

**Memorandum of Agreement**  
**Between the**  
**Delaware Department of Health and Social Services**  
**and the**  
**Delaware Department of Natural Resources and Environment Control**

Whereas, there is a great need to help low income citizens respond to the high costs of essential heating and energy needs in their homes and to reduce energy demand and the disproportionate expenses for energy services in the low income community; and

Whereas, The Department of Health and Social Services (DHSS) and the Department of Natural Resources and Environmental Control (DNREC) seek to closely coordinate our mutual interests in meeting the needs of low income citizens with energy assistance programs; and

Whereas, the Weatherization Assistance Program (WAP) and the Low Income Home Energy Assistance Program (LIHEAP) have historically been administered by DHSS; and;

Whereas, over the course of the first quarter of Calendar year 2011, the WAP program has transitioned over to DNREC and is now an integral part of DNREC's energy program portfolio; and

Whereas, these two programs have been, and will continue to be linked and interdependent – through funding sources, client contacts and programmatic services; and

Whereas, funding for these two programs may come from several sources, including the federal LIHEAP and WAP programs, State general and appropriated special funds, utility surcharge programs authorized under 26 Del C § 1014 and the sale of Regional Greenhouse Gas Initiative (RGGI) Allowances under 7 Del C. Subchapter II-A; and

Whereas, it is critical that our two agencies clearly articulate how these funding sources shall be distributed, utilized, tracked and accounted for in each of our affected programs; and

Now, Therefore, be it agreed by DHSS and DNREC as follows:

1. Both agencies will designate one or more points of contact for execution of the MOU and continued coordination of our respective programs. These contact persons may be changed as necessary and changes will be communicated to each agency as soon as practical.

2. Both agencies shall abide by all state accounting and auditing requirements as they relate to any and all federal, state or other revenues.
3. With respect to individual funding sources, we agree to the following:

### 3.1 LIHEAP

- 3.1.1. DHSS will make available \$500,000.00 of the FFY11 LIHEAP grant carry over funds to DNREC for necessary WAP client services conducted by DNREC following execution of this agreement. These funds must be obligated by 9/30/12.
- 3.1.2. DHSS will make available 10 percent of the FFY12 LIHEAP grant to DNREC for WAP client services conducted by DNREC. These funds must be obligated by 9/30/12.
- 3.1.3. The allocation of LIHEAP funds for WAP for FFY 13 and beyond shall be reviewed annually by DHSS and DNREC prior to DHSS's submission of a LIHEAP application to the federal government. In no case shall the allocation in future years be less than 10%.
- 3.1.4. DNREC is responsible for administering any and all LIHEAP funds made available to WAP. LIHEAP funds can only be used for client services and not towards administrative expenses.
- 3.1.5. DHSS will distribute LIHEAP funds to DNREC for WAP services on a pro rata basis as each Grant Award letter is received by DHSS.
- 3.1.6. Any LIHEAP funds remaining as of 9/30 of each grant year must be returned to DHSS and will not be carried over to pay costs incurred in the subsequent federal fiscal year.
- 3.1.7. DNREC will follow the LIHEAP state plan as regards the use of LIHEAP funds.
- 3.1.8. DNREC will follow all US Department of Energy WAP and US Department of Health and Human Services LIHEAP statutory, regulatory and guidance requirements for the use of LIHEAP funds in weatherizing Delaware's housing stock, including LIHEAP-IM-99-11, as applicable. DNREC will not use any LIHEAP funds to pay for WAP re-inspections or second WAP energy audits.
- 3.1.9. DNREC shall be held accountable for any and all audit findings related to the use of LIHEAP funds for weatherization activities conducted following the execution of this agreement and shall pay any penalties and/or pay any funds which must be returned to the federal government due to such audit finding(s).
- 3.1.10. DNREC shall make available to DHSS the policies and procedures it will employ in administering LIHEAP funds for the WAP.
- 3.1.11. DNREC, on a quarterly and annual basis, will be required to submit a report on all expenditures, vendor payments and the number of clients served to the designated Manager of DHSS.
- 3.1.12. DHSS shall engage in monitoring of the use of LIHEAP funds by DNREC. DHSS shall have at will access to any and all documents, ledgers, invoices etc. related to the use of LIHEAP funds for WAP activities.

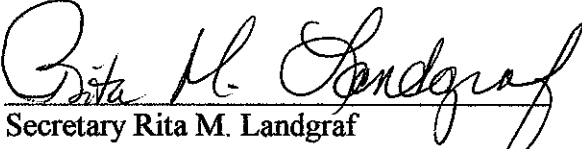
### 3.2 RGGI

- 3.2.1. Pursuant to 7 Del. C. §6046(c)(2) DNREC shall retain 10% of the RGGI Carbon Dioxide allowance revenues and shall direct said revenues to the WAP.

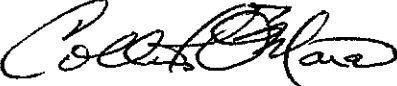
- 3.2.2. DNREC shall make the remaining 5% of RGGI revenues earmarked for low income recipients available to DHSS for LIHEAP purposes.
- 3.2.3. DHSS will administer RGGI funds dedicated to LIHEAP efforts in accordance with all Federal and state LIHEAP statutory, regulatory and guidance requirements.
- 3.2.4. In an effort to comply with 7 Del C. § 6046 (c)(2) DNREC shall make available to DHSS, on a continuing basis, a list of all homes weatherized under the WAP program following execution of this agreement.
- 3.2.5. DHSS shall, on an annual basis provide a written report on RGGI LIHEAP expenditures.
- 3.2.6. DNREC shall be held accountable for any and all audit findings related to the use of RGGI WAP funds conducted following the execution of this agreement.
- 3.2.7. DHSS shall be held accountable for any and all audit findings related to the use of RGGI LIHEAP funds conducted following the execution of this agreement.
- 3.2.8. DNREC shall transfer said 5% of RGGI revenues within 10 business days of DNREC's actual receipt of auction proceeds.
- 3.2.9. DNREC shall notify DHSS as soon as possible in the event that Delaware chooses, or is not able, to participate in a regional or state auction, or if for any reason, revenues cease to be generated.

3.3 Utility Funds

- 3.3.1 DHSS and DNREC agree to evenly distribute all proceeds of the utility surcharge program authorized under 26 Del C § 1014.
- 3.3.2 DHSS shall transfer said 50% of revenues received under 26 Del C § 1014 within 10 business days of DHSS's actual receipt of funds.
- 3.3.3 DNREC and DHSS shall each abide by any and all rules for use of these utility funds and shall collaborate on any reporting to the Public Service Commission (PSC) on the use of such funds, should the PSC request such report(s).

  
 Secretary Rita M. Landgraf  
 Department of Health and Social Services

11/28/11  
 Date

  
 Secretary Collin O'Mara  
 Department of Natural Resources and  
 Environmental Control

11/22/11  
 Date