

VT TEC Manual—Appendix F: Deferral & Home Repair Policies

WAP Project Deferral Policies & Procedures | Background

Vermont’s WAP has made steady progress over the past few years to ensure that when project deferral decisions are made, they are made and communicated to clients in a consistent manner throughout the statewide WAP network.

Having zero project deferrals is not a realistic goal and it is not the goal of the WAP to eliminate all project deferrals. Some buildings do require repairs that are outside the allowable scope of services that the WAP can provide. However, the WAP does have some flexibility around “how much” investment can be made into individual projects. Because of the way WAP funding rules are structured, buildings with more energy savings opportunity can receive more investment from the program than buildings with less energy savings opportunity. This can sometimes make it challenging to define “how much” investment can or should be made into each individual building while still ensuring parity in service provisions to program clients throughout the state.

The intention of these policies and procedures is to provide a decision-making framework that yields a high-level of assurance that all project deferral decisions are being made using a consistent methodology for all clients.

WAP Project Deferral Policies & Procedures | Implications of Vermiculite Insulation

- ✚ If a building has vermiculite insulation: The policies outlined in Appendix G of this manual shall be followed.
- ✚ If a building does not have vermiculite insulation: The policies outlined in this section of the manual shall be followed.

WAP Project Deferral Policies & Procedures | Guidance Consolidation & Replacement Overview

The content included in this guidance supersedes and replaces any and all previously issued guidance related to project deferrals.

Previously issued guidance on this topic that is hereby replaced includes, but is not limited to:

- ✚ Vermont Weatherization Program Notice 2014-1
- ✚ Vermont Weatherization Program Notice 2015-2
- ✚ Vermont Weatherization Program Notice 2017-1
- ✚ Vermont Weatherization Program Memorandum 2018-02



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Making Deferral Decisions in Rental Properties

The following excerpt is taken from Form 617, v4.1 entitled, Apartment Building Standards:

“The Vermont Home Weatherization Assistance Program (HWAP) requires that rental properties meet minimum standards to qualify for WAP funding. Building Owners who do not themselves qualify for WAP services must make any necessary upgrades prior to receiving WAP services, however WAP will assist in identifying problems and suggesting corrective action”.

Form 617 is provided to all property owners. In addition to the general information conveyed on this form, WAP staff must provide a brief written list of any corrective actions that need to be made by a property owner to prevent a project deferral from occurring after evaluating their building(s).

The written list is to be based on observable conditions found during a walk through or building assessment.

Taking photographic documentation of the observable conditions is recommended.

Uploading Form 617, the written list of observable conditions found during the building evaluation and any photographic documentation into the WAP documents area of HES is required.

Determining When to Follow the Deferral Related Policies¹ for Rental Properties

-  **Rent-to-own agreements:** Follow the policies for rental properties.
-  **Life Leases:** Follow the policies for owner-occupied property.
-  **Income Eligible Property Owner:**
 - ✓ Follow the policies for owner-occupied property if the income-eligible property owner lives in the building.
 - ✓ Follow the policies for rental properties if the income-eligible property owner does not live in the building.

¹ This breakdown of owner-occupied vs. rental-occupied properties does not extend to all WAP policies and procedures. This is specific to Vermiculite and Deferral Policies only.

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Making Deferral Decisions in Owner-Occupied Homes

In some cases, WAP projects may need to be deferred. There are standard operating procedures (SOPs) that must be followed prior to making a project deferral decision for an owner-occupied home.

Types of Deferrals | Category 1 vs. Category 2

There are two different types of deferrals that will be covered in more detail throughout this guidance. The reasons for, and the timing of, a deferral decision impact the type of deferral. The programmatic requirements associated with each deferral category are outlined in this guidance.

- ✚ **A Category 1- Deferral** is a deferral that either occurs before the economic analysis of the project happens or that is made for reasons other than the economic analysis of the project and/or scope of work.
- ✚ **A Category 2- Deferral** is a deferral that is based on the economic analysis of the project and/or scope of work.

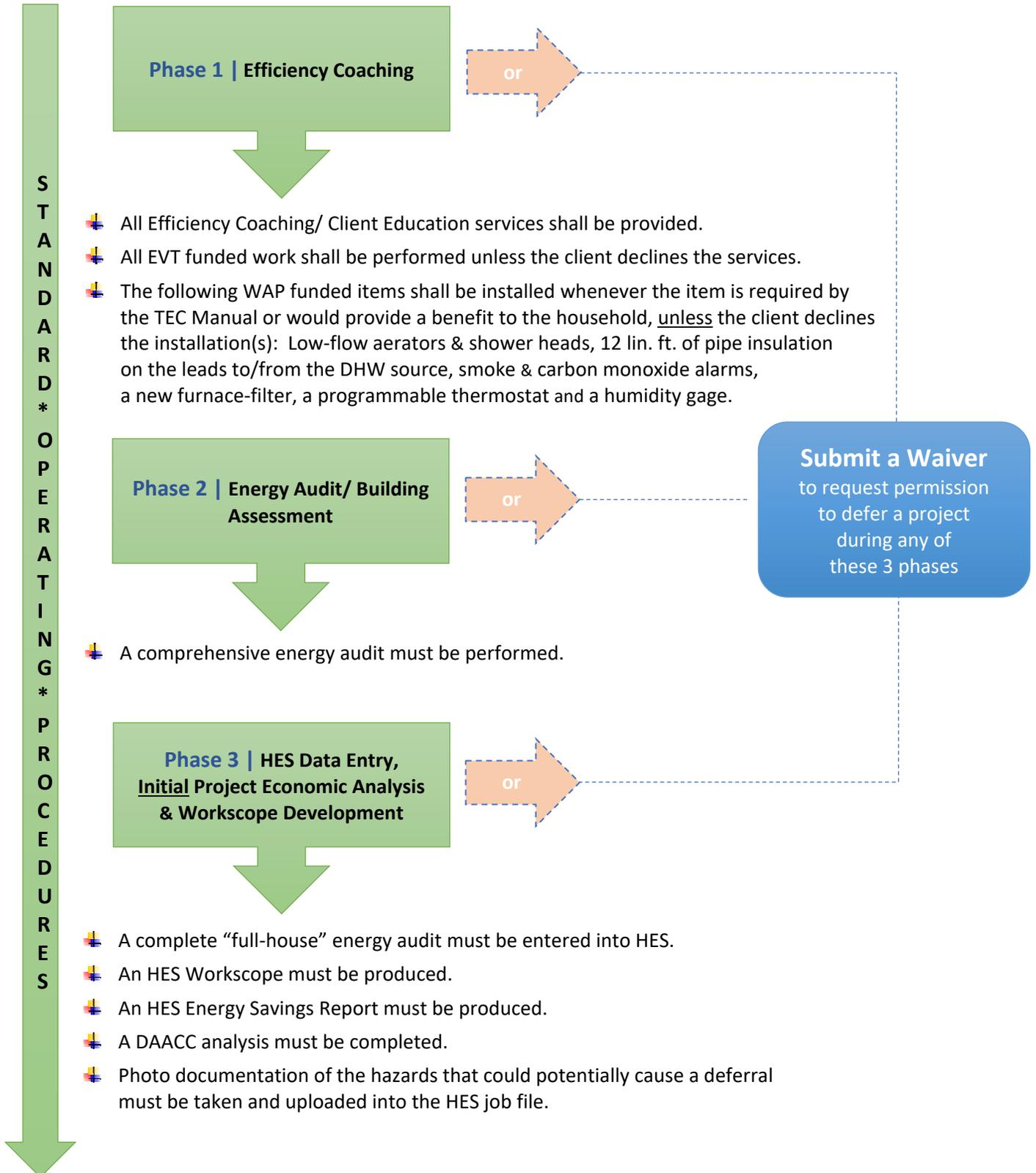
The First Three WAP Service Phases

The first three WAP service phases and the SOPs associated with each phase are established in this guidance.

- ✚ **Phase 1 | Efficiency Coaching**
- ✚ **Phase 2 | Energy Audit/ Building Assessment**
- ✚ **Phase 3 | HES Data Entry, Initial Project Economic Analysis & Workscope Development**

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The First Three WAP Service Phases



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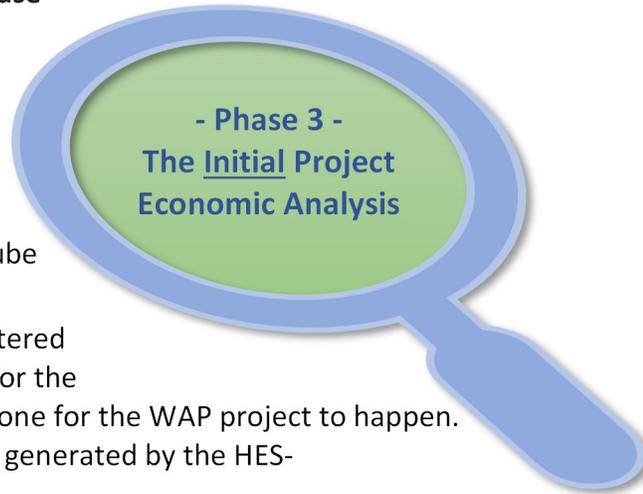
A Closer Look at the Third WAP Service Phase

Use of Historical Bid Data

from similar situations is allowable at this stage of the WAP process for the purpose of compiling preliminary cost estimates for major home repairs, for example, knob & tube wiring replacements or plumbing repairs.

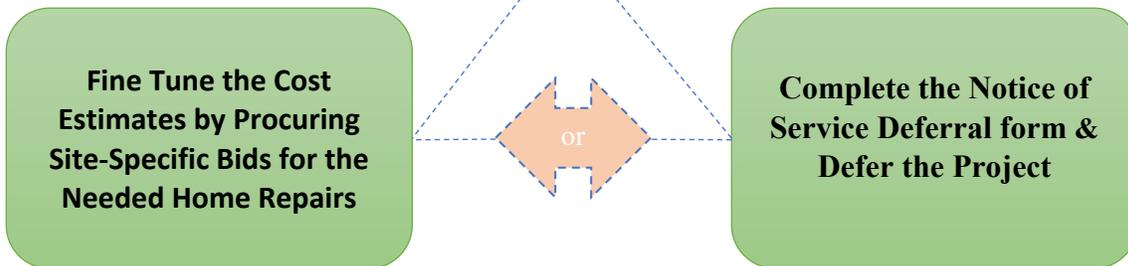
These preliminary cost estimates can be entered into HES as the estimated measure cost(s) for the major home repair work that needs to be done for the WAP project to happen. This will inform the project-level SIR results generated by the HES-Energy Savings Report.

The same preliminary estimates can also be entered into the DAACC. This will help determine approximately how much project funding could be available from a combination of programs/ funding sources to address the needed home repairs and to indicate whether a project is more likely to be doable or deferrable because of funding gaps.



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Engage the Client using the preliminary information from the DAACC and the HES Energy Savings Report as a starting point and funding scenarios for the project. **Jointly determine** if there may be a manageable path forward for the project when presenting the likely scope of work given all of the preliminary information.



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Making Category 1- Deferral Decisions

Making Category 1- Project Deferral Decisions		
Prior to the Completion of the First Three WAP Service Phases		
<p>Program Standard: A WAP agency must submit a waiver request—Form 540—to the OEO <u>prior to</u> deferring a project in an owner-occupied dwelling unit when the SOPs associated with the first three WAP service phases <u>have not</u> been completed in full.</p> <p>Exceptions to the Program Standard: Allowable exceptions to the above program standard are outlined in the table below. These are examples where Form 540 does not apply.</p>		
Potential Issues	Allowable Actions	Required Actions
	for a WAP provider to take re: Project Deferral	
<p>Exception 1 The client(s) is uncooperative, abusive or threatening to those who must engage with the client or perform work at the home during the project.</p>	<p>In these situations, a WAP provider can defer the project without performing WAP service phases 1, 2, and/or 3 as outlined in this guidance. The decision to defer any further service provisions can be made <u>without</u> submitting a waiver to OEO.</p>	<p>Action 1 Inform client in writing --The reason that services are being deferred. --Terms & conditions that would need to be upheld in order to resume service provision.</p> <p>Action 2 Inform OEO --That a deferral has been made and the cause.</p> <p>Action 3 Record Keeping --Upload all the information provided to the client into the HES job file. --Indicate in HES that the job has been deferred along with the reasons for the deferral and the deferral date (<i>on the audit information screen</i>).</p>
<p>Exception 2 Illegal activities are being conducted in the dwelling unit.</p>		

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Making Category 1- Deferral Decisions

Making Category 1- Deferral Decisions

Prior to the Completion of the First Three WAP Service Phases

Program Standard: A WAP agency must submit a waiver request—Form 540—to the OEO prior to deferring a project in an owner-occupied dwelling unit when the SOPs associated with the first three WAP service phases have not been completed in full.

Exceptions to the Program Standard: Allowable exceptions to the program standard are outlined in the table below. These are examples where Form 540 does not apply.

Potential Issues	Allowable Actions	Required Actions
	for a WAP provider to take re: Project Deferral	
<p>Exception 3 The dwelling unit has sewage or other sanitary problems (e.g., fleas or other pest infestation) that would endanger workers and that could potentially be worsened by proceeding with weatherization work.</p>	<p>In these situations, a WAP provider can defer the project without performing WAP service phases 1, 2, and/or 3 as outlined in this guidance.</p> <p>The decision to defer any further service provisions can be made <u>without</u> submitting a waiver to OEO.</p>	<p>Action 1 Inform client in writing --The reason that services are being deferred. --The building and/or the site condition(s) that would need to be provided in order to resume service provision. --Provide referrals to other programs that may be able to help the client.</p> <p>Action 2 Inform OEO --That a deferral has been made and the cause.</p> <p>Action 3 Record Keeping --Upload all the information provided to the client into the HES job file. --Indicate in HES that the job has been deferred along with the reasons for the deferral and the deferral date (<i>on the audit information screen</i>). --Whenever possible take photographic documentation of the conditions that caused the deferral and then store the photos in HES.</p>

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Making Category 1- Deferral Decisions

Making Category 1- Deferral Decisions		
Prior to the Completion of the First Three WAP Service Phases		
<p>Program Standard: A WAP agency must submit a waiver request—Form 540—to the OEO prior to deferring a project in an owner-occupied dwelling unit when the SOPs associated with the first three WAP service phases <u>have not</u> been completed in full.</p> <p>Some example scenarios of when/how to apply this program standard are included in the table below:</p>		
Potential Issues	Allowable Actions	Required Actions
for a WAP provider to take re: Project Deferral		
<p>Form 540 Applies -- Example # 1 The client has known health conditions or allergies that would prohibit the safe installation of insulation and/or other weatherization materials.</p>	<p>In these situations, a WAP provider can defer the project without fully performing WAP service phases 1, 2, and/or 3 as outlined in this guidance.</p> <p>However, in this case, the decision to defer the project prior to completing the first 3 vermiculite service phases <u>requires an approved waiver from OEO before communicating the deferral decision to the client.</u></p>	<p>Action 1 Submit to OEO --A Deferral Process Waiver (Form 540). --Photographic documentation of the building and site conditions.</p> <p>Action 2 Inform client in writing (<u>after waiver approval from OEO</u>) --The Notice of Service Deferral must be completed in full (Form 537). --General information about what the likely WAP scope of work would include <u>if</u> the client were to bring the building or site conditions up to the needed standard must be provided (on form 537). A site-specific work scope <u>does not</u> have to be provided to the client. --General information about the likely benefits that would result from a weatherization project must be provided (on form 537). A site-specific benefit analysis <u>does not</u> have to be provided to the client. --Provide referrals to other programs that may be able to help the client if applicable (on this form).</p> <p>Action 3 Record Keeping --Upload all the information provided to the client, including the Notice of Service Deferral into the HES job file (form 537). --Upload the OEO approved Deferral Process Waiver Form into the HES job file (form 540). --Upload photographic documentation of the building and site conditions to the HES job file. --Indicate in HES that the job has been deferred along with the reasons for the deferral and the deferral date (<i>on the audit information screen</i>).</p>
<p>Form 540 Applies -- Example # 2 The client has known health conditions that prohibit the disturbance or removal of existing materials in the home that would need to be disturbed or removed to complete the weatherization project.</p>	<p>In these situations, a WAP provider can defer the project without fully performing WAP service phases 1, 2, and/or 3 as outlined in this guidance.</p> <p>However, in this case, the decision to defer the project prior to completing the first 3 vermiculite service phases <u>requires an approved waiver from OEO before communicating the deferral decision to the client.</u></p>	<p>Action 1 Submit to OEO --A Deferral Process Waiver (Form 540). --Photographic documentation of the building and site conditions.</p> <p>Action 2 Inform client in writing (<u>after waiver approval from OEO</u>) --The Notice of Service Deferral must be completed in full (Form 537). --General information about what the likely WAP scope of work would include <u>if</u> the client were to bring the building or site conditions up to the needed standard must be provided (on form 537). A site-specific work scope <u>does not</u> have to be provided to the client. --General information about the likely benefits that would result from a weatherization project must be provided (on form 537). A site-specific benefit analysis <u>does not</u> have to be provided to the client. --Provide referrals to other programs that may be able to help the client if applicable (on this form).</p> <p>Action 3 Record Keeping --Upload all the information provided to the client, including the Notice of Service Deferral into the HES job file (form 537). --Upload the OEO approved Deferral Process Waiver Form into the HES job file (form 540). --Upload photographic documentation of the building and site conditions to the HES job file. --Indicate in HES that the job has been deferred along with the reasons for the deferral and the deferral date (<i>on the audit information screen</i>).</p>

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Making Category 1- Deferral Decisions

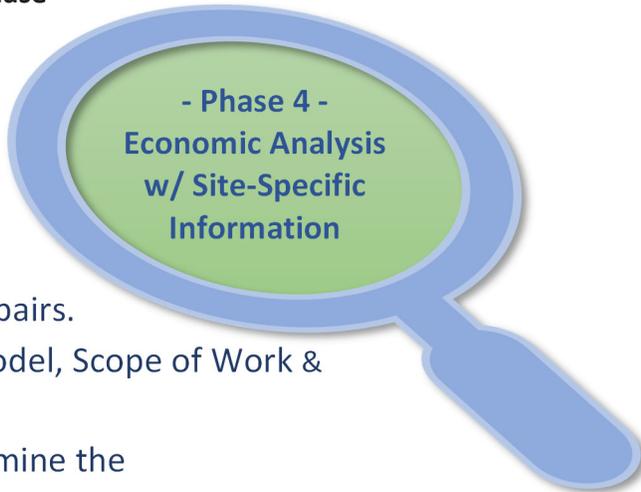
Making Category 1- Deferral Decisions		
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Potential Issues	Allowable Actions	Required Actions
for a WAP provider to take re: Project Deferral		
<p>Form 540 Applies -- Example # 3</p> <p>The building structure and/or the primary mechanical systems—electrical and plumbing—are in an observable state of disrepair that would require extensive corrective action before the home could be safely and effectively weatherized <u>and</u> it is highly likely that the non-energy saving home repair work for the building structure, and/or the primary mechanical systems, would exceed \$8,500 even when excluding the cost of heating system related work or any vermiculite remediation.</p>	<p>In this situation, a WAP provider can defer the project without fully performing WAP phases 1, 2, and/or 3 as outlined in this guidance.</p> <p>In this case, the decision to defer the project prior to completing the first 3 WAP service phases requires an approved waiver from OEO before communicating the deferral decision to the client.</p> <p>Photographic documentation of the building and site conditions <u>must</u> be provided to OEO along with the request for waiver.</p>	<p>Action 1 Submit to OEO</p> <ul style="list-style-type: none"> --A Deferral Process Waiver (Form 540). --Photographic documentation of the building and site conditions. <p>Action 2 Inform client in writing (<i>after waiver approval from OEO</i>)</p> <ul style="list-style-type: none"> --The Notice of Service Deferral must be completed in full (Form 538). --General information about what a likely WAP scope of work would include <u>if</u> the client were to bring the building or site conditions up to the needed standard must be provided (on form 538). A site-specific work scope <u>does not</u> have to be provided to the client. --General information about the likely benefits that would result from a weatherization project must be provided (on form 538). A site-specific benefit analysis <u>does not</u> have to be provided to the client. --Provide referrals to other programs that may be able to help the client (on form 538). <p>Action 3 Record Keeping</p> <ul style="list-style-type: none"> --Upload all the information provided to the client, including the Notice of Service Deferral to the HES job file (form 538). --Upload the Deferral Process Waiver Form to the HES job file (form 540). --Upload photographic documentation of the building and site conditions to the HES job file. --Indicate in HES that the job has been deferred along with the reasons for the deferral and the deferral date (<i>on the audit information screen</i>).

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A Closer Look at the Fourth WAP Service Phase

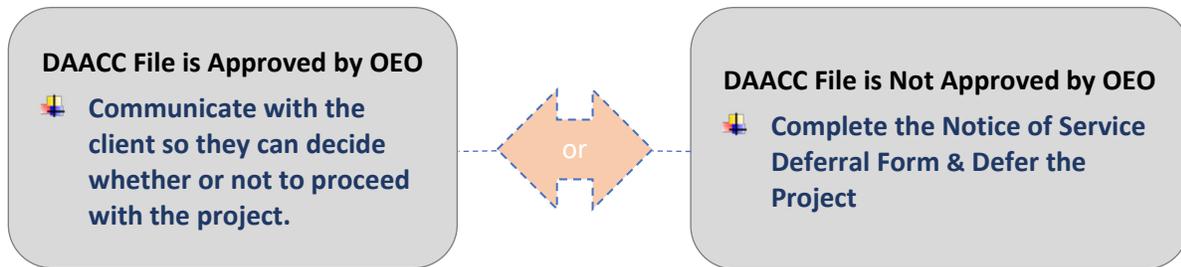
Use Site-Specific Information

to perform an accurate economic analysis of the project during the fourth WAP service phase. Key requirements are below:



- ✚ Get Site-Specific Bids for Home Repairs.
- ✚ Generate a Site-Specific Energy Model, Scope of Work & WAP Project Cost Estimate.
- ✚ Create a DAACC File to Help Determine the Project Funding Breakdown & Submit to OEO for Final Approval.

Results of the Economic Analysis Are Used to Determine Next Steps*

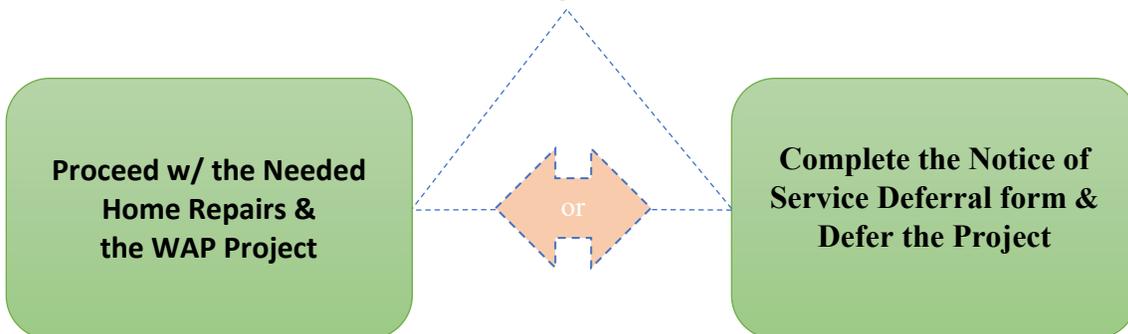


*Note that it is not allowable to defer a project simply because it is expensive when the project level SIR is 1.0 or greater and the Non-Energy Savings investment for the regular WAP funded job is less than the established threshold for the project.

Engaging the Client | Present the client with the proposed scope of work and the OEO approved funding breakdown for the project proposal. The sources for the approved funding breakdown are (1) the DAACC and (2) the HES Energy Savings Report. The client then decides if they want to proceed with the project.



The Next Course of Action Depends on the Client's Decision



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A Closer Look at the Fourth WAP Service Phase | Economic Analysis w/ Site-Specific Information

Expectations for Working with Non-Weatherization, Specialty Building Trades on Behalf of WAP Clients

Local WAP Agencies are encouraged to work in strategic partnership with other organizations and contractors to provide solutions that enable WAP projects with substantial home repair needs to proceed whenever possible. However, WAP providers are not required to seek out cost estimates from, or contract with, the following types of non-weatherization, specialty building trades on behalf of WAP clients.

- Roofing Contractors (due to roof leaks/bulk water intrusion issues)
- General Contractors (due to unstructurally sound/unsafe structural components of the building)

Local WAP Agencies are expected to seek out cost estimates and procure services from other types of specialty building trades, e.g., electricians, HVAC technicians, plumbers, on behalf of WAP clients and make decisions about whether or not to proceed with or defer projects in accordance with the policies outlined throughout this section of the TEC manual.

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Projects with Substantial Home Repair Needs | Performing an Economic Analysis of the Project

Deferrals and Additional Contributions Calculator (DAACC) -

An Investment Calculation Aid for WAP Projects in Homes that Need Substantial Home Repairs

The investment calculation aid, “DAACC Template_V.8._08-01-2020” or a newer DAACC file version shall be used to provide enhanced project investment analysis for all prospective weatherization projects prior to making a project deferral decision unless a qualifying Category 1- Project Deferral is made. Note that it is no longer allowable to use versions of the DAACC older than the “DAACC Template_V.8._08-01-2020” file version.

DAACC Usage Requirements in Homes that Need Substantial Home Repairs

- ✚ The DAACC shall be used prior to committing or using any funding from the following funding sources/budgets:
 - a. The HWAP-Home Repair Budget
- ✚ The DAACC shall be used prior to making any Category 2- project deferral decision and prior to communicating any Category 2- project deferral decision to a weatherization client.²

When in the Process is the DAACC Used?

The number of times—and when—the DAACC is used largely depends on each WAP provider’s preferences when trying to decide if a WAP project that needs substantial home repairs can proceed or not.

A WAP provider can, at their discretion, skip over phase 3 entirely and proceed directly from the 2nd to the 4th WAP service phase prior to completing the DAACC for the first time.

A Scenario Where it May be Beneficial to Skip Over Phase 3

- ✚ A WAP provider is confident that they will be able to proceed with a WAP project that needs substantial home repairs—at little to no cost to the client—given the likely scope of work and the funding sources available.

Using the DAACC During WAP Service Phase 3:

Historical bid data from similar scenarios is used to perform a rough economic analysis of the project during the 3rd WAP service phase. The historical bid data is entered into HES and the DAACC file to roughly estimate the project-level SIR and the funding breakdown for the project. The results of the roughly estimated funding breakdowns are shared and discussed with the client along with the proposed scope of work. Then, the WAP agency and client jointly determine if there may be a manageable path forward for the project.

If the joint decision is that the project seems viable, the WAP provider will then proceed to the 4th WAP service phase where they will procure site-specific bids for the needed home repairs.

Note that OEO approval of the roughly estimated versions of the DAACC file is not required before engaging the client.

² Unless written approval from OEO to communicate the deferral decision to the client is attained.

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Projects with Substantial Home Repair Needs | Performing an Economic Analysis of the Project Using the DAACC During WAP Service Phase 4:

The site-specific bids for the home repair work are used to perform an accurate economic analysis of the project during the fourth WAP service phase. The site-specific bid information is entered into both HES and the DAACC file to accurately estimate the project-level SIR and the funding breakdown for the project.

After the agency has updated the HES & DAACC files, the DAACC file is submitted to OEO for approval. Once approved, the updated project proposal and the project funding breakdown are shared and discussed with the client. The client then decides whether or not to proceed with the project based on the information provided. If the client decides to defer the project at this point in the process, complete the Notice of Service Deferral form (form 538). Otherwise, proceed with the project.

Note that it is not allowable practice to defer a project simply because it is expensive when the project level SIR is 1.0 or greater and the Non-Energy Savings investment for the regular WAP funded job is less than the established threshold for the project.³

³ Without prior written approval from OEO for the individual project.

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Projects with Substantial Home Repair Needs | Performing an Economic Analysis of the Project

Minimum Project-Level SIR Requirement

- ✚ A weatherization project must have a project-level SIR of 1.0 or greater. If this minimum SIR cannot be achieved the project may need to be deferred.

Additional Project Investment Policies that are Supported by the DAACC:

- ✚ An investment threshold for Non-Energy Saving Measures (Non-ESMs) is established for each job. The investment threshold is set as a fixed percentage of the Total Net Job Cost Estimate. Currently, the Non-ESM threshold is set at 35 percent of the total net job cost estimate. The Total Net Job Cost Estimate is the Total Job Cost Estimate minus (a) Health & Safety Heating System Replacement costs and (b) Travel & Cleanup costs.
 - ✓ **This is an investment threshold. It is not an investment limit.** It is allowable to invest more than 35% of the total net job cost into Non-ESMs on a regular weatherization job without seeking approval.⁴ However, investing more than 35% of the total net job cost into Non-ESMs on a regular weatherization job is not required.
 - ✓ **This is an investment threshold that impacts deferral decisions.** It is not allowable practice to defer a project simply because it is expensive when the Non-Energy Savings investment for the regular WAP funded job will be less than 35% of the total net job cost estimate.
 - ✓ **This is an investment threshold that impacts the accessibility of supplemental funding sources administered by OEO.** Only when the cost for the Non-ESMs exceeds 35% of the total net job cost does the job become eligible to use other supplemental funding sources administered by OEO. On eligible projects, the supplemental funding sources can be used to buy down the Non-ESM costs so that less of those costs get charged to the regular weatherization job.
- ✚ When the Non-ESM costs exceed the established threshold for a job that needs some form of home repair work, the job becomes eligible to use HWAP-Home Repair funding. The amount of HWAP-Home Repair funding that can be invested is calculated by the DAACC based on the workscope composition and job costs.
- ✚ There is a per-job cap for HWAP-Home Repair funding.
 - ✓ The allowable per-job cap is currently \$3,000 per job.
- ✚ Approval forms are built directly into the calculation aid. “Section 1” of each approval form provides for a standardized and expedited project approval process. An optional “Section 2” on each of the approval forms is also available for use. This section can be used by a WAP agency that wants to request permission to adjust the standard funding breakdowns that were provided by the calculation aid for the job. OEO will review the DAACC files and make project approval decisions.
- ✚ Note these submissions can also serve as transmittal requests when the costs submitted for approval exceed the transmittal threshold.

⁴ Unless the minimum Project-Level SIR requirement of 1.0 is not met.

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Projects with Substantial Home Repair Needs | Funding Breakdown for a Sample Project

A sample funding breakdown for a project that has substantial home repair needs but does have a project-level SIR greater than 1.0 is shown in the table below.⁵

Total Knob & Tube Wiring Replacement Cost	\$4,500.00
HWAP-Home Repair Funding Contribution	\$3,000.00
Regular HWAP Job Funding Contribution (incidental repair measure)	\$875.00
Remaining Balance of Funding Needed	\$625.00

Allowable Actions:

In this scenario any of the following actions could be taken.

- ✚ Use leveraged income to pay for the remaining balance of \$625.00
 - ✓ This results in a fully funded project at no cost to the low-income client.
- ✚ Use Non-OEO administered grant funding (e.g., USDA, Argosy) to pay for the remaining balance of \$625.00
 - ✓ This results in a fully funded project at no cost to the low-income client.
- ✚ Use leveraged income to pay for (a) the remaining balance of \$625.00 and for (b) the \$875.00 that would have been charged to the regular HWAP Job as an incidental repair.
 - ✓ This results in a fully funded project at no cost to the low-income client and none of the home repair costs impact the HWAP job cost average.
- ✚ Use Non-OEO administered grant funding (e.g., USDA, Argosy) to pay for (a) the remaining balance of \$625.00 and (b) for the \$875.00 that would have been charged to the regular HWAP Job as an incidental repair.
 - ✓ This results in a fully funded project at no cost to the low-income client and none of the home repair costs impact the HWAP job cost average.
- ✚ Require the client to pay the \$625.00 remaining balance of the knob & tube wiring replacement costs. Provide the client with the proposed scope of work, funding breakdown & referrals to other programs that may be able to help them secure the funds to cover the remaining balance of the abatement costs. Either proceed with or defer the WAP project depending on the client decision about contributing the remaining balance of the home repair/knob & tube replacement costs.

⁵ All funding amounts shown in this table would be determined by the DAACC.

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Projects with Substantial Home Repair Needs | Funding Breakdown for a Sample Project

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Remaining Balance of Funding Needed	\$625.00

Non-Allowable Actions:

In this scenario none of the following actions could be taken.

-  Defer the WAP project because it is expensive.
-  Ask the client to contribute any amount greater than the Remaining Balance of Funding Needed as calculated by the DAACC. In this example, \$625.00.

⁶ All funding amounts shown in this table would be determined by the DAACC.

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Projects with Substantial Home Repair Needs | Funding & Invoicing Policies

Funding Administered by OEO

- ✚ An **HWAP-Home Repair budget line** has been added into the traditional HWAP grant agreements to supplement home repair efforts.

Allowable Uses of HWAP-Home Repair Funding

The allowable uses for this supplemental funding are outlined in the tables below.

Allowable Expenditure Types for HWAP-Home Repair Funding	
Type of Expenditure	Is this Allowable Activity to Charge to this Budget?
Subcontractor Material	Yes
Subcontractor Labor	Yes
WAP Agency Material*	Yes
WAP Agency Staff Labor**	No

*HWAP-Home Repair funding was created to help pay for substantial repairs that needed to be performed by specialty trades (subcontractors). However, non-subcontractor installed materials can be charged to HWAP-Home Repair funds if an agency can clearly demonstrate they have operationalized a cost classification methodology that ensures unduplicated billing practices for material expenditures within their HWAP Monthly Expenditure Report submissions. The unduplicated billing practices relate to (1) the HWAP-Home Repair budget line and (2) the more traditional Materials budget line of the HWAP Monthly Expenditure Report.

**Zero WAP agency staff labor costs can be charged to HWAP-Home Repair Funds. Only Subcontractor labor costs can be charged to these funds.

Additional Financial Considerations for OEO Administered Funding

- ✚ It is not allowable practice to have the client pay a contractor and then to reimburse the client for the expense. **The WAP shall pay contractors directly.**
- ✚ When using the DAACC, it is not allowable practice to have the client pay for the portion of the home repair costs that are prescribed to the regular weatherization project. **The WAP provider shall pay for these costs.**

VT TEC Manual—Appendix F: Deferral & Home Repair Policies

Projects with Substantial Home Repair Needs | Making Category 2- Deferral Decisions

- ✚ **A Category 2- Deferral** is a deferral that is based on the economic analysis of the project and/or the scope of work.
 - ✚ This type of deferral is made when a project does not have a project-level SIR of 1.0 or greater.
 - ✚ This type of deferral is made when there is not enough funding to cover the full cost of the home repairs needed to enable the WAP project to happen and the client—after being presented with all of the information about the project—has decided to defer the project because of the funding gap.
 - ✚ This type of deferral is made when a client refuses the installation of a measure or multiple measures that are required to be included in the scope of work in order for the WAP project to happen. Examples may include refusal of garage isolation measures, ventless heater disconnection/removal or the installation of exhaust fans.

Finalizing Category 2- Deferral Decisions | Requirements

- 1 | Record the deferral decision and the information that was communicated to the client prior to the deferral decision being made on the Notice of Service Deferral (Form 538). This form must be completed in full. A completed copy must be provided to the client and a copy must be retained for the file.
- 2 | Upload the following to the HES job file:
 - ✚ All information provided to the client, including the Notice of Service Deferral (Form 538)
 - ✚ The completed version of the DAACC file that was used to inform the deferral decision
 - ✚ Photographic documentation of the building and site conditions
- 3 | Record the following information into the HES file on the audit information screen
 - ✚ That the job has been deferred
 - ✚ The reason(s) for the deferral
 - ✚ The date of the deferral decision
- 4 | Assign the appropriate Job Type on the HES audit information screen
Assign the appropriate “No Unit” Funding Source for the job on the HES selected measures screen
Add the job to the correct HES invoice

VT TEC Manual—Appendix F: Deferral & Home Repair Policies

Projects with Substantial Home Repair Needs | Reactivating Deferrals

Eligibility Reverification Requirements When Reopening Deferred Projects

For Owner-Occupied Dwelling Units: When **all** of the following conditions are met, the household is automatically eligible for weatherization to proceed after the issues that caused the deferral have been addressed.

1. Prior to the deferral decision being made, the household was eligible for WAP services *when they transitioned off the client wait list and onto the open jobs/WIP list.*
2. There has been no change in ownership for the dwelling unit.
3. **Not more than two years** have elapsed between the date the client was informed in writing of the deferral decision and the date the weatherization agency was informed by client that weatherization work would be able to proceed. This duration of time shall be defined as the **eligibility grace period.**

Whenever a deferral is reactivated during the eligibility grace period there is no need for reapplication or a program eligibility reverification to occur.

If the eligibility grace period has elapsed, the household will need to provide an updated application packet to enable the agency to reverify their programmatic eligibility.

The original application date, efficiency coaching date and energy audit date shall be retained in the HES software program.

All reactivated deferrals shall be expedited to the front of the production que. This applies to all reactivated deferrals, even those where eligibility reverification is necessary due to the expiration of the eligibility grace period.

HWAP funding must be used to complete all reactivated deferral projects. DOE funding cannot be used.

For Rental Properties: When **all** of the following conditions are met, the project is automatically eligible for weatherization to proceed after the issues that caused the deferral have been addressed.

1. Prior to the deferral decision being made, the project was eligible for WAP services *when they transitioned off the project wait list and onto the open jobs/WIP list.*
2. There has been no change in ownership for the property.
3. **Not more than 12 months** have elapsed between the date the client was informed in writing of the deferral decision and the date the weatherization agency was informed by client that weatherization work could proceed. This duration of time shall be defined as the **eligibility grace period.**

Note that if the eligibility grace period has elapsed, the client will need to provide an updated application packet to enable the agency to reverify the project's programmatic eligibility.

Reactivated deferrals are not expedited to the front of the production que for rental properties. These projects are placed within the production que based on the date of the original efficiency coach visit relative to the coaching dates for other projects in the production que.

HWAP funding must be used to complete all reactivated deferral projects. DOE funding cannot be used.

VT TEC Manual—Appendix F: Deferral & Home Repair Policies

Deferral Policies & Procedures | Documentation & Forms

This section provides a summary of the required deferral related documentation and forms for Vermont’s WAP. This list is applicable to homes that do not have vermiculite. Refer to the list found in Appendix G for homes that contain vermiculite.

Document Number	Document Name	Use Requirements	Required Recipients of Documentation & Signature Requirements
Vermiculite Form 532	Notice of Presence of Vermiculite <u>or</u> Other Potential Asbestos Containing Materials (ACM)	This form must be used at every home with potential asbestos containing material. The client shall be informed about current policies and procedures related to vermiculite and/or other potential ACMs.	Is a Client Signature Required? --- Yes
			Is a WAP Agency Representative Signature Required? --- Yes
			Who Receives a Copy? --- 1 Client 2 WAP Agency
Vermiculite Form 534	Vermont Department of Health’s, “Planning for Renovations and Demolitions: Asbestos and What You Need to Know”	This informational handout must be provided to any client / household with vermiculite insulation or other potential asbestos containing material.	Is a Client Signature Required? --- No
			Is a WAP Agency Representative Signature Required? --- No
			Who Receives a Copy? --- 1 Client

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Deferral Policies & Procedures | Documentation & Forms

Document Number	Document Name	Use Requirements	Required Recipients of Documentation & Signature Requirements
Form 536	Hazard Assessment Notification	This form must be used at every home that will receive weatherization services.	Is a Client Signature Required? --- Yes
			Is a WAP Agency Representative Signature Required? --- Yes
			Who Receives a Copy? --- 1 Client 2 WAP Agency

VT TEC Manual—Appendix F: Deferral & Home Repair Policies

Deferral Policies & Procedures | Documentation & Forms

Document Number	Document Name	Use Requirements	Required Recipients of Documentation & Signature Requirements
Form 537	Notice of Service Deferral – Category 1	<p>This form must be used when a deferral decision is made for the following reasons.</p> <p>1 The client(s) is uncooperative, abusive or threatening to those who must engage with the client(s) or perform work at the home during the project.</p> <p>2 Illegal activities are being conducted in the dwelling unit.</p> <p>3 The dwelling unit has sewage or other sanitary problems (i.e., fleas or other pest infestation) that would endanger workers and that could potentially be worsened by proceeding with weatherization work.</p> <p>4 The client has known health conditions that prohibit the installation of insulation and/or other weatherization materials.</p> <p>5 The client has known health conditions that prohibit the disturbance or removal of existing materials in the home that would need to be disturbed or removed to complete the weatherization project.</p>	<p>Is a Client Signature Required?</p> <p>---</p> <p>No</p>
			<p>Is a WAP Agency Representative Signature Required?</p> <p>---</p> <p>No</p>
			<p>Who Receives a Copy?</p> <p>---</p> <p>1 Client 2 WAP Agency</p>
Form 538	Notice of Service Deferral – Category 2	<p>This form must be used when a deferral decision is made for any reason other than the reasons that are listed above <u>or</u> the reasons that are outlined on pages 6-9 of this appendix.</p>	<p>Is a Client Signature Required?</p> <p>---</p> <p>No</p>
			<p>Is a WAP Agency Representative Signature Required?</p> <p>---</p> <p>No</p>
			<p>Who Receives a Copy?</p> <p>---</p> <p>1 Client 2 WAP Agency</p>

VT TEC Manual—Appendix F: Deferral & Home Repair Policies

Deferral Policies & Procedures | Documentation & Forms

Document Number	Document Name	Use Requirements
Form 540	Non-Vermiculite Deferral Process Waiver Request	<p>This waiver form must be submitted to OEO to request permission to defer a project where the “First 3 WAP Service Phases” have not been fully completed <u>unless</u> one of the allowable exceptions outlined on pages 6 and 7 of this appendix is the reason for the deferral.</p> <p>If one of the allowable exceptions outlined on pages 6 and 7 of this appendix is the reason for the deferral, then the project can be deferred without submitting this form to OEO.</p> <p><i>Note that this form is only used in homes that do not contain vermiculite. Use form 539 in homes that contain vermiculite.</i></p>