Financial Review

EXPENDITURES AS OF FEBRUARY 2010

CONTRACT NAME	YEAR-TO-DATE EXPENDITURES	% OF ORIGINAL CONTRACT AMOUNT *	# UNITS COMPLETED	# UNITS IN PROGRESS
DOE	\$71,349.31	39.14%	21	10
DOE ARRA	\$43,992.23	5.35%	0	0
LIHEAP	\$64,479.08	31.91%	21	10
SPS	\$45,802.35	72.67%	19	0

* At the time of monitoring

Finding#1: A review of the January 2010 Monthly Expenditure Report for LIHEAP and DOE revealed inconsistent reporting between the Monthly Expenditure Reports and South Plains CAA general ledger. The DOE Monthly Expenditure Report showed the Agency was under reporting \$915.20 in their Administrative expenditures and \$884.00 for their LIHEAP Administrative expenditures. A review of additional months was required in order to identify the funds in question.

Action Required: It is expected that South Plains Community Action Agency (South Plains CAA) will adhere to all accounting requirements in order to maintain accounting records reconciled with the monthly expenditure reports. It is highly recommended that South Plains CAA add a variance report to their working papers in order to account for variances that may happen due to a difference in closing dates for funding sources and the Agency. **Reference: OMB Circular A-110, Subpart C_.21**

Recommended Improvement #1: As of February 2010 the ratio of the Administrative expenditure for DOE was at 8.74% and at 13.36% for LIHEAP, well above the maximum allowable expenditure. South Plains CAA is reminded that expenditure for Administration must be at or below 5% for DOE and at or below 7.22% for LIHEAP by the end of the contact term. Immediate attention must be paid to production schedules in order to meet the above mentioned ratio. Any expenditure above the allowable maximum expenditure is subject to disallowed costs. **Reference: DOE, DOE ARRA, and LIHEAP Contract Attachment A.**

**2009 WEATHERIZATION MONITORING REPORT
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Finding #2: A review of South Plains CAA's expenditures revealed inadequate support documentation in three out of twenty expenditures reviewed. Nine out of twenty expenditures lacked an itemized material and labor charge per fund for charges related to client homes. One out of the twenty expenditures utilized LIHEAP labor funds in the amount of \$1,850.00 with check #40758 for repair of the Muleshoe office. The re-classification of this expenditure was completed at the time of monitoring.

Required Action: South Plains CAA must include sufficient support documentation for all Weatherization Assistance Program expenditures. Any procurement expenditures must include a copy of the South Plains CAA's Record of Procurement form along with a copy of the invoice and Program Voucher. All expenditures related to Weatherization Assistance Program measures installed in client homes must be accompanied with an invoice which clearly delineates each material and labor charge per fund, along with a copy of the Program Voucher. South Plains is reminded that any expenditures under DOE, DOE ARRA, and LIHEAP material and labor charges are for Weatherization Assistance Program measures installed in income eligible households only. **Reference: OMB Circular A-110, Attachment C_.21 (b) (2) (3) (4), 1 T.A.C. §5.141**

Finding #3: As of February 2010 South Plains CAA has expended 31.91% of funds in LIHEAP, 39.14% in DOE, and 5.35% in ARRA while 92% of their DOE and LIHEAP and 20.8% of their ARRA contract period has expired.

Action Required: South Plains CAA must submit to the Department in response to this report a plan of action detailing how they plan to expedite expenditures for the Weatherization Assistance Program. **Reference: OMB Circular A-110, Subpart C_.21 (b) (2) (3) (4), 1 T.A.C. §5.141**

Finding #4: A review of PY08 closeout expenditures revealed inadequate support documentation for two out of the nine expenditures reviewed. The support documentation for check #399623 in the amount of \$2,868.22 for roofing materials was not adequate to substantiate the expenditure of Weatherization Assistance Program funds. The support documentation reviewed lacked the location information for which the materials were purchased for. In addition, the support documentation for the purchase of 24 refrigerators with check #400037 in the amount of \$13,169.88 was inadequate in tracing the refrigerator installation to 24 income eligible households. This lack of adequate support documentation resulted in \$16,038.10 in questioned costs.

Action Required: South Plains CAA must submit adequate support documentation to the Department as part of their response to this report in order to substantiate the above mentioned expenditures. South Plains CAA must include the location for

**2009 WEATHERIZATION MONITORING REPORT
OF
SOUTH PLAINS COMMUNITY ACTION ASSOCIATION**

which the roofing materials were purchased for as well as document how it was an eligible household. Any expenditure lacking the appropriate support documentation is subject to disallowed costs. **Reference: 10 CFR 440.18**

Section II. Travel and Timesheets

Recommended Improvement #2: In order to clearly have timesheets substantiate expenditures the Department strongly recommends the inclusion of Weatherization Assistance Program staff position titles to all timesheets. **Reference: OMB Circular A-122 Attachment B § 8**

Finding #5: A review of South Plains CAA's Training and Technical Assistance support documentation revealed the use of Training and Technical Assistance funds for attendance at Housing Quality Standards training. There was a lack of sufficient support documentation detailing the benefits the Weatherization Assistance Program stands to gain from this expenditure. This lack of documentation revealed \$790.00 in questioned costs.

Action Required: South Plains CAA is expected to submit to the Department adequate support documentation that substantiates the expenditure as part of their response to this report. The support documentation is to include, but is not limited to, a copy of the detailed Housing Quality Standards training curriculum and any information detailing the benefit to the Weatherization Assistance Program. The Department reminds South Plains CAA that Training and Technical Assistance funds are only for trainings which show a direct benefit to the Weatherization Assistance Program. **Reference: ARRA Contract Section 35, DOE and LIHEAP Contracts Section 29.**

Section IV. Property Management

Finding #6: South Plains CAA had insufficient maintenance records.

Action Required: South Plains CAA must ensure that adequate maintenance procedures are developed, that maintenance records are kept up to date, and that the vehicles and equipment are kept in good working order. Current vehicle and equipment must be inspected to determine if any maintenance is needed. If it is determined that any equipment and/or the vehicle is in need of repair or maintenance appropriate action must be taken immediately. As South Plains CAA's vehicle and equipment inventory is going to increase soon, they must ensure the implementation of maintenance procedures and maintenance records is done prior to the use of such goods. **Reference: 10 CFR 600.134 (f) (5) and 10 CFR 600.232 (d) (4)**

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Section V. Procurement

Finding #7: South Plains CAA's procurement contracts are missing the contract provision for "Rights to Inventions Made Under a Contract or Agreement" within the contractor contracts.

Action Required: South Plains CAA must amend their current contractor contracts to provide for the inclusion of the above mentioned contract clause. South Plains CAA must include this as part of the response to this report. **Reference: OMB A-110 Appendix A**

Section VII. Personnel Policies and Practices

Finding #8: A review of South Plains CAA Personnel Policies and Procedures revealed a missing provision in the Personnel Policies' Equal Opportunity Statement. South Plains CAA current Equal Opportunity Statement does not include for the protection against political affiliation or belief.

Action Required: South Plains CAA must immediately implement the inclusion to the current Equal Opportunity Statement as this is a pending issue from the PY 08 monitoring. A copy of the Agency's updated Policies and Procedures must be submitted to the Department as part of their response to this report. **Reference: ARRA Contract Section 32, DOE and LIHEAP Contracts Section 27.**

Section VIII. Performance Review

Finding #9: A review of South Plains CAA February 2010 Monthly Expenditure Report revealed a lack of weatherization services and outreach activities in Bailey, and Yoakum Counties.

Action Required: South Plains CAA must ensure that they serve their service area in an equitable basis. In addition, a well documented record must be kept for all outreach related activities throughout the service area. Special attention must be paid to those areas that have been historically underserved. **Reference: DOE and LIHEAP Contract Section 3, Texas Administrative Code §5.703**

Finding #10: South Plains CAA is performing inadequate onsite inspections of the homes they weatherize. The Health and Safety issues, Attic, Foundation, Floor, Window, Mobile Home, Water Heater, Baseload, Air Conditioner, and Energy Repair measures were not adequately addressed.

**2009 WEATHERIZATION MONITORING REPORT
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The onsite review also revealed that South Plains CAA was not conducting thorough final inspections of units weatherized. The units require a return to seven (7) out of the eleven (11) units inspected for additional work to assure compliance with current program requirements.

**Required
Action:**

South Plains CAA must ensure all assessors and inspectors are adequately trained to perform assessments/inspections taking the whole house approach. All measures that could be addressed in the home should be assessed. All assessment forms must be adequately completed to reflect what the assessment of each item resulted in; if a measure must be omitted a reason why must be clearly documented.

In order to insure program compliance, South Plains CAA must return and address units as indicated in Attachment A of this report. As part of the response to this report, South Plains CAA must submit a written plan that outlines how final inspections will be more thorough and comprehensive. **Reference: ARRA Contract Section 13 B (F), Weatherization Field Guide**

Section IX. Administrative

Finding #11: A review of the Agency's Easy Energy Audit system revealed the incorrect data was entered in the Audit. The Building Weatherization Report did not parallel the Energy Audit.

**Required
Action:**

South Plains CAA is expected to begin using the NEAT Audit and ensure that the correct values are entered. The Department is gearing up to discontinue the use of the Easy Energy Audit thus spending time adjusting this audit and continuing to use it will not be beneficial to the Agency and its production goals. The Agency's time will be better utilized working on the NEAT Audit. **Reference: 10 C.F.R. 440.21, 10 C.F.R. 600.121 (3) & 220**

Section X. Client File Review Worksheet

Finding #12: A review of South Plains CAA client files revealed client file deficiencies in eleven (11) out of the thirteen (13) files reviewed in the completion of the Weatherization Assistance Program required forms. All of the client files contained invoices and Building Weatherization Reports that did not clearly document which measures were charged to each fund. Please refer to table below for the specific deficiencies and required action for each. These deficiencies revealed \$15,758.70 in questioned costs and \$3,949.40 in disallowed costs.

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**Action
Required:**

South Plains CAA must submit documentation as listed below to the Department as part of their response to this report. South Plains Community Action Agency must provide the Department a written procedure indicating how the agency will comply with the requirement of completing the forms as required by the contract. The written procedure must be submitted in response to this report. Any item lacking sufficient support documentation will result in disallowed costs.
Reference: Texas Administrative Code §5.526, DOE and LIHEAP Contracts Section 10, ARRA Contract Section 13, Texas Administrative Code §5.20

CDD#	DEFICIENCY/REQUIRED ACTION
09-TE-0004	<p>Incomplete income. This revealed \$5,720.30 in questioned costs. Agency must provide the income documentation for Laren Garcia.</p>
09-LY-0004	<p>Incomplete income. The interim blower door test was conducted after the work end date on the building weatherization report (BWR). This review revealed \$2,286.00 in questioned costs. Agency must obtain a complete 30 days of income for Mary Salinas. Agency is reminded that an interim blower door test is to be done prior to any work completion and typically while the work is still undergoing.</p>
09-LA-0001	<p>Incomplete income. Easy Audit indicates that it was completed and dated on the same day as the work end date on the BWR. File indicated that the wall and attic inspection form dates were from before the application date. Initial blower door test date on the form is before the application date. The agency and client signature was missing on the BWR. This review revealed \$2,288.40 in questioned costs. Agency must obtain income documentation for Kimberly Spoon. The Agency must send the appropriate staff to the next available Weatherization Management Course in order to assure they are prepared to accurately complete the needed forms. Any future Audits reflecting the same information will result in disallowed costs as it is in direct violation with Texas Administrative Code §5.526. The Agency must obtain the signature of the client certifying that they are satisfied with the work done. The Agency must submit supporting documentation to the Department as part of their response to this report.</p>
09-YO-0002	<p>The blower door interim test was conducted 7 months before the work start date on the Building Weatherization Report The certification date on the BWR is before the work end date. Agency must send the appropriate staff to the next available Weatherization Management Course in order to assure they are prepared to accurately complete the needed forms.</p>
09-GA-0004	<p>Declaration of Income Statement was missing the Executive and Program Director signature and date. The interim blower door test was conducted 3 months before the work start date on the BWR. Agency must correct this issue immediately. The Agency must send the appropriate staff to the next available Weatherization Management Course in order to assure they are prepared to accurately complete the</p>

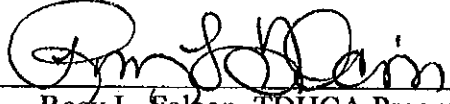
**2009 WEATHERIZATION MONITORING REPORT
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SOUTH PLAINS COMMUNITY ACTION ASSOCIATION**

09-LY-0001	<p>needed forms.</p> <p>Final blower door tests were conducted 2 months after the work end date on the building weatherization report.</p> <p>South Plains CAA is reminded that the final blower door test must be completed after all work is completed and prior to approving the home for payment. Agency must provide documentation showing that contractors were not paid prior to finalizing the home. If contractor was paid prior to conducting the final blower door the Agency must submit documentation detailing how they were sure the work completed was done correctly.</p>
09-LY-0002	<p>Final blower door tests were conducted 2 months after the work end date on the building weatherization report.</p> <p>South Plains CAA is reminded that the final blower door test must be completed after all work is completed and prior to approving the home for payment. Agency must provide documentation showing that contractors were not paid prior to finalizing the home. If contractor was paid prior to conducting the final blower door the Agency must submit documentation detailing how they were sure the work completed was done correctly.</p>
09-GA-0003	<p>The blower door interim test was done two weeks before the work start date on the BWR.</p> <p>The Agency must send the appropriate staff to the next available Weatherization Management Course in order to assure they are prepared to accurately complete the needed forms.</p>
09-LA-0003	<p>Easy Audits indicated that they were done and dated on the same day as the work end date on the BWR. The windows did not rank as a repair/replace measure in the Audit. This revealed \$3,949.40 in disallowed costs.</p> <p>The Agency must send the appropriate staff to the next available Weatherization Management Course in order to assure they are prepared to accurately complete the needed forms. Any future Audits reflecting the same information will result in disallowed costs as it is in direct violation with Texas Administrative Code §5.526. The Agency must reimburse the Department \$3,949.40; BWR did not clearly reflect which measures were paid by each grant. The Agency must submit a BWR that clearly reflects which items were charged to which fund. The Agency is reminded that in order to replace windows the measure must rank with an SIR of 1 or better.</p>
09-HO-0001	<p>The final blower door reading is 3 months before the work end date on the Building Weatherization Report. The water heater was replaced under other repairs instead of Health and Safety. There was a gas stove present and staff did not perform an assessment of the appliance.</p> <p>The Agency must transfer the water heater cost to the Health and Safety category and submit the supporting documentation to the Department. The Agency is reminded that all combustible appliances must be tested for CO and assessed and the assessment must be documented and kept in the file.</p>
09-HO-0004	<p>The stove, gas line repair and furnace were all charged to other measures instead of Health and Safety. The refrigerator replacement was not justified with an assessment form. EZ Audit showed no measures installed had an SIR of 1 or better, and the whole house SIR was 0.00, therefore under Program regulations this home was ineligible for services. Monoxer calibration was done indoors next to the stove to be tested. This review resulted in \$5,464.00</p>

2009 WEATHERIZATION MONITORING REPORT
OF
SOUTH PLAINS COMMUNITY ACTION ASSOCIATION

in questioned costs for this home.
SPCAA must redo the Easy Audit and submit the revised audit to the Department for review. Any measure installed that does not rank will be a disallowed cost. In addition SPCAA must transfer the cost of the stove, gas line repair and furnace to the Health and Safety category and submit supporting documentation to the Department. Included within the support documentation must be the assessment of the stove along with the CO readings necessary to replace the stove with Health and Safety funds. The Agency must submit the assessment form for the refrigerator documenting the need for the replacement. Failure to submit necessary documents supporting the measures done will result in disallowed costs. SPCAA must also request from the Department training on insulating mobile homes as they will be expected to insulate the mobile homes if needed.

Texas Department of Housing and Community Affairs representatives, Rosy L. Falcon and Walter Griner participated in an exit conference with Bill Powell, Executive Director, Veronica Herrera, Accountant, Henry Terango, Director of Housing, and Christopher Cristan, Weatherization Coordinator.

Signature: 
Rosy L. Falcon, TDHCA Program Officer

5/28/2010
Date

Signature: 
Walter Griner, TDHCA Program Officer

5/28/2010
Date

**2009 WEATHERIZATION MONITORING REPORT
OF
SOUTH PLAINS COMMUNITY ACTION ASSOCIATION**

ATTACHMENT A

Units Inspected	Fund Source	Return	Comments
09-GA-002	DOE/LIHEAP/ SPS	Yes	Return to vent attic. Repair water heater to code specifications. Not practicing Lead Safe Work practices. 3500 @ 50 Final Blower Door reading on BWR. 1957 @ 50 Final Blower Door reading on Blower Door form. 1622 @ 50 Blower Door reading at time of monitoring. Texas Weatherization Field Guide-Attic ventilation Pg.53 Water Heater Measures Pg.32
09-GA-0004	DOE/LIHEAP/ SPS	Yes	Return to vent attic. Install parting stop on living room window by couch. Install bottom sash on the interior of window installed in left bedroom at entrance. Install door on water heater closet in kitchen and repair to code specifications. Texas Weatherization Field Guide-Attic ventilation Pg.53 Water Heater Measures Pg.32 Window installation and repairs. Pg.72
09—LY-0002	DOE/LIHEAP SPS	No	No return.
09-GA-0003	DOE/LIHEAP SPS	No	No return
09-GA-0004	DOE/LIHEAP SPS	No	No return.
09-LY-0001	DOE/LIHEAP SPS	No	No return.
09-HO-0004	DOE/LIHEAP SPS	Yes	Return to replace vent in the kitchen. Address the needed belly insulation for the mobile home. 2280 @ 50 Final Blower Door Reading 3583 @ 50 Blower Door Reading at time of monitoring.
09-HO-0001	DOE/LIHEAP/ SPS	Yes	Address the water heater vent pipe; it was not given enough clearance from combustibile material. Return to vent the attic. 2012 @ 50 Final Blower Door Reading 2294 @ 50 Blower Door Reading at time of monitoring.
09-LA-0003	DOE/LIHEAP/ SPS	Yes	Address the water heater vent pipe; it was not given enough clearance from combustibile material. Return to vent water heater to through the roof. Return to install smoke detector and carbon monoxide detector. Return to address the rubber gas pipe from the unvented space heater in the master bedroom. 2200 @50 Final Blower Door Reading 2056 @ 50 Blower Door reading at time of monitoring.
09-LA-0001	DOE/LIHEAP/	Yes	Return to address the unvented space heaters; address weather-

**2009 WEATHERIZATION MONITORING REPORT
OF
SOUTH PLAINS COMMUNITY ACTION ASSOCIATION**

09-TE-0003	SPS DOE/LIHEAP/ SPS	Yes	stripping around the back door; return to address air sealing around the envelope of the home and the bathroom; return to address the window installation. Return to address air infiltration in bathroom; return to address air infiltration in the duct system. 2150 @ 50 Final Blower Door Reading 2800 @50 Blower Door Reading at time of monitoring
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TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS

www.tdhca.state.tx.us

Rick Perry
GOVERNOR

Michael Gerber
EXECUTIVE DIRECTOR

June 7, 2010

Ms. Lenola Wyatt-Tutt
Executive Director
Tri-County Community Action, Inc.
P.O. Drawer 1748
Center, Texas 75935

Re: DOE Weatherization Assistance Program Contract # 56090000476
LIHEAP Weatherization Assistance Program Contract #81090000509
DOE ARRA Weatherization Assistance Program Contract # 16090000681

Dear Ms. Tutt:

Enclosed is a report that details the follow-up monitoring of Tri-County Community Action, Inc. (TCCA) Weatherization Assistance Program contracts with the Texas Department of Housing and Community Affairs (the Department). On December 28, 2009, the Department submitted a weatherization monitoring report from the October 2009 monitoring. This report had numerous areas of concern, including compliance with program rules and regulations and whether services to the low-income, elderly and disabled were offered in a most expeditious and economical manner. The December 28th monitoring report included 7 findings and, 1 recommendation.

In January 2010, the Department conducted a preliminary review of the weatherization assistance programs and continued to find major areas of concern that ultimately resulted in thousands of dollars in questioned costs and the suspension of the weatherization programs.

This follow-up monitoring review was conducted on April 26-29, 2010 and addresses expenditures for three (3) weatherized units that were completed since January 2010. From this monitoring review, the Department has noted three (3) findings. Please submit a response to this report to this office within thirty (30) days of the date of this letter.

If we can be of any assistance, please feel free to contact J.R. Mendoza, Senior Program Officer, at (512) 936-7811. The assistance provided to the Program Officers by the agency is greatly appreciated.

Sincerely,

A handwritten signature in black ink, appearing to read "Sharon D. Gamble".

Sharon D. Gamble
Manager, Energy Assistance Section

Cc: Leroy Hughes, Board Chair

**2009 WEATHERIZATION MONITORING REPORT
TRI-COUNTY COMMUNITY ACTION, INC.**

Directory of Monitoring Sections

Section I. Financial Reporting

Section II. Travel and Timesheets

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Section VI. Audit

Section VII. Personnel Policies and Practices

Section VIII. Performance Review

Section IX. Administration

Section X. Multifamily

Section XI. Denied Files

**2009 WEATHERIZATION MONITORING REPORT
TRI-COUNTY COMMUNITY ACTION, INC.**

Dates of Review: April 26-29, 2010

FOCUS OF REVIEW

CONTRACT NAME	CONTRACT NUMBER	CONTRACT AMOUNT	CONTRACT DATES
DOE	56090000476	\$368,799.00	4/1/2009 to 3/31/2010
LIHEAP	81090000509	\$447,587.00	4/1/2009 to 3/31/2010
DOE ARRA	16090000681	\$1,744,712.00	9/1/2009 to 8/31/2011

On-site review of the Tri-County Community Action, Inc. (TCCA) implementation of the Department of Energy's and Low Income Home Energy Assistance Program's Weatherization Assistance Program (WAP). Specific areas of review included Financial Reporting, Contract Agreements, Procurement, Personnel, and the Management of the Department of Energy and Low Income Home Energy Assistance Program contracts.

PROGRAM EVALUATION

The evaluation of the program consisted of: interviews with the TCCA personnel, analysis of the fiscal system, review of programmatic records, on-site inspections, client interviews, and inventory review. This review followed an extensive program monitoring detailed in a report to TCCA on December 28, 2009. This report had numerous areas of concern in the compliance of program rules and regulations and if the services to the low-income, elderly and disabled were offered in a most expeditious and economical manner. The December 28th monitoring report included (7) findings and, (1) recommendation. In addition, the Department performed a preliminary review of the weatherization assistance programs, in January 2010, and continued to find major areas of concerns that ultimately resulted in thousands of dollars in questioned costs. In addition, TCCA had not submitted any funding reports since July of 2009. These continued findings showed a high risk in TCCA efforts to effectively and efficiently administer the weatherization program and ensure federal funds were properly expended in accordance to all applicable rules and regulations. Therefore, the Department suspended the operation of the Weatherization Assistance programs. The Department notified TCCA to complete all missing monthly funding reports and to review all client files and weatherization measures performed, on each unit that had not been reported, to ensure each measure was an allowable expenditure. In February 2010, the Department provided onsite Training and Technical Assistance to program staff. In March 2010, the Department allowed TCCA to weatherize five (5) units. At the time of

**2009 WEATHERIZATION MONITORING REPORT
TRI-COUNTY COMMUNITY ACTION, INC.**

monitoring, TCCA had only weatherized one (1) unit with limited expenditures and had two (2) additional units in progress.

This monitoring report details findings of the program between the monitoring detailed in the December 28th, 2009 monitoring report to April 30, 2010.

The following was noted during the review:

- LIHEAP Administrative expenditure percentage is above the allowable maximum of 7%
- TCCA production level for completed weatherized units are low
- TCCA is not submitting monthly funding reports timely
- TCCA did not conduct baseline measures prior to Blower Door use
- TCCA did not maintain documentation of compliance with 10 CFR 440 Appendix A

Section I. Financial Reporting

EXPENDITURES AS OF AUGUST 2009

CONTRACT NAME	YEAR-TO-DATE EXPENDITURES	% OF ORIGINAL CONTRACT AMOUNT	# UNITS COMPLETED	# UNITS IN PROGRESS
DOE	\$288,093.45	78.12%	67	30
LIHEAP	\$ 302,475.21	67.58%	67	30

Recommended Improvement #1: At the time of monitoring, TCCA Administrative expenditure percentage for LIHEAP was at 8% which is above the maximum allowable percentage of 5%. The Department reminds TCCA that the Administrative expenditure percentage must be at or below 5% by the end of the contract period. Failure to bring the Administrative percentage below the maximum will result in disallowed costs.

Reference: Contract Attachment A

Comment: At the time of monitoring, completed unit productions for the DOE, LIHEAP and DOE ARRA programs were low. This is due to having the program in suspension. The Department has provided guidance to TCCA on how to increase production. This includes proper assessments on the unit to be weatherized, only authorizing weatherization measures that are required by the Energy Audit or Priority List, installing the weatherization measures according to applicable rules and regulations, performing effective Final

**2009 WEATHERIZATION MONITORING REPORT
TRI-COUNTY COMMUNITY ACTION, INC.**

Inspections, maintaining complete client files and properly billing and reporting the completed units. Upon performing these tasks the Department will provide inspections of completed units and client files and may release additional units until the Department feels comfortable in releasing the suspension of all weatherization activities.

Action

Required:

As part of the response to this report, TCCA must provide an assurance ensuring its compliance with all requirements set forth by the Department and its funding sources. At a minimum, this will include performing all measures noted above.

Finding #1:

Review of fiscal documentation revealed TCCA not submitting all monthly funding reports timely to the Department. At the time of monitoring, TCCA was on cost reimbursement and had only recently completed the August 2009 monthly funding reports for DOE and LIHEAP and the September 2009 monthly funding reports for DOE ARRA. Although, TCCA is on the Cost Reimbursement method, reports must be submitted by the required dates, for review by the Department.

Comment: Soon after the April 2010 monitoring, the Department did receive monthly funding reports for September and October of 2009 for the DOE and LIHEAP programs. However, monthly funding reports for DOE, LIHEAP and DOE ARRA have not been submitted for the months after November 2009.

Action

Required:

As part of the response to this report, TCCA must provide an explanation of why monthly funding reports have not been completed to date. In addition, TCCA must also provide an explanation of the steps it is taking to ensure all monthly funding reports are submitted timely along with an assurance that all monthly funding reports will be submitted within the required time limit.

Reference: T.A.C. 10 Chapter 5 §5.506; DOE and LIHEAP Contract Section 11 A, D; DOE ARRA Contract Section 14;

Finding #2:

It was noted that TCCA conducted final inspections using an open fan. TCCA failed to utilize the rings on the fan to create a baseline reading before performing the blower door test. In performing a baseline reading TCCA will obtain an average pressure baseline when inconsistent and varying pressures exist. The use of the blower door rings during the actual blower test will enable more accurate readings building envelopes with lower special volume.

Action

Required:

As part of the response to this report, TCCA must provide an assurance that a baseline reading will be obtained. The assurance should detail the use of the blower door readings to obtain a baseline reading, while conducting unit assessments and final inspections. In addition, if TCCA personnel require training on the use of the blower door rings, a training request should be documented in the response to this report.

Reference: Texas Blower Door Standards

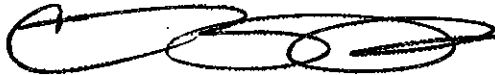
2009 WEATHERIZATION MONITORING REPORT
TRI-COUNTY COMMUNITY ACTION, INC.

Finding #3: At the time of monitoring, TCCA did not have documentation that all weatherization materials installed by its contractors, met the minimum standards as stated by DOE. Failure to ensure each product meets DOE requirements will result in disallowed costs.

Required

Action: TCCA must maintain a copy of all material products used by each of its contractors. In addition, TCCA must verify that each product conforms to the DOE minimum standards. As part of the response to this report, TCCA must provide a copy of the materials, requiring specification, from each contractor. In addition TCCA must provide an assurance that it will maintain the file and ensure all materials installed meet DOE requirements.

Texas Department of Housing and Community Affairs representative, J.R. Mendoza participated in an exit conference with Ms. Lenola Wyatt-Tutt, Ms. Latricia Reynolds, Mr. Boris Caldwell, Ms. Mandy Eddington, J.R. French and Rey Rocha.



Celedonio Mendoza Jr.
Senior Program Officer

6/2/10

Date

2009 WEATHERIZATION MONITORING REPORT
TRI-COUNTY COMMUNITY ACTION, INC.

ATTACHMENT A

Unit #	Funding Source	If Material was not installed correctly, list deficiencies? Units will require a return to correct the deficiencies.
[REDACTED]	DOE LIHEAP X ARRA X	Route the pressure release valve pipe out of the closet.



TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS

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Rick Perry
GOVERNOR

Michael Gerber
EXECUTIVE DIRECTOR

July 16, 2010

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Mrs. Janet Everheart
Executive Director
West Texas Opportunities, Inc.
P. O. Box 1308
Lamesa, TX 79331

Re: Department of Energy Weatherization Assistance Program Contract #56090000478
Department of Energy ARRA Weatherization Assistance Program Contract #16090000683
Department of Energy ARRA Weatherization Assistance Program Contract #16090000767
LIHEAP Weatherization Assistance Program Contract #81090000511
Southwestern Public Service Weatherization Program Contract #409072

Dear Ms. Everheart:

Enclosed is a report that details the monitoring review of West Texas Opportunities' Weatherization Assistance Program contracts with the Texas Department of Housing and Community Affairs (The Department). This information is provided to ensure that compliance with the contracts is maintained and that services to the poor, elderly, and disabled are offered in the most expeditious and economical manner.

The monitoring report includes four (4) recommended improvements and six (6) findings. Please submit a response to this report to this office within thirty (30) days of the date of this letter.

If we can be of any assistance, please feel free to contact Rosy L. Falcon, Program Officer, at (512) 936-7810. The assistance provided to the Program Officer by the agency is greatly appreciated.

Sincerely,

A handwritten signature in black ink, appearing to read "Sharon Gamble", with a horizontal line extending to the right.

Sharon Gamble
Manager
Energy Assistance

CC: Ms. Sylvia Ortiz

Directory of Monitoring Sections

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- Section II. Travel and Timesheets**
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- Section VII. Personnel Policies and Practices**
- Section VIII. Performance Review and Onsite Inspections**
- Section IX. Administrative**
- Section X. Client File Review Work Sheet and Multi-Family Review**
- Section XI. Denied Files**
- Section XII. Summary**

**2009 WEATHERIZATION MONITORING REPORT
OF
WEST TEXAS OPPORTUNITIES**

Dates of Review: June 1-4, 2010

FOCUS OF REVIEW

CONTRACT NAME	CONTRACT NUMBER	* CONTRACT AMOUNT	CONTRACT DATES
DOE	56090000478	\$521,282.00	4/1/2009 to 3/31/2010
LIHEAP	81090000511	\$581,228.77	4/1/2009 to 3/31/2010
DOE ARRA	16090000683	\$2,499,533.00	9/1/2009 – 8/31/2011
DOE ARRA	16090000767	\$383,342.00	9/1/2009 – 8/31/2011
SPS	409072	\$14,569.00	1/1/2009 – 12/31/2009

* Latest contract amendments

On-site review of the West Texas Opportunities (WTO) implementation of the Department of Energy's and Low Income Home Energy Assistance Program's Weatherization Assistance Program (WAP). Specific areas of review included Financial Reporting, Contract Agreements, Procurement, Personnel, and the Management of the Department of Energy and Low Income Home Energy Assistance Program contracts.

PROGRAM EVALUATION

The evaluation of the program consisted of: interviews with the WTO personnel, analysis of the fiscal system, review of programmatic records, on-site inspections, client interviews, and inventory review.

The following was noted during the review:

- DOE, DOE ARRA and LIHEAP Administrative expenditures are above the maximum allowed.
- Current program expenditures are insufficient to expend all contract funds.
- Lack of sufficient support documentation for program expenditures.

**2009 WEATHERIZATION MONITORING REPORT
OF
WEST TEXAS OPPORTUNITIES**

- Inadequate travel and timesheet records.
- Inadequate mileage logs and vehicle and equipment maintenance records.
- Lack of weatherization services and outreach efforts in Borden, Mitchell, Fisher, and Nolan Counties.
- Inadequate Lead Safe Work Practices and RRP Final Rule records.
- Inadequacies in measures installed and record keeping.
- Inadequate support documentation for denied files.

Section I. Financial Review

EXPENDITURES AS OF MARCH 2010

CONTRACT NAME	YEAR-TO-DATE EXPENDITURES	% OF ORIGINAL CONTRACT AMOUNT *	# UNITS COMPLETED	# UNITS IN PROGRESS
DOE	\$449,692.82	86.27%	125	0
LIHEAP	\$581,228.77	89.65%	148	0
DOE ARRA ⁺	\$467,958.91	18.72%	118	54
DOE ARRA ⁺	\$231,345.38	60.35%	42	11
SPS	\$13,175.00	90.44%	6	0

* At the time of monitoring

⁺Figures as of April 2010

Recommended Improvement #1: As of April 2010 WTO's Administrative ratio is at 7.78% for DOE ARRA #16090000683, DOE ARRA # 16090000767 is at 5.69%, and as of March 2010 LIHEAP is at 7.33%, and DOE is at 5.53% well above the maximum allowed for each of these grants. WTO is reminded that the Administrative ratio for DOE and DOE ARRA must be at or below 5% and the LIHEAP Administrative ratio must be at or below 7.22% by the end of the contract term. Any cost above the maximum allowed ratio is subject to disallowed costs. **Reference: DOE, LIHEAP, and DOE ARRA Contracts Attachment A.**

**2009 WEATHERIZATION MONITORING REPORT
OF
WEST TEXAS OPPORTUNITIES**

Finding #1: WTO's currently has low program expenditures; they are at 18.72% for DOE ARRA #16090000683, at 86.27% for DOE and 89.65% for LIHEAP while 33.33% of their DOE ARRA and 100% of their DOE and LIHEAP contract has expired. **Reference: OMB A-110, Texas Administrative Code §5.141.**

Action Required: WTO must submit a plan of action to the Department detailing how they will reach their production goals for ARRA as well as how they will expend all DOE and LIHEAP funds for Program Year 2010.

Recommended Improvement #2: A review of WTO's program expenditures revealed a lack of support documentation within the files. One of the seventeen files reviewed lacked a gasoline receipt for a purchase made on the company gas credit card. Although further research showed all expenditures were allowable, WTO must attach additional support documentation for each expenditure as it pertains to the program and expenditure. All mileage and gasoline reimbursements must have completed and detailed mileage logs along with original receipts, and all expenditure support documentation must clearly denote fund and category charges. **Reference: OMB Circular A-110, Texas Administrative Code §5.141.**

Section II. Travel and Timesheets

Recommended Improvement #3: A review of WTO's travel and timesheets revealed a need for improvement in their record keeping. Timesheet records contained incomplete fields, such as approval signatures and there was no cost breakdown; travel records contained mileage logs that were missing entries for the ending miles, location, purpose, and employee signatures. In order to substantiate the Agency's salary expenditures the Department strongly recommends that WTO administration add staff titles to the timesheets. In order to further transparency in the use of government funds WTO must attach a travel voucher to each travel expenditure that is to be fully completed prior to the disbursement of any funds, an agenda and/or description of the training must be attached, and a cost breakdown must be clearly shown on each travel expenditure. All mileage logs must be properly completed and signed by the employee in order to affirm accuracy. **Reference: A-122 Attachment B, ARRA Contract Section 35, DOE and LIHEAP Contract Section 29.**

**2009 WEATHERIZATION MONITORING REPORT
OF
WEST TEXAS OPPORTUNITIES**

Section IV. Property Management

Recommended Improvement #4: A review of WTO's vehicle and equipment records revealed inadequacies in their mileage log and a lack of maintenance logs. The Agency's mileage log was missing specifics on location and purpose for visit and there is no maintenance log or schedule in place to assure the proper care and maintenance of all vehicles and equipment. Through a review of expenditures WTO staff was able to substantiate the maintenance of the vehicle and equipment; however a maintenance log must be implemented immediately in order to assure timely maintenance. Failure to implement this change will result in a future finding. **Reference: OMB A-123, ARRA Contract Section 21, DOE and LIHEAP Contract Section 17, 10 CFR 600.134 and 232.**

Section VIII. Performance

Finding#2: A review of WTO's March 2010 Expenditure and Programmatic Reports revealed a lack of weatherization services and outreach activities in Borden, Mitchell, Fisher, and Nolan counties. **Reference: ARRA Contract Section 4, Texas Administrative Code §5.503.**

Action Required: WTO must ensure that they serve their service area in an equitable basis. In addition, a well documented record must be kept for all outreach related activities throughout the service area. Special attention must be paid to those areas that have been historically underserved. WTO must submit to the Department documentation of where the funds for the above mentioned counties were allocated and how they calculated that for Program Year 2009 and how they plan to serve the counties with the ARRA funds as part of the Agency's response to this report.

Finding#3: The Department conducted seventeen (17) unit inspections out of which WTO must return to all seventeen (17) units. WTO is performing inadequate onsite inspections of the homes they weatherize. The Health and Safety issues, Attic, Foundation, Floor, Mobile Home, Water Heater, and Baseload measures were not adequately addressed. All of the noted issues and reasons for the return are noted in Attachment A, found at the end of this report. Please note that units 09MI64A, 09MI65A, 09MI40A, 09MI35A, 09MI20A, 09MI139A, 09EC25A, 09EC26A, 09EC27A, and 09EC29A have questioned costs associated with them. **Reference: (Please refer to Attachment A for returns), ARRA Contract Section 13 B(F).**

**2009 WEATHERIZATION MONITORING REPORT
OF
WEST TEXAS OPPORTUNITIES**

Action Required: WTO must ensure all assessors and inspectors are adequately trained to perform assessments/inspections taking the whole house approach. All measures that could be addressed in the home should be assessed. All assessment forms must be adequately completed to reflect what the assessment of each item resulted in; if a measure must be omitted a reason why must be clearly documented.

WTO must return and address all the deficiencies in the seventeen (17) units referenced in Attachment A of this report. A detailed list of measures done must be included with their response to this report. WTO must account for all measures installed more accurately. If a situation arises in which an abnormal amount of material may need to be used this should be noted somewhere on the file, preferably on the BWR. Any future issues with the reconciliation of the BWR and the materials installed may result in disallowed costs.

Section X. Client File Review and Multifamily Review

Finding#4: A review of WTO's client files revealed three (3) out of the seventeen (17) files lacked complete appliance assessment forms, they were missing rate information, and not all appliances in the home were addressed. In eight (8) of the seventeen (17) files the Building Weatherization Report (BWR) did not clearly identify the fund charged per measure, in two (2) of the files the work start/end date fields were left blank, in two (2) of the files the total square footage of combined living space was not the same as what was entered in the Blower Door Data Sheet, in one (1) case the BWR did not contain a material quantity amount, and in one (1) case the BWR was not signed. In two (2) of the seventeen (17) files the Blower Door Data Sheet contained the wrong calculations, and one (1) file had a sheet with no signatures. In three (3) of the seventeen (17) files the Easy Audit was not signed. In all of the seventeen (17) files the outdated "Protect your family from lead in your home" pamphlet was used.

Through the unit inspections and client file review it was determined that WTO needs consistency in using their energy tips worksheet for client education. No documentation was in the file, or otherwise provided to indicate that Lead Safe Work Practices or that the Lead Renovator procedures were being followed. **Reference: Texas Administrative Code §5.20, Texas Administrative Code §5.530, DOE and LIHEAP Contracts Section 10, ARRA Contract Section 13, 10 C.F.R. §440.24, Weatherization Program Notice 09-6, EPA Final Rule.**

Action Required: WTO staff must ensure all forms are completed fully and any omissions are clearly explained and recorded in the file. WTO must immediately update their Lead Information Pamphlet, and implement a plan of action that will allow for WTO to be in compliance with all Lead Safety rules and procedures. WTO must include their plan of action within their response to this report.

**2009 WEATHERIZATION MONITORING REPORT
OF
WEST TEXAS OPPORTUNITIES**

Finding#5: Through the review of twenty-two (22) multifamily client files and onsite inspections, the Department found that the two (2) vacant units in the complex did not contain an application for the file; two (2) files had inappropriately completed appliance assessment forms; two (2) files had inaccurate wall measurements; eight (8) files did not contain justification for omitted measures while using the priority list; in seven (7) files the outdated "Protect your family from lead in your home" was used; and throughout the files we encountered multiple forms with contradicting information as well as plans and layouts for a different complex in another city. **Reference: Texas Administrative Code §6.6 and 6.106.**

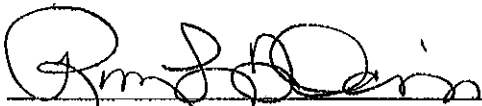
Action Required: WTO must use the Department Multifamily Checklist for all of their multifamily projects, in order to assure all requirements are met and must immediately update their Lead Information Pamphlet.

Section XI. Denied Files


Finding#6: A review of WTO's denied client files revealed denied file deficiencies in program qualification calculation. Out of the eight (8) files reviewed two (2) files contained incomplete income verification forms, and one income verification was done via telephone, in three (3) of the files no client's rights and appeals information was included in the denial letter, and one (1) file was erroneously denied. Client W.V. is a recipient of Supplemental Security Income (SSI) and as such makes their household categorically eligible for the Weatherization Assistance Program. **Reference: Texas Administrative Code §6.8, Texas Administrative Code §6.108, Texas Administrative Code §5.505, Texas Administrative Code §5.604.**

Action Required: WTO must ensure that all staff is adequately versed on all requirements that are involved in the denial process as well as the included and excluded income guidance. A plan for staff development must be included as part of the response to this report. WTO must contact client W.V. and ensure they are placed in line to receive services, as an SSI recipient the household should have not been denied. It is noted that WTO sent client W.V. a letter announcing the increase in the income guidelines for the Weatherization Assistance Program and letting them know to re-apply. Since the household has been waiting since March 2009 due to a mistake, please contact the client and provide all the necessary help to complete and expedite services for this household.

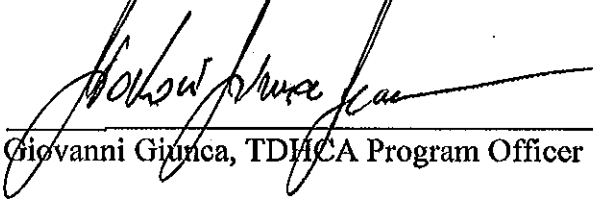
Texas Department of Housing and Community Affairs representatives, Rosy L. Falcon, Doug Misenheimer, and Giovanni Giunca participated in an exit conference with Janet Everheart, Executive Director, Cheryl Jones, WAP Coordinator, and Jena Sawyer, Fiscal Officer.

Signature: 
Rosy L. Falcon, TDHCA Program Officer

7.7.2010
Date

Signature: 
Doug Misenheimer, TDHCA Program Officer

7/9/2010
Date

Signature: 
Giovanni Giunca, TDHCA Program Officer

7/14/2010
Date

ATTACHMENT A

Units Inspected	Fund Source	Return	Comments
09MI64A	ARRA	Yes	<p><u>Return and address the following items:</u></p> <ol style="list-style-type: none"> 1) Attic, post completed insulation certificate at attic access hatch. 2) Attic, install insulation shield at bathroom recessed can light. 3) Attic, install duct at existing bathroom exhaust fan. 4) Partially missing dense packed insulation at exterior walls, add insulation at exterior walls to required R-Value. 5) Adjust bottom door sweep at front and rear doors. 6) Add insulation above doors and windows. <p>Reference: Texas Administrative Code (TAC); Title 10; Part 1; Chapter 5; Subchapter F; Rule § 5.601</p> <p>Questionable costs:</p> <ol style="list-style-type: none"> 1) Upon inspection of wall to floor joints, wall to ceiling joints, door frames and jambs, interior and exterior of windows, no evidence of 8 tubes of caulk having been installed. Total questionable cost \$96.00 2) Approximately 24 square feet of insulation at exterior wall not associated with the subject unit conditioned interior space area. Total questionable cost \$46.80 3) Exterior wall insulation installed overestimated by approximately 152 square feet. Total questionable cost \$296.40
09MI65A	ARRA	Yes	<p><u>Return and address the following:</u></p> <ol style="list-style-type: none"> 1) Attic, post completed insulation certificate at attic access hatch. 2) Attic, install insulation shield at bathroom recessed can light. 3) Attic, insulate attic hatch and box attic hatch. 4) Attic, install duct at existing bathroom exhaust fan. 5) Partially missing dense packed insulation at exterior walls, add insulation at exterior walls to required R-Value. 6) Add insulation above doors and windows.

Units Inspected	Fund Source	Return	Comments
			<p>Reference: Texas Administrative Code (TAC); Title 10; Part 1; Chapter 5; Subchapter F; Rule § 5.601</p> <p>Questionable costs: 1) No evidence of smoke detector, as per BWR. Total questionable cost: \$37.50 2) Upon inspection of wall to floor joints, wall to ceiling joints, door frames and jambs, interior and exterior of windows, only one window shows evidence of caulking installed at the interior of the unit. Based on the amount of caulk used at the window it is evident that no more than one tube of caulking could have been used. No evidence of 7 other tubes of caulk having been installed. Total questionable cost \$84.00 3) Exterior wall insulation installed overestimated by approximately 128 square feet. Total questionable cost \$249.60</p>
09MI40A	ARRA	Yes	<p><u>Return and address the following:</u> 1) The subject residence is a two story. Properly calculate "Blower Door Data Sheet" followed by reducing air infiltration at unit to reach Target CFM Reading.</p> <p>Reference: Texas Administrative Code (TAC); Title 10; Part 1; Chapter 5; Subchapter F; Rule § 5.601</p> <p>Questionable costs: 1) No evidence of "Super Striker Plate" at doors. Total questionable cost \$20.00</p>
09MI35A	ARRA	Yes	<p><u>Return and address the following:</u> 1) Partially missing dense packed insulation at exterior walls, add insulation at exterior walls to required R-Value. 2) Attic, install insulation shield at vents. 3) Water heater closet, properly repair holes at drywall with drywall material. Currently one hole has been covered by having a piece of 2x4 placed over the hole, and another hole by having a piece of siding applied over the hole.</p>

Units Inspected	Fund Source	Return	Comments
			<p>Reference: Texas Administrative Code (TAC); Title 10; Part 1; Chapter 5; Subchapter F; Rule § 5.601</p> <p>Questionable costs: According to roof vent schedule received from Cheryl 4 "Hip Vents" necessary according to the home square footage. Total questionable cost 2 vents for a total of \$120.00</p>
09MI20A	ARRA	Yes	<p><u>Return and address the following:</u></p> <ol style="list-style-type: none"> 1) Properly install "super striker plate" to be flush with the door frame. 2) Address air infiltration to reach "Target CFM Reading" <p>Reference: Texas Administrative Code (TAC); Title 10; Part 1; Chapter 5; Subchapter F; Rule § 5.601</p> <p>Questionable costs:</p> <ol style="list-style-type: none"> 1) Approximately 488 square feet of wall at non conditioned space insulated. Total questionable cost \$951.60 2) 19 hip vents installed. According to roof vent schedule received from Cheryl, 6 "Hip Vents" necessary according to the home square footage (1166 sq ft not accounting for non condition area/room at rear of residence). Total questionable cost for 13 vents for a total of \$780.00
09MI139A	ARRA	Yes	<p><u>Return and address the following:</u></p> <ol style="list-style-type: none"> 1) Install insulation at second floor walls and attic. Partially missing insulation at first floor walls. 2) Zone off gas water heater closet located at bedroom area; ensure proper combustion air is supplied. 3) Zone off gas HVAC closet located at bedroom area; ensure proper combustion air is supplied. 4) Install CO detector (charged for on BWR) 5) Address air infiltration (holes at plumbing fixtures). 6) Windows do not appear to be properly installed,

Units Inspected	Fund Source	Return	Comments
			<p>gaps at wall to window may allow for water infiltration inside building envelope.</p> <p>Reference: Texas Administrative Code (TAC); Title 10; Part 1; Chapter 5; Subchapter F; Rule § 5.601</p> <p>Questionable costs: 1) Living room, dining room and kitchen area vaulted ceiling, drywall replaced (remodeling). Total questionable costs: \$701.00</p>
09EC25A	ARRA	Yes	<p><u>Return and address the following:</u></p> <ol style="list-style-type: none"> 1) Combustion air ducts from attic space are not supplying sufficient combustion air. International Residential Code 2000 Edition G2407 2) 1st floor dining area walls did not receive insulation. Return and provide. International Residential Code 2000 Edition N1102.1.1 3) Cantilevered (overhangs above front porch) were not assessed or insulated. Assess these areas and add dense pack insulation if necessary. International Residential Code 2000 Edition N1102 <p>Questionable costs:</p> <p>The compensation for sidewall and attic insulation is based on the square footage of each. After reviewing the provided diagram of the building and deducting windows and doors (122ft²) and also deducting the kitchen area that did not receive insulation (56ft²) the area identified on the BWR is more than reasonable. With a liberal estimate the walls are approximately 939ft² not 1,035ft² for a difference of 96ft². 96 x \$1.95 = \$187.20. While this amount may seem insignificant, over an entire complex, is a substantial amount.</p> <p>The attic area is 513ft² not 540ft² for a difference of</p>

Units Inspected	Fund Source	Return	Comments
			27ft ² . 27 x \$1.03 = \$27.81. As the example above demonstrates, over an entire complex these "over estimates" add up substantially.
09EC26A	ARRA	Yes	<p><u>Return and address the following:</u></p> <ol style="list-style-type: none"> 1) Combustion air ducts from attic space are not supplying sufficient combustion air. International Residential Code 2000 Edition G2407 2) 1st floor dining area walls did not receive insulation. Return and provide. International Residential Code 2000 Edition N1102.1.1 3) Cantilevered (overhangs above front porch) not assessed or insulated. Assess these areas and add dense pack insulation if necessary. International Residential Code 2000 Edition N1102 4) Invoiced for 9 CFL bulbs. There were only 7 accounted for. OMB Circular A-110; Subpart A; Section 2 (k) <p>Questionable costs:</p> <p>The compensation for sidewall and attic insulation is based on the square footage of each. After reviewing the provided diagram of the building and deducting windows and doors (122ft²) and also deducting the kitchen area that did not receive insulation (56ft²) the area identified on the BWR is more than reasonable. With a liberal estimate the walls are approximately 380ft² not 508ft² for a difference of 128ft². 128 x \$1.95 = \$249.60. While this amount may seem insignificant, over an entire complex, is a great amount.</p> <p>The attic area is 513ft² not 540ft² for a difference of 27ft². 27 x \$1.03 = \$27.81. As the example above demonstrates, over an entire complex these "over estimates" add up substantially.</p>

Units Inspected	Fund Source	Return	Comments
09EC27A	ARRA	Yes	<p><u>Return and address the following:</u></p> <ol style="list-style-type: none"> 1) Combustion air ducts from attic space are not supplying sufficient combustion air. International Residential Code 2000 Edition G2407 2) 1st floor dining area walls did not receive insulation. Return and provide. International Residential Code 2000 Edition N1102.1.1 3) Cantilevered (overhangs above front porch) not assessed or insulated. Assess these areas and add dense pack insulation if necessary. International Residential Code 2000 Edition IRC N1102 <p>Questionable costs:</p> <p>The compensation for sidewall and attic insulation is based on the square footage of each. After reviewing the provided diagram of the building and deducting windows and doors (122ft²) and also deducting the kitchen area that did not receive insulation (56ft²) the area identified on the BWR is more than reasonable. With a liberal estimate the walls are approximately 380ft² not 508ft² for a difference of 128ft². 128 x \$1.95 = \$249.60. While this amount may seem insignificant, over an entire complex, is a great amount.</p> <p>The attic area is 513ft² not 540ft² for a difference of 27ft². 27 x \$1.03 = \$27.81. As the example above demonstrates, over an entire complex these miscalculations add up substantially.</p>

Units Inspected	Fund Source	Return	Comments
09EC29A	ARRA	Yes	<p><u>Return and address the following:</u></p> <ol style="list-style-type: none"> 1) Combustion air ducts non-existent. Ensure sufficient combustion air is provided. International Residential Code 2000 Edition G2407 2) 1st floor dining area walls did not receive insulation. Return and provide. International Residential Code 2000 Edition N1102.1.1 3) Cantilevered (overhangs above front porch) not assessed or insulated. Assess these areas and add dense pack insulation if necessary. International Residential Code 2000 Edition N1102 <p>Questionable costs:</p> <p>The compensation for sidewall and attic insulation is based on the square footage of each. After reviewing the provided diagram of the building and deducting windows and doors (122ft²) and also deducting the kitchen area that did not receive insulation (56ft²) the area identified on the BWR is more than reasonable. With a liberal estimate the walls are approximately 939ft² not 1,035ft² for a difference of 96ft². 96 x \$1.95 = \$187.20. While this amount may seem insignificant, over an entire complex, is a substantial amount.</p> <p>The attic area is 513ft² not 540ft² for a difference of 27ft². 27 x \$1.03 = \$27.81. As the example above demonstrates, over an entire complex these "over estimates" add up substantially.</p>
09GA084	LI-HEAP	Yes	<p><u>Return and address the following:</u></p> <ol style="list-style-type: none"> 1) House has an un-vented space heater as primary heat source in bedroom. Return and install a vented heating appliance. Texas Administrative Code (TAC); Title 10; Part 1; Chapter 5; Subchapter F; Rule 5.607

Units Inspected	Fund Source	Return	Comments
			<p>2) Final Blower Door (1,109 CFM50) not consistent Blower Door conducted during monitoring (1,960 CFM50). Please explain the difference.</p> <p>3) Install threshold under rear door in room where water heater is located and seal the air gap between the floor and sill plate.</p> <p>4) Ensure room where water heater is located is not utilized as a bedroom and has sufficient combustion air. International Residential Code 2000 Edition G2406</p>
09DA165	LI-HEAP	Yes	<p>1) Seal large gaps along ceiling/wall juncture in hallway to bathroom. International Energy Conservation Code</p> <p>2) Insulate attic access lid consistent to existing R-value of attic. Re-frame access hatch to create a tight fit. International Energy Conservation Code</p> <p>3) Install attic hatch baffle. International Energy Conservation Code</p> <p>4) Install baffle around heat vent in attic. International Residential Code G2427.8</p> <p>5) Final Blower Door (2,050 CFM50) not consistent with Blower Door conducted during monitoring (2,950 CFM50). Please explain the difference. Conduct additional air sealing to achieve target reduction (2,591 CFM50). Texas Administrative Code (TAC); Title 10; Part 1; Chapter 5; Subchapter F; Rule 5.530</p>
09DA160	LI-HEAP	Yes	<p><u>Return and address the following:</u></p> <p>1) House does not have a primary vented heating unit. There are a total of four un-vented space heaters existing. Return and install a vented primary heating unit. Ensure all remaining un-vented heating units conform</p>

Units Inspected	Fund Source	Return	Comments
			<p>to Department of Energy Weatherization Program Notice 08-04, space heater policy. Texas Administrative Code (TAC); Title 10; Part 1; Chapter 5; Subchapter F; Rule 5.607</p> <p>2) Water heater located in bathroom closet. International Residential Code 2000 Edition G2407</p>
09DA156	DOE/LI-HEAP	Yes	<p><u>Return and address the following:</u></p> <p>1) Water heater flue pipe not connected.</p> <p>2) Sidewalls in water heater closet did not get insulated. International Energy Conservation Code</p>
09GA074	DOE/LI-HEAP	Yes	<p><u>Return and address the following:</u></p> <p>1) No certificate of insulation posted in attic. International Energy Conservation Code</p> <p>2) Vented wall space heater has large hole in heat exchanger. 120ppm co in living area. Must be replaced. (see picture)</p> <p>3) Water heater is installed in a confined space. Small holes in access door not sufficient. Provide adequate combustion air. International Residential Code (IRC) 2000 Edition G2407</p>
09DA114	DOE/LI-HEAP	Yes	<p><u>Return and address the following:</u></p> <p>1) Install baffle around heat vent in attic. International Residential Code G2427.8</p> <p>2) Insulate attic access lid and install attic baffle. International Energy Conservation Code</p>

Units Inspected	Fund Source	Return	Comments
09GA068	DOE/LI-HEAP	Yes	<p><u>Return and address the following:</u></p> <ol style="list-style-type: none"> 1) Large hole around furnace flue pipe into attic space. Use a material that maintains clearance to combustion materials to seal. 2) The final Blower Door reading recorded on the Blower Door Data Sheet is 1,513CFM50. During the monitoring visit a Blower Door conducted resulted in 2,600 CFM50 prior to taping off the heat ducts (2,213 CFM50 taped). This is a significant difference and does not meet the required target reduction. Return and conduct additional air sealing until target reduction is met. Please explain the the difference in the final Blower Door compared to the one conducted during the monitoring visit. 2) The heat ducts did not get sealed. Return and properly seal the leaks in the supply ducts. 3) The mobile home belly did not get insulated. Return and insulate the mobile home belly. It is not recommended to use cellulose insulation in mobile homes due to the significant use of aluminum and other metal components in addition to the weight of cellulose should it ever get wet. Blown fiberglass is a better choice for mobile home applications. 4) The sidewalls have fiberglass batting that were installed during manufacturing. Additional blown cellulose insulation was added at a cost of \$2,312.70. It is seldom cost effective to add additional insulation in sidewalls when there is already insulation in place. The Easy Audit identified a target R-value of 15. Most manufactured homes do not have enough space to add an R-15 to begin with. It is best to conduct a Manufactured Home Energy Audit (MHEA) As this will provide a recommended measures

Units Inspected	Fund Source	Return	Comments
			list for energy retrofits in manufactured homes.