

Draft WaterSense New Home Certification and Labeling System

This document is meant to supplement the *WaterSense Program Guidelines* and specifically outlines the process for certification and labeling of new homes in compliance with the *Water-Efficient Single-Family New Home Specification*, including the general procedures for builder application and receipt of the certificate containing the WaterSense label for new homes. (The certificate is hereafter referred to as the WaterSense label.) This document also describes the general application procedures and requirements for those parties involved in training, home inspection, certification, and issuance of the WaterSense label.

I. Definition of Parties

Builder Partner: A home builder who has committed to building new homes in accordance with the *Water-Efficient Single-Family New Home Specification* and providing other support as specified in these guidelines. The builder must signify such commitment by signing a WaterSense partnership agreement with the U.S. Environmental Protection Agency (EPA). Procedures and requirements for builders are outlined in Section II. of this document.

Water-Efficiency Home Inspector: An individual who provides inspection services of new homes in accordance with the *Water-Efficient Single-Family New Home Specification*. The inspector must be trained by an EPA-licensed provider in accordance with training materials prepared by WaterSense. In addition, the inspector must work for or be contracted with an EPA-licensed provider. Procedures and requirements for inspectors are outlined in Section III. of this document.

Certification Provider: An organization licensed by EPA to hire or contract with inspectors, oversee new home inspections, and provide builder partners of certified new homes with the WaterSense label. The provider's designated quality assurance personnel also conducts training of inspectors in accordance with training materials prepared by WaterSense. The provider must signify such commitment by signing a partnership agreement and a licensing agreement with EPA. Procedures and requirements for providers are outlined in Section IV. of this document.

Program Administrator: A national, independent organization that is approved by EPA to oversee businesses, organizations, and individuals who inspect and certify homes to meet the *Water-Efficient Single-Family New Home Specification* and issue the WaterSense label. The program administrator will train providers to conduct training of inspectors in accordance with training materials prepared by WaterSense and will approve and oversee the providers' certification process as it relates to WaterSense. Procedures and requirements for program administrators are outlined in Section V. of this document.

II. Procedures and Requirements for Builder Partners

A. Partnership Agreements with EPA

Builders must first sign a partnership agreement with EPA as described in Section IV. of the *WaterSense Program Guidelines*¹ if they wish to obtain the WaterSense label for their homes. Upon request for labeling, the provider will verify that the builder has in place a WaterSense partnership agreement signed by both EPA and the builder.

B. New Home Certification and Labeling

Achieving and using the WaterSense label in conjunction with a water-efficient new home is contingent upon successful inspection and certification that the home meets the minimum criteria contained in the *Water-Efficient Single-Family New Home Specification*. Figure 1 portrays the key elements of the new home certification process and the relationships between EPA, the home builder, the inspector, the provider, and the program administrator. An inspector must directly inspect each new home in order for the provider to issue the builder partner the WaterSense label for that home.

i. Application to a provider

To have a home inspected to meet the specification and to receive the WaterSense label, the builder partner must contact a provider that is licensed by EPA. The provider will assign an inspector or provide a listing of inspectors the builder may use to inspect the home. To find a licensed provider in your area, see the list on the WaterSense Web site, www.epa.gov/watersense.² Each provider will have its own procedures for assigning and conducting inspections. The builder is responsible for paying the provider for all services and costs associated with the new home inspection, certification, and issuance of the WaterSense label.

ii. New home inspection

The inspector will inspect each home in accordance with these guidelines, the specification, and inspection materials prepared by WaterSense. Inspection materials are also available on the WaterSense Web site, www.epa.gov/watersense.³ The inspection will include an assessment of the following aspects of each new home in accordance with the minimum requirements contained in the specification:

- a. Minimum indoor water-efficiency criteria;
- b. Minimum outdoor water-efficiency criteria; and
- c. Builder-prepared homeowner operating manual.

In the case of the minimum outdoor water-efficiency criteria, if the home has an irrigation system, the builder partner must have the irrigation system designed, installed, and inspected by a WaterSense irrigation partner. A listing of irrigation

¹ The *WaterSense Program Guidelines* will be updated to include procedures and requirements for builder partnership upon release of the final specification.

² The list of licensed providers will be available upon the release of the final specification.

³ The inspection materials will be available upon the release of the final specification.

partners by state can be found at www.epa.gov/watersense/pp/irrprof.htm. The irrigation partner must also complete an inspection form verifying that the irrigation system meets the minimum criteria contained in the specification. The form can be found on the WaterSense Web site at www.epa.gov/watersense.⁴ A copy of the completed form must be provided to the inspector as part of the inspection process.

iii. New home certification and labeling

Once the inspector has successfully inspected the new home in accordance with the specification, it will inform the provider. Based on the inspection documentation, the provider will make the certification decision. If the provider determines that the new home meets the minimum criteria contained in the specification, it will then issue the builder partner a certificate template that contains the WaterSense label. At a minimum, the certificate template will also contain:

- The name of the builder partner;
- A certification statement that the new home has been certified to meet EPA's criteria for water-efficient new homes;
- The name of the inspector's and provider's authorized representatives and their respective signatures;
- The address or lot number of the associated certified new home; and
- The date of inspection.

The WaterSense label indicates that the new home has been certified to conform to the specification. At the time the WaterSense label is issued, the provider will also supply the builder partner with guidance on proper use of the label and advertisement of the WaterSense labeled new home. The builder partner is then allowed to advertise that the new home conforms to the specification. Any promotion of the WaterSense label must be directly related to the certified new home. Information on proper label use and advertising references may also be obtained from the WaterSense Web site at www.epa.gov/watersense.

iv. Builder partner registry

EPA will maintain an updated list of builder partners who have built or plan to build WaterSense labeled new homes. As part of the partnership agreement with EPA, the builder will provide EPA with:

- Contact information;
- Company Web site; and
- A list of states and/or localities in which they build.

EPA will post this information on its builder partner registry, www.epa.gov/watersense.⁵

The provider must report at least quarterly to EPA regarding the new homes that they have certified. EPA will supply the provider with a WaterSense labeled new home notification form, which is also available on the WaterSense Web site,

⁴ The inspection materials will be available upon the release of the final specification.

⁵ Builders are not eligible to partner with EPA until the release of the final specification. The registry of builder partners will be available after the commencement of builder partnership eligibility.

www.epa.gov/watersense.⁶ At a minimum, the provider will supply EPA with the following information for each builder that is issued a WaterSense label:

- Builder partner's contact information;
- Number of labeled new homes and cities and states (or zip codes) in which the homes are built; and
- Data collected for each home per the inspection checklists, aggregated to provide total numbers of installed appliances and systems (e.g., type of hot water delivery system, clothes washers, dishwashers, irrigation systems).

Builder contact information, number of certified new homes, and certified new home location (city, state) information will be updated, as applicable, for each builder partner quarterly and displayed on the WaterSense builder partner registry. Information pertaining to the optional water-efficiency features will be used for program evaluation and analysis.

v. Ongoing surveillance

a. New home re-inspection/co-inspection

As part of the requirements for ensuring conformance with the specification criteria, the provider's quality assurance designee will oversee the inspections. This includes a mandatory re-inspection/co-inspection of the inspector's first three homes and annually thereafter, one home or 1 percent of the inspector's inspected homes, whichever is greater. This re-inspection/co-inspection will occur prior to the home's sale or occupancy as designated by the provider. Any instances of non-conformance identified during the re-inspection/co-inspection will be handled in accordance with Section VI. of this *WaterSense New Home Certification and Labeling System*.

b. EPA surveillance

EPA reserves the right to conduct periodic in-home inspections of labeled homes prior to their sale or occupancy and to periodically review Web and other certification references and WaterSense label usages. In the case of an in-home inspection, EPA will seek permission and coordinate the inspection with the builder partner and the home's inspector and provider. If problems or violations are discovered, EPA will contact the provider and/or the builder partner and engage in corrective or other necessary action in accordance with Section VI. of this *WaterSense New Home Certification and Labeling System*.

III. Procedures and Requirements for Water-Efficiency Home Inspectors

Inspectors inspect new homes in accordance with the minimum criteria contained in the specification. To provide inspection services for WaterSense, an inspector must:

⁶ The notification form will be available upon the release of the final specification.

- Complete the training requirements as outlined in this section;
- Work for, or contract with, a provider that is licensed by EPA; and
- Disclose existing or potential conflicts of interest to the provider for all relevant inspections related to WaterSense.

Other responsibilities of inspectors are also outlined in this section.

A. Inspector Training and Administration

i. Training of inspectors

An inspector must demonstrate a knowledge base and skill set to conduct inspections of new homes for WaterSense. As part of that demonstration, the inspector must attend training conducted by an EPA-licensed provider's quality assurance designee. EPA maintains a listing of licensed providers on the WaterSense Web site, www.epa.gov/watersense.⁷

Upon completion of the training requirements, the provider will supply inspectors with documentation of the training, and with materials needed to conduct inspections. This will include a copy of the specification, inspection guidance, an inspection checklist, and any other materials prepared by EPA related to the inspection of new homes for the WaterSense program. Inspection materials may also be obtained on the WaterSense Web site at www.epa.gov/watersense.⁸

ii. Administration of inspectors

To provide inspections of new homes for WaterSense, inspectors who have completed the required training also must work for, or contract with, an EPA-licensed provider. A licensed provider should be contacted directly for information on becoming a water-efficiency home inspector. The list of approved providers is available on the WaterSense Web site, www.epa.gov/watersense.⁹ This information may also be obtained from the WaterSense Helpline at (866) WTR-SENS (987-7367).

In addition, the inspector must disclose to the provider any existing or potential conflicts of interest, including financial interests, related to inspections for WaterSense. The provider must agree to provide this disclosure to the builder or homeowner upon request.

As part of its responsibilities, the provider will oversee inspectors in accordance with its own process relevant to the evaluation of the inspector's capability and competence to inspect new homes for WaterSense. The provider's quality assurance designee(s) will provide oversight functions that, at a minimum, will include:

⁷ The list of licensed providers will be available upon the release of the final specification.

⁸ The inspection materials will be available upon the release of the final specification.

⁹ The list of licensed providers will be available upon the release of the final specification.

- Conducting the inspector training and maintaining documentation of training;
- For each inspector, re-inspecting/co-inspecting the first three inspections and annually thereafter one home or 1 percent of the certified homes, whichever is greater;
- Annually conducting a comprehensive review of 10 percent of the inspector's inspection files;
- Maintaining file records for a minimum of three years; and
- Maintaining records of all complaints issued and complaint resolutions regarding the certified new homes for a minimum of three years.

B. New Home Inspection

The builder partner will contact a provider to schedule an inspection and apply for certification of his or her home's conformance to the specification. The provider is responsible for providing the builder partner with a list of its inspectors and/or assigning inspectors to perform the inspections for WaterSense. For each new home inspection assigned, the inspector must evaluate the following three aspects against the requirements of the specification:

- Minimum indoor water-efficiency criteria;
- Minimum outdoor water-efficiency criteria; and
- Builder-prepared homeowner operating manual.

EPA has prepared inspection guidance and an inspection checklist containing the inspection criteria and minimum features a home must possess in order for it to meet the criteria contained in the specification. The provider will supply these materials to the inspector, but these materials may also be obtained from the WaterSense Web site, www.epa.gov/watersense.¹⁰

Each of these aspects is further described below. If the inspector determines the new home is deficient in any area, and if corrective actions are appropriate and warranted, the inspector can work directly with the builder partner to ensure that the deficiency is corrected before finalizing the inspection. All deficiencies and corrective actions must be noted as part of the inspection documentation.

i. Minimum indoor water-efficiency criteria

The inspection guidance and inspection checklist will identify the inspection criteria and the minimum features a home must possess in order for it to meet the indoor water-efficiency criteria listed in the specification. The inspector must utilize the inspection checklist (or other method of documentation that contains all of the minimum information in the inspection checklist) to document the home's indoor water-efficiency features and compliance with the specification's minimum criteria. Testing may be required to evaluate certain indoor water-efficiency features. The provider will provide guidance and training for when to conduct testing and the procedures and reporting requirements for the testing.

¹⁰ The inspection materials will be available upon the release of the final version of this WaterSense labeled new home certification system.

ii. Minimum outdoor water-efficiency criteria

There are two aspects to outdoor water efficiency: landscape design and irrigation system design. The inspector will inspect the design of the landscape using materials (e.g., inspection guidance, inspection checklist) prepared by EPA. If the home possesses an irrigation system, the inspector will verify that it was designed, installed, and inspected by a WaterSense irrigation partner. A listing of irrigation partners by state can be found at www.epa.gov/watersense/pp/irrprof.htm. The builder partner will provide the inspector with an inspection form completed by the WaterSense irrigation partner, which will indicate whether the irrigation system meets the minimum criteria in the specification. The completed irrigation audit form shall be submitted to the provider along with the completed inspection form.

iii. Homeowner operating manual

The builder partner is required to develop and provide to the homebuyer a written operating and maintenance manual regarding the water-efficient features of the home. As part of the home inspection, the inspector must verify and document that the builder partner has prepared such a manual.

B. Notify Provider of New Home Inspections

Upon successful inspection, the inspector will notify and supply the provider with a copy of all relevant paperwork documenting the new home's inspection in accordance with each of the elements above. At a minimum, the inspector must report the following information to the provider for each inspected new home:

- Documentation of the home's compliance with the requirements contained in the specification (i.e., a completed inspection checklist)—this includes any initial deficiencies and corrective actions taken;
- Builder contact information;
- Address (or lot number) of inspected new home;
- Name and contact information for the inspector; and
- Inspection date.

Based on the inspection documentation provided by the inspector, the provider will make the certification decision. If the new home has been determined to meet all of the criteria contained in the specification, both the inspector that conducted the inspection and the provider's authorized representative will sign the certificate, which contains the WaterSense label. The provider will issue the signed certificate to the builder partner.

C. Ongoing Support

i. Maintain file of inspected homes

The inspector is responsible for maintaining a file of all of the homes he or she has inspected for a minimum of three years. For each home, the file must contain, at a minimum, the information submitted to the provider and listed in

Section III.C. above. The inspector must submit to an annual comprehensive review of 10 percent of his or her files by the provider's quality assurance designee, as part of the provider's quality assurance process.

ii. Maintain status as required by provider

To maintain status as an inspector for WaterSense, the inspector must maintain any training and other requirements indicated by the provider.

iii. Allow EPA to accompany provider on routine assessments of inspections

EPA reserves the right to conduct periodic in-home inspections of labeled homes prior to their sale or occupancy. In the case of an in-home inspection, EPA will seek permission and coordinate the inspection with the builder partner and the home's inspector and provider. If problems or violations are discovered, EPA will contact the provider and/or the builder partner and engage in corrective or other necessary action in accordance with Section VI. of this *WaterSense New Home Certification and Labeling System*.

IV. Procedures and Requirements for Licensed Providers

Licensed providers hire or contract inspectors and oversee the inspection of new homes for WaterSense. The providers also conduct training of inspectors, in accordance with training materials prepared by WaterSense. Providers are responsible for providing the builder partner with the WaterSense label for each certified new home and providing EPA with ongoing support as described in this section.

A. Procedures for Becoming a Licensed Provider

i. Attend provider training session

As part of its responsibilities as a provider for WaterSense, the provider is required to train its inspectors to properly conduct and document new home inspections. In order to become a provider for WaterSense, all individuals responsible for quality assurance from the provider's organization must attend a training session. Training will be conducted either by EPA or an EPA-approved program administrator. EPA or the program administrator will provide the applicant provider with documentation that the training requirement was fulfilled. This documentation will need to be submitted to the program administrator with the application to become a provider for WaterSense. To find out when the next training is scheduled, contact an EPA-approved program administrator. A list of approved program administrators can be found on the WaterSense Web site, www.epa.gov/watersense.¹¹ This information may also be obtained from the WaterSense Helpline at (866) WTR-SENS (987-7367).

¹¹ The list of approved program administrators will be available upon the release of the final version of this WaterSense labeled new home certification system.

ii. Designate personnel responsible for quality assurance

WaterSense requires each provider to have at least one quality assurance designee. This person(s) must be named in the application to both the program administrator and to EPA. The quality assurance designee is responsible for:

- Training the provider's inspectors on how to properly conduct and document inspections and maintaining documentation of trainings;
- Re-inspecting/co-inspecting each inspector's first three probationary inspections;
- Annually re-inspecting/co-inspecting one home or 1 percent of each inspector's inspected homes, whichever is greater;
- Annually conducting a comprehensive review of 10 percent of each inspector's files;
- Maintaining the providers quality assurance files; and
- Coordinating with the program administrator as required on all quality assurance activity oversight.

The quality assurance designee must meet the following requirements:

- Must be an individual who does not perform any inspections for WaterSense;
- Must have a minimum of one year of experience conducting inspections for WaterSense or another green building program; and
- Must have a formal agreement with the provider agreeing to comply with all of the quality assurance oversight activities required by the program administrator.

iii. Submit application to a program administrator

Once the provider training session is completed and a quality assurance designee is identified, the provider must submit an application to an EPA-approved program administrator. Each program administrator will have its own requirements and approval process and should be contacted directly for more information. The list of program administrators is available on the WaterSense Web site, www.epa.gov/watersense.¹² This information may also be obtained from the WaterSense Helpline at (866) WTR-SENS (987-7367).

The program administrator, as part of the approval process, will evaluate the provider's capability and competence to provide training of its inspectors, oversee the inspections, and issue the WaterSense label. This may include, but is not limited to, an evaluation of the provider's:

- Documentation of attendance at a provider training session;
- Procedures for ensuring the inspectors' ability to perform accurate inspections, including a requirement that the provider's quality assurance designee re-inspect/co-inspect the first three inspections and annually thereafter one home or 1 percent of the certified homes, whichever is greater;

¹² The list of approved program administrators will be available upon the release of the final version of this WaterSense labeled new home certification system.

- Inspector conflict of interest disclosure, including financial interest conflicts, which must be accompanied by an agreement that the provider will provide this disclosure to the builder/homeowner upon request;
- Inspector discipline provisions, which must include, at a minimum, progressive discipline procedures including probation, suspension, and termination;
- Inspector quality control procedures, including the minimum quality assurance requirements as described in Section IV.A.ii.;
- Quality assurance designee, all relevant contact information, his or her minimum responsibilities outlined in Section IV.A.ii. and a copy of the formal agreement between the provider and quality assurance designee;
- Inspection record-keeping provisions including the quality assurance record for each home (copies of the documentation provided by the inspectors) and a registry of all of the provider's inspectors; and
- Complaint resolution process including documentation of procedures to respond to and resolve complaints involving the inspections and/or certifications, a requirement to inform clients of the complaint resolution process, and maintenance for a minimum of three years of records of all complaints received and response to complaints.

Upon successful completion of the evaluation, the program administrator will supply the provider with documentation of approval.

iv. Approval from EPA

a. Application and agreements

Once the provider is approved by the program administrator, in order to offer services for WaterSense, the provider must submit a signed partnership agreement and signed licensing agreement to EPA. These agreements must be accompanied with documentation of consent from an EPA-approved program administrator, documentation of completion of a provider training session, and identification of the quality assurance designee(s). The provider must also designate and provide to EPA a point of contact (this individual may be different than the quality assurance designee). This point of contact will coordinate communication and dissemination of information to and from EPA regarding the provider's services for the WaterSense program.

The partnership agreement is the formal agreement between EPA and the provider that delineates activities (partner pledges and EPA commitments) to be conducted by each party, program benefits, and exclusions. The licensing agreement is the legal document between EPA and the provider granting the provider access to and conditions for authorizing the use of and distribution of the WaterSense label. A copy of the partnership agreement can be found on the

WaterSense Web site, www.epa.gov/watersense.¹³ Contact the WaterSense Helpline at (866) WTR-SENS (987-7367) or watersense@epa.gov for a copy of the licensing agreement.

b. Obtaining the WaterSense label

Once EPA receives the signed partnership and licensing agreements and reviews the supporting documentation, it will sign the partnership and licensing agreements and return copies to the applicant provider with an electronic copy of certificate template, which contains the WaterSense label.

The certificate template contains:

- The name of the builder partner;
- A certification statement that the new home has been certified to meet EPA's criteria for water-efficient new homes;
- The name of the inspector's and provider's authorized representatives and their respective signatures;
- The address or lot number of the associated certified new home; and
- The date of inspection.

The receipt of the certificate template and copies of the executed agreements signifies the approval and licensure of the provider. EPA will maintain a listing of its licensed providers on the WaterSense Web site, www.epa.gov/watersense.¹⁴ Builders will contact providers directly to initiate the inspection, certification, and labeling process.

c. Obtaining materials to train inspectors

Upon licensure to provide services for WaterSense, the provider must submit proof of the executed partnership and licensing agreements to the program administrator that originally approved it. This indicates to the program administrator that the provider has completed all of the requirements necessary to offer services for WaterSense. Then the program administrator will supply the inspector training materials, inspection guidance, and inspection forms to the provider. The provider must use these materials to train its inspectors that wish to inspect new homes for WaterSense. The program administrator can verify the provider's licensure by checking the list of licensed providers available on the WaterSense Web site, www.epa.gov/watersense.¹⁵ This information may also be obtained from the WaterSense Helpline at (866) WTR-SENS (987-7367).

With the receipt of the inspector training materials, inspection guidance, and inspection forms, the provider can begin training its inspectors and offering its inspection and certification services for WaterSense to builder partners.

¹³ A copy of the partnership agreement and licensing agreement will be available upon the release of the final version of the final specification.

¹⁴ A copy of the partnership agreement and licensing agreement will be available upon the release of the final version of the final specification.

¹⁵ The inspection materials will be available upon the release of the final version of this WaterSense labeled new home certification system.

B. Responsibilities of a Provider

i. Inspector administration and training

The provider is responsible for hiring or contracting with inspectors to complete the inspection of new homes for the WaterSense program. As part of the administration of its inspectors, the provider must provide training in accordance with inspector training materials prepared by WaterSense and provided by the program administrator. The provider's quality assurance designee must keep documentation of all its inspectors' training and will provide records of training to the program administrator upon request. The provider must also provide those inspectors that completed the training with the materials and guidance necessary to conduct the inspections. These materials may be obtained from the program administrator upon notification of licensure or are available on the WaterSense Web site, www.epa.gov/watersense.¹⁶

As part of the administration of inspectors, the provider will also periodically monitor the inspections as outlined below in Section IV.C.iii.

ii. Verification of builder partnership agreement with EPA

Builders must apply directly to a licensed provider if they wish to have their home(s) certified to receive the WaterSense label. The provider will provide the builder with a list and/or will assign the builder an inspector to coordinate the inspection.

As a condition for applying to have their home(s) certified and labeled for conformance to the specification, builders are required have a signed WaterSense partnership agreement. EPA will rely on the provider to verify that this partnership agreement is in place (and signed by both parties) prior to issuing the WaterSense label. To verify the partnership agreement, the provider should check the WaterSense Web site for a current list of builder partners. This listing can be found on the WaterSense Web site, www.epa.gov/watersense. If the builder is not listed on the WaterSense Web site, the provider must verify the partnership agreement by contacting the WaterSense Helpline at (866) WTR-SENS (987-7367) or watersense@epa.gov.¹⁷

iii. Issuing the WaterSense label

Once the inspector has successfully completed the inspection, he or she will submit copies of the inspection forms and supporting documentation to the provider. Based on the inspection documentation provided by the inspector, the provider will make the certification decision. Once the provider determines that the new home meets all of the criteria contained in the specification, the provider

¹⁶ The inspection materials will be available upon the release of the final version of this WaterSense labeled new home certification system.

¹⁷ Builders are not eligible to partner with EPA until the release of the final specification. The registry of builder partners will be available after the commencement of builder partnership eligibility.

will fill out the certificate containing the WaterSense label with the information pertaining to the certified new home. Both the provider's authorized representative and the inspector that conducted the inspection will sign the certificate and then the provider will supply the builder partner with an original signed copy.

At the time the WaterSense label is issued, the provider will also supply the builder partner with guidance on proper use of the label and advertisement of WaterSense labeled new homes. The builder partner is then allowed to advertise that the new home conforms to the specification. Any promotion of the WaterSense label must be directly related to the certified new home. Information on proper label use and advertising references may also be obtained from the WaterSense Web site at www.epa.gov/watersense.¹⁸

C. Ongoing Support

EPA anticipates that the provider will supply ongoing support in the following areas:

i. Maintain registry of inspectors

The provider must maintain a registry of all of the inspectors it hires or contracts to conduct new home inspections for WaterSense. Builder partners may contact providers directly for a listing of inspectors. This registry should also include records of training and other documentation of inspectors' qualifications as appropriate.

ii. Collect data on certified new homes

The provider must report at least quarterly to EPA regarding the new homes that they have certified. EPA will supply the provider with a WaterSense labeled new home notification form, which is also available on the WaterSense Web site, www.epa.gov/watersense.¹⁹ At a minimum, the provider will supply EPA with the following information for each builder that is issued a WaterSense label:

- Builder partner's contact information;
- Number of certified new homes and cities and states (or zip codes) in which the homes are built; and
- Data collected for each home per the inspection checklists, aggregated to provide total numbers of installed appliances and systems (e.g., type of hot water delivery system, clothes washers, dishwashers, irrigation systems).

Builder contact information, number of certified new homes, and certified new home location (city, state) information will be updated for each builder partner quarterly and displayed on the WaterSense builder partner registry. Information

¹⁸ The label use guidelines pertaining to new homes will be available upon the release of the final version of this WaterSense labeled new home certification system.

¹⁹ The notification form will be available upon the release of the final specification.

pertaining to the optional water-efficiency features will be used for program evaluation and analysis.

iii. Oversee inspections and maintain records of complaints

The provider will oversee inspectors in accordance with its own process relevant to the evaluation of the inspector's capability and competence to inspect new homes for WaterSense. The provider's quality assurance designee(s) will provide the oversight functions, which, at a minimum, will include:

- Conducting the inspector training and maintaining documentation of training;
- For each inspector, re-inspecting/co-inspecting the first three inspections and annually thereafter one home or 1 percent of the certified homes, whichever is greater;
- Annually conducting a comprehensive review of 10 percent of the inspector's inspection files;
- Maintaining file records for a minimum of three years;
- Maintaining records of all complaints issued and complaint resolutions regarding the certified new homes for a minimum of three years; and
- Maintaining records of any quality assurance checks it conducts during the year and submit a report to the program administration as required or requested.

If the complaints warrant response, the provider must follow its complaint resolution procedures and policies. This must include a mechanism for ensuring and enforcing necessary corrective action, discipline of the affected inspector, as appropriate, and potentially increasing the frequency of re-inspections/co-inspections conducted for the affected inspector.

iv. Allow EPA to accompany provider on routine assessments of inspector inspections

EPA reserves the right to conduct periodic in-home inspections of WaterSense labeled new homes prior to their sale or occupancy and reviews of Web and other certification references and WaterSense label usages. In the case of an in-home inspection, EPA will seek permission and coordinate the inspection with the builder partner and the home's inspector and provider. If problems or violations are discovered, EPA will contact the provider and/or the builder partner and engage in corrective or other necessary action in accordance with Section VI. of this *WaterSense New Home Certification and Labeling System*.

v. Update inspectors on relevant WaterSense program changes

Providers must maintain regular communication with their inspectors, informing them of any changes to the training or inspection requirements, as specified by WaterSense, and including any implications for the inspector's current status. Any program changes will be communicated to the provider by EPA and the program administrator.

V. Procedures and Requirements for Program Administrators

WaterSense will approve program administrators to evaluate, approve, and oversee providers, and provide EPA ongoing support as described in this section.

A. Application Procedures for Program Administrators and Approval by EPA

In order for a program administrator to be selected to approve and oversee providers it must submit an application to EPA. The application must include the following documentation:

i. A letter declaring intent to participate in the WaterSense program as a program administrator

The letter must contain declarations and/or attached documentation to support the following requirements:

a. Demonstrate impartial governance

The organization must prove impartial governance by demonstrating that it:

- Does not directly inspect or certify new homes for the WaterSense program or issue the WaterSense label to builder partners;
- Maintains open membership for all potential WaterSense providers;
- Has established a governing board of directors or executive committee composed of a diverse group of members representing various aspects of the home building industry, which may include but is not limited to, water-efficiency and home-energy experts, architects, engineers, landscape designers, providers for other green building programs, and/or other stakeholders as appropriate.

b. Demonstrate national scope

The organization must demonstrate ability to offer WaterSense program administration services at a national level. This demonstration must be in the form of a business plan delineating planned goals, objectives, and milestones to achieve and/or maintain national scope. This can include, but is not limited to:

- Conducting recruitment efforts at national building science conferences;
- Providing feedback to EPA as appropriate on national water-efficiency or WaterSense-related policy issues; and/or
- Complying with other requirements that EPA may deem sufficient to demonstrate national scope.

c. Demonstrate policies and procedures governing oversight of WaterSense providers

The organization must provide documentation that its by-laws, governing policies and procedures are applicable and effective for the approval and oversight of providers that are licensed by EPA to provide services for the WaterSense program. This documentation must include:

- A copy of its technical standards for approval and oversight procedures;
- A requirement that inspectors complete training and receive documentation and materials necessary to conduct inspections for WaterSense;
- A requirement for the identification of a quality assurance designee for each provider;
- Quality control procedures for providers, including procedures for disciplining providers that do not follow the quality control procedures;
- Record-keeping requirements for providers;
- Procedures to investigate the complaints, dismissal and appeals of providers;
- A business code of ethics for providers;
- A complaint resolution process for the provider and the program administrator;
- A requirement that the provider's quality assurance designee re-inspect/co-inspect the first three inspections and annually thereafter one home or 1 percent of the certified homes, whichever is greater;
- A requirement that the providers and their inspectors maintain a database of homes that receive certification and the WaterSense label; and
- Any other specific quality assurance steps that the program administrator will undertake to ensure the quality of the provider's work.

ii. Point of contact

The program administrator must indicate in its application the point of contact and must provide that individual's contact information. This point of contact will be responsible for communicating and disseminating information to and from EPA as appropriate or requested regarding the WaterSense program.

iii. Memorandum of agreement

The application must also be accompanied by a signed copy of the memorandum of agreement (MOA), which outlines the terms and conditions for providing program administration services for WaterSense. Contact the WaterSense

Helpline at (866) WTR-SENS (987-7367) or watersense@epa.gov for a copy of the MOA.²⁰

B. EPA Approval of Program Administrators

Upon receipt and evaluation of the application and supporting documentation, if all criteria are satisfactorily met, EPA will notify the program administrator that it has been approved to provide services for WaterSense and will return a signed and executed copy of the MOA. In addition, EPA will provide the approved program administrator with the inspector training materials, inspection guidance, and inspection forms. These materials are to be supplied to the providers upon submittal of proof of partnership and licensure with EPA.

Once approved and notified, EPA will post the organization's name and contact information, including the designated point of contact, on the WaterSense Web site as an approved program administrator. The approved program administrator is then able to begin recruiting and approving providers in accordance with this document.

C. Responsibilities of Program Administrators

i. Training of providers

As part of its responsibilities, the program administrator is required to conduct provider training sessions, which will instruct providers on how to train their inspectors to properly conduct and document new home inspections. The program administrator must inform potential providers of when and where the training will be offered. The program administrator must train or participate in the training of all individuals responsible for quality assurance at the applicant or potential applicant providers' organizations. The program administrator will provide the applicant provider with documentation that the training requirement was fulfilled. The provider must submit documentation of attendance at a provider training session to the program administrator with the application to become a provider for WaterSense.

ii. Approval of providers

Once a provider training session is completed and a quality assurance designee is identified, the provider must submit an application to an EPA-approved program administrator. The program administrator, as part of the approval process, will evaluate the provider's capability and competence to provide training of its inspectors, oversee the inspections, and issue the WaterSense label. This may include, but is not limited to, an evaluation of the provider's:

- Documentation of attendance at a provider training session;
- Procedures for ensuring the inspectors' ability to perform accurate inspections including a requirement that the provider's quality assurance designee re-inspect/co-inspect the first three inspections

²⁰ The MOA will be available upon the release of the final version of this WaterSense labeled new home certification system.

and annually thereafter one home or 1 percent of the certified homes, whichever is greater;

- Inspector conflict of interest disclosure, which must be accompanied by an agreement that the provider will provide this disclosure to the builder/homeowner upon request;
- Inspector discipline provisions, which must include, at a minimum, progressive discipline procedures including probation, suspension, and termination;
- Inspector quality control procedures, including the minimum quality assurance requirements as described in Section IV.A.ii.;
- Quality assurance designee, all relevant contact information, his or her minimum responsibilities outlined in Section IV.A.ii., and a copy of the formal agreement between the provider and quality assurance designee;
- Inspection record-keeping provisions including the quality assurance record for each home (copies of the documentation provided by the inspectors) and a registry of all of the provider's inspectors; and
- Complaint resolution process including documentation of procedures to respond to and resolve complaints involving the inspections and/or certifications, a requirement to inform clients of the complaint resolution process, and maintenance for a minimum of three years of records of all complaints received and response to complaints.

Upon successful completion of the evaluation, the program administrator will supply the provider with documentation of approval. The provider will submit this documentation of approval to EPA in order to receive licensure to offer provider services for WaterSense.

iii. Verifying partnership and licensure of approved providers

Once EPA has licensed the provider to offer services for WaterSense, the provider must submit proof of the executed partnership and licensing agreements to the program administrator that originally approved it. This indicates to the program administrator that the provider has completed all of the requirements necessary to offer services for WaterSense. Then the program administrator will supply the inspector training materials, inspection guidance, and inspection forms to the provider. The provider must use these materials to train its inspectors that wish to inspect new homes for WaterSense. The program administrator can verify the provider's licensure by checking the list of licensed providers available on the WaterSense Web site, www.epa.gov/watersense.²¹ This information may also be obtained from the WaterSense Helpline at (866) WTR-SENS (987-7367).

With the receipt of the inspector training materials, inspection guidance, and inspection forms, the licensed provider can begin training its inspectors and offering its inspection and certification services for WaterSense to builder partners.

²¹ The list of licensed providers will be available upon the release of the final version of this WaterSense labeled new home certification system.

D. Ongoing Support

i. Maintain registry of approved providers

Program administrators must maintain a registry of their approved providers. Program administrators should only add providers to this registry once the provider has submitted proof of EPA partnership and licensure. The registry should include the provider's contact information, point of contact, and an indication that the provider is approved to certify new homes for the WaterSense program.

ii. Oversee providers

The program administrator is responsible for overseeing the providers in accordance with its technical standards for approval and oversight procedures (documented in its application to EPA) relevant to the evaluation of the provider's capability and competence to certify new homes for WaterSense and issue the WaterSense label. This may include but is not limited to:

- An annual review of all provider files to ensure that the proper quality assurance is being conducted, including an evaluation that the provider is meeting its oversight responsibilities for:
 - Re-inspecting/co-inspecting each inspector's first three probationary inspections;
 - Annually re-inspecting/co-inspecting one home or 1 percent of each inspector's inspected homes, whichever is greater;
 - Annually reviewing 10 percent of each inspector's files; and
 - Maintaining the providers' quality assurance files.
- Periodically accompanying providers on any routine field assessment of inspections conducted by the provider's inspectors.

If the program administrator discovers any issues during its oversight activities, or otherwise, it should institute its process for disciplining providers. If the discipline procedures do not result in corrective action to the satisfaction of the program administrator, the program administrator must contact EPA. EPA will investigate the issue and determine what further action is necessary, including and up to termination of the provider's partnership and licensing agreements.

iii. Update providers of any relevant WaterSense program changes

Program administrators must maintain regular communication with its providers, informing them of any changes to the training or inspection requirements, as specified by WaterSense, and its implications for the providers' current status. EPA will communicate any program changes directly to the program administrator.

VI. Suspension and Withdrawal of the WaterSense Label from New Homes

The provider is responsible for notifying EPA of any instances of nonconformity.

Nonconformity may include, but is not limited to:

- Failure of the certified home to pass a re-inspection, where simple corrective action is unable to resolve the nonconformance;
- Receipt of formal complaints from home buyers or other interested parties indicating that the certified new home was generally misrepresented (e.g., multiple features do not comply with the specification); or
- Instances where the provider discovers that a builder is fraudulently claiming that his or her homes have been certified and labeled in accordance with the specification and this *WaterSense new home certification and labeling system*.

EPA is responsible for engaging the builder in corrective action and for determining when the use of the WaterSense label should be suspended or withdrawn due to nonconformance or improper use or reference to the WaterSense label.

Nonconformance may be determined through provider notification to EPA as described above, or if EPA discovers nonconformance or improper use or reference to the WaterSense label from its stakeholders during its own in-home inspections or during its periodic reviews of certification and label usage. If EPA discovers nonconformance or certification and labeling issues, it will notify the provider that issued the WaterSense label and will coordinate corrective action or, if necessary, label suspension or withdrawal.

WaterSense label suspension can occur for a limited period of time as specified by EPA. During the period of suspension, the builder partner is prohibited from using the WaterSense label in conjunction with the home in question (if the issue is discovered prior to the home's sale) and on any new home built after the issuance of a suspension, until such time as EPA indicates the suspension can be removed. The provider will assist EPA as necessary by removing the WaterSense label from the home in question, determining when the terms for suspension removal have been fulfilled, ensuring that no new WaterSense labels are issued during the period of suspension, and upon EPA's approval, reissuing the WaterSense label for the home in question to the builder. The builder is responsible for paying the provider for all services and costs associated with the necessary corrective action or suspension and reinstatement of a WaterSense label.

In more severe or repeated instances of nonconformity, improper use or reference to the WaterSense label, or failure to meet the requirements for reinstatement of a suspended WaterSense label, EPA will withdraw the WaterSense label from all certified new homes that have not yet been sold. EPA will notify the builder partner that the certification and WaterSense label are being withdrawn. If the WaterSense label is withdrawn for any reason, EPA will require that the builder partner cease to advertise the certification of his or her homes and the label must be immediately eliminated from new homes not already sold. EPA will notify the provider to inform them that the builder is no longer allowed to use or receive the WaterSense label and will decide whether termination of the partnership agreement or other corrective action is warranted. The provider will assist EPA as necessary by removing the WaterSense label from all certified new homes that have not yet been sold and will not issue any new WaterSense labels to the builder. The

builders are responsible for paying the provider for all services and costs associated with the withdrawal of the WaterSense label.

Figure 1. New Home Certification Process

