

Minnesota Healthy Air Program
Program Guidelines
December 6, 2017



Minnesota's Commitment to Diversity and Inclusion

The State of Minnesota is committed to diversity and inclusion in its public procurement process. The goal is to ensure that those providing goods and services to the State are representative of our Minnesota communities and include businesses owned by minorities, women, veterans, and those with substantial physical disabilities. Creating broader opportunities for historically under-represented groups provides for additional options and greater competition in the marketplace, creates stronger relationships and engagement within our communities, and fosters economic development and equality.

To further this commitment, the Department of Administration operates a program for Minnesota-based small businesses owned by minorities, women, veterans, and those with substantial physical disabilities. For additional information on this program, or to determine eligibility, please call 651-296-2600 or go to www.mmd.admin.state.mn.us/mn02001.htm.

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I. Overview

The Minnesota Department of Commerce administers the federally funded Low-Income Weatherization Assistance Program (WA). The program provides free home energy upgrades to income-eligible homeowners and renters to reduce energy costs for low-income families, particularly for the elderly, people with disabilities, and children, by improving the energy efficiency of their homes while ensuring their health and safety.

In program year 2016, more than 1,700 household units statewide received services through the Weatherization Assistance Program. However, up to 40% of otherwise eligible households were deferred due to the presence of vermiculite insulation. Vermiculite insulation may contain asbestos, which is known to cause cancer.

In response to this need the Healthy AIR (Asbestos Insulation Remediation) program was created, receiving a state allocation of \$300,000 for fiscal years 2018 and 2019 for removal of vermiculite insulation in low-income households. These homes are then able to receive federally-funded weatherization services otherwise denied to them.

The Minnesota Department of Commerce is directed to administer this program via the existing network of 24 local Weatherization Assistance Program (WAP) service providers.

Legislation (2017 Minnesota Session Laws, Chapter 94—S.F. No. 1456):

(a) \$150,000 each year is to remediate vermiculite insulation from households that are eligible for weatherization assistance under Minnesota's weatherization assistance program state plan under Minnesota Statutes, section 216C.264. Remediation must be done in conjunction with federal weatherization assistance program services.

Funding Plan: A total of \$300,000 has been allocated by the state legislature over two years beginning July 1, 2017. Approximately \$195,000 is available beginning July 1, 2018. All funds must be expended no later than June 30, 2019.

II. Timeline

July 2, 2018:	Round two: Applications are accepted*
July 11, 2018:	Deadline for Vermiculite Deferral List to be submitted to Commerce
April 1, 2019:	Deadline to submit applications for round two funding
June 30, 2019:	Deadline to complete round two projects

* Eligible Service Providers may begin submitting **Applications** along with a scope of work and contractor bids. Commerce will issue a **Notice to Proceed** for complete applications in the order they are received, until all funds are reserved.

III. Program Guidelines

APPLICATIONS: Beginning July 1, 2018 the Minnesota Department of Commerce (Department) will accept **Applications** from Minnesota Weatherization Assistance Program (WAP) Service Providers (SP) on the **deferred projects list**. More than one reservation can be submitted from

each SP. For consideration, SPs must submit an individual application for each household and *follow the specified deadlines, process and format* outlined in the guidelines.

Once a completed application is received, Commerce will issue a **Notice to Proceed letter**.

REMEDIATION COSTS: In order to be eligible for reimbursement of remediation costs SPs must receive a **Notice to Proceed** from Commerce prior to starting remediation work. All work must be in compliance with state and federal rules and regulations. Reimbursement will only be made for approved eligible costs after a **Notice of Completion has been received and approved by Commerce**.

ADMINISTRATIVE COSTS: Service Providers will be provided \$500 per remediated dwelling to offset administrative costs associated with managing each project.

TESTING REQUIREMENTS: For this program testing is not required and a positive test for asbestos is not required to apply for funding. However, homes must have had a visual inspection by an energy auditor or asbestos remediation contractor/consultant who must confirm, in writing, the presence of vermiculite.

VERMICULITE DEFERRAL LIST: Homes that have been deferred since 2015 must be submitted annually to Commerce utilizing the Commerce-defined excel spreadsheet.

PRESENCE OF ZONOLITE: According to the [Zonolite Attic Insulation \(ZAI\) Trust](#) up to 75% of the vermiculite used in homes is the Zonolite Brand. If testing has been done or other evidence indicates the presence of Zonolite insulation, the ZAI trust may reimburse 55% of the costs up to a maximum cost \$7,500 (maximum reimbursement of \$4,125). In order to leverage dollars for additional homes to be served, Service Providers are asked to request if a contractor would be willing to be reimbursed from the ZAI trust directly for up to 55% or \$4,125 of the cost, whichever is greater of the cost of remediation. Many contractors are familiar with the ZAI trust and have worked with them in the past.

If the contractor agrees to participate in the ZAI trust they may take a sample of the vermiculite insulation prior to beginning remediation and submit the sample in accordance to the [sample instructions of the ZAI Trust](#). The testing is free and will accelerate the reimbursement process. Testing takes approximately two – three weeks. If the sample test positive for zonolite, the contractor will be notified and then be eligible for direct reimbursement. They must follow the required ZAI Trust procedures and submit a reimbursement request directly to them. Neither Commerce nor the service provider is eligible to receive the reimbursement.

If the test results come back positive the service provider is only required to pay the project cost less the ZAI trust reimbursement. The service provider must notify Commerce if the contractor will be receiving reimbursement from zonolite. The NFA will be adjusted to reflect the reimbursement amount. By utilizing the ZAI Trust funding the Healthy AIR funding can be leveraged to remediate more homes.

BIDDING REQUIREMENTS: SPs must follow the bidding requirements as detailed in Section four (4) of their state contract. Commerce encourages the use of [State Certified Targeted Group, Economically Disadvantaged and Veteran-Owned \(TG/ED/VO\) Program](#). For more information on eligibility, see the [Minnesota Procurement Office Vendor Information](#) website.

REMEDICATION CONTRACTORS: All remediation contractors must be licensed by the state of Minnesota Department of Health (MDH). For information on contractors in your service area see the [MDH asbestos](#) website. Contractors must adhere to all applicable Minnesota and Federal rules and statutes that relate to asbestos removal. These include but are not limited to Minnesota Statutes §326.70 to 326.81 and Minnesota Rules 4620.3000 to 4620.3274.

REMEDICATION CONSULTANTS (OPTIONAL): A Service Provider may choose to hire a remediation consultant as part of the overall project costs. Consultants are hired to complete the pre-remediation sampling and testing. After receiving the lab results, the consultant will provide an “asbestos inspection report” and develop a scope of work for a remediation contractor. Once the remediation is complete the consultant will return to the home to inspect the remediation and provide an “inspection abatement report”. This report may be available from the remediation contractor as well.

All remediation consultants must be licensed by the state of Minnesota Department of Health (MDH). For information on consultants in your service area see the [MDH asbestos](#) website.

MDH ASBESTOS PROJECT NOTIFICATION: The Minnesota Department of Health (MDH) is the primary state regulator of asbestos removal in Minnesota. Contractors are required to notify MDH at least five (5) calendar days prior to the start of remediation by completing an [online form](#) available on the MDH website. Only licensed remediation contractors may submit a notification form. The fee varies depending on the size of the project but for small residential projects is \$35. This fee is eligible for reimbursement from the Healthy Air Fund.

WEATHERIZATION REQUIREMENT: All homes that receive remediation should be weatherized within the program year of remediation. During cold weather months weatherization must be completed as soon as possible following the remediation. This means that remediated dwellings can be moved to the top of the weatherization priority list. Energy audits can proceed on houses approved for vermiculite remediation. Any blower door testing must be configured so the dwelling is pressurized rather than the typical depressurization setup. All energy modeling of areas affected by remediation should reflect the insulation levels after remediation is completed.

FEDERAL WEATHERIZATION FUNDS SHOULD NOT BE COMMINGLED WITH HEALTHY AIR: Federal weatherization funds should not be commingle with Healthy Air Funds in order to order to ensure that federal rules such as Davis-Bacon wage and reporting requirements are not triggered.

IV. Questions

All questions concerning the program and guidelines are to be submitted by email to:
Weatherization Assistance Team
Department of Commerce, Division of Energy Resources
weatherization.commerce@state.mn.us

V. ROUND 2: Application and Reimbursement Process

By July 1, 2018, submit the following application components to:
weatherization.commerce@state.mn.us, including the Client ID# (eHEAT) in the subject line.

STEP 1: SUBMIT APPLICATION

1. Submit a completed program Application form, that includes:
 - a. Project information required on application;
 - b. Signature by an energy auditor or asbestos remediation contractor/consultant attesting to the presence of vermiculite;
 - c. Bidding documents, including evidence of required bidding process;
 - d. Scope of work to be completed by the asbestos remediation contractor
 - e. Test results if sampling and testing has been completed; and

STEP 2: NOTICE TO PROCEED

1. Once a completed application is received, and funding reserved, Commerce will send out a notice to proceed letter for each approved project to the extent of funding available. Applications will be received on a first come first serve basis.

STEP 3: REMEDIATION & WEATHERIZATION

1. Remediation must follow the approved scope of work and follow the ZAI Trust procedures if applicable.
2. Proceed with weatherization as soon as possible for the health and safety of occupants.

STEP 4: Notice of Completion (NOC)

After the work has been done and all local or state inspections, if required, have been completed, submit the following required documents:

1. Signed Notice of Completion form.
2. Summary of all costs listed on the NOC form
3. Copy of abatement contractor final invoice.
4. Copy of zonolite testing results, if applicable
5. Before and after color photos in pdf format

STEP 5: PAYMENT

Once all work is complete and required documents are submitted you may follow your typical procedure by submitting to Commerce a cash request for the approved amount of Healthy AIR funding.