AGENDA

BOARD OF CLALLAM COUNTY COMMISSIONERS

223 East 4th Street Room 160

Port Angeles, Washington

Tuesday, July 27, 2021 – 9:00 a.m.

****ATTENTION****
In response to the current Governors order Clallam County is now operating under the Washington Ready Plan. To be in compliance with the Washington Ready Plan and to reduce the spread of COVID the following general requirements for COVID safety for meetings held in the Board of Commissioners Board Room are as follows:

1. All attendees are encouraged to provide contact information on a sign in sheet which will be retained for 28 days for contact tracing purposes.
2. Public seating areas and Board member seating must be arranged to ensure physical distancing is maintained.
3. Meeting attendees must follow current face covering guidelines.
4. No food or drink should be consumed in the BOCC Board Room.
5. Meeting organizers shall clean or arrange to have cleaned high-touch surfaces before and after each meeting.
6. Hand sanitizing stations will be available in the BOCC Board Room.
7. Keep doors and windows open where possible to improve ventilation.
8. The Chair of the meeting shall ensure current masking and social distancing practices are enforced and practiced by all event attendees.

This meeting can be viewed on a live stream at this link: http://www.clallam.net/features/meetings.html

If you would like to participate in the meeting via Zoom audio only, call 253-215-8782 and use meeting ID: 875 561 7844 and passcode: 12345

If you would like to participate in the meeting via Zoom video conference, visit https://zoom.us/j/8755617844 and use meeting ID: 875 561 7844 and passcode: 12345

Public comment and questions can be directed to the Clerk of the Board at 360-417-2256 or agores@co.clallam.wa.us.

CALL TO ORDER, PLEDGE OF ALLEGIANCE, ROLL CALL

REQUEST FOR MODIFICATIONS/APPROVAL OF AGENDA

Modification added after agenda was posted - Items 2g and 2i postponed

PUBLIC COMMENT – Please limit comments to three minutes (10 minutes total)

CONSENT AGENDA – Any Commissioner may remove items for discussion

1a. Approval of vouchers for the week of July 19

Approval of vouchers

1b. Approval of minutes for the week of July 19

Approval of minutes

REPORTS AND PRESENTATIONS

CONTRACTS AND AGREEMENTS

2a. Contract renewal with Washington State Military Department for reimbursement of PenCom dispatch center costs associated with staffing and training

Contract renewal

2b. Agreement amendment 1 with Washington State Military Department for funding to reimburse Clallam County Emergency Operations Center costs associated with emergency management projects

Agreement amendment 1

2c. Agreement renewal with Washington State Department of Ecology for Solid Waste Management Community Litter Cleanup Program

Agreement renewal

2d. Agreement amendment with Washington State Recreation and Conservation Office for Dungeness Floodplain Restoration – Kinkade Phase Project

Agreement amendment

2e. Agreement amendment 1 with Public Works for Olympic Discovery Trail Improvement Project

Agreement amendment 1

2f. Agreement with Clallam County PUD for ARPA Funding

Agreement

2g. Postponed: Letter of understanding with AFSCME 1619-CS for collective bargaining

Letter of understanding

2h. Agreement with the Washington State Council of County and City Employees, Local 1619-S for contract extension

Agreement

2i. Postponed: Agreement with the Washington State Council of County and City Employees, Local 1619-CS for contract extension

Agreement

BIDS AND AWARDS

3a. Bid opening – Lower Dungeness River Floodplain Restoration and Levee / Road Realignment Project – Phase 1 Earthwork

Bid opening

HEARING(S) – Beginning at 10:30 a.m.

H1. Consideration of resolution adopting the following Debatable Emergencies:
HHS Operations - Additional funding received from the Olympic Community of Health for costs associated with COVID-19/$42,950
Non Departmental - Additional funding for professional services for broadband projects/$11,000
Non Departmental - Additional funding for salary and benefits for additional hours of Veterans Program Coordinator/$25,406
Human Resources - Workers compensation Claims - Additional funding for Workers Compensation Medical and Lost Time Compensation claims for 2021/$135,000
Parks and Facilities - REET
• Additional funding for Jail Control Board project/$250,000
• Additional funding for purchase and installation of exhaust system for Sheriff's Office property and evidence storage room/$10,400
Parks and Facilities - Additional funding for expenses related to COVID-19 for goods and services expenditures incurred in June, 2021 expected to be reimbursed through FEMA/$8,723

Resolution

ADMINISTRATION

4a. Resolution appointing Candace Kathol to the Park and Recreation Advisory Board

Resolution

4b. Resolution appointing Rachel Anderson, Jim Weatherly and Paul Cunningham to the Homelessness Task Force

Resolution

BUDGET

5a. Resolution adopting the following Budget Revisions:
Public Works - Roads - Transferring funds to pay for payroll and benefits for Trail Maintenance Coordinator position/$73,414

Resolution

5b. Resolution adopting the following Supplemental Appropriations:
Health and Human Services - Homeless Task Force - Additional funding from Department of Commerce for needs assessment for homes services/$30,000
Health and Human Services - Operations
• Funding from Department of Health Local Health Jurisdiction CARES contract for salaries and wages of employees reassigned to COVID-19 pandemic activities/$853,065
• Funding from Department of Health Local Health Jurisdiction CARES contract for salaries and wages of employees performing contract tracing for COVID-19 pandemic/$90,289
• Funding from Department of Commerce to build an addition at Serenity House to house and provide services/$402,894
Health and Human Services - Administration - Funding from Department of Health Consolidated Contract for services related to COVID-19 response activities/$44,586
Health and Human Services - Environmental Health
• Funding from Department of Health to provide services in the onsite septic system program/$86,000
• Funding from Department of Health Local Health Jurisdiction CARES contract for salaries

and wages of employees reassigned to COVID-19 pandemic activities/$108,647
• Funding from Department of Ecology for Pollution Identification and Control Project/$65,593
Auditor - Additional funding for unbudgeted February Election/$124,000

Resolution

PUBLIC WORKS

6a. Resolution adopting the 2021 Solid Waste Management Plan

Resolution

6b. Joint Resolution with the City of Sequim for termination of a 1993 interlocal agreement regarding septage treatment and disposal

Resolution

PUBLIC COMMENT – Please limit comments to three minutes

EXECUTIVE SESSION
The Board may recess into Executive Session to consider employment or dismissal of personnel, to review the performance of a public employee, to consult with legal counsel, to consider the position to be taken in collective bargaining, to consider acquisition or sale of real estate, or other matters per RCW 42.30.110

The following meetings are scheduled for the Board of Commissioners July 26 - 30:

Monday, July 26:
9:00 a.m. Work Session
12:00 p.m. WSAC Virtual COVID Update
2:30 p.m. High Resolution Oblique Imagery for Counties Training

Tuesday, July 27:
10:00 a.m. Board Meeting
10:30 a.m. Hearing(s) - See Agenda
3:00 p.m. William Shore Memorial Pool District Meeting

Thursday, July 29:
11:00 a.m. Levee Setback Groundbreaking Ceremony

INSTRUCTIONS FOR SPEAKING AT A COMMISSIONERS' MEETING:

- Members of the public wishing to address the Board on general items may do so during the designated times on the agenda.
- Members of the public wishing to comment at the public hearing are asked to sign in on the sheet provided giving their name and address.
- The Chair may limit the comment period to 3 minutes for each speaker subject to Board concurrence.
- Speakers, generally, will be heard in the order they signed up. All comments must be made from the speaker's rostrum and any individual making comments shall first state their name and address for the official record.
- General comments, applause, booing from members of the audience are inappropriate and may result in removal.

These guidelines are intended to promote an orderly system for conducting a public hearing so that each person has an opportunity to be heard and to ensure that exercising their right of free speech embarrasses no one.

Note: Written testimony presented by members of the public during the Board meeting is considered a public document and must be submitted to the Clerk of the Board. Copies of public documents from Board meetings are available by contacting the Public Records Department.

M E M O R A N D U M

LONI GORES
Clerk of the Board

July 27, 2021

TO: Board of Commissioners, Administrator Sill

RE: Agenda Modification(s)

FILE: A14.09.18

- The following items have been postponed on the July 27 regular agenda:

CONTRACTS AND AGREEMENTS

2g Letter of understanding with AFSCME 1619-CS for collective bargaining
2i Agreement with the Washington State Council of County and City Employees, Local 1619-CS for contract extension

1a
7/27/21

Date of report: July 21, 2021

General	**$290,965.27**
Other	**$432,801.78**
Total	**$723,767.05**

STATE OF WASHINGTON)
)
County of Clallam)

This is to certify that the foregoing Final Check Lists a.k.a., Register of Warrants for the period herein indicated, is a full, true, and correct representation of the corresponding payments for services rendered to and supplies and equipment received by all Clallam County government operations as recorded in the books or original entry maintained by this office.

WITNESS MY HAND AND OFFICIAL SEAL THIS _____ DAY OF _____ 2021.

COPY

_____COUNTY AUDITOR
SHOONA RIGGS

CLALLAM COUNTY BOARD OF COMMISSIONERS does hereby certify that the services and merchandise herein specified have been received and that the claims listed and numbered above are hereby approved for payment:

BOARD OF COMMISSIONERS
CLALLAM COUNTY, WASHINGTON

_____
MARK OZIAS, Chair

_____
BILL PEACH

COPY

_____
RANDY JOHNSON

_____
RICH SILL (County Administrator)

Weekly Expenditures

July 19 - 23, 2021

Fund #	Department	Expenditures		Use Tax	
		General Fund	Other	General Fund	Other
00100.211	**Assessor**	75.00			
00100.221	**Auditor**	23,183.92			
12401.221	Auditor - Document Preservation		3.86		
00100.241/291	**Commissioners (BOCC)**	131,481.42		67.58	
19914.291	BOCC - Veterans Relief		2,314.25		
19941.291	BOCC - Opportunity Fund		25,000.00		
00100.331-334	**Dept. of Community Develop't (DCD)**	6,731.28			
30301.331	DCD - Lower Dungeness Floodplain		126,817.14		
00100.871	**District Court I**	1,985.71			
00100.881	**District Court II**	8,148.53			
11301.511	**Health & Human Services (HHS)**		40,861.53		
00100.511	HHS - Environmental Health	2,531.45			
11322.511	HHS - Homeless Task Force		18,410.86		
11323.511	HHS - Chem Dep/Mental Hlth		69,715.30		
11331.511	HHS - Developmental Disabilities		4,428.50		
00100.411	**Information Technology (IT)**	3,023.98			
30701.411	IT - Capital Projects		7,388.93		
00100.851	**Juvenile Services**	3,294.16		45.68	
11401.821	**Law Library**		340.40		
13001/13051	**Noxious Weed/LMD #2** (Lake Mgmt. Dist.)		166.80		
00100.911/912	**Parks Fair Facilities (PFF)**	45,057.52			
30101.911	PFF - REET 1 (Real Estate Excise Tax)		1,714.95		150.92
30501.911	PFF - Capital Projects		368.10		
00100.841-843	**Prosecuting Attorney**	6,511.59			
	Public Works (PW)				
10101.611	PW - Roads		72,029.94		
30401.331	PW - Dungeness Reservoir		13,551.89		
30901.331	PW - Carlsborg Water Mitigation		3,055.05		
41401.611	PW - Clallam/Sekiu Sewer		14,047.15		
43401.611	PW - Bullman Beach Water System		303.49		
50301.611	PW - ER&R (Equip't Rental & Revolving)		23,748.46		
00100.811-815	**Sheriff**	47,314.11		66.79	
00100.816	Sheriff - Jail Medical	5,070.55			
11003.811	Sheriff - Boating Safety		525.00		
11008.811	Sheriff - OPNET Drug		147.32		
11065.811	Sheriff - OPSCAN Operations		7,248.90		25.20
11080.811	Sheriff - Inmate Commissary		435.56		2.28
00100.861	**Superior Court**	451.58			
00100.861	Superior Court Jury	5,354.00			
00100.891	**Superior Court Clerk**	232.28			
00100.931	**WSU Extension**	338.14			
	Total	**290,785.22**	**432,623.38**	**180.05**	**178.40**

Report Reconciliation		Totals			
Total	**723,408.60**	**General Fund**	**290,965.27**		
Final Check Lists	**723,408.60**	**Other**	**432,801.78**		
Difference	-	**Total**	**723,767.05**	**Use Tax**	**358.45**

COPY

Prepared by: _____

Sara DeBiddle, Clallam County Auditor's Office

Invoice History Use Tax Report
CLALLAM COUNTY

Tran Date	Vendor Name	Invoice / Credit Memo No.	Doc Group	Taxable Amount	Tax Amount	Invoice Total
7/12/2021	U S BANK	3186	dputnam3	156.00	13.73	156.00
7/14/2021	CHARM-TEX	0252681-IN	dputnam5	273.26	24.05	273.26
7/14/2021	CHARM-TEX	0253153-IN	dputnam5	89.80	7.90	89.80
7/15/2021	SONICLEAR	71944	dcook	768.00	67.58	768.00
7/15/2021	U S BANK	6236-Jul21	jkoon2	286.38	25.20	1,984.61
7/15/2021	U S BANK	6730-Jul21	jkoon2	560.99	49.37	1,534.41
7/15/2021	U S BANK	6277a-Jul21	jkoon2	198.00	17.42	295.91
7/15/2021	U S BANK	7275-Jul21	jkoon2	25.90	2.28	105.80
7/27/2021	U S BANK	NixaliteINV202103803	mearley	1,714.95	150.92	1,714.95
			Totals:	**4,073.28**	**358.45**	**6,922.74**

Final Check List
CLALLAM COUNTY

Assessor

Bank : apbank U S BANK

Check #	Date	Vendor		Invoice	Inv Date	Description	Amount Paid	Check Total
	7/27/2021	0018681	WSACA - EDUCATION FUND	SG EXEMPT WE	7/15/2021	BASIC EXEMPTIONS WEBINA	75.00	75.00
						Sub total for U S BANK:		75.00

75.00+
17,187.78+
6,000.00+
156,481.42+
133,548.42+
1,985.71+
8,148.53+
135,850.00+
10,510.55+
3,294.16+
340.40+
166.80+
47,140.57+
6,511.59+
23,748.46+
72,029.94+
30,957.58+
49,863.63+
5,807.26+
5,070.55+
451.58+
232.28+
5,354.00+
2,314.25+
338.14+
723,408.60*

0.*

0.*

Final Check List
CLALLAM COUNTY

Auditor

Bank : apbank U S BANK

Check #	Date	Vendor		Invoice	Inv Date	Description	Amount Paid	Check Total
	7/27/2021	0001179	PACIFIC OFFICE EQUIPMENT	1082621	6/30/2021	CONTRACT COPIER 10785-0S	83.54	
				1082623	6/30/2021	CONTRACT COPIER 11455-02	26.86	
				1082622	6/30/2021	CONTRACT COPIER 10931-0E	12.27	122.67
	7/27/2021	0001641	VERIZON WIRELESS	9882694254	6/24/2021	MIFI FOR KIOSKS	40.01	40.01
	7/27/2021	0002515	RIGGS, SHOONA	Riggs 6-21-21	6/21/2021	ANNUAL AUDITORS CONFER	1,073.04	1,073.04
	7/27/2021	0003410	LEMAY MOBILE SHREDDING	4707114	7/1/2021	DOCUMENT SHREDDING	3.86	3.86
	7/27/2021	0020849	U S BANK	214035	6/29/2021	POSTAGE FOR FLASHDRIVE	7.38	7.38
	7/27/2021	0028699	SOUND PUBLISHING INC	PDN932072	7/9/2021	LEGAL NOTICE FOR RECORD	90.06	90.06
	7/27/2021	0039823	PRICE, SHERRY	Price 7-12-21	7/12/2021	REIMBURSEMENT FOR HAVA	20.46	20.46
	7/27/2021	0041361	CAIN, DANIEL	Cain 7-14-21	7/14/2021	MILEAGE FOR OPENING WES	103.04	103.04
	7/27/2021	0045458	CTCL, CENTER FOR TECHNO	Clallam County	6/16/2021	CTCL COVID19 GRANT REMA	14,902.26	14,902.26
	7/27/2021	0045490	NORTHERN STAR ENTERPRIS	2021-01	7/6/2021	PREPARATION OF PRIMARY	825.00	825.00
						Sub total for U S BANK:		17,187.78

Final Check List
CLALLAM COUNTY

Auditor - expedited

Bank : apbank U S BANK

Check #	Date	Vendor		Invoice	Inv Date	Description	Amount Paid	Check Total
	7/19/2021	0001632	U S POSTMASTER	USPS - Postage	7/19/2021	21 PRIMARY - POSTAGE FOR	6,000.00	6,000.00
						Sub total for U S BANK:		6,000.00

Final Check List
CLALLAM COUNTY

BOCC

Bank : apbank U S BANK

Check #	Date	Vendor		Invoice	Inv Date	Description	Amount Paid	Check Total
	7/27/2021	0000336	CLALLAM CONSERVATION DI	CF-2021	7/15/2021	RENEWABLE RESOURCE PR	125,000.00	125,000.00
	7/27/2021	0000507	CLALLAM COUNTY ECONOMI	2067	7/15/2021	2ND QUARTER 2021 SERVICE	25,000.00	25,000.00
	7/27/2021	0017667	SONICLEAR	71944	7/15/2021	SONICLEAR SUPPORT 11/07/	768.00	768.00
	7/27/2021	0028699	SOUND PUBLISHING INC	8029461	7/15/2021	BUDGET MEETINGS	195.92	195.92
	7/27/2021	0036677	SOUND LAW CENTER	2606	7/15/2021	LDV2020-00024, CUP2020-00(	4,500.00	4,500.00
	7/27/2021	0045432	CBG COMMUNICATIONS, INC	162-052021	7/15/2021	BROADBAND FEASIBILITY ST	1,017.50	1,017.50
						Sub total for U S BANK:		156,481.42

Final Check List
CLALLAM COUNTY

DCD

Bank : apbank U S BANK

Check #	Date	Vendor		Invoice	Inv Date	Description	Amount Paid	Check Total
	7/27/2021	0001036	MURREYS OLYMPIC DISPOSA	6665507	7/1/2021	171 AGATE BEACH ROAD PR	1,337.06	
				6665459	7/1/2021	2818 E. MYRTLE PROFESSIO	973.55	
				6665493	7/1/2021	866 YOUNGQUIST ROAD PRC	857.07	3,167.68
	7/27/2021	0001113	OFFICE DEPOT, INC	179991431001	6/24/2021	ADMIN OFFICE SUPPLIES	76.64	76.64
	7/27/2021	0001179	PACIFIC OFFICE EQUIPMENT	1082630	6/30/2021	#8631 JUNE 2021	206.69	
				1082633	6/30/2021	#10293 JUNE 2021	155.14	
				1082632	6/30/2021	#10336 JUNE 2021	132.21	
				1082631	6/30/2021	#10051 JUNE 2021	17.41	511.45
	7/27/2021	0001252	PORT ANGELES, CITY OF	JUNE 2021	7/9/2021	CODE ENF. LANDFILL	168.76	168.76
	7/27/2021	0001716	DEPT OF ENTERPRISE SVCS	731107670	7/1/2021	G145 TASK 1 $46.77 OPERATI	233.93	233.93
	7/27/2021	0019731	FEIRO MARINE LIFE CENTER	21-538	7/7/2021	G145 TASK 4 INTERNS MAY/J	2,056.57	2,056.57
	7/27/2021	0026355	ESA	165577	7/13/2021	G79 TASK 1 PROFESSIONAL	516.25	516.25
	7/27/2021	0036994	SHANNON & WILSON INC	123677	6/30/2021	G146 TASK MAY 16-JUNE 26,	126,817.14	126,817.14
						Sub total for U S BANK:		133,548.42

Final Check List
CLALLAM COUNTY

District Court I

Bank : apbank U S BANK

Check #	Date	Vendor		Invoice	Inv Date	Description	Amount Paid	Check Total
	7/27/2021	0001140	OLYMPIC PRINTERS INC	28073	6/9/2021	PROBATION BUSINESS CARI	151.23	151.23
	7/27/2021	0001179	PACIFIC OFFICE EQUIPMENT	1082613	6/30/2021	CANON/IMAGERUNNER - BLA	110.28	
				1082616	6/30/2021	CANON/IMAGERUNNER - BLA	50.06	
				1082614	6/30/2021	CANON/IR1435 - BLACK TONI	25.05	
				1082615	6/30/2021	CANON/IR1435 - BLACK TONI	0.51	185.90
	7/27/2021	0001509	CORDANT HEALTH SOLUTION	TC-1631006302	6/30/2021	PROBATION - UA TESTING	535.70	535.70
	7/27/2021	0003410	LEMAY MOBILE SHREDDING	4707120	7/1/2021	LE MAY - SHREDDING	12.88	12.88
	7/27/2021	0041012	AP PSYCHOLOGY SERVICES	bart137159	5/3/2021	SHELLY BARTLEY - PA20-137	1,100.00	1,100.00
						Sub total for U S BANK:		1,985.71

Final Check List
CLALLAM COUNTY

District Court II

Bank : apbank U S BANK

Check #	Date	Vendor		Invoice	Inv Date	Description	Amount Paid	Check Total
	7/27/2021	0000296	CENTURYLINK	CentLinkJuly202	7/14/2021	JULY TELEPHONE SERVICES	109.05	109.05
	7/27/2021	0000593	FORKS, CITY OF	1982	7/14/2021	2ND QUARTER BUILDING RE	7,620.39	7,620.39
	7/27/2021	0000890	LANGUAGE LINE SERVICES, I	10264426	7/14/2021	VIETNAMESE INTERPRETOR	47.31	47.31
	7/27/2021	0001179	PACIFIC OFFICE EQUIPMENT	1082324	7/14/2021	PROBATION OFFICER PRINTI	56.40	
				1082618	7/14/2021	CANON IRA400 MAINTENANC	49.22	
				1082135	7/14/2021	HP 1022 TONER CARTRIDGE	39.92	
				1082617	7/14/2021	CANON IR1025 MAINTENANC	27.13	172.67
	7/27/2021	0001641	VERIZON WIRELESS	9882694253	7/14/2021	PROBATION CELL PHONE JU	54.35	54.35
	7/27/2021	0019100	PLUMLEY, WILLIAM L	671002	7/14/2021	SPANISH INTERPRETOR ORI	45.00	
				674200	7/14/2021	SPANISH INTERPRETOR ORI	45.00	90.00
	7/27/2021	0042284	LUNDBERG, JAMES	082033	7/14/2021	JUNE JANITORIAL SERVICES	54.76	54.76
						Sub total for U S BANK:		8,148.53

Final Check List
CLALLAM COUNTY

HHS

Bank : apbank U S BANK

Check #	Date	Vendor		Invoice	Inv Date	Description	Amount Paid	Check Total
	7/27/2021	0000359	CLALLAM COUNTY PUBLIC W	2021-163E	6/22/2021	OSS-JUNE VEHICLE RENT	1,368.00	1,368.00
	7/27/2021	0000700	HACH COMPANY	12509885	6/21/2021	WLAB-LAB SUPPLIES	167.08	167.08
	7/27/2021	0000870	KONP RADIO 1450	11759-10	6/30/2021	OSS-JUNE RADIO ADS	425.00	425.00
	7/27/2021	0001179	PACIFIC OFFICE EQUIPMENT	1082671	6/30/2021	EHADMIN-COPIER 10272	101.63	
				1082672	6/30/2021	OSS-COPIER 10297	29.99	131.62
	7/27/2021	0001617	UNIVERSITY OF WASHINGTO	OTS2480	7/7/2021	WQ-WATER TESTING SERVIC	281.02	281.02
	7/27/2021	0001641	VERIZON WIRELESS	9882553855	6/23/2021	OSS-JANINE REED CELL PHC	158.73	158.73
	7/27/2021	0000546	EXPRESS SERVICES, INC	25644322	6/29/2021	HOPS-CALL CENTER REP	1,507.51	1,507.51
	7/27/2021	0000870	KONP RADIO 1450	12217-2	6/30/2021	HOPS-JUNE COVID ADS	2,016.00	2,016.00
	7/27/2021	0040427	NORPOINT GROUP LLC	1190 NPG	7/11/2021	HOPS-SDC SECURITY 7/4-7/1	6,190.00	6,190.00
	7/27/2021	0015513	OLYMPIC PENINSULA COMML	070921A	7/9/2021	HOPS-SDC MEDICAL ASST/C/	4,057.25	
				070921	7/9/2021	HOPS-SDC MEDICAL ASST/C/	2,210.20	6,267.45
	7/27/2021	0001262	PORT OF PORT ANGELES	171696	7/1/2021	HOPS-SDC LEASE	15,000.00	15,000.00
	7/27/2021	0033217	RADIO PACIFIC, INC	12221-1	6/15/2021	HOPS-COVID BANNER WEBS	200.00	200.00
	7/27/2021	0028699	SOUND PUBLISHING INC	8029546	6/30/2021	HOPS-JUNE COVID ADS	3,817.40	3,817.40
	7/27/2021	0001508	STERICYCLE, INC	3005599520	6/14/2021	HOPS-SYRINGE DISPOSAL SI	228.48	
				3005605280	6/21/2021	HOPS-SYRINGE DISPOSAL SI	163.50	
				3005615069	6/30/2021	HOPS-SYRINGE DISPOSAL SI	125.09	517.07
	7/27/2021	0020849	U S BANK	4910-070621	7/6/2021	HOPS-AMAZON-CART	2,816.46	
				4326-070621	7/6/2021	HOPS-ANGELES MILLWORK-S	1,499.99	
				4969-070621	7/6/2021	HOPS-US POSTAL SERVICE-F	99.00	4,415.45
	7/27/2021	0001641	VERIZON WIRELESS	9882956751	6/28/2021	HOPS-COVID PHONE	309.70	
				9882956749	6/28/2021	HOPS-DR BERRY CELL PHON	261.67	
				982553854	6/23/2021	HOPS-WIC 1	169.42	
				9882956750	6/28/2021	HOPS-HELEN KENOYER CEL	92.22	833.01
	7/27/2021	0001433	SERENITY HOUSE OF CLALL/	11322-19-SH1 6·	7/6/2021	HTF - COORDINATED ENTRY	6,249.00	
				11322-19-SH3 6·	7/6/2021	HTF - HOMELESSNESS MANA	2,084.00	
				11322-19-SH5 6·	7/6/2021	HTF - FAMILY SHELTER - JUN	1,767.00	
				11322-19-SH2 6·	7/6/2021	HTF - POINT IN TIME COUNT	48.00	10,148.00
	7/27/2021	0026762	THE ANSWER FOR YOUTH	11322-19-TAFY1	7/10/2021	HTF - BRIDGING THE GAP 9 -	826.75	826.75
	7/27/2021	0044989	THE CLOUDBURST GROUP	11322-21-CLOUI	7/12/2021	HTF - HOMELESS GAPS AND	7,436.11	7,436.11

Bank : apbank U S BANK (Continued)

Check #	Date	Vendor		Invoice	Inv Date	Description	Amount Paid	Check Total
	7/27/2021	0000938	LUTHERAN COMMUNITY SER	11323-21-LCSN\	7/1/2021	CD/MH - CHILD CHECK - APR	6,662.61	
				11323-21-LCSN\	7/2/2021	CD/MH - CHILD CHECK - MAY	5,988.26	
				11323-21-LCSN\	7/1/2021	CD/MH - HEALTHY FAMILIES -	4,119.71	
				11323-21-LCSN\	7/2/2021	CD/MH - HEALTHY FAMILIES -	3,866.89	20,637.47
	7/27/2021	0015513	OLYMPIC PENINSULA COMML	11323-21-OPCC	7/9/2021	CD/MH - EARLY INTERVENTIC	9,146.21	
				11323-21-OPCC	7/9/2021	CD/MH - COMMUNITY PARAM	6,618.55	
				11323-21-OPCC	7/9/2021	CD/MH - CASE MANAGEMEN	4,755.60	
				11323-21-OPCC	7/9/2021	CD/MH - COMMUNITY PARAM	3,118.82	
				11323-21-OPCC	7/9/2021	CD/MH - COMMUNITY PARAM	2,670.91	
				11323-21-OPCC	7/9/2021	CD/MH - EARLY INTERVENTIC	1,749.17	
				11323-21-OPCC	7/9/2021	CD/MH - CASE MANAGEMEN	1,382.11	
				11323-21-OPCC	7/9/2021	CD/MH - EARLY INTERVENTIC	1,128.07	
				11323-21-OPCC	7/9/2021	CD/MH - CASE MANAGEMEN	855.12	31,424.56
	7/27/2021	0030719	REFLECTIONS COUNSELING,	11323-21-RCSG	7/12/2021	CD/MH - CRISIS INTERVENTI	11,726.45	
				11323-21-RCSG	7/12/2021	CD/MH - SUSTANCE USE DIS	952.32	12,678.77
	7/27/2021	0001433	SERENITY HOUSE OF CLALL/	11323-21-SH-HA	7/6/2021	CD/MH - ADMINISTRATION OI	3,672.00	3,672.00
	7/27/2021	0001763	WEST END OUTREACH	11323-21-WEO (	7/1/2021	CD/MH - BEHAVIORAL HEALT	1,302.50	1,302.50
	7/27/2021	0001462	CLALLAM MOSAIC	1331-20-CMP29	7/9/2021	DDD-PARENT TO PARENT MII	1,000.00	
				11331-20-CMFP	7/9/2021	DDD- CMFP CLASSES MILLA(	529.00	1,529.00
	7/27/2021	0000577	FIRST STEP FAMILY SUPPOR	11331-20-FSSPI	7/9/2021	DDD-SPP MILLAGE JUNE 202	1,354.50	1,354.50
	7/27/2021	0001017	MORNINGSIDE INC	SSD-06/21	7/12/2021	DDD-SSD JUNE 2021	60.00	60.00
	7/27/2021	0017530	PIERCE JONES & ASSOCIATE	SSD-06/21	7/9/2021	DDD-SSD JUNE 2021	1,485.00	1,485.00
						Sub total for U S BANK:		135,850.00

Final Check List
CLALLAM COUNTY

IT

Bank : apbank U S BANK

Check #	Date	Vendor		Invoice	Inv Date	Description	Amount Paid	Check Total
	7/27/2021	0000289	CDW GOVERNMENT, INC.	SE2100995	7/14/2021	IT20210707A - PERMIT PLAN I	3,075.00	
				SE100778	7/14/2021	IT20210707A - WINDOWS 10 F	2,050.00	
				SE2100994	7/14/2021	COV: IT20210707A - NETWOF	1,224.00	
				SE2100996	7/14/2021	IT20210707A - WEB DESIGN C	500.00	
				SE2100993	7/14/2021	IT20210707A - EMAIL ARCHIVI	125.00	6,974.00
	7/27/2021	0000674	GOVCONNECTION, INC.	71495979	7/14/2021	AUD20210623 - MONITOR DO	829.86	
				71495977	7/14/2021	AUD20210623 - DOL MONITOI	699.32	1,529.18
	7/27/2021	0001706	CONSOLIDATED TECHNOLOC	2021060315	7/14/2021	IGN PORTION	1,399.30	1,399.30
	7/27/2021	0020849	U S BANK	11122667340742	7/14/2021	IT20210602B - USB ADAPTER	174.04	
				11103576360735	7/14/2021	IT20210616A - OFC SUPPLY	142.68	
				4500830	7/14/2021	IT20210623 - OFC SUPPLIES	139.74	
				90918194	7/14/2021	HHS20210615 - CART FOR CC	97.64	
				11122667340742	7/14/2021	IT20210602B - USB ADAPTER	87.02	
				11123600053034	7/14/2021	IT20210607 - USB ADAPTER	60.88	
				11103576360735	7/14/2021	CREDIT 1 OF 3	-31.31	
				11103576360735	7/14/2021	CREDIT 2 OF 3	-31.31	
				11103576360735	7/14/2021	CREDIT 3 OF 3	-31.31	608.07
						Sub total for U S BANK:		10,510.55

Final Check List
CLALLAM COUNTY

Juv Svcs

Bank : apbank U S BANK

Check #	Date	Vendor		Invoice	Inv Date	Description	Amount Paid	Check Total
	7/27/2021	0000306	CHARM-TEX	0252681-IN	6/21/2021	DET SUPPLIES	273.26	
				0253153-IN	6/18/2021	DET SUPPLIES	89.80	363.06
	7/27/2021	0001579	TIME KEEPING SYSTEMS, INC	374734	6/17/2021	EQUIP-REPAIR/MAINT	125.00	125.00
	7/27/2021	0001734	WA ST PATROL	I21006412	7/8/2021	PRO SVCS-FINGERPRINTS	33.00	33.00
	7/27/2021	0017787	DAIRY FRESH FARMS INC	8082118809	7/7/2021	DET FOOD	59.69	
				8082119509	7/14/2021	DET FOOD	-34.66	25.03
	7/27/2021	0020849	U S BANK	1929246	6/7/2021	SMALL TOOL & MINOR EQUIF	1,038.79	
				113-0580298-80	6/15/2021	FURNISHINGS & DET SUPPLI	284.11	
				045832	6/28/2021	DET FOOD & OFFICE SUPPLI	247.83	
				112160	6/1/2021	SOFTWARE LICENSE-RELIAT	221.25	
				111-0934958-34	6/29/2021	SMALL TOOL & MINOR EQUIF	212.11	
				3186	7/1/2021	SOFTWARE LICENSE-CASA M	156.00	
				151-422132	6/30/2021	TRVL BUS-LA QUINTA	131.68	
				114-2184901-81	6/16/2021	SMALL TOOL & MINOR EQUIF	58.70	
				114-4000764-19	6/16/2021	SMALL TOOL & MINOR EQUIF	50.05	
				113-8757680-43	6/21/2021	SMALL TOOL & MINOR EQUIF	49.50	
				036884	6/30/2021	TRVL BUS-LAKESIDE FOODM	39.84	
				040330	6/24/2021	DET FOOD & SUPPLIES-WALI	21.06	
				940303469538	6/10/2021	POSTAGE-FED-EX	19.30	
				4703387	6/1/2021	PRO SVCS-LEMAY MOBILE SI	19.30	
				OTT*NEST6721	6/7/2021	OP SUPPLIES-OTT*NEST	14.13	
				098405	6/24/2021	DET FOOD-FRANZ	13.78	2,577.43
	7/27/2021	0028699	SOUND PUBLISHING INC	PDN929876	6/16/2021	ADVERTISING-LEGAL NOTICI	170.64	170.64
						Sub total for U S BANK:		3,294.16

Final Check List
CLALLAM COUNTY

Law Library

Bank : apbank U S BANK

Check #	Date	Vendor		Invoice	Inv Date	Description	Amount Paid	Check Total
	7/27/2021	0000907	LEXISNEXIS	3093340554	6/30/2021	LEXIS ADVANCE ONLINE SHE	286.00	286.00
	7/27/2021	0001179	PACIFIC OFFICE EQUIPMENT	1082636	6/30/2021	COPIER SERVICES JULY	54.40	54.40
						Sub total for U S BANK:		340.40

Final Check List
CLALLAM COUNTY

Nox Weeds

Bank : apbank U S BANK

Check #	Date	Vendor		Invoice	Inv Date	Description	Amount Paid	Check Total
	7/27/2021	0000933	LUCERO, CATHLEEN	02298098	7/14/2021	DISPOSABLE GLOVES=FS=4:	87.00	
				D25717	7/14/2021	STAKES-FS=16.26, RDS=16.2(	38.52	125.52
	7/27/2021	0001540	SWAIN'S GENERAL STORE IN	289018	7/14/2021	HOSE PARTS-RDS	41.28	41.28
						Sub total for U S BANK:		166.80

Bank : apbank U S BANK

Check #	Date	Vendor		Invoice	Inv Date	Description	Amount Paid	Check Total
	7/27/2021	0000034	AIR FLO HEATING CO	40908733	7/15/2021	FG HVAC DIAGNOSTIC IN RE	353.60	353.60
	7/27/2021	0000091	ANGELES MILLWORKS & LUM	292189	7/15/2021	CH HEX BOLT DUCT TAPE FC	58.52	
				291850	7/15/2021	JUV FLAP DISC STEEL WIRE	35.15	
				292044	7/15/2021	CDJ 2 CYCLE OIL	13.06	106.73
	7/27/2021	0000359	CLALLAM COUNTY PUBLIC W	1480 6/21	7/15/2021	CB JUNE SEWER	56.50	56.50
	7/27/2021	0000546	EXPRESS SERVICES, INC	25674490	7/15/2021	CH SC COVID CUSTODIAN TE	3,735.66	3,735.66
	7/27/2021	0000561	FERGUSON ENTERPRISES IN	9461490	7/15/2021	SC PVC FOR WATER LEAK	15.64	15.64
	7/27/2021	0000677	GRAINGER INC	9955474656	7/15/2021	JUV PAPER TOWEL DISPENS	110.40	110.40
	7/27/2021	0001156	OLYPEN INC	210710-0016	7/15/2021	DRA JULY DSL INTERNET	18.00	18.00
	7/27/2021	0001187	PAPE MACHINERY INC	12880527	7/15/2021	DRA VBELT HOUSING BLADE	454.25	454.25
	7/27/2021	0001252	PORT ANGELES, CITY OF	63871-98716 6/2	7/15/2021	CH JUNE UTIL AND TRASH	20,357.32	
				63871-147906 6/	7/15/2021	CH JUNE UTIL	3,907.80	
				60327-89776 6/2	7/15/2021	3RD ST JUNE UTIL AND TRAS	704.17	24,969.29
	7/27/2021	0001253	PORT ANGELES SOLID WAST	004620	7/15/2021	RH DUMP FEE	25.22	25.22
	7/27/2021	0001258	PORT ANGELES POWER EQU	51886	7/15/2021	SMPK SC FG (1) MOWER (4) I	3,124.80	3,124.80
	7/27/2021	0001300	PUBLIC UTILITY DISTRICT	43120 6/21	7/15/2021	RH JUNE ELECT	172.93	
				25839 6/21	7/15/2021	DRA JUNE ELECT	171.80	
				25837 6/21	7/15/2021	DRA JUNE ELECT	164.96	
				25840 6/21	7/15/2021	DRA JUNE ELECT	162.03	
				25838 6/21	7/15/2021	DRA JUNE ELECT	47.34	
				44963 6/21	7/15/2021	RH IRR JUNE ELECT	28.44	
				67069 6/21	7/15/2021	SMPK CLINE SPIT UNMETERI	22.06	769.56
	7/27/2021	0001540	SWAIN'S GENERAL STORE IN	288851	7/15/2021	SC TRASH BAGS	53.40	
				288840	7/15/2021	DRA GLOVES	42.61	96.01
	7/27/2021	0001576	THURMAN SUPPLY	763782	7/15/2021	FG LAUNDRY TUB AND FAUC	151.59	
				762604	7/15/2021	SC LIGHT FIXTURE AND BULI	118.07	269.66
	7/27/2021	0001718	WA ST DEPT OF REVENUE	Q2 2021	7/15/2021	FG Q2 2021 LEASEHOLD EXC	2,071.62	2,071.62
	7/27/2021	0004322	ANDGAR CORPORATION	14304-tax	7/15/2021	2106UPJUV CHILLER COMPR	368.10	368.10
	7/27/2021	0006644	NOW ENVIRONMENTAL SERV	N21-0178	7/15/2021	CH AIR QUALITY TESTING	3,055.00	3,055.00

Bank : apbank U S BANK (Continued)

Check #	Date	Vendor		Invoice	Inv Date	Description	Amount Paid	Check Total
	7/27/2021	0020849	U S BANK	NixaliteINV2021(	7/15/2021	1906CH BIRD DETERRENT S	1,714.95	
				amaz 1059447	7/15/2021	DRA MOSQUITO DUNK TABLE	119.59	
				Viasat CDJ 6/21	7/15/2021	CDJ SATELLITE INTERNET	95.65	
				Viasat SC 6/21	7/15/2021	SC SATELLITE INTERNET	70.64	
				amaz 7254639	7/15/2021	DRA (2) PRINTER CARTRIDGI	64.88	
				Workcamper 95	7/15/2021	DRA CAMP HOST ONLINE AD	39.00	
				Workcamper 93	7/15/2021	SC CAMP HOST ADVERTISEM	39.00	
				amaz 9615404	7/15/2021	CDJ PRINTER CARTRIDGE	22.77	2,166.48
	7/27/2021	0027917	COMMERCIAL REPAIR	163238	7/15/2021	JUV KITCHEN RANGE REPAIF	498.83	498.83
	7/27/2021	0035842	CLALLAM CO PARKS CREDIT	WorldPay Jun 2(	7/15/2021	DRA SC JUNE ONLINE CC FE	987.54	987.54
	7/27/2021	0037042	OFFICE DEPOT	179510401001	7/15/2021	ADM PENS, COPY PAPER, PE	108.70	
				179509081001	7/15/2021	ADM PENS	45.69	154.39
	7/27/2021	0041295	C & C TIMBER INC	9742	7/15/2021	SC 290 BUNDLES FIREWOOL	1,012.10	
				9740	7/15/2021	DRA 240 FIREWOOD BUNDLE	837.60	1,849.70
	7/27/2021	0041605	HOME DEPOT PRO	627863665	7/15/2021	DRA HANDSOAP, BATH TISSU	946.36	
				625613600	7/15/2021	SC BATH TISSUE LINERS HAI	825.41	
				628436164	7/15/2021	CH VACUUM FILTER BAGS	31.31	1,803.08
	7/27/2021	0041765	CALL LUKE LLC	1007021	7/15/2021	CH PEST SPRAY AND RODEN	80.51	80.51
						Sub total for U S BANK:		47,140.57

Final Check List
CLALLAM COUNTY

Prosecutor

Bank : apbank U S BANK

Check #	Date	Vendor		Invoice	Inv Date	Description	Amount Paid	Check Total
	7/27/2021	0000890	LANGUAGE LINE SERVICES, I	10266345	7/15/2021	LANGUAGE LINE	155.31	155.31
	7/27/2021	0001136	OLYMPIC MEDICAL CENTER	971205262617 7	7/15/2021	CORONER	225.00	225.00
	7/27/2021	0001154	OLYMPIC VIEW PROPERTIES	7/15/21 LEASE	7/15/2021	FAMILY SUPPORT LEASE	4,800.00	4,800.00
	7/27/2021	0020849	U S BANK	R51133278	7/15/2021	WSBA FEE	499.00	
				153678	7/15/2021	NOTARY	129.42	
				152495	7/15/2021	NOTARY	129.42	
				114-6070784-25	7/15/2021	OFFICE SUPPLIES	101.96	
				0214935	7/15/2021	NOTARY FEE	45.00	
				11446839152037	7/15/2021	OFFICE SUPPLIES	43.71	
				2185-952778-65	7/15/2021	LE MAY	40.04	
				11459275935052	7/15/2021	OFFICE SUPPLIES	39.15	
				11449922031511	7/15/2021	OFFICE SUPPLIES	36.98	
				0620212649	7/15/2021	REGISTRATION FEE	35.00	
				11415274752311	7/15/2021	OFFICE SUPPLIES	33.27	
				1146206108564	7/15/2021	OFFICE SUPPLIES	33.08	
				1142121080182	7/15/2021	OFFICE SUPPLIES	32.45	
				11447881845457	7/15/2021	OFFICE SUPPLIES	32.38	
				0221936	7/15/2021	NOTARY FEE	30.00	
				1140683166976	7/15/2021	OFFICE SUPPLIES	13.05	
				1140703367280	7/15/2021	OFFICE SUPPLIES	9.62	
				061497	7/15/2021	CERTIFIED COPIES	5.25	
				2185952778656	7/15/2021	LEMAY PICKUP	3.86	1,292.64
	7/27/2021	0039815	SUTHERLAND, ROCHELLE	SUTHERLAND7	7/15/2021	MILEAGE REIMBURSEMENT	38.64	38.64
						Sub total for U S BANK:		6,511.59

Final Check List
CLALLAM COUNTY

Public Works ER+R

Bank : apbank U S BANK

Check #	Date	Vendor		Invoice	Inv Date	Description	Amount Paid	Check Total
	7/27/2021	0000546	EXPRESS SERVICES, INC	25674489 E	7/6/2021	Personnel services - PA ER&R	1,239.60	1,239.60
	7/27/2021	0000555	FASTENAL COMPANY	WAPOR83553	6/25/2021	Ear plugs, etc. - SQ	272.47	272.47
	7/27/2021	0000599	FORKS OUTFITTERS	24JUN2021	6/24/2021	Flex tubing 3/8"x10' - LC 179	8.66	8.66
	7/27/2021	0000772	INDUSTRIAL HYDRAULICS IN(	A334618	6/17/2021	Telescopic cylinder, bleeder - P/	1,644.75	
				A334832	7/6/2021	MP filtri element, Parker filt - PA	437.65	2,082.40
	7/27/2021	0000897	LAWSON PRODUCTS INC	9308559580	6/23/2021	Washers, screws, nuts, gskts -	747.28	747.28
	7/27/2021	0000917	LINCOLN INDUSTRIAL CORP I	158892	6/1/2021	Repair loader bucket - PA 844	6,392.00	
				158893	6/1/2021	Add plate to inside bucket - PA	749.11	7,141.11
	7/27/2021	0000939	M & P OVERHEAD DOORS	3253	7/7/2021	Garage pit bay door repair - LC	1,084.95	1,084.95
	7/27/2021	0001187	PAPE MACHINERY INC	12846937	6/24/2021	Cylinders, rod ends - PA 453	1,854.89	
				12883427	7/9/2021	Bearing cutt, asy - PA 455	935.11	
				12863924	7/6/2021	Cover - PA 447	177.14	
				12861805	6/30/2021	Cover, o-ring, seal - PA 447	139.89	3,107.03
	7/27/2021	0001252	PORT ANGELES, CITY OF	152934/4358 JU	7/9/2021	Utility charges - PA	2,556.67	2,556.67
	7/27/2021	0001255	PRICE FORD LINCOLN MERCI	5039171	6/30/2021	Spark plugs, ign. wire pr boot -	68.15	
				5039149	6/30/2021	Switch, air cond. - PA 147	38.75	106.90
	7/27/2021	0001310	QUALITY 4X4 TRUCK SUPPLY	129084	7/6/2021	Bearings - PA Stores	1,060.70	1,060.70
	7/27/2021	0001463	SNAP-ON TOOLS	62221109503	6/22/2021	Extractor - LC 20-SMTOOL	97.54	97.54
	7/27/2021	0001551	TACOMA SCREW PRODUCTS	140013214-00	7/13/2021	Drill bits - PA	80.31	
				140012661-00	7/7/2021	Washers, hand pads - PA	66.17	146.48
	7/27/2021	0001762	WEST END MOTORS INC	8373	6/29/2021	Trailer tires, mount - LC 1841	260.40	260.40
	7/27/2021	0001781	WHITEHEADS AUTO PARTS IN	199150	6/28/2021	Degreaser - LC	70.24	
				199340	6/30/2021	Quarts 5W20 - LC 147	44.40	
				199539	7/1/2021	Blister pack capsules - LC 178	33.33	147.97
	7/27/2021	0004211	CENTURYLINK	4766812B/07052	7/5/2021	Phone service - CH 20-FICH	82.99	82.99
	7/27/2021	0017663	ARAMARK UNIFORM SVCS IN	512000097849	7/13/2021	Laundry services - PA	34.74	
				512000092533	7/6/2021	Laundry services - PA	16.32	
				512000094788	7/8/2021	Laundry services - LC	16.28	67.34
	7/27/2021	0018505	ALTEC INDUSTRIES, INC.	11676111	6/21/2021	Black mats - PA 124	75.54	
				11682921	6/29/2021	Black mats - PA 123	60.11	135.65

Bank : apbank U S BANK (Continued)

Check #	Date	Vendor		Invoice	Inv Date	Description	Amount Paid	Check Total
	7/27/2021	0020849	U S BANK	7330-062321BLI	6/23/2021	Amzn: Cobra microphones - PA	164.72	
				0328-3965860	6/23/2021	Amzn: Paris Supply-spreader p	138.84	
				6048-315355-2	6/11/2021	H.Depot: Coil chain, galv &pltd	71.12	
				0328-0513998	7/1/2021	H.Depot: 16PKMBlades, sprave	70.65	
				6048-6521702	7/5/2021	H.Depot: quick link,clamps,eyes	56.71	
				0328-822437	6/30/2021	Coastal: Tank sprayer - SQ 905	43.51	
				6048-4191450	6/4/2021	Amzn:T.resist. metric h.bit sets-	28.56	
				7330-062221BLI	6/22/2021	Amzn: Carburator - PA 3009	27.26	
				0328-1511973	6/10/2021	Moss B Ware - SQ 20-B103	21.69	
				0328-7171437	6/30/2021	Amzn: PGN Brngs,Roll.chain,lir	18.17	
				6048-315355-3	6/11/2021	H.Depot: Zinc plated cold shut	16.32	
				0328-F90569	6/8/2021	Coastal: wire rope clips - SQ 40	11.69	
				6048-315355-1	6/11/2021	H.Depot: Zinc.plated cold shut -	10.51	
				0328-03296215	6/29/2021	T.N. Bridge: Bridge toll - SQ 69	9.00	688.75
	7/27/2021	0021386	STAPLES ADVANTAGE	3480463379	6/26/2021	56 gallon 43x48 black - PA	37.08	
				3480463380	6/26/2021	Glad 8gal FF QT 26BX - PA	10.24	47.32
	7/27/2021	0022435	RACE STREET AUTO PARTS	543367	7/7/2021	Brake drum, gripper kit, c.dep. -	694.06	
				544047	7/12/2021	Rear wheel seal - PA CG5	115.72	
				542605	7/1/2021	Fuel and air filters - PA 238	110.40	
				543254	7/6/2021	Parking brake shoes, c.deposit	69.98	
				543985	7/12/2021	Oil filters - PA Stores	9.31	
				543376	7/7/2021	Oil seal - PA 447	8.62	1,008.09
	7/27/2021	0036423	TEC EQUIPMENT INC	723499K	6/28/2021	CB radios - PA Stores	296.55	296.55
	7/27/2021	0036553	BRAKE & CLUTCH SUPPLY IN	659803	7/7/2021	3/8 Rubber hose 250 - PA 741	244.80	
				659805	7/7/2021	Hose sleeve, tailgate brackets -	183.68	428.48
	7/27/2021	0044360	OSW EQUIPMENT AND REPAI	512647	7/13/2021	Liftmore 25098 pendant control	933.13	933.13
						Sub total for U S BANK:		23,748.46

Final Check List
CLALLAM COUNTY

Public Works Roads

Bank : apbank U S BANK

Check #	Date	Vendor		Invoice	Inv Date	Description	Amount Paid	Check Total
	7/27/2021	0000091	ANGELES MILLWORKS & LUM	292407	7/16/2021	MAINTENANCE SUPPLIES - C	197.10	
				292328	7/15/2021	MAINTENANCE SUPPLIES - C	124.96	
				292288	7/15/2021	MAINTENANCE SUPPLIES - C	45.54	
				292021	7/12/2021	MAINTENANCE SUPPLIES - C	4.13	371.73
	7/27/2021	0000331	CLALLAM COUNTY AUDITOR	21-131584	7/12/2021	LEASE	108.50	108.50
	7/27/2021	0000360	CLALLAM COUNTY ER&R	2021.184E	7/14/2021	06/21 MONTHLY TRUCK REN	9,726.97	
				2021.181E	7/10/2021	06/21 SIGNS	8,393.14	
				2021.182E	7/10/2021	06/21 FACILITIES	8,000.00	
				2021.174E	7/10/2021	06/21 ITEMS FROM ER&R INV	1,013.29	
				2021.183E	7/10/2021	06/21 GRAVEL	345.99	27,479.39
	7/27/2021	0000377	PACWEST MACHINERY LLC	20348133	7/13/2021	RENTAL ROLLER - SQ	5,548.80	5,548.80
	7/27/2021	0000546	EXPRESS SERVICES, INC	25674489-10101	7/6/2021	06/28/21~07/02/21 ROADS	6,293.63	6,293.63
	7/27/2021	0000594	DECKER CITY HARDWARE, TI	654335	6/28/2021	MAINTENANCE SUPPLIES - L	43.39	43.39
	7/27/2021	0000709	HARBOR SAW & SUPPLY	658488	6/10/2021	MAINTENANCE SUPPLIES - L	168.63	
				661515	6/30/2021	MAINTENANCE SUPPLIES - L	125.05	293.68
	7/27/2021	0000885	LAKESIDE INDUSTRIES, INC	166063	7/3/2021	HMA COMMERCIAL - LC	8,471.59	
				166065	7/3/2021	EZ STREET ASPHALT - SQ	313.93	
				166064	7/3/2021	WA GLASS G - ODT	173.21	8,958.73
	7/27/2021	0001156	OLYPEN INC	210711-0015	7/11/2021	07/21~08/21 MLS, OLS	40.50	40.50
	7/27/2021	0001199	PARTNER CONSTRUCTION PI	11089	6/29/2021	MAINTENANCE SUPPLIES - S	6,800.00	6,800.00
	7/27/2021	0001300	PUBLIC UTILITY DISTRICT	30702-070621	7/6/2021	05/31/21~06/30/21 66 LOWER	46.21	46.21
	7/27/2021	0001540	SWAIN'S GENERAL STORE IN	288879	7/8/2021	FIELD SUPPLIES - SURVEY	27.86	27.86
	7/27/2021	0001551	TACOMA SCREW PRODUCTS	140010003-00	7/16/2021	MAINTENANCE SUPPLIES - P	128.38	128.38
	7/27/2021	0001586	TRAFFIC SAFETY SUPPLY CO	INV039616	6/30/2021	MAINTENANCE SUPPLIES - C	442.12	
				INV039725	7/2/2021	MAINTENANCE SUPPLIES - C	270.73	712.85
	7/27/2021	0001635	UTILITIES UNDERGROUND LC	1020243	2/28/2021	02/21 EXCAVATION NOTIFICA	288.96	288.96
	7/27/2021	0001740	WSU EXTENSION OF CLALLA	621	7/13/2021	06/21 WEED MANAGEMENT -	7,175.88	
				62021	7/13/2021	06/21 WEED MANAGEMENT -	1,460.92	8,636.80
	7/27/2021	0004211	CENTURYLINK	6812667-070721	7/7/2021	360-681-2667 726B	191.20	191.20

Bank : apbank U S BANK (Continued)

Check #	Date	Vendor		Invoice	Inv Date	Description	Amount Paid	Check Total
	7/27/2021	0017663	ARAMARK UNIFORM SVCS IN	512000092534	7/6/2021	LAUNDRY SERVICE - PA	16.32	
				512000097850	7/13/2021	LAUNDRY SERVICE - PA	16.32	
				512000094856	7/8/2021	LAUNDRY SERVICE - SQ	16.28	
				512000089644	7/1/2021	LAUNDRY SERVICE - LC	16.27	
				512000089725	7/1/2021	LAUNDRY SERVICE - SQ	16.27	
				512000094787	7/8/2021	LAUNDRY SERVICE - LC	16.27	97.73
	7/27/2021	0020849	U S BANK	0328-101216	6/30/2021	CASCADE BARK - SQ MAINT	1,452.48	
				7330-062921BLI	6/29/2021	AMAZON - SQ SHOP SUPPLIE	349.83	
				0328-8041857	6/29/2021	AMAZON - SQ SHOP SUPPLIE	326.35	
				3953-0791-06/21	6/6/2021	CENTURYLINK - 300510791	325.26	
				7330-062621BLI	6/26/2021	NORTHERN TOOL - SQ MAIN	303.55	
				0328-9809869	7/8/2021	AMAZON - SQ MAINT SUPPLI	272.96	
				6048-3984218	6/15/2021	AMAZON - DPRA MAINT SUPF	264.54	
				3953-810305	7/2/2021	WCI*MURRAYS - DPRA GARB	260.04	
				3953-1356-06/21	6/6/2021	CENTURYLINK - 300561356	126.20	
				6048-9783404	6/14/2021	AMAZON - DPRA MAINT SUPF	44.79	
				0328-6657020	6/29/2021	AMAZON - SQ SHOP SUPPLIE	44.10	
				6048-2473821	6/17/2021	SIMHERO - SEC CAM DATA U	39.99	
				0328-0611400	6/21/2021	HOME DEPOT - SQ MAINT SU	19.37	
				0328-062321BLI	6/23/2021	COASTAL - SQ SHOP SUPPLI	17.36	
				0328-062221BLI	6/22/2021	HOME DEPOT - SQ SHOP SUI	16.02	
				0328-7022251	6/14/2021	HOME DEPOT - SQ MAINT SU	14.32	
				0328-001694	6/28/2021	WALMART - SQ MAINT SUPPI	14.11	3,891.27
	7/27/2021	0021386	STAPLES ADVANTAGE	3481788669	7/10/2021	OFFICE SUPPLIES - ADMIN	342.40	
				3481788668	7/10/2021	MAINTENANCE SUPPLIES - L	76.91	419.31
	7/27/2021	0028699	SOUND PUBLISHING INC	8029496-10101	6/30/2021	CALL FOR HEARING - CR RES	170.64	170.64
	7/27/2021	0041605	HOME DEPOT PRO	624254306	6/21/2021	MAINTENANCE SUPPLIES - D	1,081.38	1,081.38
	7/27/2021	0041812	TRAFFICGUARD INC	9119	7/13/2021	MAINTENANCE SUPPLIES - C	399.00	399.00
						Sub total for U S BANK:		72,029.94

Final Check List
CLALLAM COUNTY

Public Works

Bank : apbank U S BANK

Check #	Date	Vendor		Invoice	Inv Date	Description	Amount Paid	Check Total
	7/27/2021	0000348	CLALLAM COUNTY DEPT OF,	21-0555	7/8/2021	WATER TESTING	815.00	815.00
	7/27/2021	0000546	EXPRESS SERVICES, INC	25575618	6/15/2021	06/07/21~06/13/21 ASPELUND	186.88	186.88
	7/27/2021	0043522	WASHINGTON WATER TRUST	2021-06	7/14/2021	06/21 SERVICES	12,550.01	12,550.01
	7/27/2021	0000360	CLALLAM COUNTY ER&R	2021.161E	6/22/2021	06/21 COPIES	46.30	46.30
	7/27/2021	0039043	ROBINSON NOBLE	21-0488	6/30/2021	06/21 SERVICES	3,008.75	3,008.75
	7/27/2021	0000335	CLALLAM COUNTY DEPT OF,	PW 2021 Q2	7/7/2021	2021 Q2 STORMWATER DISC	4,249.14	
				PW 2020 Q4	3/8/2021	2020 Q4 STORMWATER DISC	3,196.41	
				PW 2021 Q1	5/7/2021	2021 Q1 STORMWATER DISC	2,433.35	9,878.90
	7/27/2021	0000360	CLALLAM COUNTY ER&R	2021.176E	7/10/2021	06/21 FUEL	259.22	259.22
	7/27/2021	0000546	EXPRESS SERVICES, INC	25644312-40201	6/29/2021	06/21/21~06/27/21 SOLID WAS	1,120.80	1,120.80
	7/27/2021	0028699	SOUND PUBLISHING INC	8029496-41401	6/30/2021	CR RESOLUTION 2 - VACATE	66.36	66.36
	7/27/2021	0020849	U S BANK	3953-064815	6/9/2021	PUD - SEVEN ACCOUNTS	2,478.96	
				3953-1116-06/21	6/6/2021	CENTURYLINK - 300561116	242.91	2,721.87
	7/27/2021	0000348	CLALLAM COUNTY DEPT OF,	21-0561	7/8/2021	WATER TESTING	23.00	23.00
	7/27/2021	0000546	EXPRESS SERVICES, INC	25674489-43401	7/6/2021	06/28/21~07/02/21 BBWA	280.49	280.49

Sub total for U S BANK: 30,957.58

Final Check List
CLALLAM COUNTY

Sheriff (1)

Bank : apbank U S BANK

Check #	Date	Vendor		Invoice	Inv Date	Description	Amount Paid	Check Total
	7/27/2021	0000179	BEERS, RICHARD B	Aug 2021	7/15/2021	RENTAL AGREEMENT	525.00	525.00
	7/27/2021	0000268	WAVE BUSINESS	1032293-02-Jul2	7/1/2021	CABLE - INMATES	333.62	333.62
	7/27/2021	0000268	WAVE BUSINESS	1032290-02-Jul2	7/1/2021	CABLE - CCSO	286.32	286.32
	7/27/2021	0000268	WAVE BUSINESS	1240306-01-Jul2	7/1/2021	CABLE - EDWARDS RD	122.30	122.30
	7/27/2021	0000296	CENTURYLINK	410622965-Jul2	7/6/2021	DATA CONNECTION 7/6/21 - 8	3,967.28	3,967.28
	7/27/2021	0000296	CENTURYLINK	406092135-Jul2	7/6/2021	DATA CONNECTION 7/6/21 - 8	1,236.58	1,236.58
	7/27/2021	0000296	CENTURYLINK	300421654-Jul2	7/6/2021	TELEPHONE SERVICE 7/6/21	224.72	224.72
	7/27/2021	0000351	OLYMPIC PENINSULA, HUMAN	3rd Qtr 2021	7/15/2021	ANIMAL SHELTERING	26,000.00	26,000.00
	7/27/2021	0000354	CLALLAM COUNTY SEWER DI	1481-Jul21	7/10/2021	CLALLAM BAY-SEKIU SEWER	56.50	56.50
	7/27/2021	0000360	CLALLAM COUNTY ER&R	2021.177E	7/10/2021	GASOLINE FOR CHAIN GANG	363.64	363.64
	7/27/2021	0000593	FORKS, CITY OF	1987	7/7/2021	PRISONER BOARD BILL - JUN	2,501.76	2,501.76
	7/27/2021	0000628	GALLS LLC	018732235	7/2/2021	UNIFORM - WENZL	53.86	53.86
	7/27/2021	0000812	JIFFY CLEANERS	071221	7/12/2021	UNIFORM CLEANINGS AND J.	2,235.87	2,235.87
	7/27/2021	0001140	OLYMPIC PRINTERS INC	28222	7/7/2021	CCSO FORMS - DIVERSION N	96.83	96.83
	7/27/2021	0001149	OLYMPIC STATIONERS INC	96514	6/4/2021	LABELS FOR VACCINE POP-U	19.76	19.76
	7/27/2021	0001203	PEN PRINT INC	38674	5/20/2021	FORMS FOR VACCINE EVENT	200.19	
				38728	6/17/2021	FORMS FOR VACCINE EVENT	133.28	
				38694	5/27/2021	FORMS FOR VACCINE EVENT	119.68	453.15
	7/27/2021	0001252	PORT ANGELES, CITY OF	82495-151160-Ju	7/9/2021	UTILITIES - FRONT ST	389.52	389.52
	7/27/2021	0001298	PUBLIC UTILITY DISTRICT NO	14741000-Jul21	7/6/2021	UTILITIES - OPSCAN TOWER	60.06	60.06
	7/27/2021	0001426	SEQUIM, CITY OF	Aug 2021	7/15/2021	LEASE AGREEMENT	1,100.00	1,100.00
	7/27/2021	0001734	WA ST PATROL	I21006590	7/8/2021	BACKGROUND CHECKS	816.00	816.00
	7/27/2021	0004211	CENTURYLINK	360-417-5383-Ju	7/15/2021	INTERNET SERVICE 7/2/21 -	65.00	65.00
	7/27/2021	0017787	DAIRY FRESH FARMS INC	8082117413	6/23/2021	FOOD	291.75	
				8082115513	6/4/2021	FOOD	281.19	
				8082116219	6/11/2021	FOOD	258.88	
				8082116712	6/16/2021	FOOD	246.14	
				8082118116	6/30/2021	FOOD	237.53	1,315.49
	7/27/2021	0020862	GERMAN, NANCY	Aug 2021	7/15/2021	LEASE AGREEMENT	2,166.12	2,166.12
	7/27/2021	0024819	QUILEUTE TRIBE	Aug 2021	7/15/2021	LEASE AGREEMENT	1,200.00	1,200.00
	7/27/2021	0029266	NI GOVERNMENT SERVICES I	21062909221	7/1/2021	SATELLITE PHONE SERVICE	44.08	44.08
	7/27/2021	0032992	STYLER EMBROIDERY & DES	011755	7/10/2021	EMBROIDERY ON 30 BALL CA	943.95	943.95

Bank : apbank U S BANK (Continued)

Check #	Date	Vendor		Invoice	Inv Date	Description	Amount Paid	Check Total
	7/27/2021	0037042	OFFICE DEPOT	180903508001	6/29/2021	OFFICE SUPPLIES	81.47	
				175850215001	6/25/2021	OFFICE SUPPLIES	61.08	
				175868679001	6/25/2021	OFFICE SUPPLIES	4.33	146.88
	7/27/2021	0041605	HOME DEPOT PRO	624338190	6/22/2021	JAIL SUPPLIES	537.25	
				626172258	6/30/2021	KITCHEN SUPPLIES	147.34	
				626702500	7/2/2021	JAIL SUPPLIES	92.81	
				624529574	6/22/2021	JAIL SUPPLIES	59.10	836.50
	7/27/2021	0044624	HECK, DYLAN	101697685	7/14/2021	UNIFORM	250.00	250.00
	7/27/2021	0044927	COMMUNITY TECHNOLOGIES	1426	7/1/2021	CONTRACT YEAR 5 2021 3RD	2,052.84	2,052.84
						Sub total for U S BANK:		49,863.63

Final Check List
CLALLAM COUNTY

Sheriff (2)

Bank : apbank U S BANK

Check #	Date	Vendor		Invoice	Inv Date	Description	Amount Paid	Check Total
	7/27/2021	0020849	U S BANK	6236-Jul21	7/6/2021	BATTERYSHARKS, EBAY, GR.	1,984.61	
				6730-Jul21	7/6/2021	WALMART, ALL SEASONS, UI	1,534.41	
				0945-Jul21	7/6/2021	AMAZON, COSTCO	1,043.16	
				6528-Jul21	7/6/2021	AMAZON, AXON	418.45	
				4761-Jul21	7/6/2021	76-1ST RACE, LANDS END, D.	343.61	
				6277a-Jul21	7/6/2021	ROXIO, START STOP	295.91	
				7275-Jul21	7/6/2021	NCHSOFTWARE, LIVE VIEW	105.80	
				8739-Jul21	7/6/2021	TOTAL WIRELESS	54.20	
				7400-Jul21	7/6/2021	SIMPLISAFE	27.11	5,807.26
						Sub total for U S BANK:		5,807.26

Bank : apbank U S BANK

Check #	Date	Vendor		Invoice	Inv Date	Description	Amount Paid	Check Total
	7/27/2021	0001136	OLYMPIC MEDICAL CENTER	OMC 7.15.21	7/15/2021	INMATE MEDICAL	3,952.35	3,952.35
	7/27/2021	0001508	STERICYCLE, INC	3005617189	6/30/2021	BIOHAZARD WASTE	53.43	53.43
	7/27/2021	0004826	OLYMPIC MEDICAL PHYSICIAI	71227178980	7/15/2021	INMATE MEDICAL	67.80	67.80
	7/27/2021	0025115	RADIA INC PS	Z84X5ML	7/15/2021	INMATE MEDICAL	6.60	
				Z84M5AF	7/15/2021	INMATE MEDICAL	5.20	11.80
	7/27/2021	0041537	MCKESSON MEDICAL-SURGI(	18283424	6/30/2021	CLINIC SUPPLIES	985.17	985.17
						Sub total for U S BANK:		5,070.55

Final Check List
CLALLAM COUNTY

Superior Court

Bank : apbank U S BANK

Check #	Date	Vendor		Invoice	Inv Date	Description	Amount Paid	Check Total
	7/27/2021	0020849	U S BANK	491114480610	7/15/2021	7/08/21-DC PRO SOCIAL EVEI	129.00	
				30909480610	7/15/2021	7/08/21-DC INCENTIVES/SNA(	122.25	
				303434480610	7/15/2021	6/24/21-DC GRADUATION FO(	30.00	281.25
	7/27/2021	0020849	U S BANK	AMA1715967	7/14/2021	6/18/21-JAIL VIDEO STORAGE	69.89	
				9880463070	7/14/2021	MAY 2020 - VERIZON CELL PH	50.22	
				9882613272	7/14/2021	JUNE 2021 - VERIZON CELL F	50.22	170.33
						Sub total for U S BANK:		451.58

Final Check List
CLALLAM COUNTY

Clerk

Bank : apbank U S BANK

Check #	Date	Vendor		Invoice	Inv Date	Description	Amount Paid	Check Total
	7/27/2021	0003410	LEMAY MOBILE SHREDDING	4707121	7/15/2021	CLERK'S SHRED 2185-952778	12.88	12.88
	7/27/2021	0037042	OFFICE DEPOT	179273101001	7/15/2021	CLERK'S OFFICE SUPPLIES	196.19	
				179331452001	7/15/2021	CLERK'S OFFICE SUPPLIES	15.75	
				179331453001	7/15/2021	CLERK'S OFFICE SUPPLIES	7.46	219.40
						Sub total for U S BANK:		232.28

Final Check List
CLALLAM COUNTY

Clerk Jury

Bank : apbank U S BANK

Check #	Date	Vendor		Invoice	Inv Date	Description	Amount Paid	Check Total
	7/27/2021	0026003	KIRSCH, DWIGHT	SUPCT2174098	7/1/2021	JURY PAYMENT	10.00	10.00
	7/27/2021	0030386	DASHNOW, JEAN	SUPCT2167405	7/1/2021	JURY PAYMENT	10.00	10.00
	7/27/2021	0034340	ANDERSON, MICHELE	SUPCT2175320	7/1/2021	JURY PAYMENT	42.40	42.40
	7/27/2021	0036189	REUTHER COSTA, JOY	SUPCT2170356	7/1/2021	JURY PAYMENT	25.12	25.12
	7/27/2021	0039589	JOHNSON, MARK	SUPCT2173477	7/1/2021	JURY PAYMENT	22.24	22.24
	7/27/2021	0039668	NALLY, JOHN	SUPCT2170883	7/1/2021	JURY PAYMENT	29.04	29.04
	7/27/2021	0040422	BROWN, LISA	SUPCT2172537	7/1/2021	JURY PAYMENT	20.00	20.00
	7/27/2021	0043890	FOLSOM, JAMES	SUPCT2175656	7/1/2021	JURY PAYMENT	44.64	44.64
	7/27/2021	0045507	VIRGIL, KATHLEEN	SUPCT2174946	7/1/2021	JURY PAYMENT	76.00	76.00
	7/27/2021	0045508	BRENT, GINA	SUPCT2168906	7/1/2021	JURY PAYMENT	211.12	211.12
	7/27/2021	0045509	ACOSTA, ANDRES	SUPCT2172733	7/1/2021	JURY PAYMENT	55.84	55.84
	7/27/2021	0045510	WEEKS, TODD	SUPCT2171749	7/1/2021	JURY PAYMENT	77.84	77.84
	7/27/2021	0045511	WHITING, MARJORIE	SUPCT2173419	7/1/2021	JURY PAYMENT	42.40	42.40
	7/27/2021	0045512	WITT, JUDITH	SUPCT2172546	7/1/2021	JURY PAYMENT	22.32	22.32
	7/27/2021	0045513	YOUNG, PATRICK	SUPCT2175281	7/1/2021	JURY PAYMENT	20.00	20.00
	7/27/2021	0045514	BROWN, KEVIN	SUPCT2168521	7/1/2021	JURY PAYMENT	93.52	93.52
	7/27/2021	0045515	BUCK, SHARON	SUPCT2173402	7/1/2021	JURY PAYMENT	24.48	24.48
	7/27/2021	0045516	BURKE, KELLY	SUPCT2169015	7/1/2021	JURY PAYMENT	21.20	21.20
	7/27/2021	0045517	BUTLER, SCOTT	SUPCT2176133	7/1/2021	JURY PAYMENT	305.20	305.20
	7/27/2021	0045518	CHRIEST, MAXINE	SUPCT2176471	7/1/2021	JURY PAYMENT	31.20	31.20
	7/27/2021	0045519	CHRISTOPHER, KAREN	SUPCT2175258	7/1/2021	JURY PAYMENT	62.56	62.56
	7/27/2021	0045520	CONLAN, JOSEPH	SUPCT2172430	7/1/2021	JURY PAYMENT	82.72	82.72
	7/27/2021	0045521	CRAWFORD, LYNN	SUPCT2170392	7/1/2021	JURY PAYMENT	77.84	77.84
	7/27/2021	0045522	CULP, ROBBEY	SUPCT2175872	7/1/2021	JURY PAYMENT	44.64	44.64
	7/27/2021	0045523	CURTIS, DEBRA	SUPCT2174520	7/1/2021	JURY PAYMENT	58.08	58.08
	7/27/2021	0045524	DEMOSS, LINDA	SUPCT2174092	7/1/2021	JURY PAYMENT	60.32	60.32
	7/27/2021	0045525	DILLEY, LINDA	SUPCT2172578	7/1/2021	JURY PAYMENT	53.60	53.60
	7/27/2021	0045526	DOTY, SHARON	SUPCT2169620	7/1/2021	JURY PAYMENT	62.56	62.56
	7/27/2021	0045527	DRIVER, RUSSELL	SUPCT2172382	7/1/2021	JURY PAYMENT	22.24	22.24
	7/27/2021	0045528	DUNHAM, KATHERINE	SUPCT2176690	7/1/2021	JURY PAYMENT	61.44	61.44
	7/27/2021	0045529	EARLY, GAIL	SUPCT2176149	7/1/2021	JURY PAYMENT	46.88	46.88
	7/27/2021	0045530	EATON-BAKER, INGA	SUPCT2168155	7/1/2021	JURY PAYMENT	187.60	187.60
	7/27/2021	0045531	FLOOD, REBECCA	SUPCT2173636	7/1/2021	JURY PAYMENT	14.48	14.48
	7/27/2021	0045532	BAERTSCHIGER, JAN	SUPCT2171251	7/1/2021	JURY PAYMENT	24.48	24.48

Bank : apbank U S BANK (Continued)

Check #	Date	Vendor		Invoice	Inv Date	Description	Amount Paid	Check Total
	7/27/2021	0045533	FOSTER, RICHARD	SUPCT2176645	7/1/2021	JURY PAYMENT	20.00	20.00
	7/27/2021	0045534	FOSTER, THEODORE	SUPCT2176704	7/1/2021	JURY PAYMENT	60.32	60.32
	7/27/2021	0045535	GANT, DANELL	SUPCT2171192	7/1/2021	JURY PAYMENT	10.00	10.00
	7/27/2021	0045536	GEIGER, RUTHANN	SUPCT2169336	7/1/2021	JURY PAYMENT	29.04	29.04
	7/27/2021	0045537	GELISSE, CHAD	SUPCT2167140	7/1/2021	JURY PAYMENT	35.76	35.76
	7/27/2021	0045538	GILLESPIE, TRICIA	SUPCT2171994	7/1/2021	JURY PAYMENT	60.32	60.32
	7/27/2021	0045539	GLOOR, TREVOR	SUPCT2174840	7/1/2021	JURY PAYMENT	29.04	29.04
	7/27/2021	0045540	GUTIERREZ QUARTO, MONIC	SUPCT2174174	7/1/2021	JURY PAYMENT	42.40	42.40
	7/27/2021	0045541	HAINSTOCK, RYAN	SUPCT2171212	7/1/2021	JURY PAYMENT	18.96	18.96
	7/27/2021	0045542	BARCLAY, JOHN	SUPCT2175477	7/1/2021	JURY PAYMENT	25.68	25.68
	7/27/2021	0045543	HAMILTON, KATHI	SUPCT2172997	7/1/2021	JURY PAYMENT	52.48	52.48
	7/27/2021	0045544	HANSON, GREGORY	SUPCT2172516	7/1/2021	JURY PAYMENT	26.72	26.72
	7/27/2021	0045545	HAUPT, BYRON	SUPCT2167750	7/1/2021	JURY PAYMENT	89.60	89.60
	7/27/2021	0045546	HEILMAN, CHRISTINE	SUPCT2166860	7/1/2021	JURY PAYMENT	187.60	187.60
	7/27/2021	0045547	HENDRICKS, LISA	SUPCT2172583	7/1/2021	JURY PAYMENT	12.24	12.24
	7/27/2021	0045548	HUFFMAN, CHRISTINA	SUPCT2167260	7/1/2021	JURY PAYMENT	20.08	20.08
	7/27/2021	0045549	HURST, MICHAEL	SUPCT2172377	7/1/2021	JURY PAYMENT	85.68	85.68
	7/27/2021	0045550	ICIDE, CHRIS	SUPCT2168487	7/1/2021	JURY PAYMENT	234.72	234.72
	7/27/2021	0045551	JENSEN, SHARON	SUPCT2175540	7/1/2021	JURY PAYMENT	60.32	60.32
	7/27/2021	0045552	BAREVICH, FRANCIS	SUPCT2174418	7/1/2021	JURY PAYMENT	24.48	24.48
	7/27/2021	0045553	JOHNSON, MARLENE	SUPCT2169287	7/1/2021	JURY PAYMENT	13.92	13.92
	7/27/2021	0045554	JOHNSON, NANCY	SUPCT2172884	7/1/2021	JURY PAYMENT	13.36	13.36
	7/27/2021	0045555	JONES, GREGORY	SUPCT2171615	7/1/2021	JURY PAYMENT	24.48	24.48
	7/27/2021	0045556	JONES, ROY	SUPCT2171714	7/1/2021	JURY PAYMENT	22.24	22.24
	7/27/2021	0045557	KIPPER, JEANNE	SUPCT2169372	7/1/2021	JURY PAYMENT	26.80	26.80
	7/27/2021	0045558	LESTAGE, LAURA	SUPCT2173948	7/1/2021	JURY PAYMENT	58.08	58.08
	7/27/2021	0045559	LOPEZ-DIAZ, LUCILA	SUPCT2172510	7/1/2021	JURY PAYMENT	26.80	26.80
	7/27/2021	0045560	LOWTHIAN, DANIEL	SUPCT2175363	7/1/2021	JURY PAYMENT	24.48	24.48
	7/27/2021	0045561	LUCIANI, DEAN	SUPCT2175790	7/1/2021	JURY PAYMENT	62.56	62.56
	7/27/2021	0045562	BERRIAN, PAMELA	SUPCT2175983	7/1/2021	JURY PAYMENT	56.96	56.96
	7/27/2021	0045563	MASSEY, DAVID	SUPCT2168963	7/1/2021	JURY PAYMENT	124.88	124.88
	7/27/2021	0045564	MAXWELL, JOHN	SUPCT2172416	7/1/2021	JURY PAYMENT	11.68	11.68
	7/27/2021	0045565	MAXWELL, MARGARET	SUPCT2167374	7/1/2021	JURY PAYMENT	11.68	11.68
	7/27/2021	0045566	MAYBERRY, LINDA	SUPCT2170697	7/1/2021	JURY PAYMENT	13.92	13.92
	7/27/2021	0045567	MC COLL, JANET	SUPCT2173459	7/1/2021	JURY PAYMENT	26.80	26.80

Bank : apbank U S BANK (Continued)

Check #	Date	Vendor		Invoice	Inv Date	Description	Amount Paid	Check Total
	7/27/2021	0045568	MITZNER, GARY	SUPCT2176587	7/1/2021	JURY PAYMENT	26.80	26.80
	7/27/2021	0045569	MOORE, KEVIN	SUPCT2167837	7/1/2021	JURY PAYMENT	53.60	53.60
	7/27/2021	0045570	MORGAN, DAVID	SUPCT2173788	7/1/2021	JURY PAYMENT	42.40	42.40
	7/27/2021	0045571	NUGENT, SAMUEL	SUPCT2175025	7/1/2021	JURY PAYMENT	34.64	34.64
	7/27/2021	0045572	BOLIN, EMMA	SUPCT2169705	7/1/2021	JURY PAYMENT	26.80	26.80
	7/27/2021	0045573	OBRIEN, JOHN	SUPCT2175011	7/1/2021	JURY PAYMENT	11.68	11.68
	7/27/2021	0045574	OSBORNE, EDWARD	SUPCT2173724	7/1/2021	JURY PAYMENT	19.52	19.52
	7/27/2021	0045575	PEARCE, TABETHA	SUPCT2175061	7/1/2021	JURY PAYMENT	22.24	22.24
	7/27/2021	0045576	PEMBERTON, CINDY	SUPCT2170310	7/1/2021	JURY PAYMENT	194.40	194.40
	7/27/2021	0045577	PILKINGTON, CHARLES	SUPCT2168686	7/1/2021	JURY PAYMENT	16.16	16.16
	7/27/2021	0045578	PINNELL, DONNA	SUPCT2166947	7/1/2021	JURY PAYMENT	29.04	29.04
	7/27/2021	0045579	POIRIER, SUSAN	SUPCT2170505	7/1/2021	JURY PAYMENT	25.68	25.68
	7/27/2021	0045580	RADICH, NANCY	SUPCT2175496	7/1/2021	JURY PAYMENT	187.60	187.60
	7/27/2021	0045581	REDLIN, KELSEY	SUPCT2175032	7/1/2021	JURY PAYMENT	22.24	22.24
	7/27/2021	0045582	BORRELL, NANCY	SUPCT2166879	7/1/2021	JURY PAYMENT	31.28	31.28
	7/27/2021	0045583	RODES, GEORGE	SUPCT2171511	7/1/2021	JURY PAYMENT	38.00	38.00
	7/27/2021	0045584	RUTTEN, MICHAEL	SUPCT2172807	7/1/2021	JURY PAYMENT	28.96	28.96
	7/27/2021	0045585	RUUD, MELISSA	SUPCT2172673	7/1/2021	JURY PAYMENT	117.04	117.04
	7/27/2021	0045586	SCHNEIDER, BERNADETTE	SUPCT2173045	7/1/2021	JURY PAYMENT	30.72	30.72
	7/27/2021	0045587	SCHUBA, DONALD	SUPCT2171236	7/1/2021	JURY PAYMENT	12.24	12.24
	7/27/2021	0045588	SHAW, SHARON	SUPCT2168254	7/1/2021	JURY PAYMENT	43.60	43.60
	7/27/2021	0045589	SKOV, KJEL	SUPCT2174942	7/1/2021	JURY PAYMENT	62.56	62.56
	7/27/2021	0045590	SMITH, JULIA	SUPCT2171606	7/1/2021	JURY PAYMENT	37.92	37.92
	7/27/2021	0045591	SOCHA, WILLIAM	SUPCT2175475	7/1/2021	JURY PAYMENT	23.36	23.36
	7/27/2021	0045592	SPRAGUE, JOSEPH	SUPCT2176597	7/1/2021	JURY PAYMENT	42.40	42.40
	7/27/2021	0045593	BOYD, DANIELLE	SUPCT2171980	7/1/2021	JURY PAYMENT	26.72	26.72
	7/27/2021	0045594	STANTON, SYLVIA	SUPCT2167079	7/1/2021	JURY PAYMENT	32.40	32.40
	7/27/2021	0045595	STEWART, GARY	SUPCT2175672	7/1/2021	JURY PAYMENT	64.80	64.80
	7/27/2021	0045596	STEWART, JANE	SUPCT2173699	7/1/2021	JURY PAYMENT	160.80	160.80
	7/27/2021	0045597	STINSON, RONALD	SUPCT2175027	7/1/2021	JURY PAYMENT	46.88	46.88
	7/27/2021	0045598	STONE, DOUGLAS	SUPCT2169324	7/1/2021	JURY PAYMENT	17.84	17.84
	7/27/2021	0045599	STORM, MARY	SUPCT2171150	7/1/2021	JURY PAYMENT	31.84	31.84
	7/27/2021	0045600	THOMPSON, NONA	SUPCT2173330	7/1/2021	JURY PAYMENT	44.64	44.64
	7/27/2021	0045601	TOPPER, GERALD	SUPCT2166471	7/1/2021	JURY PAYMENT	12.24	12.24
	7/27/2021	0045602	TURNBOW, DARREL	SUPCT2172484	7/1/2021	JURY PAYMENT	46.88	46.88

Sub total for U S BANK:	5,354.00

Final Check List
CLALLAM COUNTY

Veterans

Bank : apbank U S BANK

Check #	Date	Vendor		Invoice	Inv Date	Description	Amount Paid	Check Total
	7/15/2021	0000268	WAVE BUSINESS	WAVE 7/15/21	7/15/2021	VET CENTER PHONE	109.04	109.04
	7/15/2021	0001179	PACIFIC OFFICE EQUIPMENT	POE 7/15/21	7/15/2021	VET CENTER PRINTER	142.92	142.92
	7/15/2021	0001252	PORT ANGELES, CITY OF	HN7796 7/15/21	7/15/2021	UTILITIES	600.07	600.07
	7/15/2021	0001300	PUBLIC UTILITY DISTRICT	SM7415 7/15/21	7/15/2021	UTILITIES	162.22	162.22
	7/15/2021	0020849	U S BANK	CR2810 7/15/21	7/15/2021	FOOD	150.00	
				KE7278 7/15/21	7/15/2021	FOOD	150.00	
				LP6817 7/15/21	7/15/2021	FOOD	150.00	
				LR0934 7/15/21	7/15/2021	FOOD	150.00	
				SM7415 7/15/21	7/15/2021	FUEL	150.00	
				WS7621 7/15/21	7/15/2021	FOOD	150.00	
				KE7278 7/15/21	7/15/2021	FUEL	100.00	
				MR0685 7/15/21	7/15/2021	FUEL	100.00	
				NW3421 7/15/21	7/15/2021	FUEL	100.00	
				MR0685 7/15/21	7/15/2021	FOOD	50.00	
				NW3421 7/15/21	7/15/2021	FOOD	50.00	1,300.00
						Sub total for U S BANK:		2,314.25

Final Check List
CLALLAM COUNTY

WSU Ext

Bank : apbank U S BANK

Check #	Date	Vendor		Invoice	Inv Date	Description	Amount Paid	Check Total
	7/27/2021	0020849	U S BANK	621	7/13/2021	US BANK	338.14	338.14
						Sub total for U S BANK:		338.14

BOARD of CLALLAM COUNTY COMMISSIONERS
MINUTES for the week of July 19 - 23, 2021

16
7/27/21

WORK SESSION – 9 a.m.

The work session convened at 9 a.m., Monday, July 19, 2021. Present were Commissioners Ozias, Johnson, and Peach and Administrator Sill.

Items of discussion per the agenda published July 15 were:

- Calendar/Correspondence
- Shoreline Master Program discussion
- Mental Health Court discussion and requests
- Contract renewal with Washington State Military Department for reimbursement of PenCom dispatch center costs associated with staffing and training
- Agreement amendment 1 with Washington State Military Department for funding to reimburse Clallam County Emergency Operations Center costs associated with emergency management projects
- Agreement renewal with Washington State Department of Ecology for Solid Waste Management Community Litter Cleanup Program
- Resolution adopting the 2021 Solid Waste Management Plan
- Joint Resolution with the City of Sequim for termination of a 1993 interlocal agreement regarding septage treatment and disposal
- Agreement amendment with Washington State Recreation and Conservation Office for Dungeness Floodplain Restoration – Kinkade Phase Project
- Clallam Conservation District update
- Agreement amendment 1 with Public Works for Olympic Discovery Trail Improvement Project
- Resolution appointing Candace Kathol to the Park and Recreation Advisory Board
- Resolution appointing Rachel Anderson, Jim Weatherly and Paul Cunningham to the Homelessness Task Force
- CDBG HUD CARES funding discussion

Meeting adjourned at 1:10 p.m.

NOTE: Due to Technical difficulties with the Granicus Livestream System we were unable to get a full video recording of the Board of Commissioners Work Session on Monday, July 19, 2021. There are recordings available under Commissioner's Work Session from 9 a.m. to 11:05 a.m. and a Commissioner's Work Session – 2nd portion from approximately 11:15 a.m. to 1:10 p.m.

Please contact the Clallam County Public Records Department if you wish to obtain a complete copy of the audio only Soniclear recording of the meeting at:
https://clallamcountywa.mycusthelp.com/WEBAPP/_rs/(S(omtq0yekfkk1fcc00edyoprx))/supporthome.aspx

REGULAR MEETING OF THE BOARD OF CLALLAM COUNTY COMMISSIONERS

Chair Ozias called the meeting to order at 10 a.m., Tuesday, July 20, 2021. Also present were Commissioners Johnson and Peach, and Administrator Sill.

REQUEST FOR MODIFICATIONS/APPROVAL OF AGENDA

Clerk Gores noted the first public comment session will be held after the Consent Agenda and item 3a will be postponed 1 week to July 27, 2021.

ACTION TAKEN: CRJm to adopt the agenda as presented, CBPs, mc

DRAFT

CONSENT AGENDA

1a Approval of vouchers for the week of July 12
1b Approval of payroll for the period ending June 30
1c Approval of minutes for the week of July 12
1d Proclamation recognizing Allen Sill for a lifetime of service on his 100th Birthday

ACTION TAKEN: CRJm to adopt the consent agenda as presented, CBPs, mc

REPORTS AND PRESENTATIONS

- CRJ read the Proclamation recognizing Allen Sill for a lifetime of service on his 100th Birthday
  - Allen Sill thanked the BOCC for the recognition.
- CMO recognized Wendy Peterson for over 37 years of service to Clallam County
  - Sheriff Benedict recognized Wendy Peterson for her service.
  - Wendy Peterson thanked the BOCC and Sheriff's Office for the recognition.

PUBLIC COMMENT

- Karin Cummins, Sequim, commented on noise Ordinance.
- Ed Bowen, Clallam Bay, commented on Shoreline Master Program hearing.

REPORTS AND PRESENTATIONS

- CBP commented on Junior Taxing Districts funds.
- CRJ commented on Department of Natural Resources and affordable housing.

HEARING(S)

H1 Ordinance amending Clallam County Code Chapter 5.100 Consolidated Fee Schedule – Auditor's Office Services Fee Schedule 510-A

- ARS read a brief summary into the record.
- Shoona Riggs, Auditor's Office, provided a staff report.

ACTION TAKEN: CRJm to open the public hearing, CBPs, mc

- The following made comments:
  - Karin Cummins, Sequim

ACTION TAKEN: CRJm to close the public hearing and adopt, CBPs, mc

H2 2021 Mid-year Budget Status Review

- Mark Lane, Chief Financial Officer, provided a staff report.
- The Board and Lane discussed the 2021 Mid-year Budget Review.

ACTION TAKEN: CRJm to open the public hearing, CBPs, mc

- The following made comments:
  - Ed Bowen, Clallam Bay
  - Karin Cummins, Sequim

ACTION TAKEN: CRJm to close the public hearing, CBPs, mc
ACTION TAKEN: No action taken

CONTRACTS AND AGREEMENTS

2a Agreement with Washington State Department of Commerce for Secure Residential Crisis Center (SCRC) and Ancillary Therapeutic Services (ATS)

ACTION TAKEN: CRJm to approve, CBPs, mc

DRAFT

2b Agreement with Clallam Conservation District for resource conservation planning and implementation
ACTION TAKEN: CRJm to approve, CBPs, mc

2c Agreement and project prospectus form with Washington State Department of Transportation for Dungeness National Wildlife Refuge Project
ACTION TAKEN: CRJm to approve, CBPs, mc

2d Agreement with Lutheran Community Services Northwest for Homeless Task Force Funds/$165,000
ACTION TAKEN: CRJm to approve, CBPs, mc

BIDS AND AWARDS

3a Bid opening – Lower Dungeness River Floodplain Restoration and Levee / Road Realignment Project – Phase 1 Earthwork
ACTION TAKEN: Item is postponed for one week to July 27, 2021

COMMUNITY DEVELOPMENT

4a Resolution adopting of Findings for an Ordinance approving an updated Clallam County Shoreline Master Program (SMP) **AND** an Ordinance amending Clallam County Code Title 35.01 Shoreline Management
- CMO noted hearing was continued from July 13, 2021
- The following made comments:
  - Ed Bowen, Clallam Bay
  - Donella Clark, Department of Community Development

ACTION TAKEN: CRJm to close the public hearing, CBP, mc
ACTION TAKEN: CRJm to adopt the Resolution for adoption of findings for an Ordinance approving an updated Clallam County Shoreline Master Program AND an Ordinance 35.01 Shoreline Management, CBPs, mc

PUBLIC COMMENT

- Ed Bowen, Clallam Bay, commented on Shoreline Master Program.
- Mary Ellen Winborn, Department of Community Development, commented on the Shoreline Master Program.

Meeting concluded at 11:27 a.m. and continued to 9 a.m., Monday, July 26.

There are no Zoom chat logs for the week of July 19.

NOTE: Due to Technical difficulties with the Granicus Livestream System we were unable to get a full video recording of the Board of Commissioners Regular Meeting on Tuesday, July 20, 2021. There are recordings available under Commissioner's Regular Meeting from 10 a.m. to 11:06 a.m. and a Commissioner's Regular Meeting – 2nd portion from approximately 11:07 a.m. to 11:27 a.m.

Please contact the Clallam County Public Records Department if you wish to obtain a complete copy of the audio only Soniclear recording of the meeting at:
https://clallamcountywa.mycusthelp.com/WEBAPP/_rs/(S(omtq0yekfkk1fcc00edyoprx))/supporthome.aspx

The Board of Commissioners attended WSAC COVID briefing, Board of Health and Clallam Transit meetings during the week of July 19.

PASSED AND ADOPTED this twenty-seventh day of July 2021

BOARD OF CLALLAM COUNTY COMMISSIONERS

Mark Ozias, Chair

Randy Johnson

Bill Peach

ATTEST:

Loni Gores, Clerk of the Board

KEY TO ABBREVIATIONS:

ARS	Administrator Rich Sill
CMO	Commissioner Mark Ozias
CRJ	Commissioner Randy Johnson
CBP	Commissioner Bill Peach

m	moved
mc	motion carried
s	seconded

DRAFT

29

7/27/21

AGENDA ITEM SUMMARY

(Must be submitted NLT 3PM Wednesday for next week agenda)

Department: Sheriff

WORK SESSION ☒ **Meeting Date: 07/19/21**

REGULAR AGENDA ☒ **Meeting Date: 07/27/21**

Required originals approved and attached? ☒
Will be provided on:

Item summary:

☐ Call for Hearing ☒ Contract/Agreement/MOU - Contract # 11061-21-01

☐ Resolution ☐ Proclamation ☒ Budget Item

☐ Draft Ordinance ☐ Final Ordinance ☐ Other

Documents exempt from public disclosure attached: ☐

Executive summary:
Renewal Contract with the Washington State Military Department for reimbursement of PenCom dispatch center costs associated with staffing and training, 911 modernization, and 911 interpretive services. This contract is for the period 07/01/21 through 08/15/22 in the amount of $42,760.

Budgetary impact: **If a budget action is required, has it been submitted and a copy attached?** ☒
A budget change form to receipt in the amount of funding from this agreement expected to be expended and reimbursed in FY2021 is attached. The remainder amount of $21,380 will be accounted for in FY2022.

Recommended action:
Recommend approval by the Board and signature by the Chair

County Official signature & print name: W L Benedict Sheriff W.L. Benedict

Name of Employee/Stakeholder attending meeting: CD Alice Hoffman

Relevant Departments: Sheriff's Office

Date submitted: 07/13/21

SECO COUNTY Coordinator Professional Development (CPD) Contract SFY2022

CONTRACT FACE SHEET

1. Contractor Name and Address: **Clallam County Agency (COUNTY)** **223 E 4th Street** **Port Angeles, Washington 98362**	2. Contract Amount: **$42,760**	3. Contract Number **E22-012** 11061-21-01
4. Contractor's Contact Person, phone number: **Karl Hatton / 360.417.4911** **khatton@cityofpa.us**	5. Contract Start Date: **July 1, 2021**	6. Contract End Date: **August 15, 2022**
7. MD Program Manager/phone number: **Teresa Lewis / 253.512.7481** **teresa.lewis@mil.wa.gov**	8. Data Universal Numbering System (DUNS #): **075739235**	9. UBI # (state revenue): **054-004-559**

10. Funding Authority: **Washington State Military Department** and **State Enhanced 911 Funds**

11. Funding Source Agreement #: **RCW 38.52.510, .540, .545** **WAC Chapter 118-66**	12. Program Index# & Obj/SubObj: **7928A, 79281 and 79282 NZ**	13. CFDA # & Title: **NA**	14. TIN or SSN: **91-6001298**

15. Service Districts: (BY LEGISLATIVE DIST): **24th** (BY CONGRESSIONAL DIST): **6th**	16. Service Area by County(ies): **CLALLAM**	17. Women/Minority-Owned, State Certified? ☒ N/A ☐ NO ☐ YES, OMWBE #

18. Contract Classification:
☐ Personal Services ☐ Client Services ☒ Public/Local Gov't
☐ Collaborative Research ☐ A/E ☐ Other

19. Contract Type (check all that apply):
☒ Contract ☐ Grant ☐ Agreement
☐ Intergovernmental (RCW 39.34) ☐ Interagency

20. Contractor Selection Process:
☒ "To all who apply & qualify" ☐ Competitive Bidding
☐ Sole Source ☐ A/E RCW ☐ N/A
☐ Advertised? ☐ YES ☒ NO

21. Contractor Type (check all that apply):
☐ Private Organization/Individual ☐ For-Profit
☒ Public Organization/Jurisdiction ☒ Non-Profit
☐ VENDOR ☐ SUBRECIPIENT ☒ OTHER

22. BRIEF DESCRIPTION:
This is a reimbursement contract per WAC 118-66-050 and the Washington State Military Department (DEPARTMENT) State E911 Coordination Office (SECO) policies, which are incorporated by reference. Reimbursements amounts are detailed in the attached Budget Sheet (Attachment E).

IN WITNESS THEREOF, the DEPARTMENT and COUNTY (Parties) have executed this Contract on the day and year last specified below. This Contract Face Sheet, Special Terms and Conditions (Attachment A), General Terms & Conditions (Attachment B), Statement of Work (Attachment C), SECO Contract Reimbursement Schedule (Attachment D), and the Budget Sheet (Attachment E), govern the rights and obligations of the Parties to this Contract.

In the event of an inconsistency in this contract, unless otherwise provided, the inconsistency shall be resolved by giving precedence in the following order:

(a) Applicable State Statutes and Regulations
(b) Statement of Work
(c) Special Terms and Conditions
(d) General Terms and Conditions, and
(e) any other provisions of the contract incorporated by reference.

This contract contains all the terms and conditions agreed upon by the Parties. No other understandings, oral or otherwise, regarding the subject matter of this contract shall be deemed to exist or to bind any of the Parties.

WHEREAS, the Parties have executed this contract on the day and year last specified below.

FOR THE DEPARTMENT:

Signature Date
Regan Anne Hesse, Chief Financial Officer
Washington State Military DEPARTMENT

FOR THE COUNTY:

Signature Date
Mark Ozias, Chairman
Clallam County Board of Commissioners

Approved as to form only by:

Elizabeth Stanley
Civil Deputy Prosecuting Attorney
Clallam County

SPECIAL TERMS AND CONDITIONS

I. INTRODUCTION:

The DEPARTMENT, through the SECO, coordinates and facilitates the implementation and operation of 911 emergency communications throughout the state. It is authorized to enter into agreements for statewide services and to reimburse COUNTY for eligible expenses from appropriated excise tax revenue retained in the state E911 account.

II. KEY PERSONNEL:

The individuals listed below shall be considered Key Personnel; however, either party may designate a substitute by advance written notification to the other party.

COUNTY:		DEPARTMENT:	
Name:	Karl Hatton	**Name:**	Teresa Lewis
Title:	Deputy Director	**Title:**	SECO E911 County Assistance Program Manager
E-Mail:	khatton@cityofpa.us	**E-Mail:**	teresa.lewis@mil.wa.gov
Phone:	360.417.4911	**Phone:**	253.512.7481

III. ADMINISTRATIVE REQUIREMENTS:

The Parties shall use the following to determine allowable cost principles: State Office of Financial Management (OFM) Regulations-State Administrative and Accounting Manual (SAAM) and the Local Government Budget and Accounting Reporting System (BARS).

IV. ELIGIBLE EXPENSES AND PRIORITIES ESTABLISHED BY THE LEGISLATURE:

Priorities for expenditure of state E911 funds have been established by both the state legislature and the DEPARTMENT:

A. RCW 38.52.540(1) provides that funds from the state E911 account should be "used only to support the statewide coordination and management of the enhanced 911 system, for the implementation of wireless enhanced 911 statewide, for the modernization of enhanced 911 emergency communications systems statewide, and to help supplement, within available funds, the operational costs of the system, including adequate funding of counties to enable implementation of wireless enhanced 911 service and reimbursement of radio communications service companies for costs incurred in providing wireless enhanced 911 service pursuant to negotiated contracts between the counties or their agents and the radio communications service companies";

B. RCW 38.52.540(3) provides that the State E911 Coordinator is "authorized to enter into statewide agreements to improve the efficiency of enhanced 911 services for all counties and shall specify by rule the additional purposes for which moneys, if available, may be expended from this account";

C. RCW 38.52.545 provides that "In specifying rules defining the purposes for which available state enhanced 911 may be expended, the state enhanced 911 coordinator, with the advice and assistance of the enhanced 911 advisory committee, must consider base needs of individual counties for specific assistance. Priorities for available enhanced 911 funding are as follows: (1) To assure that 911 dialing is operational statewide; (2) To assist counties as necessary to assure that they can achieve a basic service level for 911 operations; and (3) To assist counties as practicable to acquire items of a capital nature appropriate to modernize 911 systems and increase 911 effectiveness";

D. WAC 118-66-020 reiterates the E911 funding purposes and priorities established by the legislature;

E. WAC 118-66-040 describes COUNTY eligibility for funding; and

F. WAC 118-66-050 lists expenses that "may be eligible for reimbursement based on a reasonable prioritization by the state E911 coordinator" and "in accordance with the purposes and priorities established by statute and regulation".

V. THE PARTIES AGREE THAT THE FOLLOWING ELIGIBLE EXPENSES AND PRIORITIES ARE ESTABLISHED IN CONTRACT:

A. Consistent with the statutes and regulations cited, this contract allows reimbursement solely for certain approved eligible expenses described in WAC 118-66-050 incurred by the COUNTY, in support of 911 calls originating in the county, including eligible expenses in the following prioritization: (1) 911 statewide dialing, (2) 911 basic service, and (3) capital items. This contract includes Statewide Services that benefit all counties and do not require local revenue to be expended prior to reimbursement through county contracts. Statewide services reimbursed through this contract include:

1. Coordinator Professional Development (CPD), including travel expenses for attending the following: Advisory Committee meetings, Advisory Committee Subcommittee meetings, two Coordinator Forums, the APCO State Conference, State Supported training, and National Conference attendance;
2. Reimbursement of selected Public Education expenses, selected 911 Salaries, benefits and training;
3. 911 Call Receiver training; pre-approved NG911 modernization expenses and interpretative services;
4. Connection to the Emergency Services Internet Protocol Network (ESINet).
   a. Payment for ESINet services and the originating network trunking, are contingent upon available funding, only for eligible approved expenses identified in RCW 38.52.545 and WAC 118-66-050.
   b. To receive ESINet services, the county must enter into, and require all staff for all PSAPs operated within the county, a non-disclosure agreement with SECO for confidential information.
   c. In the advent of the unavailability or loss of state funding, responsibility for the continued operation of the statewide 911 network, and all related costs, including the ESINet, will be transferred to the individual counties, on a pro rata basis

B. Expenses.

1. General Reimbursement Requirements for COUNTY:
   a. Contingent upon funding availability, reimbursement will be made only for eligible approved expenses identified in RCW 38.52.545 and WAC 118-66-050;
   b. Approved eligible expenses will be reimbursed at amounts not to exceed limits established in SECO Policy, see Section VII D of this contract;
   c. In the event, funding will not cover all contract eligible amounts, individual line items will be funded in full or not at all;
   d. Funding is for use in the primary Public Safety Answering Points (PSAP) only, unless otherwise specified in applicable DEPARTMENT policy, see Section VII D of this contract;

2. Ineligible Items:
   Expenses not listed in WAC 118-66-050(1), (2) and/or (3), and not directly associated with the operation of the 911 System are not eligible for state financial assistance or reimbursement under this contract.

3. Expense Documentation and Approval:
   a. COUNTY must submit documentation of eligible expenses to the DEPARTMENT; including identification of vendor, warrant number, date, and applicable 911 eligible expense categorization as set out in Section VII E below;
   b. COUNTY must submit eligible Monthly Expense Reports and/or requests for reimbursement, so they are received by the DEPARTMENT by the last day following the month in which payment was made, including additional hard copy documentation required by an "Action Plan" due to audit findings;
   c. Expenses contained in Monthly Expense Reports not submitted by the last day following payment, including additional hard copy documentation as required by "Action Plans", will not be reimbursed;
   d. Monthly Expense Reports will be processed in the order received by the DEPARTMENT;
   e. The DEPARTMENT may request additional documentation and/or information from COUNTY pertaining to reimbursement requests, and any delay in providing the requested information may result in delay in reimbursement or reduced reimbursement;

f. All approved training expenses must be submitted as a whole after the training with the exception of conference registration fee, which may be submitted for reimbursement in advance.
g. Training expenses are exempt from the 30-day submittal requirement but must be submitted for reimbursement within 90 days of the actual training.
h. Prior to purchasing or leasing any equipment or software, the COUNTY must submit a written quote to the DEPARTMENT for review and approval. Without prior written approval, the purchase or lease will not be eligible for reimbursement by the DEPARTMENT.

VI. PERFORMANCE PERIOD AND PAYMENT:

Payment by the DEPARTMENT to the COUNTY shall only be made as reimbursement for eligible expenses approved by the DEPARTMENT and incurred between **July 1, 2021** and **June 30, 2022** which is also known as the performance period. Work started prior to July 1, 2021 and/or not complete by June 30, 2022 will be considered outside the performance period and therefore not eligible for reimbursement. The COUNTY shall not request payment in anticipation of expenditures not yet incurred.

VII. THE COUNTY AGREES TO:

A. **Local Funding:** The COUNTY warrants that it has authorized collection of the local E911 excise tax authorized under RCW 82.14B.030(1), RCW 82.14B.030(2) and/or RCW 82.14B.030(3) and that these funds are being used for wireline and/or wireless eligible expenses listed in WAC 118-66 to operate the E911 system in the county. Consistent with RCW 38.52.540(2), the COUNTY will not request, receive or expend funds under this contract for wireline and wireless eligible expenses if it has not imposed the maximum county E911 tax allowed under RCW 82.14B.030(1) for switched access lines, and will not request, receive or expend funds under this contract for wireless eligible expenses if it has not imposed the maximum county E911 tax allowed under RCW 82.14B.030(2) for radio access lines.

B. **Use of Funding:** The COUNTY warrants that the funds provided by the DEPARTMENT as described in the Budget Sheet (Attachment E), shall be used by the COUNTY solely for reimbursement of those approved incurred eligible expenses as described in WAC 118-66-050 and the SECO policies incorporated herein that are necessary to operate E911 countywide. Reimbursement shall be made consistent with SECO policies, as set out in Section VII D of this contract, for approved expenses described in WAC 118-66 that are incurred between **July 1, 2021** and **June 30, 2022**.

C. **Consolidation:** If the COUNTY receives funds under this contract in support of a consolidated Primary Public Safety Answering Point (PSAP), the COUNTY warrants to maintain and operate the consolidated PSAP for three (3) years from the date of the consolidation and thereafter for the life of this contract. Failure to comply with this requirement requires the COUNTY to repay all funds and will result in a recapture of funds as provided in the General Terms and Conditions. For purposes of this contract, a consolidated PSAP is one operated by or on behalf of a county as the primary PSAP for all operations of 911 call-taking and call transfer activities in that county. The consolidated PSAP may also be engaged in, pursuant to interlocal agreement, the dispatching of public safety resources serving several jurisdictions. A primary PSAP is one that initially answers all 911 calls within the county.

D. **SECO Policies:** The COUNTY agrees to abide by all of the following SECO Policies, as written and/or amended, available at SECO Policies Link and incorporated by reference:

- SECO County Contract Policy (PDF)
- SECO Public Education Policy (PDF)
- SECO Statewide Services Support Policy (PDF)
- SECO Salaries and Benefits Summary (PDF)

E. **Reimbursement Requests and Reporting Requirements:** Not more often than monthly, the COUNTY shall submit invoice vouchers (Form A-19) to the DEPARTMENT requesting reimbursement for expenses. The COUNTY agrees to use forms and/or systems provided by the DEPARTMENT for necessary reports.

In addition to any reports as may be required elsewhere in this contract, the COUNTY shall prepare and submit the following reports to the DEPARTMENT's Key Personnel:

Financial Reports	#/Copies	Completion Date
Monthly Expense Reports	**1**	**No later than the last day following the end of the month.**
Local Travel Policy/Procedures	**1**	**30 days after signatures on this contract and then annually.**
3rd Quarter Review	**1**	**March 31, of each year**
Training Certification(s)	**1**	**June 30, of each year**
Final Reimbursement Request	**1**	**July 31, 2022**

All contract work must not start prior to July 1, 2021 and must be delivered, installed/completed and accepted by June 30, 2022; although certain reports may be submitted by July 31, 2022 as described above. Final billing not received by July 31, 2022, may not be processed.

F. **Attendance Obligations:** The COUNTY agrees to send the designated County 911 personnel to the following events:

- Advisory Committee Meetings: The COUNTY agrees to send the 911 County Coordinator or designee to as many of the Advisory Committee meetings as possible each year, but no less than three-quarters of the scheduled Advisory Committee meetings per contract period; and
- Coordinator Forums & APCO State Conference: The COUNTY agrees to send the 911 County Coordinator or designee and additional appropriate 911 representatives to the Spring and Summer Coordinators Forum and to the Fall APCO State Conference of each contract period; and
- Public Education Training: The COUNTY agrees to send the 911 Public Education Coordinator or appropriate 911 representative to attend the Public Education Forum or a public education class per contract period and participate in half of the scheduled Public Education Subcommittee meetings; and
- Training Coordinator Training: The COUNTY agrees to send the 911 Training Coordinator or appropriate 911 representative to attend the Training Forum or a training class per contract period and participate in half of the scheduled Training Subcommittee meetings, in accordance with the Statement of Work (Attachment C).

G. **Reallocation of Funds:** The COUNTY is allowed to reallocate funds within the coordinator professional development category as needed. Budget categories are as specified or defined on the budget sheet of the contract. Any changes to budget categories other than in compliance with this paragraph will not be reimbursed.

H. **Compliance with Law:** The COUNTY will comply with all state and federal laws applicable to counties.

VIII. CONDITIONED UPON COUNTYS FULFILLMENT OF ITS CONTRACT ABOVE THE MILITARY DEPARTMENT AGREES TO THE FOLLOWING:

A. Within thirty (30) days of receipt and approval of signed, dated invoice vouchers (state form A-19), satisfactory completion of tasks, and documentation of costs, reimburse the COUNTY up to the maximum of **$42,760**, or actual cost, whichever is lower, pursuant to the schedule set out in the SECO Contract Reimbursement Schedule (Attachment D) and as authorized by this Contract and WAC 118-66.

B. If a question arises about the requested reimbursement, the COUNTY will be notified via e-mail and/or telephone call and will have five (5) working days to provide the requested information. If information satisfactory to the DEPARTMENT has not been provided within that time, the expense in question will be subtracted and the balance of approved eligible incurred expenses will be processed for reimbursement.

C. Within available funds, to provide ESINet services to the COUNTY.

GENERAL TERMS & CONDITIONS

1) **DEFINITIONS:** As used throughout this contract the following terms shall have the meanings set forth below:
   a. "**DEPARTMENT**" shall mean the Washington State Military DEPARTMENT (WMD), or any of the officers or other officers lawfully representing that DEPARTMENT and includes the State E911 Coordination Office (SECO).
   b. "**COUNTY**" shall mean the named county performing services under this contract or grant. It shall include any subcontractor retained by the COUNTY as permitted under the terms of this contract.
   c. "**Subcontractor**" shall mean one, not in the employment of the COUNTY, who is performing all or part of those services under this contract under a separate contract with the COUNTY. The terms "subcontractor" and "subcontractors" mean subcontractor(s) in any tier.
   d. **"PSAP"** means Public Safety Answering Point as defined in WAC 118-66.
   e. "**WAC**" is defined and used herein to mean the Washington Administrative Code.
   f. "**RCW**" is defined and used herein to mean the Revised Code of Washington.

2) **ACCESS TO PUBLIC RECORDS:**
   a. The Parties acknowledge that the DEPARTMENT is subject to the Public Records Act, Chapter 42.56 RCW, and that records prepared, owned, used or retained by the DEPARTMENT relating to the conduct of government or the performance of any governmental or proprietary function are available for public inspection or copying, except as exempt under RCW 42.56 or other statute which exempts or prohibits disclosure of specific information or records.
   b. The COUNTY shall provide access to data generated under this Contract to the DEPARTMENT and the State Auditor at no additional cost. This includes access to all information that supports the findings, conclusions, and recommendations of the COUNTY's reports, including computer models and methodology for those models.
   c. Access to Data - State law prohibits state agencies from entering into agreements when the contractor could charge additional costs to the agency, the Joint Legislative Audit and Review Committee, or the Office of the State Auditor for access to data generated under the Contract, thus all such data will be provided at no additional expense. For the purposes of this requirement, "data" includes all information that supports the findings, conclusions and recommendations of the contractor's reports, including computer models and methodology for those models.

3) **ADVANCE PAYMENTS PROHIBITED**: No payments in advance or in anticipation of services or supplies to be provided under this Contract shall be made by the DEPARTMENT.

4) **AMERICANS WITH DISABILITIES ACT (ADA) OF 1990, PUBLIC LAW 101-336,** 42 U.S.C. 12101 et seq. (also referred to as the "ADA") and its implementing regulations at 28 CFR Part 35. The COUNTY must comply with the ADA, which provides comprehensive civil rights protection to individuals with disabilities in the areas of employment, public accommodations, state and local government services, and telecommunication.

5) **ATTORNEY'S FEES:** Except as provided in the section entitled "Recapture Provisions", in the event of litigation or other action brought to enforce the terms of this Contract or alternate dispute resolution process, each party agrees to bear its own attorney's fees and costs.

6) **COMPLIANCE WITH APPLICABLE STATUTES, RULES AND DEPARTMENT POLICIES:** The COUNTY shall comply with, and the DEPARTMENT is not responsible for determining compliance with, any and all applicable federal, state, and local laws, regulations, executive orders, and/or policies. This obligation includes, but is not limited to, nondiscrimination laws and/or policies; the ADA; Ethics in Public Service (RCW 42.52); Covenant Against Contingent Fees (e.g., Federal Acquisition Regulation 48 CFR Sec. 52.203-5); Public Disclosure (RCW 42.56); and safety and health regulations. In the event of the COUNTY's noncompliance or refusal to comply with any applicable law, regulation, executive order or policy, the DEPARTMENT may rescind, cancel, or terminate the Contract in whole or in part in its sole discretion. The COUNTY is responsible for all costs or liability arising from its failure to comply with applicable law, regulation, executive order or policy.

7) **CONTRACT MODIFICATIONS:** The Parties may, from time to time, request changes to the Contract. All mutually agreed changes shall be incorporated by written amendment. No alteration or variation of the terms of this Contract shall be valid unless made in writing and signed by the Parties, and any oral understanding or agreements shall not be binding. It is mutually agreed and understood that the

COUNTY is allowed to reallocate funds within the coordinator professional development section as needed.

8) **COUNTY NOT EMPLOYEE OF DEPARTMENT:** The COUNTY, and/or employees, sub-contractors or agents performing under this Contract, are not employees or agents of the DEPARTMENT in any manner whatsoever. The COUNTY will not be presented as nor claim to be an officer or employee of the DEPARTMENT or of the State of Washington for any reason , nor will the COUNTY make any claim, demand, or application to or for any right, privilege or benefit applicable to an officer or employee of the DEPARTMENT or of the State of Washington, including, but not limited to, Workers' Compensation coverage, unemployment insurance benefits, social security benefits, retirement membership or credit, or privilege or benefit which would accrue to a civil service employee under RCW 41.06. It is understood that if the COUNTY is another state agency, the officers and employees are employed by the State of Washington in their own right.

9) **DISCLOSURE:** The use or disclosure by any Party of any information concerning the DEPARTMENT, or its ESINet provider, for any purpose not directly connected with the administration of the DEPARTMENT's or the COUNTY's responsibilities with respect to services provided under this Contract is prohibited except by prior written consent of the DEPARTMENT or as required to comply with, RCW 42.56, the Public Records Act or court order. Disclosure of any information concerning the ESINet is controlled by the Non-Disclosure Agreement between the Parties.

10) **DISPUTES:** Except as otherwise provided in this Contract, when a bona fide dispute arises between the Parties and it cannot be resolved through discussion and negotiation, either party may request a dispute hearing. The Parties shall select a dispute resolution team to resolve the dispute. The team shall consist of a representative appointed by the DEPARTMENT, a representative appointed by the COUNTY, and a third party mutually agreed upon by both Parties. The team shall, by majority vote, resolve the dispute. The Parties agree that this dispute process shall be final and there will be no appeal of the decision.

11) **GOVERNING LAW AND VENUE:** This Contract shall be governed by the laws of the State of Washington. In the event of a lawsuit involving this Contract, venue shall be proper only in Thurston County. The COUNTY, by execution of this Contract, acknowledges the jurisdiction of the courts of Washington in this matter.

12) **HOLD HARMLESS:** The COUNTY agrees to defend, hold harmless, and indemnify the State of Washington and the DEPARTMENT, their officers, agents, employees, and assigns against any and all damages or claims from damages resulting or allegedly resulting from the COUNTY's performance or activities hereunder and that of any sub-contractor hired by the COUNTY.

13) **INSURANCE, INDUSTRIAL COVERAGE:** Prior to performing work under this contract, the COUNTY shall provide industrial insurance coverage for the COUNTY's employees, as may be required by Title 51 RCW. The DEPARTMENT will not be responsible for payment of industrial insurance premiums or for any other claim or benefit for a consultant or any subcontractor or employee of the COUNTY, which may arise during the performance of services under this contract. Before the start of any work required by this Contract, the COUNTY shall deliver to the DEPARTMENT certificates of insurance reflecting that the COUNTY has obtained all the insurance coverage required by this section.

14) **INSURANCE, GENERAL COVERAGE:** The DEPARTMENT and its officers, employees, and agents, while acting in good faith within the scope of their official duties, are covered by the State of Washington Self-Insurance Program and the Tort Claims Act (RCW 4.92.060 et seq.), and successful claims against the DEPARTMENT and its employees, officers, and agents in the performance of their official duties in good faith under this Contract will be paid from the tort claims liability account as provided in RCW 4.92.130. COUNTY hereby notifies the DEPARTMENT that as a County Government of the State of Washington and in accordance with Washington law, COUNTY has full loss coverage for itself, its officers, employees and agents, through self-insurance and/or the purchase of insurance. Upon the DEPARTMENT's request, COUNTY will provide the DEPARTMENT with details of its self-insured retention, proof of its additional insurance, and all loss coverage. This program of self-insurance and/or purchased insurance includes general liability, automobile liability, workers compensation and employers' liability.

15) **LEGAL RELATIONS:** To the extent permitted by applicable law, each party to this contract shall be responsible for injury or death to persons and damage to property resulting from negligence on the part of itself, its employees, agents, officers, contractors or subcontractors. Neither party assumes any responsibility to the other party for the consequences of any act or omission of any third party.

16) **LIABILITY:** To the extent permitted by applicable law, each party to this contract shall be responsible for injury or death to persons and damage to property resulting from negligence on the part of itself, its employees, agents, officers, contractors or subcontractors. Neither party assumes any responsibility to the other party for the consequences of any act or omission of any third party.

17) **LIMITATION OF AUTHORITY:** Only the assigned Authorized Signature for the DEPARTMENT or an assigned delegate by writing (delegation to be made prior to action) shall have the express, implied, or apparent authority to alter, amend, modify, or waive any clause or condition of this contract. Furthermore, any alteration, amendment, modification, or waiver of any clause or condition of this contract is not effective or binding unless made in writing and signed by the authorized person.

18) **LOSS OF FUNDING:** In the event funding from state or federal sources is withdrawn, reduced, or limited in any way after the effective date of the Contract, the DEPARTMENT may suspend or terminate or renegotiate the Contract without cause under the "Termination" clause and without the thirty (30) day notice requirement.

19) **NONASSIGNABILITY:** Neither this Contract, nor any claim arising under this Contract, nor the work to be provided under this Contract, and any claim arising thereunder, shall be assigned or delegated by either party in whole or in part, without the express prior written consent of the other party, which consent shall not be unreasonably withheld.

20) **NONDISCRIMINATION:** During the performance of this contract, the COUNTY shall comply with all federal and state nondiscrimination statutes and regulations. These requirements include, but are not limited to:

a. Nondiscrimination in Employment: The COUNTY shall not discriminate against any employee or applicant for employment because of race, color, sex, sexual orientation, religion, national origin, creed, marital status, age, Vietnam era or disabled veteran's status, or the presence of any sensory, mental, or physical handicap.

   This requirement does not apply, however, to a religious corporation, association, educational institution or society with respect to the employment of individuals of a particular religion to perform work connected with the carrying on by such corporation, association, educational institution or society of its activities.

b. The COUNTY shall take action to ensure that employees are employed and treated during employment without discrimination because of their race, color, sex, sexual orientation, religion, national origin, creed, marital status, age, Vietnam era or disabled veteran's status, or the presence of any sensory, mental, or physical handicap. Such action shall include, but not be limited to, the following: Employment, upgrading, demotion, or transfer, recruitment or recruitment selection for training, including apprenticeships and volunteers.

21) **RECAPTURE PROVISION:** In the event the COUNTY fails to expend funds under this Contract in accordance with applicable federal, state, and local laws and/or the provisions of the contract, the DEPARTMENT reserves the right to recapture funds in an amount equivalent to the extent of noncompliance. Such right of recapture shall exist for the life of the project following Contract termination. Repayment by the COUNTY of funds under this recapture provision shall occur within thirty (30) days of demand.

In the event the DEPARTMENT is required to institute legal proceedings to enforce the recapture provision, the DEPARTMENT shall be entitled to its costs thereof, including attorney fees from the Contractor.

22) **RECORDS, MONITORING AND AUDIT ACCESS:**

a. The COUNTY shall perform under the terms of the Contract and the DEPARTMENT may conduct reasonable and necessary monitoring of the COUNTY's performance.

b. To permit such monitoring, the COUNTY shall maintain books, records, documents, and other evidence and accounting procedures and practices that sufficiently and properly reflect all direct and indirect costs of any nature expended in the performance of this Contract. These records shall be subject at all reasonable times to inspection, review, or audit by personnel duly authorized by the DEPARTMENT, the Office of the State Auditor, and federal officials so authorized by law, rule, regulation, or agreement.

c. The COUNTY will retain all books, records, documents, and other materials relevant to this Contract for six (6) years from the date final payment is made hereunder and make them available for inspection by persons authorized under this provision.

d. The DEPARTMENT or the State Auditor or any of their representatives and federal officials so authorized by law, rule, regulation, or agreement shall have full access to and the right to examine during normal business hours and as often as the DEPARTMENT or the State Auditor may deem necessary, all of the COUNTY's records with respect to all matters covered in this Contract. Such rights last for six (6) years from the date final payment is made hereunder.
e. The COUNTY shall cooperate with and freely participate in any monitoring, audit or evaluation activities conducted by the DEPARTMENT that are pertinent to the intent of this Contract.

23) **SEVERABILITY:** If any provision of this Contract or any provision of any document incorporated by reference shall be held invalid, such invalidity shall not affect the other provisions of this Contract which can be given effect without the invalid provision, and to this end the provisions of this Contract are declared to be severable.

24) **SUB-CONTRACTING:** The COUNTY shall comply with all applicable procurement laws, rules and requirements. This will include the use of a competitive procurement process in the award of any contracts with its contractors and sub-contractors that are entered into under this Contract. All contracting and sub-contracting agreements entered into pursuant to this contract shall incorporate this contract by reference.

25) **TERMINATION:**

a. If, through any cause, the COUNTY or its contractors or sub-contractors shall fail to fulfill in a timely and proper manner its obligations under this Contract or if the COUNTY or its contractors or sub-contractors shall violate any of its covenants, agreements, or stipulations of this Contract, the DEPARTMENT shall there upon have the right to terminate this Contract and withhold the remaining allocation if such default or violation is not corrected within thirty (30) days after submitting written notice to the COUNTY describing such default or violation.
b. Notwithstanding any provisions of this Contract, either party may terminate this Contract without cause by providing written notice of such termination, specifying the effective date thereof, at least thirty (30) days prior to such date. If this Contract is so terminated, the DEPARTMENT shall be liable only for payment required under the terms of this Contract for services rendered or goods delivered prior to the effective date of termination. Upon notice of such termination, the DEPARTMENT reserves the right to suspend all or part of the Contract, withhold further payments, and prohibit the COUNTY from incurring additional obligations of funds.
c. Reimbursement for eligible expenses incurred by the COUNTY prior to the effective date of such termination shall be as the DEPARTMENT reasonably determines."
d. The DEPARTMENT may unilaterally terminate or suspend all or part of this Contract without cause, or may reduce its scope of work and budget, if there is a reduction in funds by the source of those funds, and if such funds are the basis for this Contract.

26) **TRAVEL AND SUBSISTENCE REIMBURSEMENT:** If reimbursement of travel or subsistence expenses are included as part of this Contract, they shall be paid in accordance with rates set pursuant to RCW 43.03.050 and RCW 43.03.060 as now existing or amended. The COUNTY is required to provide to the DEPARTMENT copies of receipts for any travel related expenses other than meals and mileage that are authorized under this Contract.

27) **TREATMENT OF ASSETS:** Upon successful completion of the terms of this contract, all assets, including equipment, purchased through this contract will be owned by the COUNTY unless otherwise specified by the funding source. The COUNTY shall be responsible for any and all operation and maintenance expenses and for the safe operation of said equipment including all questions of liability.

28) **WAIVER OF DEFAULT:** Waiver of any default shall not be deemed to be a waiver of any subsequent default. Waiver of breach of any provision of the Contract shall not be deemed to be a waiver of any other or subsequent breach and shall not be construed to be a modification of the terms of the Contract unless stated to be such in writing, signed by the Director or Contracts Administrator and attached to the original Contract.

STATEMENT OF WORK
SECO COUNTY CPD CONTRACT - SFY2022
July 1, 2021 – June 30, 2022

CPD1 County Coordinator

1. Coordinate 911 within the county, act as a designated point of contact for the SECO, monitor the 911 system, and report 911 outages to the SECO.
2. Coordinator or pre-approved/designated alternate attend 75% of Advisory Committee (AC) meetings held per contract period.
3. Coordinator or pre-approved/designated alternate attend two (2) Coordinator Forums and one APCO State Conference per contract period.
4. Cooperate with and freely participate in monitoring or evaluation activities by the SECO and State Auditor.
5. Retain all contract records for six (6) years after contract closure.

CPD 4 MSAG/Mapping/GIS Coordinators

1. Maintain MSAG and ALI, according to Washington NG911 GIS Data Standards.
2. Maintain GIS 911 required layers for geospatial routing and uploading to 911 maps.
3. Participate in all GIS dataset tests recommended by the Advisory Committee and approved by the SECO.
4. Participate in all GIS training recommended by the Advisory Committee and designated as mandatory by the SECO.
5. Each county will maintain and deliver to the state (or designated vendor), as requested, GIS datasets that includes the following data layers (Road Centerline, PSAP polygon, Law Enforcement Emergency Service Zone (ESZ), Fire ESZ, EMD ESZ, and Site Structure Address Points (SSAP)) with no duplicate address points, as required in the Washington NG911 GIS Data Standards, with no critical error fallout (gaps and overlaps, range overlaps in the road centerline), and which have been synchronized to the ALI, at a 98% match rate.

CPD4 IT Coordinator

1. Participate in the selection, installation, and/or maintenance of 911 equipment/software (IE: CPE, CAD, Net Clock, network, network security).
2. Submit certification that the county has provided a minimum of 16 hours of training for their IT personnel related to security and maintenance of equipment that touches the ESINet, during the current contract period.

CPD5 Call Receiver Training

1. Submit certification that all telecommunicators/call receivers have received a minimum of 24-hours of continuing education, during the current contract period.

CPD3 Public Education

1. Attend a 911 Public Education forum or a public education class to enhance job skills.
2. Participate in 50% of any scheduled 911 Public Education Subcommittee meetings. Participation can be in-person, by phone, or participation on a work group/project.
3. Establish an outreach baseline for the 911 public education program in county to measure the program's effectiveness.
4. Utilize messaging consistent with content created by the 911 Public Education Subcommittee.

CPD2/CPD5 Training Coordinator

1. Attend a 911 Training Coordinator Forum or a training class to enhance job skills.
2. Participate in 50% of any scheduled 911 Training Subcommittee meetings. Participation can be in-person, by phone, or participation on a work group/project.

SECO CONTRACT REIMBURSEMENT SCHEDULE
SECO COUNTYCPD CONTRACT - SFY2022
July 1, 2021 – June 30, 2022

SECO CONTRACT REIMBURSEMENT SCHEDULE

More detailed information regarding reimbursements can be found in the following SECO Policies: SECO County Contract, SECO Public Education, SECO Statewide Services Support, and SECO Salary and Benefits Summary.

Due to 911 modernization initiatives, important time-critical information is shared at meetings. Therefore, it is crucial the 911 County Coordinator or designee attend all meetings, if possible.

Understanding that scheduling conflicts occur, if the 911 County Coordinator is unable to attend a meeting/forum/training and would like to send a representative on their behalf to fulfill contractual obligations, a written request via email must be submitted to the SECO County Assistance Program Manager, prior to attending and incurring expenses.

COORDINATOR PROFESSIONAL DEVELOPMENT (CPD) EXPENSES SECTION
CPD benefits all counties and do not require local revenue to be used prior to state reimbursement. The following are reimbursed through both the BSO and CPD contracts.

ELIGIBLE ITEM		STATE REIMBURSEMENT
CPD1	Meeting Attendance	Advisory Committee (AC) Meetings: Travel reimbursement expenses for the 911 County Coordinator or pe-approved designee to attend all AC meetings. 911 County Coordinator or pre-approved designee must attend 75% of all AC meetings held. Attendees other than AC members, 911 County Coordinator or pre-approved designee will not be reimbursed for travel expenses for attending AC meetings. AC Subcommittee Meetings: Travel reimbursement expenses for all Subcommittee members to participate in subcommittee meetings. No more than one county representative per subcommittee, except standing subcommittees as designated in the AC By-Laws. Coordinator Forums: Travel reimbursement expenses for a total of two PSAP/911 employees to attend Spring and Summer Coordinator Forums and a total of three PSAP/911 employees to attend the Fall APCO State Conference. One of the attendees must be the 911 County Coordinator or pre-approved designee. Communications Training Officer (CTO) Workshops: Travel reimbursement expenses for one CTO per county to attend a CTO Workshop per contract period. SECO supported: Travel reimbursement expenses for the 911 County Coordinator and/or a PSAP/911 employee to attend training, meetings, or events the SECO determines to have an overall benefit as designated in writing. 911 County Coordinators may request SECO Supported designation by email to the SECO County Assistance Program Manager.
CPD2	911 County Coordinator Training	The 911 County Coordinator or pre-approved designee and a PSAP/911 employee is authorized up to **$6,000** (per contract period) to attend national NG911 related conferences, trainings, and/or training materials to enhance job skills. For counties with a population of 1.5 million or more the authorized amount for the 911 County Coordinator is doubled for an additional person to attend training **$12,000** (per contract period)

CPD3	911 Public Education	Up to **$5,000** (per contract period) is authorized for expenses directly related to public education training and training materials, for informing the public of the capabilities, limitations, and proper use of 911 and public education materials. *(See: SECO Public Education Policy)*
CPD4	911 Technical Salaries/Benefits and Training	Up to **$13,500** (per contract period) is authorized for salaries/ benefits, training, and training material expenses for the following positions: MSAG, Mapping/GIS, and/or Information Technology Coordinator(s). Backfill salary is not eligible under this line item. Expenses must directly link to the support and maintenance of WAC eligible 911 equipment.
CPD5	911 Call Receiver Training	Total training funds calculated at **$500** (per contract period) per full-time call receiver and training coordinator at the primary PSAP(s) with a cap not to exceed 30 call receivers (or $15,000) per county. These funds are to be used for training and training materials that support the roles and functions of the call receiver and the 911 Training Coordinator. Training maybe internal or external. Funds may also be used for a new hire call receiver salary while in training status up to $2,000 per new hire (this is the only time regular salary can be claimed for call receivers under this line item), 911 Training Coordinator regular salary, overtime, and CTO; and call receivers overtime and backfill while in training status. Regionalized Counties, only the Host County is eligible for this line item.
CPD6	NG911 Modernization	Costs related to modernization of the 911 System as authorized and pre-approved by the State E911 Coordinator. Including, but not limited to, pre-approved software necessary for the MSAG/GIS data synchronization, text to 911 security/authentication fobs (capped at 1 per authorized call taking position), and other pre-approved expenses related to text-to-911 implementation. Should there be additional funds available following the fulfillment of BSO, WSP, and CPD contracts, the SECO may authorize additional funds for each of the 39 counties and the WSP to be used solely for the purpose of NG911 MSAG/GIS Modernization.
CPD7	911 Interpretive Services	Costs incurred for use of interpretive services to facilitate 911 call taking.

BUDGET SHEET
SECO COUNTY CPD CONTRACT– SFY2022
July 1, 2021 – June 30, 2022

	SFY2022
Coordinator Professional Development (CPD)	**$ 42,760.00**
TOTAL CONTRACT NOT TO EXCEED	**$ 42,760.00**

CLALLAM COUNTY BUDGET CHANGE FORM

Date Submitted: 07/13/21 **Budget Hearing/Meeting Date:** 08/31/21

X **Supplemental Appropriation** – increased expenditures due to unanticipated federal, state, or local funds

__ **Debatable Emergency** – public emergency other than a non-debatable emergency which could not reasonably have been foreseen at the time of making the budget, requiring the expenditure of money not provided for in the budget.

__ **Non-debatable Emergency** – for the relief of a stricken community requiring immediate address; to meet mandatory expenditures required by law

__ **Budget Revision** – transfers or reallocations between departments within the same fund, or anytime a reallocation within the same budget would authorize a new permanent position or a new capital purchase

__ **Budget Reduction** – a reduction in revenues and/or expenditures

Budget Number xxxxx.xxx.	11061.811	Budget Name	Sheriff – Nine-One-One Enhanced

REVENUE/SOURCE

BUDGET NUMBER xxxxx.xxx.	DEPT NAME	BARS NUMBER xxxxx.xx.xxxx	ACCOUNT DESCRIPTION	AMOUNT
11061.811	Sheriff– Nine-One-One Enhanced	33401.80.0033	Enhanced 911 from Emergency Management	43,480
Total				43,480

EXPENDITURES

BUDGET NUMBER xxxxx.xxx.	DEPT NAME	BARS NUMBER xxxxx.xx.xxxx	ACCOUNT DESCRIPTION	AMOUNT
11061.811	Sheriff– Nine-One-One Enhanced	52870.41.0570	E911 Reimbursements to PenCom	43,480
Total				43,480

Revenue/Source and Expenditure totals must agree.

REASON FOR BUDGET ACTION:

Receipt of reimbursement from Washington State Military Department, State E911 Coordination Office, for County Coordinator Professional Development Contract #E21-010 remaining from FY2020 that was expended and reimbursed ($22,100) over the original FY2021 budgeted amount, and new Contract #E22-012 for the amount expected to be expended and reimbursed in FY2021 ($21,380). The remainder of #E22-012 will be accounted for in FY2022 ($21,380).

County Official Approval: _____

(Obtain Budget Office Approval Prior to Submission to Clerk of the Board)

26
7/27/21

AGENDA ITEM SUMMARY

(Must be submitted NLT 3PM Wednesday for next week agenda)

Department: Sheriff

WORK SESSION ☒ **Meeting Date: 07/19/21**

REGULAR AGENDA ☒ **Meeting Date: 07/27/21**

Required originals approved and attached? ☒
Will be provided on:

Item summary:

☐ Call for Hearing
☒ Contract/Agreement/MOU - Contract # 817-19-02 Amendment #1
☐ Resolution
☐ Proclamation
☐ Budget Item
☐ Draft Ordinance
☐ Final Ordinance
☐ Other

Documents exempt from public disclosure attached: ☐

Executive summary:
Amendment 1 to Grant Agreement #E20-085 with the Washington State Military Department for the 19SHSP funding to reimburse Clallam County Emergency Operations Center for costs associated with emergency management projects. This Amendment extends the end date from 08/31/21 to 05/31/22 and the timeline to allow Clallam County additional time to complete the funded activities.

There are no changes to the Work Plan or Budget.

Budgetary impact: **If a budget action is required, has it been submitted and a copy attached?** ☐
None

Recommended action:
Recommend approval by the Board and signature by the Chair

County Official signature & print name: W.L. Benedict Sheriff W.L. Benedict

Name of Employee/Stakeholder attending meeting: Grant Coordinator Beth Waknitz /CD Alice Hoffman

Relevant Departments: Sheriff's Office

Date submitted: 07/13/21

Washington State Military Department
AMENDMENT

1. Subrecipient Name and Address:	2. Grant Agreement Number:	3. Amendment Number:
Clallam County Sheriff's Office **Emergency Management Unit** **223 E. 4th St, Suite 12** **Port Angeles, WA 98362-3000**	**E20-085**	**1**
4. Subrecipient Contact, phone/email: **Alice Hoffman, 360-417-2257** **ahoffman@co.clallam.wa.us**	5. Department Contact, phone/email: **Gary Stumph, 253-512-7483** **gary.stumph@mil.wa.gov**	
6. EIN: **91-6001298**	7. Assistance Listings # (formerly CFDA) & Title: **97.067 - 19HSGP (SHSP)**	8. Federal Funding Identification #: **EMW-2019-SS-00044-S01**

9. Funding Authority:

Washington State Military Department (the "DEPARTMENT") and the **US Department of Homeland Security** (DHS)

10. Description/Justification of Amendment:

The Subrecipient experienced a longer than anticipated vacancy so needs to extend the Grant Agreement End Date to May 31, 2022 to allow for the activities to be completed. There are no changes to the Work Plan or Budget.

Changes are noted in strikethrough, red text and grey highlight.

11. AMENDMENT TERMS AND CONDITIONS:

1. The Grant Agreement Amount of $76,992 remains **unchanged**.
2. **Change** the Grant Agreement End Date **from** August 31, 2021 **to** May 31, 2022, as described on Page 2 of this Amendment.
3. **Change** the Department Contact, phone/email **from** Gary Stumph **to** Deborah Henderson, as described on Page 2 of this Amendment.
4. **Revise** Exhibit A, Article I-Key Personnel, as described on Page 2 of this Amendment.
5. **Revise** the Original Exhibit B section A.3 AMENDMENTS AND MODIFICATIONS, as described on Page 2 of this Amendment.
6. **Replace** Original Attachment 2, **with** Revised Attachment 2, as described on Page 2 of this Amendment.

This Amendment is incorporated in and made a part of the Grant Agreement. Except as amended herein, all other terms and conditions of the Grant Agreement remain in full force and effect. Any reference in the original Grant Agreement or an Amendment to the "Grant Agreement" shall mean "Grant Agreement as amended". The Department and Subrecipient acknowledge and accept the terms of this Amendment as identified above, effective on the final date of execution below. By signing this Amendment, the signatories warrant they have the authority to execute this Amendment.

IN WITNESS WHEREOF, the parties have executed this Amendment:

FOR THE DEPARTMENT:

Signature Date
Regan Anne Hesse, Chief Financial Officer
Washington State Military Department

BOILERPLATE APPROVED AS TO FORM:
Brian E. Buchholz 7/30/2018
Assistant Attorney General

FOR THE SUBRECIPIENT:

Signature Date
Mark Ozias, Chair
Clallam County Board of Commissioners

APPROVED AS TO FORM (if applicable):
Applicant's Legal Review 7/2/21 Date

Washington State Military Department
Amendments to Agreement E20-085

1. **Change the Grant Agreement End Date from August 31, 2021, to May 31, 2022**
   a. Agreement Face Sheet Box 6 – ~~August 31, 2021~~ May 31, 2022
   b. Replace Original Attachment #2 with Revised Attachment 2, 19SHSP Timeline.

2. **Change Department Contact, phone/email from Gary Stumph to Deborah Henderson.**
   a. Agreement Face Sheet, Box 7- ~~Gary Stumph, 253-512-7483, gary.stumph@mil.wa.gov~~ with Deborah Henderson, 253-512-7470, deborah.henderson@mil.wa.gov.

3. **Revise** Exhibit A, Article I-Key Personnel as follows:
   a. At the Department Key Personnel,
      i. Replace Gary Stumph with Deborah Henderson.
      ii. Replace Kathryn Zetzer with Reagan Bush.

	SUBRECIPIENT		DEPARTMENT
Name	**Alice Hoffman**	Name	**~~Gary Stumph~~ Deborah Henderson**
Title	**Chief Civil Deputy**	Title	**Program Coordinator**
E-Mail	**ahoffman@co.clallam.wa.us**	E-Mail	**~~gary.stumph~~ deborah.henderson@mil.wa.gov**
Phone	**360-417-2257**	Phone	**253-512-~~74837470~~**
Name	**Jackie Koon**	Name	**~~Kathryn Zetzer~~ Reagan Bush**
Title	**Fiscal Specialist IV**	Title	**Program Manager**
E-Mail	**jkoon@co.clallam.wa.us**	E-Mail	**~~kathryn.zetzer~~ reagan.bush@mil.wa.gov**
Phone	**360-417-2567**	Phone	**253-~~512-7140~~ 533-1357**
Name	**Rich Magnussen**	Name	
Title	**Emergency Management Program**	Title	
E-Mail	**rich.magnussen@co.chelan.wa.us**	E-Mail	
Phone	**509-667-6508**	Phone	

   b.

4. **Revise Exhibit B, Section A.3 AMENDMENTS AND MODIFICATIONS.**
   a. Revise Original Exhibit B, section A.3 Amendments and Modifications as follows:
   ~~The Subrecipient or the Department may request, in writing, an amendment or modification of this Agreement. However, such amendment or modification shall not be binding, take effect or be incorporated herein until made in writing and signed by the authorized representatives of the Department and the Subrecipient. No other understandings or agreements, written or oral, shall be binding on the parties.~~

   The Subrecipient or the Department may request, in writing, an amendment or modification of this Agreement. However, such amendment or modification shall not be binding, take effect or be incorporated herein until made in writing and signed by the authorized representatives of the Department and the Subrecipient. No other understandings or agreements, written or oral, shall be binding on the parties.

   The Agreement performance period shall only be extended by (1) written notification of DHS/FEMA approval of the Award performance period, followed up with a mutually agreed written amendment, or (2) written notification from the Department to the Subrecipient to provide additional time for completion of the Subrecipient's project(s).

19SHSP Investment and Regional Project

Investment Justification

Washington is comprised of 39 counties with geography including forests, mountains, islands, rainforests, rivers, lakes, and plains. The U.S. Bureau of Economic Analysis ranked Washington 13 of 50 states for gross domestic product in 2017; several world-class organizations headquarter their operations within the state. Washington has marine, aviation, rail, and road transportation infrastructure to support its position as a bustling trade center. Approximately half of Washington's 7.5 million population lives in the Seattle metropolitan area located along the Puget Sound. This area is the center of transportation, business, and industry and is the fastest growing region in the state. Over three-fourths of the state's population lives in densely settled urbanized areas. Understanding Washington's population is critical in order to mitigate vulnerabilities, respond to incidents, and effectively concentrate recovery efforts. Washington is subject to ten natural hazards and seven human-caused hazards. The THIRA focuses on eight of those risks: earthquake, tsunami, flood, biological [communicable disease], wildfire, radiological, cyber incident, and terrorism. Planning, training, and exercise efforts are being restructured to encompass the entire spectrum of catastrophic incidents within this context. Washington saw few significant changes in the 2018 Capabilities Assessment. The lowest rated capabilities were Situational Assessment, Mass Care Services, Economic Recovery, Health and Social Services, and Housing – all essential during a catastrophic incident. - The strongest capabilities lie in Pubic Information and Warning and the most opportunity lie in Situational Assessment. The 2018 SPR results confirmed the findings from prior years: Stakeholders at every level struggle to sustain emergency response capabilities with dwindling resources and are significantly challenged preparing for catastrophic disasters. Since the early 2000s, cumulative emergency management funding at the state and local levels has reduced significantly causing an increased dependence on federal grants to meet necessary emergency management requirements. As a result, many areas are in a sustainment mode when it comes to emergency management capability and capacity.

Investment #3 - Regional Homeland Security Projects

The State is divided into 9 Homeland Security Regions, made up of 39 counties, which differ in many respects including geography (from marine to desert), major industry (from large business to agricultural), and population (from dense urban settings to rural areas). Each Region develops projects to address their specific risks and hazards which sustain previously built capabilities or close identified gaps. While the communities may differ, emergency management priorities are similar across the state and most initiatives can be tied back to building regional capability to respond and recover, and be in "a state of readiness" through planning, training, equipping, or exercising, should a natural or human-caused catastrophic incident occur. As communicated in the 2017 and confirmed in the 2018 THIRA, Capabilities Estimation, & SPR, gaps have been identified in the following core capabilities. All jurisdictions have targeted efforts related to Operational Coordination. The foremost gaps are: 1) PLANNING: Plans lack horizontal and vertical integration and need adjusting to be scalable for use during a catastrophic incident. Recovery needs to be incorporated. 2) ORGANIZATION: Response and recovery to catastrophic incidents will require additional trained personnel to support either large-scale or long-term activations. 3) EQUIPMENT: There is a lack of integration and interoperability of tools to form a Common Operating Picture for all stakeholders. Additionally, equipment continues to age, with subsequent degradation occurring with routine usage, and there is a lack of funding to sustain and/or replace. Resiliency is still an evolving concept without a formalized statewide, whole community approach to focus efforts. While the State is introducing initiatives to combat that reality, local jurisdictions still struggle with gaps related to Community Resilience: 1) TRAINING: Individuals and businesses need to move from awareness to action. 2) EXERCISE: Communities are dependent on volunteers to exercise this capability and do not have the tools or expertise to engage stakeholders. Related to Resilience, jurisdictions recognize the need to communicate with all stakeholders and continue to expand the reach of their messaging. Initiatives are ongoing to address the identified Public Information and Warning gap related to 1) PLANNING: Plans do not fully address communicating with non-English speaking populations, immigrant groups, and individuals with disabilities.

Regional Hazards and Risks - Reasons for the Work

Terrorist targets include:
• Military installations
Primary all-hazard risks include:
• Earthquakes
• Tsunamis
• Seiches
• Floods
• Wildfires
• Landslides
• Bio-epidemics
• Radiological
• Terrorism
• Severe storm
• Cyber incidents
• School violence

19SHSP Work Plan and Budget

Clallam County Sheriff's Office, Emergency Management Unit

Region-2 Homeland Security Project

Region 2 will sustain current capabilities in Public Information and Warning and increasing citizen awareness and participation. Citizen response core is a priority in all counties.
Activities will include:
1) Sustain all-hazards disaster preparedness outreach, training, planning and exercise.
2) Update and expand the Region 2 Interoperable Communications Plan
3) Upgrade and enhance communication systems throughout the region. Equipment will be replaced as identified and all communications investments will align with the Statewide Communication Interoperable Plan (SCIP) and will be coordinated with the Statewide Interoperability Coordinator (SWIC).
4) Maintain EOC readiness through equipment and technology upgrades and maintenance and ongoing exercises.
5) Sustain first responder and special teams equipment and training.

AGREEMENT AMOUNT	$76,992
	AMOUNT
LETPA	$16,046.00
21% of the agreement total	
PERSONNEL	$42,788.00
56% of the agreement total	

BUDGET

	AMOUNT
SUBPROJECT #1	**$21,394.00**
SUBPROJECT #2	**$23,396.00**
SUBPROJECT #3	**$16,046.00**
SUBPROJECT #4	**$7,000.00**
SUBPROJECT #5	**$5,307.00**
M&A	**$3,849.00**
SUBTOTAL	$76,992.00
INDIRECT	**$0.00**
TOTAL	**$76,992.00**

SUBPROJECT #1 ***Planning: Response, Recovery, Mitigation, and Preparedness***

PRIMARY CORE CAPABILITIES BEING ADDRESSED	**SOLUTION AREA**					
Planning	PLANNING	ORGANIZATION	EQUIPMENT	TRAINING	EXERCISE	TOTAL
Long-term Vulnerability Reduction	$10,697.00	$10,697.00	$0.00	$0.00	$0.00	**$21,394.00**

WHY IS THE WORK NEEDED?

GAP identified

Clallam County's Five Operational Areas do not have geographically specific resource inventories to expedite response capabilities and reduce their vulnerabilities created by isolation during emergencies and disasters.

CAPABILITY sustained or enhanced

This investment enhances the Planning and Long-term Vulnerability Reduction capabilities by increasing awareness and inventorying the resource lifelines in each operational area.

ACTIVITIES TO BE PERFORMED

- Coordinate trainings on executing response capabilities, and resource inventorying
- Develop documents and forms to use across the operational areas

ASSOCIATED DELIVERABLES/OUTPUTS

- Resource lifelines confirmed for each operational area
- A consistent operational area inventory system is functioning for each of the five areas
- Memorandum of understanding documents are completed

DESIRED OUTCOMES

During local events, emergencies, and mega-disasters the Five Operational Areas are easily able to access lifeline resources and expedite any response needed to save lives and reduce harm.

SUBPROJECT #2 *Community Resilience*

PRIMARY CORE CAPABILITIES BEING ADDRESSED

Community Resilience	SOLUTION AREA					
	PLANNING	ORGANIZATION	EQUIPMENT	TRAINING	EXERCISE	TOTAL
	$10,697.00	$10,697.00	$0.00	$2,000.00	$0.00	$23,394.00

WHY IS THE WORK NEEDED?

GAP identified

- Community resilience is impacted by many gaps, which include: limited volunteer responders, small number of communities completing Map Your Neighborhood, not enough community members have general preparedness information, their are not enough individual/group response training, and a lack of available business preparedness training.
- Geography of the county limits teams from forming. In many cases, multiple trainings have to be offered to ensure enough volunteers can form a team.
- Medical Reserve Corps participation isn't as strong as it used to be.

CAPABILITY sustained or enhanced

This investment enhances the Community Resilience capability by building stronger citizen response teams, and a general public more prepared to take care of themselves, their family and neighbors in an emergency.

ACTIVITIES TO BE PERFORMED

- Conduct outreach efforts through town forums, community workshops, Map Your Neighborhood (neighborhoods, vertical neighborhoods, atypical zones and businesses), CPOD team trainings, and other volunteer responder and recovery trainings.
- Conduct at least one exercise with Northwest Health Response Network.
- Continue to coordinate with other whole community partners to engage the community in "out of the box" ways.
- Offer additional trainings.

ASSOCIATED DELIVERABLES/OUTPUTS

- Increased number of Map Your Neighborhood trained neighborhoods.
- Increased CERT trained citizens and Teams in place.
- Increased Medical Reserve Corps members.
- Additional CPOD trainings leading to more people trained to operate a CPOD.
- Double the number of Earthquake and Tsunami town forums in 2019.
- At lease one Reverse CPOD trainings per year.
- Increased citizen and business readiness and resiliency by 10%.

DESIRED OUTCOMES

- Mission of "Being prepared" is the social norm in Clallam County.
- The Medical Reserve Corps capacity and capability is incorporated into Clallam County.
- Connections are made across multiple community partners with benefits to each and ultimately greater community resilience following a disaster.

SUBPROJECT #3 ***On-Scene Security and Protection***

PRIMARY CORE CAPABILITIES BEING ADDRESSED

	SOLUTION AREA					
On-scene Security, Protection, and Law Enforcement	PLANNING	ORGANIZATION	EQUIPMENT	TRAINING	EXERCISE	TOTAL
Operational Coordination	$0.00	$0.00	$10,046.00	$6,000.00	$0.00	**$16,046.00**

WHY IS THE WORK NEEDED?

GAP identified

- First responders need additional protection and training. Currently, their equipment is not up-to-date, and their training does not reflect the most current threats and hazards.

CAPABILITY sustained or enhanced

This investment sustains the Operational Coordination and On-scene Security, Protection, and Law Enforcement capabilities by providing life-saving operational capability for Clallam residents.

ACTIVITIES TO BE PERFORMED

- Purchase of goods and services for on-scene life-saving activities (to be clarified at another date)
- Coordinate training opportunities for first responders (to be clarified at another date)

ASSOCIATED DELIVERABLES/OUTPUTS

First responders are supplied with on-scene life-saving goods and services and associated training opportunities are arranged for staff.

DESIRED OUTCOMES

Law enforcement response is ready to respond in the case of domestic/international terrorism at field command posts and on-scene field situations.

ASSOCIATED DELIVERABLES/OUTPUTS

- Increased number of Map Your Neighborhood trained neighborhoods.
- Increased CERT trained citizens and Teams in place.
- Increased Medical Reserve Corps members.
- Additional CPOD trainings leading to more people trained to operate a CPOD.
- Double the number of Earthquake and Tsunami town forums in 2019.
- At lease one Reverse CPOD trainings per year.
- Increased citizen and business readiness and resiliency by 10%.

DESIRED OUTCOMES

- Mission of "Being prepared" is the social norm in Clallam County.
- The Medical Reserve Corps capacity and capability is incorporated into Clallam County.
- Connections are made across multiple community partners with benefits to each and ultimately greater community resilience following a disaster.

SUBPROJECT #3 ***On-Scene Security and Protection***

PRIMARY CORE CAPABILITIES BEING ADDRESSED

	SOLUTION AREA					
On-scene Security, Protection, and Law Enforcement	PLANNING	ORGANIZATION	EQUIPMENT	TRAINING	EXERCISE	TOTAL
Operational Coordination	$0.00	$0.00	$10,046.00	$6,000.00	$0.00	$16,046.00

WHY IS THE WORK NEEDED?

GAP identified

- First responders need additional protection and training. Currently, their equipment is not up-to-date, and their training does not reflect the most current threats and hazards.

CAPABILITY sustained or enhanced

This investment sustains the Operational Coordination and On-scene Security, Protection, and Law Enforcement capabilities by providing life-saving operational capability for Clallam residents.

ACTIVITIES TO BE PERFORMED

- Purchase of goods and services for on-scene life-saving activities (to be clarified at another date)
- Coordinate training opportunities for first responders (to be clarified at another date)

ASSOCIATED DELIVERABLES/OUTPUTS

First responders are supplied with on-scene life-saving goods and services and associated training opportunities are arranged for staff.

DESIRED OUTCOMES

Law enforcement response is ready to respond in the case of domestic/international terrorism at field command posts and on-scene field situations.

CAPABILITY sustained or enhanced

- Enhance capabilities to deliver commodities, equipment and services as well as evacuations via air and waterways.
- Enhance communication capability and timeliness between the EOC-IMT and the Clallam County Disaster Air Response Team(DART).
- Enhance communication capability and timeliness between the EOC-IMT and our private, public and Federal waterway assets on information sharing and operation coordination.

ACTIVITIES TO BE PERFORMED

- Exercise to test the capability gaps.
- Implement After Action Reviews with Improvement Action Plans
- Test the operational communications with local private, public and Federal waterway assets

ASSOCIATED DELIVERABLES/OUTPUTS

Enhanced operational coordination and communications practice between DART and EOC.

DESIRED OUTCOMES

Enhance timeliness and quality of interoperable communications between the EOC-IMT and its partners from the air (DART) and the sea (Private Boat Industries, Public Boat Industries, the USCG and the US Navy).

REVISED 19SHSP TIMELINE

Clallam County Sheriff's Office, Emergency Management Unit

DATE	TASK
September 1, 2019	Grant Agreement start date
NLT December 31, 2019	Complete National Cybersecurity Review (NSCR)
January 1, 2020	Estimated date work scheduled for one or more Subprojects
NLT January 31, 2020	Submit proof of NCSR completion
NLT April 30, 2020	Submit Reimbursement Request and Progress Report
NLT July 31, 2020	Submit Reimbursement Request and Progress Report
NLT October 31, 2020	Submit Reimbursement Request and Progress Report
NLT January 31, 2021	Submit Reimbursement Request and Progress Report
NLT April 30, 2021	Submit Reimbursement Request and Progress Report
NLT July 31, 2021	Submit Reimbursement Request and Progress Report
NLT October 31, 2021	Submit Reimbursement Request and Progress Report
NLT January 31, 2022	Submit Reimbursement Request and Progress Report
NLT April 30, 2022	Submit Reimbursement Request and Progress Report
~~August 31, 2021~~ May 31, 2022	Grant Agreement end date
~~October 15, 2022~~ July 15, 2022	Submit Final Reimbursement Request and Closeout Report

HSGP Performance Period: September 1, 2019 to August 31, 2022

2C
7/27/21

AGENDA ITEM SUMMARY

(Must be submitted NLT 3PM Wednesday for next week agenda)

Department: Sheriff

WORK SESSION ☒ **Meeting Date: 07/19/21**

REGULAR AGENDA ☒ **Meeting Date: 07/27/21**

Required originals approved and attached? ☒
Will be provided on:

Item summary:

☐ Call for Hearing
☒ Contract/Agreement/MOU - Contract # 815-21-01
☐ Resolution
☐ Proclamation
☒ Budget Item
☐ Draft Ordinance
☐ Final Ordinance
☐ Other

Documents exempt from public disclosure attached: ☐

Executive summary:
Renewal Agreement with Washington State Department of Ecology for the Solid Waste Management Community Litter Cleanup Program funding. This agreement is for the period 07/01/21 through 06/30/23. It provides $103,200 additional funding in support of the Sheriff's Office ongoing litter and illegal dump cleanup and prevention project.

Budgetary impact: **If a budget action is required, has it been submitted and a copy attached?** ☒
The total funding amount of the agreement will be spent in FY2021 and FY2022. The reimbursement for salary and benefit costs of the litter cleanup crew supervisor position will be reimbursement into the General Fund Balance as the position is fully funded in the Sheriff's Jail budget. The reimbursement for tools and equipment costs will be a supplement to the litter cleanup crew section in the 00100.815 Jail budget.

Recommended action:
Recommend approval by the Board and signature by the Chair.

County Official signature & print name: W L Benedict Sheriff W.L. Benedict

Name of Employee/Stakeholder attending meeting: Sgt Don Wenzl and CD Alice Hoffman

Relevant Departments: Sheriff's Office

Date submitted: 07/13/21

DEPARTMENT OF ECOLOGY
State of Washington

Contract # 815-21-01

Agreement No. SWMCLCP-2123-ClCoSO-00069

SOLID WASTE MANAGEMENT COMMUNITY LITTER CLEANUP PROGRAM AGREEMENT

BETWEEN

THE STATE OF WASHINGTON DEPARTMENT OF ECOLOGY

AND

CLALLAM COUNTY SHERIFF'S OFFICE

This is a binding Agreement entered into by and between the state of Washington, Department of Ecology, hereinafter referred to as "ECOLOGY," and Clallam County Sheriff's Office, hereinafter referred to as the "RECIPIENT," to carry out with the provided funds activities described herein.

GENERAL INFORMATION

Project Title:	Clallam Co SO
Total Cost:	$143,591.00
Total Eligible Cost:	$103,200.00
Ecology Share:	$103,200.00
Recipient Share:	$0.00
The Effective Date of this Agreement is:	07/01/2021
The Expiration Date of this Agreement is no later than:	06/30/2023
Project Type:	CLCP Grant

Project Short Description:
Litter and Illegal Dump Cleanup and Prevention Project

Project Long Description:
To remove litter and illegally dumped material from public lands and/or provide litter and illegal dump prevention education to citizens and other organizations. The recipient shall furnish the necessary personnel, equipment, material and/or services, and/or otherwise do all things necessary for or incidental to the performance of the scope of work set forth herein.

Overall Goal:
To remove litter and illegally dumped material from roadways and other public lands throughout Clallam County.

RECIPIENT INFORMATION

Organization Name: Clallam County Sheriff's Office

Federal Tax ID: 91-6001298
DUNS Number: 075739235

Mailing Address: 223 E 4th St Ste 12
Port Angeles, WA 98362-3015

Physical Address: 223 E 4th St Ste 12
Port Angeles, Washington 98362-3015

Organization Email: dwenzl@co.clallam.wa.us

Contacts

Project Manager	Don Wenzl Sergeant 223 E. 4th Street Suite 12 Port Angeles, Washington 98362 Email: dwenzl@co.clallam.wa.us Phone: (360) 417-2566
Billing Contact	Don Wenzl Sergeant 223 E. 4th Street Suite 12 Port Angeles, Washington 98362 Email: dwenzl@co.clallam.wa.us Phone: (360) 417-2566
Authorized Signatory	Don A Wenzl Sergeant 223 E. 4th Street Suite 12 Port Angeles, Washington 98362 Email: dwenzl@co.clallam.wa.us Phone: (360) 417-2566

ECOLOGY INFORMATION

Mailing Address: Department of Ecology
Solid Waste Management
PO BOX 47600
Olympia, WA 98504-7600

Physical Address: Solid Waste Management
300 Desmond Drive SE
Lacey, WA 98503

Contacts

Project Manager	* Ariona PO Box 47775 Olympia, Washington 98504-7775 Email: ario461@ecy.wa.gov Phone: (360) 407-6351
Financial Manager	* Ariona PO Box 47775 Olympia, Washington 98504-7775 Email: ario461@ecy.wa.gov Phone: (360) 407-6351

AUTHORIZING SIGNATURES

RECIPIENT agrees to furnish the necessary personnel, equipment, materials, services, and otherwise do all things necessary for or incidental to the performance of work as set forth in this Agreement.

RECIPIENT acknowledges that they had the opportunity to review the entire Agreement, including all the terms and conditions of this Agreement, Scope of Work, attachments, and incorporated or referenced documents, as well as all applicable laws, statutes, rules, regulations, and guidelines mentioned in this Agreement. Furthermore, the RECIPIENT has read, understood, and accepts all requirements contained within this Agreement.

This Agreement contains the entire understanding between the parties, and there are no other understandings or representations other than as set forth, or incorporated by reference, herein.

No subsequent modifications or amendments to this agreement will be of any force or effect unless in writing, signed by authorized representatives of the RECIPIENT and ECOLOGY and made a part of this agreement. ECOLOGY and RECIPIENT may change their respective staff contacts without the concurrence of either party.

This Agreement shall be subject to the written approval of Ecology's authorized representative and shall not be binding until so approved.

The signatories to this Agreement represent that they have the authority to execute this Agreement and bind their respective organizations to this Agreement.

Washington State
Department of Ecology

By: _____

Laurie Davies Date

Solid Waste Management

Program Manager

Template Approved to Form by
Attorney General's Office

Clallam County Sheriff's Office

By: _____ 7-13-2021

Don A Wenzl Date

Sergeant

Approved as to form only by:

Elizabeth Stanley
Civil Deputy Prosecuting Attorney
Clallam County

W.L. Benedict

W.L. Benedict 7-13-21

Clallam County Sheriff Date

Mark Ozias

Chair of Clallam County Board of Commissioners Date

SCOPE OF WORK

Task Number: 1 **Task Cost:** $99,200.00

Task Title: Litter Pickup and Illegal Dump Cleanup

Task Description:

The RECIPIENT will partner with the Public Works Roads Department to clean county roadways, which are a first priority for litter pickup. The RECIPIENT litter crew will target selected roadways and controlled areas by request and agreement with municipal, county, state, and federal agencies. The litter crew is comprised of four to five Clallam County Corrections Facility minimum and medium security level inmates who are supervised by an experienced Corrections Deputy. The litter crew works a minimum of four days per week, six to eight hours per day. Actual work time varies depending on travel time, team preparation and safety, and security factors. The Deputy schedules and coordinates daily activities for the work crews in coordination with the Project Coordinator, Law Enforcement representatives, citizen reports, and other agency representatives.

The RECIPIENT is responsible for all safety training and ensuring the use of proper safety equipment and gear. The crew supervisor is responsible for training, instruction, and oversight of crew members. This includes safety practices, procedures, work-zone safety, traffic control, productivity, and data collection. Each inmate receives a handbook outlining the program rules and safety guidelines. Signs and cones are used to ensure the safety of the workers in traffic areas.

The litter crew is responsible for loading and transporting the litter and illegally dumped material to the transfer station for disposal, except in situations of excessive quantities and/or large items. In these situations, the RECIPIENT will coordinate with the Road Maintenance Supervisor or Crew Foreman for pick up and transport by the Roads Department.

Eligible costs include:

- Supervisor salaries and benefits
- Equipment, tools and supplies
- Vehicle fuel and maintenance (Note: you may not charge for general equipment rental and revolving fund ER&R charges. Refer to CLCP Guidelines for details.)
- Training costs with approval
- Disposal costs
- Administrative costs (not to exceed 10% of total grant amount)

Community Investments:

- This project has the support and approval of the local Solid Waste Advisory Committee.
- The RECIPIENT will provide the overall management, organization, corrections crews, transportation, training, and vehicle related expenses to transport the corrections crews.
- The City of Port Angeles, the owner/operator of the landfill/transfer station, waives all tipping fees.
- Local businesses contribute boots, sweaters, hats, coats, gloves, socks, and other supporting goods and services at cost or substantially reduced rates.
- The Clallam County Roads Department assists in picking up large quantities of litter and illegally dumped material and transporting it to the landfill.
- The Sheriff's Office investigates litter complaints and dumpsites, writes citations, and enforces litter and illegal dumping laws.

Task Goal Statement:

To remove litter and illegally dumped material from roadways and other public lands throughout Clallam County.

Task Expected Outcome:

- 500 miles of road, 40 acres, and 200 illegal dumpsites cleaned.
- 25,000 pounds of litter, 80,000 pounds of illegal dump material, and 1,200 pounds of recycling collected.
- 15,600 hours worked.

Recipient Task Coordinator: Don Wenzl

Litter Pickup and Illegal Dump Cleanup

Deliverables

Number	Description	Due Date
1.1	Task Expected Outcomes are the deliverables and achieved incrementally throughout the biennium.	6-30-23

SCOPE OF WORK

Task Number: 2 **Task Cost:** $4,000.00

Task Title: Tools and Trucks

Task Description:
To purchase two Stihl Rescue Chain Saws. These saws will allow the crews to tear apart large items at illegal dumpsites. These saws are also ideal in dismantling abandoned Recreation Vehicles, which is an increasing problem in Clallam County.

Task Goal Statement:
To purchase two Stihl Rescue Chain Saws for dismantling large items found at illegal dumpsites.

Task Expected Outcome:
Purchase two Stihl Rescue Chain Saws.

Recipient Task Coordinator: Don Wenzl

Tools and Trucks

Deliverables

Number	Description	Due Date
2.1	Task Expected Outcomes are the deliverables and achieved incrementally throughout the biennium.	6-30-23

BUDGET

Funding Distribution EG210316

NOTE: *The above funding distribution number is used to identify this specific agreement and budget on payment remittances and may be referenced on other communications from ECOLOGY. Your agreement may have multiple funding distribution numbers to identify each budget.*

Funding Title: Clallam County SO
Funding Effective Date: 07/01/2021
Funding Type: Grant
Funding Expiration Date: 06/30/2023

Funding Source:

Title: Waste Reduction, Recycling, and Litter Control Account (WRRLCA) 2123

Fund:
Type: State
Funding Source %: 100%
Description: Community Litter Cleanup Program

Approved Indirect Costs Rate: Approved State Indirect Rate: 0%
Recipient Match %: 0%
InKind Interlocal Allowed: No
InKind Other Allowed: No
Is this Funding Distribution used to match a federal grant? No

Clallam County SO	Task Total
Litter Pickup and Illegal Dump Cleanup	$ 99,200.00
Tools and Trucks	$ 4,000.00
	Total: $ 103,200.00

Funding Distribution Summary

Recipient / Ecology Share

Funding Distribution Name	Recipient Match %	Recipient Share	Ecology Share	Total
Clallam County SO	0.00 %	$ 0.00	$ 103,200.00	$ 103,200.00
Total		**$ 0.00**	**$ 103,200.00**	**$ 103,200.00**

AGREEMENT SPECIFIC TERMS AND CONDITIONS

N/A

SPECIAL TERMS AND CONDITIONS

Grant administrative costs are limited to 10 percent of grant approved expenditures, excluding Tools and Trucks. Administrative costs for Tools and Trucks are not allowed under this grant program.

RECIPIENT must submit within thirty (30) days after the expiration date of this Agreement, all financial (including payment requests), performance, and other reports required by this Agreement. ECOLOGY shall have the right to deny reimbursement of payment requests received after this date.

Ecology will conduct a risk assessment of all Community Litter Cleanup Program recipients. The level of risk determines the level of oversight required by Ecology throughout the biennium. If the recipient's performance or project circumstances change, Ecology may reassess risk and notify the recipient of any changes to administrative requirements.

GENERAL FEDERAL CONDITIONS

If a portion or all of the funds for this agreement are provided through federal funding sources or this agreement is used to match a federal grant award, the following terms and conditions apply to you.

A. CERTIFICATION REGARDING SUSPENSION, DEBARMENT, INELIGIBILITY OR VOLUNTARY EXCLUSION:

1. The RECIPIENT/CONTRACTOR, by signing this agreement, certifies that it is not suspended, debarred, proposed for debarment, declared ineligible or otherwise excluded from contracting with the federal government, or from receiving contracts paid for with federal funds. If the RECIPIENT/CONTRACTOR is unable to certify to the statements contained in the certification, they must provide an explanation as to why they cannot.
2. The RECIPIENT/CONTRACTOR shall provide immediate written notice to ECOLOGY if at any time the RECIPIENT/CONTRACTOR learns that its certification was erroneous when submitted or had become erroneous by reason of changed circumstances.
3. The terms covered transaction, debarred, suspended, ineligible, lower tier covered transaction, participant, person, primary covered transaction, principal, proposal, and voluntarily excluded, as used in this clause, have the meaning set out in the Definitions and Coverage sections of rules implementing Executive Order 12549. You may contact ECOLOGY for assistance in obtaining a copy of those regulations.
4. The RECIPIENT/CONTRACTOR agrees it shall not knowingly enter into any lower tier covered transaction with a

person who is proposed for debarment under the applicable Code of Federal Regulations, debarred, suspended, declared ineligible, or voluntarily excluded from participation in this covered transaction.

5. The RECIPIENT/CONTRACTOR further agrees by signing this agreement, that it will include this clause titled "CERTIFICATION REGARDING SUSPENSION, DEBARMENT, INELIGIBILITY OR VOLUNTARY EXCLUSION" without modification in all lower tier covered transactions and in all solicitations for lower tier covered transactions.
6. Pursuant to 2CFR180.330, the RECIPIENT/CONTRACTOR is responsible for ensuring that any lower tier covered transaction complies with certification of suspension and debarment requirements.
7. RECIPIENT/CONTRACTOR acknowledges that failing to disclose the information required in the Code of Federal Regulations may result in the delay or negation of this funding agreement, or pursuance of legal remedies, including suspension and debarment.
8. RECIPIENT/CONTRACTOR agrees to keep proof in its agreement file, that it, and all lower tier recipients or contractors, are not suspended or debarred, and will make this proof available to ECOLOGY before requests for reimbursements will be approved for payment. RECIPIENT/CONTRACTOR must run a search in <http://www.sam.gov> and print a copy of completed searches to document proof of compliance.

B. FEDERAL FUNDING ACCOUNTABILITY AND TRANSPARENCY ACT (FFATA) REPORTING REQUIREMENTS:

CONTRACTOR/RECIPIENT must complete the FFATA Data Collection Form (ECY 070-395) and return it with the signed agreement to ECOLOGY.

Any CONTRACTOR/RECIPIENT that meets each of the criteria below must report compensation for its five top executives using the FFATA Data Collection Form.

- Receives more than $25,000 in federal funds under this award.
- Receives more than 80 percent of its annual gross revenues from federal funds.
- Receives more than $25,000,000 in annual federal funds.

Ecology will not pay any invoices until it has received a completed and signed FFATA Data Collection Form. Ecology is required to report the FFATA information for federally funded agreements, including the required DUNS number, at www.fsrs.gov <http://www.fsrs.gov/> within 30 days of agreement signature. The FFATA information will be available to the public at www.usaspending.gov <http://www.usaspending.gov/>.

For more details on FFATA requirements, see www.fsrs.gov <http://www.fsrs.gov/>.

C. FEDERAL FUNDING PROHIBITION ON CERTAIN TELECOMMUNICATIONS OR VIDEO SURVEILLANCE SERVICES OR EQUIPMENT:

As required by 2 CFR 200.216, federal grant or loan recipients and subrecipients are prohibited from obligating or expending loan or grant funds to:

1. Procure or obtain;
2. Extend or renew a contract to procure or obtain; or
3. Enter into a contract (or extend or renew a contract) to procure or obtain equipment, services, or systems that use covered telecommunications equipment, video surveillance services or services as a substantial or essential component

of any system, or as critical technology as part of any system. As described in **Public Law 115-232** <https://www.govinfo.gov/content/pkg/PLAW-115publ232/pdf/PLAW-115publ232.pdf>, section 889, covered telecommunications equipment is telecommunications equipment produced by Huawei Technologies Company or ZTE Corporation (or any subsidiary or affiliate of such entities).

Recipients, subrecipients, and borrowers also may not use federal funds to purchase certain prohibited equipment, systems, or services, including equipment, systems, or services produced or provided by entities identified in section 889, are recorded in the **System for Award Management (SAM)** <https://sam.gov/SAM/> exclusion list.

GENERAL TERMS AND CONDITIONS

Pertaining to Grant and Loan Agreements With the state of Washington, Department of Ecology

GENERAL TERMS AND CONDITIONS AS OF LAST UPDATED 7-1-2019 VERSION

1. ADMINISTRATIVE REQUIREMENTS

a) RECIPIENT shall follow the "Administrative Requirements for Recipients of Ecology Grants and Loans – EAGL Edition." (https://fortress.wa.gov/ecy/publications/SummaryPages/1701004.html)

b) RECIPIENT shall complete all activities funded by this Agreement and be fully responsible for the proper management of all funds and resources made available under this Agreement.

c) RECIPIENT agrees to take complete responsibility for all actions taken under this Agreement, including ensuring all subgrantees and contractors comply with the terms and conditions of this Agreement. ECOLOGY reserves the right to request proof of compliance by subgrantees and contractors.

d) RECIPIENT's activities under this Agreement shall be subject to the review and approval by ECOLOGY for the extent and character of all work and services.

2. AMENDMENTS AND MODIFICATIONS

This Agreement may be altered, amended, or waived only by a written amendment executed by both parties. No subsequent modification(s) or amendment(s) of this Agreement will be of any force or effect unless in writing and signed by authorized representatives of both parties. ECOLOGY and the RECIPIENT may change their respective staff contacts and administrative information without the concurrence of either party.

3. ACCESSIBILITY REQUIREMENTS FOR COVERED TECHNOLOGY

The RECIPIENT must comply with the Washington State Office of the Chief Information Officer, OCIO Policy no. 188, Accessibility (https://ocio.wa.gov/policy/accessibility) as it relates to "covered technology." This requirement applies to all products supplied under the agreement, providing equal access to information technology by individuals with disabilities, including and not limited to web sites/pages, web-based applications, software systems, video and audio content, and electronic documents intended for publishing on Ecology's public web site.

4. ARCHAEOLOGICAL AND CULTURAL RESOURCES

RECIPIENT shall take reasonable action to avoid, minimize, or mitigate adverse effects to archeological and historic resources. The RECIPIENT must agree to hold harmless the State of Washington in relation to any claim related to historical or cultural artifacts discovered, disturbed, or damaged due to the RECIPIENT's project funded under this Agreement.

RECIPIENT shall:

a) Contact the ECOLOGY Program issuing the grant or loan to discuss any Cultural Resources requirements for their project:

- For capital construction projects or land acquisitions for capital construction projects, if required, comply with Governor Executive Order 05-05, Archaeology and Cultural Resources.
- For projects with any federal involvement, if required, comply with the National Historic Preservation Act.
- Any cultural resources federal or state requirements must be completed prior to the start of any work on the project site.

b) If required by the ECOLOGY Program, submit an Inadvertent Discovery Plan (IDP) to ECOLOGY prior to implementing any project that involves ground disturbing activities. ECOLOGY will provide the IDP form.

RECIPIENT shall:

- Keep the IDP at the project site.

- Make the IDP readily available to anyone working at the project site.
- Discuss the IDP with staff and contractors working at the project site.
- Implement the IDP when cultural resources or human remains are found at the project site.

c) If any archeological or historic resources are found while conducting work under this Agreement:

- Immediately stop work and notify the ECOLOGY Program, the Department of Archaeology and Historic Preservation at (360) 586-3064, any affected Tribe, and the local government.

d) If any human remains are found while conducting work under this Agreement:

- Immediately stop work and notify the local Law Enforcement Agency or Medical Examiner/Coroner's Office, and then the ECOLOGY Program.

e) Comply with RCW 27.53, RCW 27.44.055, and RCW 68.50.645, and all other applicable local, state, and federal laws protecting cultural resources and human remains.

5. ASSIGNMENT

No right or claim of the RECIPIENT arising under this Agreement shall be transferred or assigned by the RECIPIENT.

6. COMMUNICATION

RECIPIENT shall make every effort to maintain effective communications with the RECIPIENT's designees, ECOLOGY, all affected local, state, or federal jurisdictions, and any interested individuals or groups.

7. COMPENSATION

a) Any work performed prior to effective date of this Agreement will be at the sole expense and risk of the RECIPIENT. ECOLOGY must sign the Agreement before any payment requests can be submitted.

b) Payments will be made on a reimbursable basis for approved and completed work as specified in this Agreement.

c) RECIPIENT is responsible to determine if costs are eligible. Any questions regarding eligibility should be clarified with ECOLOGY prior to incurring costs. Costs that are conditionally eligible require approval by ECOLOGY prior to expenditure.

d) RECIPIENT shall not invoice more than once per month unless agreed on by ECOLOGY.

e) ECOLOGY will not process payment requests without the proper reimbursement forms, Progress Report and supporting documentation. ECOLOGY will provide instructions for submitting payment requests.

f) ECOLOGY will pay the RECIPIENT thirty (30) days after receipt of a properly completed request for payment.

g) RECIPIENT will receive payment through Washington State's Office of Financial Management's Statewide Payee Desk. To receive payment you must register as a statewide vendor by submitting a statewide vendor registration form and an IRS W-9 form at website, https://ofm.wa.gov/it-systems/statewide-vendorpayee-services. If you have questions about the vendor registration process, you can contact Statewide Payee Help Desk at (360) 407-8180 or email PayeeRegistration@ofm.wa.gov.

h) ECOLOGY may, at its sole discretion, withhold payments claimed by the RECIPIENT if the RECIPIENT fails to satisfactorily comply with any term or condition of this Agreement.

i) Monies withheld by ECOLOGY may be paid to the RECIPIENT when the work described herein, or a portion thereof, has been completed if, at ECOLOGY's sole discretion, such payment is reasonable and approved according to this Agreement, as appropriate, or upon completion of an audit as specified herein.

j) RECIPIENT must submit within thirty (30) days after the expiration date of this Agreement, all financial, performance, and other reports required by this agreement. Failure to comply may result in delayed reimbursement.

8. COMPLIANCE WITH ALL LAWS

RECIPIENT agrees to comply fully with all applicable federal, state and local laws, orders, regulations, and permits related to this Agreement, including but not limited to:

a) RECIPIENT agrees to comply with all applicable laws, regulations, and policies of the United States and the State of

Washington which affect wages and job safety.

b) RECIPIENT agrees to be bound by all applicable federal and state laws, regulations, and policies against discrimination.

c) RECIPIENT certifies full compliance with all applicable state industrial insurance requirements.

d) RECIPIENT agrees to secure and provide assurance to ECOLOGY that all the necessary approvals and permits required by authorities having jurisdiction over the project are obtained. RECIPIENT must include time in their project timeline for the permit and approval processes.

ECOLOGY shall have the right to immediately terminate for cause this Agreement as provided herein if the RECIPIENT fails to comply with above requirements.

If any provision of this Agreement violates any statute or rule of law of the state of Washington, it is considered modified to conform to that statute or rule of law.

9. CONFLICT OF INTEREST

RECIPIENT and ECOLOGY agree that any officer, member, agent, or employee, who exercises any function or responsibility in the review, approval, or carrying out of this Agreement, shall not have any personal or financial interest, direct or indirect, nor affect the interest of any corporation, partnership, or association in which he/she is a part, in this Agreement or the proceeds thereof.

10. CONTRACTING FOR GOODS AND SERVICES

RECIPIENT may contract to buy goods or services related to its performance under this Agreement. RECIPIENT shall award all contracts for construction, purchase of goods, equipment, services, and professional architectural and engineering services through a competitive process, if required by State law. RECIPIENT is required to follow procurement procedures that ensure legal, fair, and open competition.

RECIPIENT must have a standard procurement process or follow current state procurement procedures. RECIPIENT may be required to provide written certification that they have followed their standard procurement procedures and applicable state law in awarding contracts under this Agreement.

ECOLOGY reserves the right to inspect and request copies of all procurement documentation, and review procurement practices related to this Agreement. Any costs incurred as a result of procurement practices not in compliance with state procurement law or the RECIPIENT's normal procedures may be disallowed at ECOLOGY's sole discretion.

11. DISPUTES

When there is a dispute with regard to the extent and character of the work, or any other matter related to this Agreement the determination of ECOLOGY will govern, although the RECIPIENT shall have the right to appeal decisions as provided for below:

a) RECIPIENT notifies the funding program of an appeal request.

b) Appeal request must be in writing and state the disputed issue(s).

c) RECIPIENT has the opportunity to be heard and offer evidence in support of its appeal.

d) ECOLOGY reviews the RECIPIENT's appeal.

e) ECOLOGY sends a written answer within ten (10) business days, unless more time is needed, after concluding the review.

The decision of ECOLOGY from an appeal will be final and conclusive, unless within thirty (30) days from the date of such decision, the RECIPIENT furnishes to the Director of ECOLOGY a written appeal. The decision of the Director or duly authorized representative will be final and conclusive.

The parties agree that this dispute process will precede any action in a judicial or quasi-judicial tribunal.

Appeals of the Director's decision will be brought in the Superior Court of Thurston County. Review of the Director's decision will not be taken to Environmental and Land Use Hearings Office.

Pending final decision of a dispute, the RECIPIENT agrees to proceed diligently with the performance of this Agreement and in

accordance with the decision rendered.
Nothing in this Agreement will be construed to limit the parties' choice of another mutually acceptable method, in addition to the dispute resolution procedure outlined above.

12. ENVIRONMENTAL DATA STANDARDS

a) RECIPIENT shall prepare a Quality Assurance Project Plan (QAPP) for a project that collects or uses environmental measurement data. RECIPIENTS unsure about whether a QAPP is required for their project shall contact the ECOLOGY Program issuing the grant or loan. If a QAPP is required, the RECIPIENT shall:

- Use ECOLOGY's QAPP Template/Checklist provided by the ECOLOGY, unless ECOLOGY Quality Assurance (QA) officer or the Program QA coordinator instructs otherwise.
- Follow ECOLOGY's Guidelines for Preparing Quality Assurance Project Plans for Environmental Studies, July 2004 (Ecology Publication No. 04-03-030).
- Submit the QAPP to ECOLOGY for review and approval before the start of the work.

b) RECIPIENT shall submit environmental data that was collected on a project to ECOLOGY using the Environmental Information Management system (EIM), unless the ECOLOGY Program instructs otherwise. The RECIPIENT must confirm with ECOLOGY that complete and correct data was successfully loaded into EIM, find instructions at: http://www.ecy.wa.gov/eim.

c) RECIPIENT shall follow ECOLOGY's data standards when Geographic Information System (GIS) data is collected and processed. Guidelines for Creating and Accessing GIS Data are available at: https://ecology.wa.gov/Research-Data/Data-resources/Geographic-Information-Systems-GIS/Standards. RECIPIENT, when requested by ECOLOGY, shall provide copies to ECOLOGY of all final GIS data layers, imagery, related tables, raw data collection files, map products, and all metadata and project documentation.

13. GOVERNING LAW

This Agreement will be governed by the laws of the State of Washington, and the venue of any action brought hereunder will be in the Superior Court of Thurston County.

14. INDEMNIFICATION

ECOLOGY will in no way be held responsible for payment of salaries, consultant's fees, and other costs related to the project described herein, except as provided in the Scope of Work.
To the extent that the Constitution and laws of the State of Washington permit, each party will indemnify and hold the other harmless from and against any liability for any or all injuries to persons or property arising from the negligent act or omission of that party or that party's agents or employees arising out of this Agreement.

15. INDEPENDENT STATUS

The employees, volunteers, or agents of each party who are engaged in the performance of this Agreement will continue to be employees, volunteers, or agents of that party and will not for any purpose be employees, volunteers, or agents of the other party.

16. KICKBACKS

RECIPIENT is prohibited from inducing by any means any person employed or otherwise involved in this Agreement to give up any part of the compensation to which he/she is otherwise entitled to or receive any fee, commission, or gift in return for award of a subcontract hereunder.

17. MINORITY AND WOMEN'S BUSINESS ENTERPRISES (MWBE)

RECIPIENT is encouraged to solicit and recruit, to the extent possible, certified minority-owned (MBE) and women-owned (WBE) businesses in purchases and contracts initiated under this Agreement.
Contract awards or rejections cannot be made based on MWBE participation; however, the RECIPIENT is encouraged to take the following actions, when possible, in any procurement under this Agreement:
a) Include qualified minority and women's businesses on solicitation lists whenever they are potential sources of goods or services.
b) Divide the total requirements, when economically feasible, into smaller tasks or quantities, to permit maximum participation by qualified minority and women's businesses.
c) Establish delivery schedules, where work requirements permit, which will encourage participation of qualified minority and women's businesses.
d) Use the services and assistance of the Washington State Office of Minority and Women's Business Enterprises (OMWBE) (866-208-1064) and the Office of Minority Business Enterprises of the U.S. Department of Commerce, as appropriate.

18. ORDER OF PRECEDENCE
In the event of inconsistency in this Agreement, unless otherwise provided herein, the inconsistency shall be resolved by giving precedence in the following order: (a) applicable federal and state statutes and regulations; (b) The Agreement; (c) Scope of Work; (d) Special Terms and Conditions; (e) Any provisions or terms incorporated herein by reference, including the "Administrative Requirements for Recipients of Ecology Grants and Loans"; (f) Ecology Funding Program Guidelines; and (g) General Terms and Conditions.

19. PRESENTATION AND PROMOTIONAL MATERIALS
ECOLOGY reserves the right to approve RECIPIENT's communication documents and materials related to the fulfillment of this Agreement:
a) If requested, RECIPIENT shall provide a draft copy to ECOLOGY for review and approval ten (10) business days prior to production and distribution.
b) RECIPIENT shall include time for ECOLOGY's review and approval process in their project timeline.
c) If requested, RECIPIENT shall provide ECOLOGY two (2) final copies and an electronic copy of any tangible products developed.
Copies include any printed materials, and all tangible products developed such as brochures, manuals, pamphlets, videos, audio tapes, CDs, curriculum, posters, media announcements, or gadgets with a message, such as a refrigerator magnet, and any online communications, such as web pages, blogs, and twitter campaigns. If it is not practical to provide a copy, then the RECIPIENT shall provide a description (photographs, drawings, printouts, etc.) that best represents the item.
Any communications intended for public distribution that uses ECOLOGY's logo shall comply with ECOLOGY's graphic requirements and any additional requirements specified in this Agreement. Before the use of ECOLOGY's logo contact ECOLOGY for guidelines.
RECIPIENT shall acknowledge in the communications that funding was provided by ECOLOGY.

20. PROGRESS REPORTING
a) RECIPIENT must satisfactorily demonstrate the timely use of funds by submitting payment requests and progress reports to ECOLOGY. ECOLOGY reserves the right to amend or terminate this Agreement if the RECIPIENT does not document timely use of funds.
b) RECIPIENT must submit a progress report with each payment request. Payment requests will not be processed without a progress report. ECOLOGY will define the elements and frequency of progress reports.
c) RECIPIENT shall use ECOLOGY's provided progress report format.
d) Quarterly progress reports will cover the periods from January 1 through March 31, April 1 through June 30, July 1 through

September 30, and October 1 through December 31. Reports shall be submitted within thirty (30) days after the end of the quarter being reported.

e) RECIPIENT must submit within thirty (30) days of the expiration date of the project, unless an extension has been approved by ECOLOGY, all financial, performance, and other reports required by the agreement and funding program guidelines. RECIPIENT shall use the ECOLOGY provided closeout report format.

21. PROPERTY RIGHTS

a) Copyrights and Patents. When the RECIPIENT creates any copyrightable materials or invents any patentable property under this Agreement, the RECIPIENT may copyright or patent the same but ECOLOGY retains a royalty free, nonexclusive, and irrevocable license to reproduce, publish, recover, or otherwise use the material(s) or property, and to authorize others to use the same for federal, state, or local government purposes.

b) Publications. When the RECIPIENT or persons employed by the RECIPIENT use or publish ECOLOGY information; present papers, lectures, or seminars involving information supplied by ECOLOGY; or use logos, reports, maps, or other data in printed reports, signs, brochures, pamphlets, etc., appropriate credit shall be given to ECOLOGY.

c) Presentation and Promotional Materials. ECOLOGY shall have the right to use or reproduce any printed or graphic materials produced in fulfillment of this Agreement, in any manner ECOLOGY deems appropriate. ECOLOGY shall acknowledge the RECIPIENT as the sole copyright owner in every use or reproduction of the materials.

d) Tangible Property Rights. ECOLOGY's current edition of "Administrative Requirements for Recipients of Ecology Grants and Loans," shall control the use and disposition of all real and personal property purchased wholly or in part with funds furnished by ECOLOGY in the absence of state and federal statutes, regulations, or policies to the contrary, or upon specific instructions with respect thereto in this Agreement.

e) Personal Property Furnished by ECOLOGY. When ECOLOGY provides personal property directly to the RECIPIENT for use in performance of the project, it shall be returned to ECOLOGY prior to final payment by ECOLOGY. If said property is lost, stolen, or damaged while in the RECIPIENT's possession, then ECOLOGY shall be reimbursed in cash or by setoff by the RECIPIENT for the fair market value of such property.

f) Acquisition Projects. The following provisions shall apply if the project covered by this Agreement includes funds for the acquisition of land or facilities:

1. RECIPIENT shall establish that the cost is fair value and reasonable prior to disbursement of funds provided for in this Agreement.

2. RECIPIENT shall provide satisfactory evidence of title or ability to acquire title for each parcel prior to disbursement of funds provided by this Agreement. Such evidence may include title insurance policies, Torrens certificates, or abstracts, and attorney's opinions establishing that the land is free from any impediment, lien, or claim which would impair the uses intended by this Agreement.

g) Conversions. Regardless of the Agreement expiration date, the RECIPIENT shall not at any time convert any equipment, property, or facility acquired or developed under this Agreement to uses other than those for which assistance was originally approved without prior written approval of ECOLOGY. Such approval may be conditioned upon payment to ECOLOGY of that portion of the proceeds of the sale, lease, or other conversion or encumbrance which monies granted pursuant to this Agreement bear to the total acquisition, purchase, or construction costs of such property.

22. RECORDS, AUDITS, AND INSPECTIONS

RECIPIENT shall maintain complete program and financial records relating to this Agreement, including any engineering documentation and field inspection reports of all construction work accomplished.

All records shall:

a) Be kept in a manner which provides an audit trail for all expenditures.

b) Be kept in a common file to facilitate audits and inspections.

c) Clearly indicate total receipts and expenditures related to this Agreement.

d) Be open for audit or inspection by ECOLOGY, or by any duly authorized audit representative of the State of Washington, for a period of at least three (3) years after the final grant payment or loan repayment, or any dispute resolution hereunder. RECIPIENT shall provide clarification and make necessary adjustments if any audits or inspections identify discrepancies in the records.

ECOLOGY reserves the right to audit, or have a designated third party audit, applicable records to ensure that the state has been properly invoiced. Any remedies and penalties allowed by law to recover monies determined owed will be enforced. Repetitive instances of incorrect invoicing or inadequate records may be considered cause for termination.

All work performed under this Agreement and any property and equipment purchased shall be made available to ECOLOGY and to any authorized state, federal or local representative for inspection at any time during the course of this Agreement and for at least three (3) years following grant or loan termination or dispute resolution hereunder.

RECIPIENT shall provide right of access to ECOLOGY, or any other authorized representative, at all reasonable times, in order to monitor and evaluate performance, compliance, and any other conditions under this Agreement.

23. RECOVERY OF FUNDS

The right of the RECIPIENT to retain monies received as reimbursement payments is contingent upon satisfactory performance of this Agreement and completion of the work described in the Scope of Work.

All payments to the RECIPIENT are subject to approval and audit by ECOLOGY, and any unauthorized expenditure(s) or unallowable cost charged to this Agreement shall be refunded to ECOLOGY by the RECIPIENT.

RECIPIENT shall refund to ECOLOGY the full amount of any erroneous payment or overpayment under this Agreement.

RECIPIENT shall refund by check payable to ECOLOGY the amount of any such reduction of payments or repayments within thirty (30) days of a written notice. Interest will accrue at the rate of twelve percent (12%) per year from the time ECOLOGY demands repayment of funds.

Any property acquired under this Agreement, at the option of ECOLOGY, may become ECOLOGY's property and the RECIPIENT's liability to repay monies will be reduced by an amount reflecting the fair value of such property.

24. SEVERABILITY

If any provision of this Agreement or any provision of any document incorporated by reference shall be held invalid, such invalidity shall not affect the other provisions of this Agreement which can be given effect without the invalid provision, and to this end the provisions of this Agreement are declared to be severable.

25. STATE ENVIRONMENTAL POLICY ACT (SEPA)

RECIPIENT must demonstrate to ECOLOGY's satisfaction that compliance with the requirements of the State Environmental Policy Act (Chapter 43.21C RCW and Chapter 197-11 WAC) have been or will be met. Any reimbursements are subject to this provision.

26. SUSPENSION

When in the best interest of ECOLOGY, ECOLOGY may at any time, and without cause, suspend this Agreement or any portion thereof for a temporary period by written notice from ECOLOGY to the RECIPIENT. RECIPIENT shall resume performance on the next business day following the suspension period unless another day is specified by ECOLOGY.

27. SUSTAINABLE PRACTICES

In order to sustain Washington's natural resources and ecosystems, the RECIPIENT is fully encouraged to implement sustainable practices and to purchase environmentally preferable products under this Agreement.

a) Sustainable practices may include such activities as: use of clean energy, use of double-sided printing, hosting low impact meetings, and setting up recycling and composting programs.

b) Purchasing may include such items as: sustainably produced products and services, EPEAT registered computers and

imaging equipment, independently certified green cleaning products, remanufactured toner cartridges, products with reduced packaging, office products that are refillable, rechargeable, and recyclable, 100% post-consumer recycled paper, and toxic free products.
For more suggestions visit ECOLOGY's web page, Green Purchasing,
https://ecology.wa.gov/Regulations-Permits/Guidance-technical-assistance/Sustainable-purchasing.

28. TERMINATION

a) For Cause

ECOLOGY may terminate for cause this Agreement with a seven (7) calendar days prior written notification to the RECIPIENT, at the sole discretion of ECOLOGY, for failing to perform an Agreement requirement or for a material breach of any term or condition. If this Agreement is so terminated, the parties shall be liable only for performance rendered or costs incurred in accordance with the terms of this Agreement prior to the effective date of termination.
Failure to Commence Work. ECOLOGY reserves the right to terminate this Agreement if RECIPIENT fails to commence work on the project funded within four (4) months after the effective date of this Agreement, or by any date mutually agreed upon in writing for commencement of work, or the time period defined within the Scope of Work.
Non-Performance. The obligation of ECOLOGY to the RECIPIENT is contingent upon satisfactory performance by the RECIPIENT of all of its obligations under this Agreement. In the event the RECIPIENT unjustifiably fails, in the opinion of ECOLOGY, to perform any obligation required of it by this Agreement, ECOLOGY may refuse to pay any further funds, terminate in whole or in part this Agreement, and exercise any other rights under this Agreement.
Despite the above, the RECIPIENT shall not be relieved of any liability to ECOLOGY for damages sustained by ECOLOGY and the State of Washington because of any breach of this Agreement by the RECIPIENT. ECOLOGY may withhold payments for the purpose of setoff until such time as the exact amount of damages due ECOLOGY from the RECIPIENT is determined.

b) For Convenience

ECOLOGY may terminate for convenience this Agreement, in whole or in part, for any reason when it is the best interest of ECOLOGY, with a thirty (30) calendar days prior written notification to the RECIPIENT, except as noted below. If this Agreement is so terminated, the parties shall be liable only for performance rendered or costs incurred in accordance with the terms of this Agreement prior to the effective date of termination.
Non-Allocation of Funds. ECOLOGY's ability to make payments is contingent on availability of funding. In the event funding from state, federal or other sources is withdrawn, reduced, or limited in any way after the effective date and prior to the completion or expiration date of this Agreement, ECOLOGY, at its sole discretion, may elect to terminate the Agreement, in whole or part, or renegotiate the Agreement, subject to new funding limitations or conditions. ECOLOGY may also elect to suspend performance of the Agreement until ECOLOGY determines the funding insufficiency is resolved. ECOLOGY may exercise any of these options with no notification or restrictions, although ECOLOGY will make a reasonable attempt to provide notice.
In the event of termination or suspension, ECOLOGY will reimburse eligible costs incurred by the RECIPIENT through the effective date of termination or suspension. Reimbursed costs must be agreed to by ECOLOGY and the RECIPIENT. In no event shall ECOLOGY's reimbursement exceed ECOLOGY's total responsibility under the agreement and any amendments.
If payments have been discontinued by ECOLOGY due to unavailable funds, the RECIPIENT shall not be obligated to repay monies which had been paid to the RECIPIENT prior to such termination.
RECIPIENT's obligation to continue or complete the work described in this Agreement shall be contingent upon availability of funds by the RECIPIENT's governing body.

c) By Mutual Agreement

ECOLOGY and the RECIPIENT may terminate this Agreement, in whole or in part, at any time, by mutual written agreement.

d) In Event of Termination

All finished or unfinished documents, data studies, surveys, drawings, maps, models, photographs, reports or other materials prepared by the RECIPIENT under this Agreement, at the option of ECOLOGY, will become property of ECOLOGY and the RECIPIENT shall be entitled to receive just and equitable compensation for any satisfactory work completed on such documents and other materials.

Nothing contained herein shall preclude ECOLOGY from demanding repayment of all funds paid to the RECIPIENT in accordance with Recovery of Funds, identified herein.

29. THIRD PARTY BENEFICIARY

RECIPIENT shall ensure that in all subcontracts entered into by the RECIPIENT pursuant to this Agreement, the state of Washington is named as an express third party beneficiary of such subcontracts with full rights as such.

30. WAIVER

Waiver of a default or breach of any provision of this Agreement is not a waiver of any subsequent default or breach, and will not be construed as a modification of the terms of this Agreement unless stated as such in writing by the authorized representative of ECOLOGY.

CLALLAM COUNTY BUDGET CHANGE FORM

Date Submitted: 07/13/21 **Budget Hearing/Meeting Date:** 08/31/21

X **Supplemental Appropriation** – increased expenditures due to unanticipated federal, state, or local funds

__ **Debatable Emergency** – public emergency other than a non-debatable emergency which could not reasonably have been foreseen at the time of making the budget, requiring the expenditure of money not provided for in the budget.

__ **Non-debatable Emergency** – for the relief of a stricken community requiring immediate address; to meet mandatory expenditures required by law

__ **Budget Revision** – transfers or reallocations between departments within the same fund, or anytime a reallocation within the same budget would authorize a new permanent position or a new capital purchase

__ **Budget Reduction** – a reduction in revenues and/or expenditures

Budget Number xxxxx.xxx.	0100.815	**Budget Name**	Sheriff - Jail

REVENUE/SOURCE

BUDGET NUMBER xxxxx.xxx.	DEPT NAME	BARS NUMBER xxxxx.xx.xxxx	ACCOUNT DESCRIPTION	AMOUNT
00100.815	Sheriff – Jail	33403.10.0010	Litter Clean-Up Agreement Grant	31,000
Total				31,000

EXPENDITURES

BUDGET NUMBER xxxxx.xxx.	DEPT NAME	BARS NUMBER xxxxx.xx.xxxx	ACCOUNT DESCRIPTION	AMOUNT
00100.815	Sheriff – Jail	59423.64.0010	Machinery and Equipment	2,000
00100.293	General Fund Reserves	50800.00.0000	Ending Fund Balance	29,000
Total				31,000

Revenue/Source and Expenditure totals must agree.

REASON FOR BUDGET ACTION:

Reimbursement from Washington State Department of Ecology Solid Waste Management Community Litter Cleanup Program Agreement for FY2021 litter cleanup crew supervisor and tool costs. The remainder of the funding will be spent and reimbursed in FY2022.

County Official Approval: _____

(Obtain Budget Office Approval Prior to Submission to Clerk of the Board)

AGENDA ITEM SUMMARY

(Must be submitted NLT 3PM Wednesday for next week agenda)

2d 7/27/21

Department: DCD

WORK SESSION ☒ **Meeting Date: 7.19.2021**

REGULAR AGENDA ☒ **Meeting Date: 7.27.2021**

Required originals approved and attached? ☒
Will be provided on:

Item summary:

- ☐ Call for Hearing
- ☐ Contract/Agreement/MOU - Contract #
- ☐ Resolution
- ☐ Proclamation
- ☐ Budget Item
- ☐ Draft Ordinance
- ☐ Final Ordinance
- ☒ Other Cosignatory to grant agreement

Documents exempt from public disclosure attached: ☐

Executive summary:
Earlier this year, the Board of County Commissioners signed a grant agreement with Recreation and Conservation Office to become the grant's co-sponsors with Jamestown S'Klallam Tribe. JST has requested a scope change to purchase a parcel from a willing landowner. RCO requires that BOCC sign the amendment. To improve both Clallam County's Dungeness floodplain restoration project, future operation and maintenance of the levee, and the Jamestown S'Klallam Tribe's River's Edge project, we will reconfigure some of the property lines and write easements. Doing so also clarifies Clallam County's operation and maintenance responsibilities for the levee. Adding Clallam County to the grant as a co-sponsor ("Special Provision 2, Clallam County as secondary sponsor") helps to streamline to process for the granting agency (in this case, the Recreation and Conservation Office), Jamestown S'Klallam Tribe, and Clallam County.

Budgetary impact: (Is there a monetary impact? If so, are funds for this already allocated or is a budget change necessary? If this is a contract and a budget change is necessary, the budget change form must be submitted with the item at work session and for the regular agenda) **If a budget action is required, has it been submitted and a copy attached?** ☐
No budget action required.

Recommended action: (Does the Board need to act? If so, what is the department's recommendation?)
Please sign the grant agreement.

County Official signature & print name: Mary Ellen Winborn

Name of Employee/Stakeholder attending meeting: Cathy Lear

Relevant Departments: DCD, Roads

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* Work Session Meeting - Submit 1 single sided/not stapled copy
** Regular Meeting – Submit 1 single sided/not stapled copy and originals (1 or 3 copies)

Questions? Call Loni Gores, Clerk of the Board, ext 2256

Project Sponsor: Jamestown S'Klallam Tribe

Project Number: 16-1367C
Amendment: 8

Project Title: Dungeness Floodplain Restoration- Kinkade Phase

Approval Date: 01/31/2018

PARTIES OF THE AGREEMENT

This Recreation and Conservation Office Agreement (Agreement) is entered into between the State of Washington by and through the Salmon Recovery Funding Board (SRFB or funding board) and the Recreation and Conservation Office (RCO), P.O. Box 40917, Olympia, Washington 98504-0917 and Jamestown S'Klallam Tribe (Sponsor, and primary Sponsor), 1033 Old Blyn Hwy, Sequim, WA 98382, Clallam County (Sponsor, and secondary Sponsor), 223 E 4th St Ste 5, Port Angeles, WA 98362-3015, and shall be binding on the agents and all persons acting by or through the parties.

All Sponsors are equally and independently subject to all the conditions of this Agreement except those conditions that expressly apply only to the primary Sponsor.

The identified Authorized Representative(s)/Agent(s) have full authority to legally bind the Sponsor(s) regarding all matters related to the project, including but not limited to, full authority to: (1) enter into this project agreement on behalf of the Sponsor(s), (2) enter any amendments thereto on behalf of the Sponsors. Agreements and amendments must be signed by the Authorized Representative/Agent(s) of all sponsors, unless otherwise allowed in Amendments to Agreement Section.

For the purposes of this Agreement, as well as for grant management purposes with RCO, only the primary Sponsor may act as a fiscal agent to obtain reimbursements (See PROJECT REIMBURSEMENTS section).

PURPOSE OF AGREEMENT

This Agreement sets out the terms and conditions by which a grant is made from the State Building Construction Account of the State of Washington. The grant is administered by the Recreation and Conservation Office (RCO).

DESCRIPTION OF PROJECT

This project is an acquisition/planning project. The overall goal is to purchase (fee-simple), restore, and forever conserve over 16 acres of floodplain habitat within the lower 11 miles of the Dungeness River near Sequim, WA. The project will also begin restoration design to set back a levee to allow for greater floodplain connection. Habitats including active channel, side channels, connected and disconnected floodplain and floodplain forest will be restored by removal of hard-armoring and levee structures. The combined ecosystem restoration and conservation actions will benefit ESA -listed Chinook, bull trout, summer chum, and steelhead, along with coho, pinks, and fall chum.

Recovery of sustainable, harvestable runs of salmon on the Dungeness is a cultural and economic priority of the Tribe and this project is an important step towards that goal. As a multi-benefit floodplain restoration project that will restore habitat, reconnect floodplain, reduce flood-risk, reduce maintenance costs for publicly owned facilities, create a healthier floodplain ecosystem and increase recreational opportunities just minutes from Sequim, the project benefits the entire community and region. Removal of infrastructure and hard armoring form the channel and floodplain will allow for natural habitat forming processes to resume in this degraded reach. Juvenile salmon need access to floodplains, natural bank vegetation, and diverse river habitats for refuge and feeding.

PERIOD OF PERFORMANCE

The period of performance begins on January 19, 2018 (project start date) and ends on December 31, 2021 (project end date). No allowable cost incurred before or after this period is eligible for reimbursement unless specifically provided for by written amendment or addendum to this Agreement, or specifically provided for by applicable RCWs, WACs, and any applicable RCO manuals as of the effective date of this Agreement.

The Sponsor must request extensions of the period of performance at least 60 days before the project end date.

STANDARD TERMS AND CONDITIONS INCORPORATED

The Standard Terms and Conditions of the Recreation and Conservation Office are hereby incorporated by reference as part of this Agreement.

LONG-TERM OBLIGATIONS

For the acquisition portion of this project, the Sponsor's long-term obligations for the project area shall be in perpetuity, beginning at project completion, unless otherwise identified in the Agreement or as approved by the funding board or RCO.

Where conflicts may exist between this section and other sections of the agreement, the latter shall apply.

PROJECT FUNDING

The total grant award provided for this project shall not exceed $1,136,826.00. The RCO shall not pay any amount beyond that approved for grant funding of the project and within the percentage as identified below. The Sponsor shall be responsible for all total project costs that exceed this amount. The minimum matching share provided by the Sponsor shall be as indicated below:

	Percentage	Dollar Amount	Source of Funding
SRFB - Puget Sound Acq. & Restoration	74.95%	$1,002,452.00	State
SRFB - Salmon State Projects	10.05%	$134,374.00	State
Project Sponsor	15.00%	$200,617.00	
Total Project Cost	100.00%	$1,337,443.00	

RIGHTS AND OBLIGATIONS INTERPRETED IN LIGHT OF RELATED DOCUMENTS

All rights and obligations of the parties under this Agreement are further specified in and shall be interpreted in light of the Sponsor's application and the project summary and eligible scope activities under which the Agreement has been approved as well as documents produced in the course of administering the Agreement, including the eligible scope activities, the milestones report, progress reports, and the final report. Provided, to the extent that information contained in such documents is irreconcilably in conflict with this Agreement, it shall not be used to vary the terms of the Agreement, unless those terms are shown to be subject to an unintended error or omission. This "Agreement" as used here and elsewhere in this document, unless otherwise specifically stated, has the meaning set forth in the definitions of the Standard Terms and Conditions of the Recreation and Conservation Office.

AMENDMENTS TO AGREEMENT

Except as provided herein, no amendment (including without limitation, deletions) of any of the terms or conditions of this Agreement will be effective unless provided in writing signed by all parties. Extensions of the period of performance and minor scope adjustments consented to in writing (including email) by the Sponsor need only be signed by RCO's director or designee, unless otherwise provided for in another agreement a Sponsor has with the RCO. This exception does not apply to a federal government Sponsor or a Sponsor that requests and enters into a formal amendment for extensions or minor scope adjustments.

It is the responsibility of a Sponsor to ensure that any person who signs an amendment on its behalf is duly authorized to do so, and such signature shall be binding on the Sponsor.

Any amendment to this Agreement, unless otherwise expressly stated, shall be deemed to include all applicable federal, state, and local government laws and rules, and policies applicable and active and published in the applicable RCO manuals or on the RCO website in effect as of the effective date of the amendment, without limitation to the subject matter of the amendment. Provided, any update in law, rule, policy or a manual that is incorporated as a result of an amendment shall apply only prospectively and shall not require that an act previously done in compliance with existing requirements be redone.

COMPLIANCE WITH APPLICABLE STATUTES, RULES, AND POLICIES

This Agreement is governed by, and the sponsor shall comply with, all applicable state and federal laws and regulations, applicable RCO manuals as identified below, and any applicable federal program and accounting rules effective as of the date of this Agreement, and with respect to any amendments to this Agreement, as of the effective date of that amendment.

Provided, any update in law, rule, policy or a manual that is incorporated as a result of an amendment shall apply only prospectively and shall not require that an act previously done in compliance with existing requirements be redone.

For the purpose of this Agreement all applicable RCO WACs and funding board policies shall apply as terms of this Agreement.

For the purpose of this Agreement, the following RCO manuals are deemed applicable and shall apply as terms of this Agreement:

- Acquisition Projects - Manual 3
- Long Term Obligations - Manual 7
- Reimbursements - Manual 8
- Restoration Projects - Manual 5
- Salmon Recovery Grants - Manual 18

Any applicable tribal preference laws may otherwise apply for a Sponsor that is a federally recognized Indian Tribe provided such preference laws are consistent with federal law.

SPECIAL CONDITIONS

Special Condition #1: Cultural Resources-Survey Required

Section 8 of this agreement requires compliance with Executive Order 05-05 and/or Section 106 of the National Historic Preservation Act. RCO has completed the initial consultation for this project and a cultural resources survey is required. The Sponsor must submit to RCO the survey and receive from RCO a Notice to Proceed before any ground disturbing activities can begin. Construction started without a Notice to Proceed will be considered a breach of contract. In the event that archaeological or historic materials are discovered while conducting ground disturbing activities, work in the immediate vicinity must stop and the Sponsor must ensure compliance with the provisions found in Section 8 of this agreement.

Special Condition #2: Clallam County as Secondary Sponsor

Jamestown S'Klallam Tribe has amended the agreement to add Clallam County as a secondary sponsor to the project for the purposes of conveying a property interest to Clallam County in order to facilitate the levee setback project on the Dungeness Valley Creamery property.

Special Condition #3: This Tribal Grant Agreement replaces the original Funding Board Project Agreement. The original Funding Board Project Agreement, with an approval date of September 25, 2017 and Effective Date of February 28, 2018, was signed by signed by Annette Nesse (Sponsor) on February 26, 2018 and Tara Galuska (RCO) on February 28, 2018. The new Tribal Grant Agreement terms and conditions becomes effective on the date of amendment signature of the managing agency. Work performed before this date must comply with the terms and conditions of the original Funding Board Project Agreement.

AGREEMENT CONTACTS

The parties will provide all written communications and notices under this Agreement to the mail address or the email address listed below if not both:

Sponsor Project Contact
LaTrisha Suggs
Restroration Planner
1033 Old Blynn Hwy
Sequim, WA 98382
lsuggs@jamestowntribe.org

RCO Contact
Kat Moore
Natural Resources Building
PO Box 40917
Olympia, WA 98504-0917
kathryn.moore@rco.wa.gov

These addresses and contacts shall be effective until receipt by one party from the other of a written notice of any change.

ENTIRE AGREEMENT

This Agreement, with all amendments and attachments, constitutes the entire Agreement of the parties. No other understandings, oral or otherwise, regarding this Agreement shall exist or bind any of the parties.

The following are part of this agreement and attached herein:

A. Exhibit A: Insurance

EFFECTIVE DATE

This Agreement, for project 16-1367, shall be subject to the written approval of the RCO's authorized representative and shall not be effective and binding until the date signed by both the sponsor and the RCO, whichever is later (Effective Date).

Reimbursements for eligible and allowable costs incurred within the period of performance identified in the PERIOD OF PERFORMANCE section are allowed only when this Agreement is fully executed and an original is received by RCO.

The Sponsor has read, fully understands, and agrees to be bound by all terms and conditions as set forth in this Agreement and the STANDARD TERMS AND CONDITIONS OF THE RECREATION AND CONSERVATION OFFICE. The signators listed below represent and warrant their authority to bind the parties to this Agreement.

Jamestown S'Klallam Tribe

By: _____ **Date:** _____

Name (printed): _____

Title: _____

Clallam County

By: _____ **Date:** _____

Name (printed): _____

Title: _____

Approved **as to form only by:**

Elizabeth Stanley
Civil Deputy Prosecuting Attorney
Clallam County

State of Washington Recreation and Conservation Office
On behalf of the Salmon Recovery Funding Board (SRFB or funding board)

By: _____ **Date:** _____

Megan Duffy
Director
Recreation and Conservation Office

Pre-approved as to form:

By: _____ **Date:** 06/01/2021

Assistant Attorney General

Eligible Scope Activities

ELIGIBLE SCOPE ACTIVITIES

Acquisition Metrics

Property: Allen (Worksite #1, Kincade Floodplain)

Property: Billes (Worksite #1, Kincade Floodplain)

Property: Caldero (Worksite #1, Kincade Floodplain)

Property: Dickinson Parcel (Worksite #1, Kincade Floodplain)

Property: Krebsbach (Worksite #1, Kincade Floodplain)

Property: Murphy (Worksite #1, Kincade Floodplain)

Real Property Acquisition

Land

Acres by Acreage Type (fee simple):	
Lake	0.00
Riparian	0.75
Riparian	16.52
Riparian	4.40
Riparian	5.70
Riparian	7.85
Tidelands	0.00
Uplands	0.00
Uplands	5.25
Wetlands	0.00
Existing structures on site:	No structures on site
Existing structures on site:	Structures to be demolished

Incidentals

Appraisal

Appraisal Review

Closing, Recording, Taxes, Title

Cultural resources (Acq)

Demolition

Buildings / structures to be demolished:	A SFR, garage, and shed will be moved, salvaged, or demolished. Reuse and recycling will be emphasized.
Buildings / structures to be demolished:	It is unknown if a permanent structure(s) will be on the property at closing. All structures will be removed along with all utilities.
Buildings / structures to be demolished:	One 100 square ft home, built 1969.
Buildings / structures to be demolished:	Remnants of a small shed (age unknown), Associated hard armoring and infrastructure/utilities

Environmental Audits

Fencing (Acq)
Number of linear feet of fencing to be built: 100

Noxious weed control
Acres treated for noxious weeds by method:
Mechanical 0.25

Relocation

Signs (Acq)
Number of permanent signs that identify site and funding partners: 3000

Stewardship plan

Survey (Acq)

Administrative Costs (Acq)

Administrative costs (Acq)

Property: Dungeness Valley Creamery (Worksite #2, River Miles 0-11)

Property: McLane Wallacker Trust (Worksite #2, River Miles 0-11)

Property: Savage (Worksite #2, River Miles 0-11)

Real Property Acquisition

Land
Acres by Acreage Type (fee simple):
Riparian 24.20
Riparian 3.10
Riparian 67.00
Existing structures on site: No structures on site

Incidentals

Appraisal

Appraisal Review

Boundary line adjustment

Closing, Recording, Taxes, Title

Cultural resources (Acq)

Demolition
Buildings / structures to be demolished: TBD

Environmental Audits

Fencing (Acq)
Number of linear feet of fencing to be built: 100

Relocation

Signs (Acq)
Number of permanent signs that identify site and funding partners: 1

Stewardship plan

Survey (Acq)

Administrative Costs (Acq)

Administrative costs (Acq)

Planning Metrics

Worksite #1, Kincade Floodplain
Targeted salmonid ESU/DPS (A.23): Chinook Salmon-Puget Sound ESU, Coho

	Salmon-unidentified ESU, Pink Salmon-Odd year ESU, Steelhead-Puget Sound DPS
Targeted species (non-ESU species):	Bull Trout, Cutthroat, Rainbow, Searun Cutthroat
Area Encompassed (acres) (B.0.b.1):	0.0
Miles of Stream and/or Shoreline Affected (B.0.b.2):	0.00
Miles of Stream and/or Shoreline Treated or Protected (C.0.b):	1.00
Project Identified In a Plan or Watershed Assessment (C.0.c):	National Marine Fisheries Service, 2006, Recovery Plan for the Puget Sound Chinook Salmon (Oncorhynchus tshawytscha), National Marine Fisheries Service, Northwest Region. Seattle, WA. Dungeness River Management Team, 2005, Dungeness Watershed Salmon Recovery Planning Notebook, Cooperative Management of Our Watershed's Resources, Coordinated by Jamestown S'Klallam Tribe and Clallam County, 1033 Old Blyn Hwy. Sequim, WA 98382 Hansi Hals and Dungeness River Restoration Work Group, 2003, Recommended Land Protection Strategies for the Dungeness Riparian Area (Dungeness Green Book), Prepared for Dungeness River Management Team. Jamestown S'Klallam Tribe, 1033 Old Blyn Hwy. Sequim, WA 98382 West Consultants, 2000, Kinkade Island levee removal, Dungeness River [Washington]: Technical Report No. 00-01, Report prepared for the Clallam County Department of Community Development, Port Angeles, WA 98362, US Bureau of Reclamation, 2003, Kinkade Island Geomorphic Assessment, Dungeness River, Washington, US Bureau of Reclamation- Prepared for Clallam County, Port Angeles WA 98362.
Type Of Monitoring (C.0.d.1):	None

Worksite #2, River Miles 0-11

Targeted salmonid ESU/DPS (A.23):	Chinook Salmon-Puget Sound ESU
Targeted species (non-ESU species):	Bull Trout, Cutthroat
Area Encompassed (acres) (B.0.b.1):	40.0
Miles of Stream and/or Shoreline Affected (B.0.b.2):	0.90
Miles of Stream and/or Shoreline Treated or Protected (C.0.b):	11.00
Project Identified In a Plan or Watershed Assessment (C.0.c):	National Marine Fisheries Service, 2006, Recovery Plan for the Puget Sound Chinook Salmon (Oncorhynchus tshawytscha), National Marine Fisheries Service, Northwest Region. Seattle, WA. Dungeness River Management Team, 2005, Dungeness Watershed Salmon Recovery Planning Notebook, Cooperative Management of Our Watershed's Resources, Coordinated by Jamestown S'Klallam Tribe and Clallam County, 1033 Old Blyn Hwy. Sequim, WA 98382 Hansi Hals and Dungeness River Restoration Work Group, 2003, Recommen
Type Of Monitoring (C.0.d.1):	None

Design for Salmon restoration

Conceptual Design (B.1.b.11.a RCO)

Project Identified in a Plan or Watershed Assessment. (2457) (B.1.b.11.a):	National Marine Fisheries Service, 2006, Recovery Plan for the Puget Sound Chinook Salmon (Oncorhynchus tshawytscha), National Marine Fisheries Service, Northwest Region. Seattle, WA. Dungeness River Management Team, 2005, Dungeness Watershed Salmon Recovery Planning Notebook, Cooperative Management of Our Watershed's Resources, Coordinated by Jamestown S'Klallam Tribe and Clallam County, 1033 Old Blyn Hwy. Sequim, WA

Priority in Recovery Plan (2458) (B.1.b.11.b):	98382 Hansi Hals and Dungeness River Restoration Work Group, 2003, Recommen high

Project Milestones

PROJECT MILESTONE REPORT

Complete	Milestone	Target Date	Comments/Description
X	Order Appraisal Review(s)	06/01/2017	Allen property, completed
X	Order Appraisal(s)	06/01/2017	Allen property, completed
X	Environmental Assess Complete	06/19/2017	Allen property, completed
X	Recorded Land Survey to RCO	08/25/2017	Allen property, completed
X	Purchase Agreement Signed	01/01/2018	Allen property, completed
X	Project Start	01/19/2018	
X	Acquisition Closing	02/28/2018	Allen property, completed
X	Order Appraisal(s)	04/19/2018	Biles property
X	Order Appraisal Review(s)	05/16/2018	Biles property
X	Purchase Agreement Signed	06/18/2018	Biles property
X	Progress Report Due	06/30/2018	
X	Environmental Assess Complete	06/30/2018	Biles property
X	Acquisition Closing	07/31/2018	Biles property
X	Recorded Acq Documents to RCO	08/31/2018	Biles property
X	Progress Report Due	01/22/2019	
X	Annual Project Billing Due	01/22/2019	
X	Annual Project Billing Due	06/30/2019	
X	Progress Report Due	06/30/2019	
X	Progress Report Due	12/30/2019	
X	Demolition Complete	06/30/2020	Biles property
X	Progress Report Due	07/30/2020	
X	Demolition Complete	08/01/2020	Allen property
X	Progress Report Due	12/30/2020	
X	Funding Acknowl Sign Posted	05/01/2021	
	RCO Final Inspection	06/30/2021	
	Cultural Resources Complete	06/30/2021	Caldero Property (Survey Complete-2017-06-04239 RCO) Allen Property (Survey Pending 2018-12-09643 RCO)
	Annual Project Billing Due	06/30/2021	
	Applied for Permits	12/31/2021	
	Agreement End Date	12/31/2021	
	Draft Design to RCO	12/31/2021	Conceptual design for levee setback
	Final Billing Due	12/31/2021	
	Final Report Due	12/31/2021	
	Stewardship Plan to RCO	12/31/2021	
	Permits Complete	12/31/2021	

Standard Terms and Conditions of the Recreation and Conservation Office

Table of Contents

STANDARD TERMS AND CONDITIONS EFFECTIVE DATE 11
CITATIONS, HEADINGS AND DEFINITIONS 11
PERFORMANCE BY THE SPONSOR 13
ASSIGNMENT 13
RESPONSIBILITY FOR PROJECT 13
INDEMNIFICATION 13
INDEPENDENT CAPACITY OF THE SPONSOR 14
CONFLICT OF INTEREST 14
COMPLIANCE WITH APPLICABLE LAW 14
RECORDS 15
PROJECT FUNDING 16
PROJECT REIMBURSEMENTS 16
ADVANCE PAYMENTS 17
RECOVERY OF PAYMENTS 17
COVENANT AGAINST CONTINGENT FEES 17
INCOME (AND FEES) AND USE OF INCOME 17
PROCUREMENT REQUIREMENTS 17
TREATMENT OF EQUIPMENT AND ASSETS 18
RIGHT OF INSPECTION 18
STEWARDSHIP AND MONITORING 18
ACKNOWLEDGMENT AND SIGNS 18
PROVISIONS APPLYING TO ACQUISITION PROJECTS 19
LONG-TERM OBLIGATIONS OF THE PROJECTS AND SPONSORS 20
CONSTRUCTION, OPERATION, USE, AND MAINTENANCE OF ASSISTED PROJECTS 20
ORDER OF PRECEDENCE 21
LIMITATION OF AUTHORITY 21
WAIVER OF DEFAULT 21
APPLICATION REPRESENTATIONS – MISREPRESENTATIONS OR INACCURACY OR BREACH 21
SPECIFIC PERFORMANCE 21
TERMINATION AND SUSPENSION 21
DISPUTE RESOLUTION 22
GOVERNING LAW/VENUE 24
PROVISIONS FOR FEDERALLY RECOGNIZED INDIAN TRIBES 24
SEVERABILITY 26
END OF AGREEMENT 26

STANDARD TERMS AND CONDITIONS EFFECTIVE DATE

This agreement reflects Standard Terms and Conditions of the Recreation and Conservation Office as of 06/09/2021.

CITATIONS, HEADINGS AND DEFINITIONS

A. Any citations referencing specific documents refer to the current version on the effective date of this Agreement or the effective date of any amendment thereto.

B. Headings used in this Agreement are for reference purposes only and shall not be considered a substantive part of this Agreement.

C. Definitions. As used throughout this Agreement, the following terms shall have the meaning set forth below:

acquisition project – A project that purchases or receives a donation of fee or less than fee interests in real property. These interests include, but are not limited to, conservation easements, access/trail easements, covenants, water rights, leases, and mineral rights.

agreement or project agreement – The document entitled "RCO Tribal Project Agreement" accepted by all parties to the present project and transaction, including without limitation the Standard Terms and Conditions of the Recreation and Conservation Office, all attachments, addendums, and amendments, and any intergovernmental agreements or other documents that are incorporated into the Agreement subject to any limitations on their effect.

applicable manual(s) – A manual designated in this Agreement to apply as terms of this Agreement, subject to substitution of the "RCO director" for instances where the term "board" occurs.

applicable WAC(s) – Designated chapters or provisions of the Washington Administrative Code that are deemed under this Agreement to apply as terms of the Agreement, subject to substitution of the "RCO director" for instances where the term "board" occurs.

applicant – Any party that meets the qualifying standards, including deadlines, for submission of an application soliciting a grant of funds administered by RCO.

application – The documents and other materials that an applicant submits to the RCO to support the applicant's request for grant funds; this includes materials required for the "Application" in the RCO's automated project information system, and other documents as noted on the application checklist including but not limited to legal opinions, maps, plans, evaluation presentations and scripts.

Authorized Representative/Agent – A Sponsor's agent (employee, political appointee, elected person, etc.) authorized to be the signatory of this Agreement and any amendments requiring a Sponsor signature. This person has the signature authority to bind the Sponsor to this Agreement, grant, and project.

C.F.R. – Code of Federal Regulations

contractor – An entity that receives a contract from a Sponsor related to performance of work or another obligation under this Agreement.

conversion – A conversion occurs 1) when facilities acquired, developed, renovated or restored within the project area are changed to a use other than that for which funds were approved, without obtaining prior written formal RCO or board approval, 2) when property interests are conveyed to a third party not otherwise eligible to receive grants in the program from which funding was approved without obtaining prior written formal RCO or board approval, or 3) when obligations to operate and maintain the funded property are not complied with after reasonable opportunity to cure.

director – The chief executive officer of the Recreation and Conservation Office or that person's designee.

effective date – The date when the signatures of all parties to this agreement are present in the agreement.

equipment – Tangible personal property (including information technology systems) having a useful service life of more than one year and a per-unit acquisition cost which equals or exceeds the lesser of the capitalization level established by the Sponsor or $5,000 (2 C.F.R. § 200.33 (2013)).

funding board or board – The Washington State Recreation and Conservation Funding Board, or the Washington State Salmon Recovery Funding Board, or both as may apply.

Funding Entity – the entity that approves the project that is the subject to this Agreement.

grant program – The source of the grant funds received. May be an account in the state treasury, or a grant category within a larger grant program, or a federal source.

indirect cost – Costs incurred for a common or joint purpose benefitting more than one cost objective, and not readily assignable to the cost objectives specifically benefitted, without effort disproportionate to the results achieved (2 C.F.R. § 200.56 (2013)).

long-term compliance period – The period of time after the project end date or end of the period of performance (depending on the project types and grant program). During this period, the Sponsor has continuing obligations under the Agreement. This period may have a nonspecific end date (in perpetuity) or an expressly specified number of years.

long-term obligations – Sponsor's obligations after the project end date, as specified in the Agreement and applicable regulations and policies.

match or matching share – The portion of the total project cost provided by the Sponsor.

milestone – An important event with a defined date to track an activity related to implementation of a funded project and monitor significant stages of project accomplishment.

Office – Means the Recreation and Conservation Office or RCO.

pass-through entity – A non-Federal entity that provides a subaward to a subrecipient to carry out part of a Federal program (2 C. F. R. § 200.74 (2013)). If this Agreement is a federal subaward, RCO is the pass-through entity.

period of performance – The period beginning on the project start date and ending on the project end date.

pre-agreement cost – A project cost incurred before the period of performance.

primary Sponsor – The Sponsor who is not a secondary Sponsor and who is specifically identified in the Agreement as the entity to which RCO grants funds to and authorizes and requires to administer the grant. This administration includes but is not limited to acting as the fiscal agent for the grant (e.g. requesting and accepting reimbursements, submitting reports). Primary Sponsor includes its officers, employees, agents and successors.

project – An undertaking that is, or may be, funded in whole or in part with funds administered by RCO.

project area – A geographic area that delineates a grant assisted site which is subject to project agreement requirements.

project cost – The total allowable costs incurred under this Agreement and all required match share and voluntary committed matching share, including third-party contributions (see also 2 C.F.R. § 200.83 (2013) for federally funded projects).

project end date – The specific date identified in the Agreement on which the period of performance ends, as may be changed by amendment. This date is not the end date for any long-term obligations.

project start date – The specific date identified in the Agreement on which the period of performance starts.

RCFB – Recreation and Conservation Funding Board

RCO – Recreation and Conservation Office – The state agency that administers the grant that is the subject of this Agreement. RCO includes the director and staff.

RCW – Revised Code of Washington

reimbursement – RCO's payment of funds from eligible and allowable costs that have already been paid by the Sponsor per the terms of the Agreement.

renovation project – A project intended to improve an existing site or structure in order to increase its useful service life beyond current expectations or functions. This does not include maintenance activities to maintain the facility for its originally expected useful service life.

secondary sponsor – One of two or more Sponsors who is not a primary Sponsor. Only the primary Sponsor may be the fiscal agent for the project.

Sponsor – A Sponsor is an organization that is listed in and has signed this Agreement.

Sponsor Authorized Representative/Agent – A Sponsor's agent (employee, political appointee, elected person, etc.) authorized to be the signatory of this Agreement and any amendments requiring a Sponsor signature. This

person has the signature authority to bind the Sponsor to this Agreement, grant, and project.

SRFB – Salmon Recovery Funding Board

subaward – Funds allocated to the RCO from another organization, for which RCO makes available to or assigns to another organization via this Agreement. Also, a subaward may be an award provided by a pass-through entity to a subrecipient for the subrecipient to carry out part of any award received by the pass-through entity. It does not include payments to a contractor or payments to an individual that is a beneficiary of a federal or other program. A subaward may be provided through any form of legal agreement, including an agreement that the pass-through entity considers a contract. Also see 2 C.F.R. § 200.92 (2013). For federal subawards, a subaward is for the purpose of carrying out a portion of a Federal award and creates a federal assistance relationship with the subrecipient (2 C.F.R. § 200.330 (2013)). If this Agreement is a federal subaward, the subaward amount is the grant program amount in the Project Funding Section.

subrecipient – Subrecipient means an entity that receives a subaward. For non-federal entities receiving federal funds, a subrecipient is an entity that receives a subaward from a pass-through entity to carry out part of a federal program; but does not include an individual that is a beneficiary of such program. A subrecipient may also be a recipient of other federal awards directly from a federal awarding agency (2 C.F.R. § 200.93 (2013)). If this Agreement is a federal subaward, the Sponsor is the subrecipient.

useful service life – Period during which an asset or property is expected to be useable for the purpose it was acquired, developed, renovated, and/or restored per this Agreement.

WAC – Washington Administrative Code.

PERFORMANCE BY THE SPONSOR

The Sponsor shall undertake the project as described in this Agreement, and in accordance with the Sponsor's proposed goals and objectives described in the application or documents submitted with the application, all as finally approved by the RCO. All submitted documents are incorporated by this reference as if fully set forth herein.

Timely completion of the project and submission of required documents, including progress and final reports, is important. Failure to meet critical milestones or complete the project, as set out in this Agreement, is a material breach of the Agreement.

ASSIGNMENT

Neither this Agreement, nor any claim arising under this Agreement, shall be transferred or assigned by the Sponsor without prior written consent of the RCO.

RESPONSIBILITY FOR PROJECT

While RCO administers the grant that is the subject of this Agreement, the project itself remains the sole responsibility of the Sponsor. The RCO and Funding Entity (if different from the RCO) undertakes no responsibilities to the Sponsor, or to any third party, other than as is expressly set out in this Agreement. The responsibility for the implementation of the project is solely that of the Sponsor. When a project is Sponsored by more than one entity, any and all Sponsors are equally responsible for the project and all post-completion stewardship responsibilities and long-term obligations unless otherwise stated in this Agreement.

The RCO has no responsibility for reviewing, approving, overseeing or supervising design or construction of the project and leaves such review, approval, oversight and supervision exclusively to the Sponsor and others with expertise or authority. In this respect, the RCO will act only to confirm at a general, lay, and nontechnical level, solely for the purpose of compliance and payment and not for safety or suitability, that the project has apparently been completed as per the Agreement.

INDEMNIFICATION

Subject to the limitations provided in this Agreement, the Sponsor shall defend, indemnify, and hold the Recreation and Conservation Office (RCO), the Recreation and Conservation Funding Board, the Salmon Recovery Funding Board, collectively referred to herein as "the RCO"; and its officers and employees harmless from all damage, loss, claims, demands, or suits at law or equity arising in whole or in part from the actual or alleged acts, errors, omissions or negligence in connection with this Agreement (including without limitation all work or activities thereunder), or the breach of any obligation under this Agreement, by the Sponsor or the Sponsor's agents, employees, contractors, and subcontractors of any tier, or any persons for whom the Sponsor may be vicariously liable. If the RCO is immune from suit pursuant to a specific statutory exemption and or limitation as to the particular claim, demand(s), or suit(s) at law or equity, the Sponsor shall have no obligation to defend, indemnify or hold the RCO harmless. Should this section conflict with any other section of this Agreement, the terms of this section shall take precedence.

Provided that nothing herein shall require a Sponsor to defend or indemnify the RCO against and hold harmless the RCO from claims, demands or suits at law or equity based solely upon the negligence of the RCO, its employees and/or agents for whom the RCO is vicariously liable.

Provided further that if the claims or suits are caused by or result from the concurrent negligence of (a) the Sponsor or the Sponsor's agents or employees, contractors, and subcontractors of any tier, or any persons for whom the Sponsor is vicariously liable, and (b) the RCO its employees and agents, contractors, and subcontractors of any tier or any for whom it is vicariously liable, the indemnity obligation shall be valid and enforceable only to the extent of the Sponsor's negligence or the negligence of the Sponsor's agents, employees, contractors, and subcontractors of any tier, or any persons for whom the Sponsor may be vicariously liable.

In the event a tribal employee files suit against the RCO for damages sustained in an occupational injury occurring while the tribal employee is performing services pursuant to this agreement, and RCO seeks indemnification by the tribe under this agreement for such a damages claim, the tribe shall waive and not assert immunity under the tribe's or the State's workers' compensation laws. The tribe's agreement not to assert its immunity under workers' compensation laws applies only to a claim by RCO for indemnification under this agreement, and does not preclude the tribe from asserting immunity or any other viable defenses to a claim by either a tribal employee or a third party.

INDEPENDENT CAPACITY OF THE SPONSOR

The Sponsor and its employees or agents performing under this Agreement are not officers, employees or agents of the RCO or Funding Entity. The Sponsor will not hold itself out as nor claim to be an officer, employee or agent of the RCO or the Funding Entity, or of the state of Washington, nor will the Sponsor make any claim of right, privilege or benefit which would accrue to an employee under RCW 41.06.

The Sponsor is responsible for withholding and/or paying employment taxes, insurance, or deductions of any kind required by applicable federal, state, and/or local laws.

CONFLICT OF INTEREST

Notwithstanding any determination by the Executive Ethics Board or other tribunal, RCO may, in its sole discretion, by written notice to the Sponsor terminate this Agreement if it is found after due notice and examination by RCO that there is a violation of the Ethics in Public Service Act, RCW 42.52 if applicable; or any similar applicable statute involving the Sponsor in the procurement of, or performance under, this Agreement.

In the event this Agreement is terminated as provided herein, RCO shall be entitled to pursue the same remedies against the Sponsor as it could pursue in the event of a breach of the Agreement by the Sponsor. The rights and remedies of RCO provided for in this clause shall not be exclusive and are in addition to any other rights and remedies provided by law or this Agreement.

COMPLIANCE WITH APPLICABLE LAW

In implementing the Agreement, the Sponsor shall comply with all applicable federal, state, and local laws (including without limitation all applicable ordinances, codes, rules, and regulations).

A. **Nondiscrimination Laws.** The Sponsor shall comply with all applicable federal, state, and local nondiscrimination laws and/or policies, including but not limited to: the Americans with Disabilities Act; Civil Rights Act; and the Age Discrimination Act; provided, however, if consistent with federal law, the applicable tribal preference laws may otherwise apply if the Sponsor is a federally recognized Indian Tribe. In the event of the Sponsor's noncompliance or refusal to comply with any nondiscrimination law or policy, the Agreement may be rescinded, cancelled, or terminated in whole or in part, and the Sponsor may be declared ineligible for further grant awards from the RCO or Funding Entity. The Sponsor is responsible for any and all costs or liability arising from the Sponsor's failure to so comply with applicable law. Except where a nondiscrimination clause required by a federal funding agency is used, the Sponsor shall insert the following nondiscrimination clause in each contract for construction of this project:

   "During the performance of this contract, the contractor agrees to comply with all applicable federal and state nondiscrimination laws, regulations and policies."

B. **Secular Use of Funds.** No funds awarded under this grant may be used to pay for any religious activities, worship, or instruction, or for lands and facilities for religious activities, worship, or instruction. Religious activities, worship, or instruction may be a minor use of the grant supported recreation and conservation land or facility.

C. **Wages and Job Safety.** The Sponsor agrees to comply with all applicable laws, regulations, and policies of the United States and the State of Washington or other jurisdiction which affect wages and job safety. The Sponsor agrees when state prevailing wage laws (RCW 39.12) are applicable, to comply with such laws, to pay the prevailing rate of wage to all workers, laborers, or mechanics employed in the performance of any part of this contract, and to file a statement of intent to pay prevailing wage with the Washington State Department of Labor and Industries as required by RCW 39.12.40. The Sponsor also agrees to comply with applicable provisions of the rules and regulations

of the Washington State Department of Labor and Industries. However, applicable tribal wage and safety rules and preferences may otherwise apply if the Sponsor is a federally recognized Indian Tribe.

If Sponsor is a federally recognized Indian Tribe, the following shall apply: The Tribe shall provide workers compensation coverage for all of its employees in accordance with applicable tribal worker's compensation laws. To the extent grant funded employees are not subject to tribal workers compensation program coverage, they shall be covered by applicable state or federal workers compensation laws, and the Tribe shall not assert immunity under such workers compensation laws for actions brought under such laws by its employees or agents; and if such employees are not subject to state or federal workers compensation laws, the Tribe shall require employees to be insured under Employer's Contingent Liability (Stop Gap) with a minimum coverage limit of $1,000,000 on accident and aggregate.

D. **Archaeological and Cultural Resources.** RCO facilitates the review of applicable projects for potential impacts to archaeological sites and state cultural resources. The Sponsor must assist RCO in compliance with Governor's Executive Order 21-02 or the National Historic Preservation Act before and after initiating ground-disturbing activity or construction, repair, installation, rehabilitation, renovation, or maintenance work on lands, natural resources, or structures. The funding board requires documented compliance with Executive Order 21-02 or Section 106 of the National Historic Preservation Act, whichever is applicable to the project. If a federal agency declines to consult, the Sponsor shall comply with the requirements of Executive Order 21-02. In the event that archaeological or historic materials are discovered during project activities, work in the location of discovery and immediate vicinity must stop instantly, the area must be secured, and notification must be provided to the following: concerned Tribes' cultural staff and cultural committees, RCO, and the State Department of Archaeology and Historic Preservation. If human remains are discovered during project activity, work in the location of discovery and immediate vicinity must stop instantly, the area must be secured, and notification provided to the concerned Tribe's cultural staff and cultural committee, RCO, State Department of Archaeology, the coroner and local law enforcement in the most expeditious manner possible according to RCW 68.50.

E. **Restrictions on Grant Use.** No part of any funds provided under this grant shall be used, other than for normal and recognized executive-legislative relationships, for publicity or propaganda purposes, or for the preparation, distribution, or use of any kit, pamphlet, booklet, publication, radio, television, or video presentation designed to support or defeat legislation pending before the U.S. Congress or any state legislature.

No part of any funds provided under this grant shall be used to pay the salary or expenses of any Sponsor, or agent acting for such Sponsor, related to any activity designed to influence legislation or appropriations pending before the U.S. Congress or any state legislature.

F. **Debarment and Certification.** By signing the Agreement with RCO, the Sponsor certifies that neither it nor its principals nor any other lower tier participant are presently debarred, suspended, proposed for debarment, declared ineligible or voluntarily excluded from participation in this transaction by Washington State Labor and Industries. Further, the Sponsor agrees not to enter into any arrangements or contracts related to this Agreement with any party that is on Washington State Department of Labor and Industries' "Debarred Contractor List."

RECORDS

A. **Digital Records.** If requested by RCO, the Sponsor must provide a digital file(s) of the project property and funded project site in a format specified by the RCO.

B. **Maintenance.** The Sponsor shall maintain books, records, documents, data and other evidence relating to this Agreement and performance of the services described herein, including but not limited to accounting procedures and practices which sufficiently and properly reflect all direct and indirect costs of any nature expended in the performance of this Agreement. Sponsor shall retain such records for a period of six years from the date RCO deems the project complete, as defined in the PROJECT REIMBURSEMENTS Section. If any litigation, claim or audit is started before the expiration of the six (6) year period, the records shall be retained until all litigation, claims, or audit findings involving the records have been resolved.

C. **Access to Records and Data.** At no additional cost, the records relating to the Agreement, including materials generated under the Agreement, shall be subject at all reasonable times to inspection, review or audit by RCO, personnel duly authorized by RCO, the Office of the State Auditor, and federal and state officials so authorized by law, regulation or agreement. This includes access to all information that supports the costs submitted for payment under the grant and all findings, conclusions, and recommendations of the Sponsor's reports, including computer models and methodology for those models.

D. **Public Records.** Sponsor acknowledges that the RCO is subject to RCW 42.56 and that this Agreement and any records Sponsor submits or has submitted to the State shall be a public record as defined in RCW 42.56. RCO administers public records requests per WAC 286-06 and 420-04 (which ever applies). Additionally, the Sponsor agrees to disclose any information in regards to the expenditure of that funding as if the project sponsor were subject to the requirements of chapter 42.56 RCW. By submitting any record to RCO, Sponsor understands that RCO may be requested to disclose or copy that record under the state public records law, currently codified at RCW 42.56. The Sponsor warrants that it possesses such legal rights as are necessary to permit RCO to disclose and copy such

document to respond to a request under state public records laws. The Sponsor hereby agrees to release RCO from any claims arising out of allowing such review or copying pursuant to a public records act request, and to indemnify against any claims arising from allowing such review or copying, provided that RCO follows RCW 42.56 and applicable regulations and guidance.

PROJECT FUNDING

A. Authority. This Agreement and funding is made available to Sponsor through the RCO.

B. **Additional Amounts.** The RCO or Funding Entity shall not be obligated to pay any amount beyond the dollar amount as identified in this Agreement, unless an additional amount has been approved in advance by the RCO director and incorporated by written amendment into this Agreement.

C. **Before the Agreement.** No expenditure made, or obligation incurred, by the Sponsor before the project start date shall be eligible for grant funds, in whole or in part, unless specifically provided for by the RCO director, such as a waiver of retroactivity or program specific eligible pre-Agreement costs. For reimbursements of such costs, this Agreement must be fully executed and an original received by RCO. The dollar amounts identified in this Agreement may be reduced as necessary to exclude any such expenditure from reimbursement.

D. **After the Period of Performance.** No expenditure made, or obligation incurred, following the period of performance shall be eligible, in whole or in part, for grant funds hereunder. In addition to any remedy the RCO or Funding Entity may have under this Agreement, the grant amounts identified in this Agreement shall be reduced to exclude any such expenditure from participation.

PROJECT REIMBURSEMENTS

A. **Reimbursement Basis.** This Agreement is administered on a reimbursement basis per WAC 286-13 and/or 420-12, which ever has been designated to apply. Only the primary Sponsor may request reimbursement for eligible and allowable costs incurred during the period of performance. The primary Sponsor may only request reimbursement after (1) this Agreement has been fully executed and (2) the Sponsor has remitted payment to its vendors. RCO will authorize disbursement of project funds only on a reimbursable basis at the percentage as defined in the PROJECT FUNDING Section. Reimbursement shall not be approved for any expenditure not incurred by the Sponsor or for a donation used as part of its matching share. RCO does not reimburse for donations. All reimbursement requests must include proper documentation of expenditures as required by RCO.

B. **Reimbursement Request Frequency.** The primary Sponsor is required to submit a reimbursement request to RCO, at a minimum for each project at least once a year for reimbursable activities occurring between July 1 and June 30 or as identified in the milestones. Sponsors must refer to the most recent applicable RCO manuals and this Agreement regarding reimbursement requirements.

C. **Compliance and Payment.** The obligation of RCO to pay any amount(s) under this Agreement is expressly conditioned on strict compliance with the terms of this Agreement and other agreements between RCO and the Sponsor.

D. **Retainage Held Until Project Complete.** RCO reserves the right to withhold disbursement of the total amount of the grant to the Sponsor until the project has been completed. A project is considered "complete" when:

1) All approved or required activities outlined in the Agreement are done;

2) On-site signs are in place (if applicable);

3) A final project report is submitted to and accepted by RCO;

4) Any other required documents and media are complete and submitted to RCO;

5) A final reimbursement request is submitted to RCO;

6) The completed project has been accepted by RCO;

7) Final amendments have been processed;

8) Fiscal transactions are complete, and

9) RCO has accepted a final boundary map of the project area for which the Agreement terms will apply in the future.

ADVANCE PAYMENTS

Advance payments of or in anticipation of goods or services are not allowed unless approved by the RCO director and are consistent with legal requirements and Manual 8: Reimbursements.

RECOVERY OF PAYMENTS

A. **Recovery for Noncompliance.** In the event that the Sponsor fails to expend funds under this Agreement in accordance with applicable state and federal laws, and/or the provisions of the Agreement, or meet its percentage of the project total, RCO reserves the right to recover grant award funds in the amount equivalent to the extent of noncompliance in addition to any other remedies available at law or in equity.

B. **Overpayment Payments.** The Sponsor shall reimburse RCO for any overpayment or erroneous payments made under the Agreement. Repayment by the Sponsor of such funds under this recovery provision shall occur within 30 days of demand by RCO. Interest shall accrue at the rate of twelve percent (12%) per annum from the time that payment becomes due and owing.

COVENANT AGAINST CONTINGENT FEES

The Sponsor warrants that no person or selling agent has been employed or retained to solicit or secure this Agreement on an agreement or understanding for a commission, percentage, brokerage or contingent fee, excepting bona fide employees or bona fide established agents maintained by the Sponsor for the purpose of securing business. RCO shall have the right, in the event of breach of this clause by the Sponsor, to terminate this Agreement without liability or, in its discretion, to deduct from the Agreement grant amount or consideration or recover by other means the full amount of such commission, percentage, brokerage or contingent fee.

INCOME (AND FEES) AND USE OF INCOME

A. **Compatible source.** The source of any income generated in a funded project or project area must be compatible with the funding source and the Agreement and any applicable manuals, RCWs, and WACs.

B. **Use of Income.** Subject to any limitations contained in applicable state or federal law and applicable rules and policies, income or fees generated at a project work site (including entrance, utility corridor permit, cattle grazing, timber harvesting, farming, etc.) during or after the reimbursement period cited in the Agreement, must be used to offset:

   1) The Sponsor's matching resources;

   2) The project's total cost;

   3) The expense of operation, maintenance, stewardship, monitoring, and/or repair of the facility or program assisted by the grant funding;

   4) The expense of operation, maintenance, stewardship, monitoring, and/or repair of other similar units in the Sponsor's system;

   5) Capital expenses for similar acquisition and/or development and renovation; and/or

   6) Other purposes explicitly approved by RCO.

C. Fees. User and/or other fees may be charged in connection with land acquired or facilities developed, maintained, renovated, or restored and shall be consistent with the:

   1) Grant program laws, rules, and applicable manuals;

   2) Value of any service(s) furnished;

   3) Value of any opportunities furnished; and

   4) Prevailing range of public fees in the state for the activity involved.

PROCUREMENT REQUIREMENTS

Procurement Requirements. If the Sponsor has, or is required to have, a procurement process that follows applicable state and/or federal law or procurement rules and principles, it must be followed, documented, and retained. If no such process exists, the Sponsor must follow these minimum procedures:

1) Publish a notice to the public requesting bids/proposals for the project;

2) Specify in the notice the date for submittal of bids/proposals;

3) Specify in the notice the general procedure and criteria for selection;

4) Sponsor must contract or hire from within its bid pool. If bids are unacceptable the process needs to be repeated until a suitable bid is selected; and

5) Comply with the same legal standards regarding unlawful discrimination based upon race, gender, ethnicity, sex, or sex-orientation that are applicable to state agencies in selecting a bidder or proposer; provided, however, if consistent with federal law, the applicable tribal preference laws may otherwise apply if the Sponsor is a federally recognized Indian Tribe.

Alternatively, Sponsor may choose a bid from a bidding cooperative if authorized to do so.

This procedure creates no rights for the benefit of third parties, including any proposers, and may not be enforced or subject to review of any kind or manner by any entity other than the RCO. Sponsors may be required to certify to the RCO that they have followed any applicable state and/or federal procedures or the above minimum procedure where state or federal procedures do not apply.

TREATMENT OF EQUIPMENT AND ASSETS

Equipment shall be used and managed only for the purpose of this Agreement , unless otherwise provided herein or in the applicable manuals, or approved by RCO in writing.

A. **Discontinued Use.** Equipment obtained under this Agreement shall remain in the possession of the Sponsor for the duration of the project, or RULES of applicable grant assisted program. When the Sponsor discontinues use of the equipment for the purpose for which it was funded, RCO may require the Sponsor to deliver the equipment to RCO, or to dispose of the equipment according to RCO published policies.

B. **Loss or Damage.** The Sponsor shall be responsible for any loss or damage to equipment.

RIGHT OF INSPECTION

The Sponsor shall provide right of access to the project to RCO, or any of its officers, or to any other authorized agent or official of the state of Washington or the federal government, at all reasonable times, in order to monitor and evaluate performance, long-term obligations, compliance, and/or quality assurance under this Agreement. If a landowner agreement or other form of control and tenure has been executed, it will further stipulate and define the RCO's right to inspect and access lands acquired or developed with this funding assistance.

STEWARDSHIP AND MONITORING

Sponsor agrees to perform monitoring and stewardship functions as stated in the applicable WACs and manuals, this Agreement, or as otherwise directed by RCO consistent with the existing laws and applicable manuals. Sponsor further agrees to utilize, where applicable and financially feasible, any monitoring protocols recommended by the RCO; provided that RCO does not represent that any monitoring it may recommend will be adequate to reasonably assure project performance or safety. It is the sole responsibility of the Sponsor to perform such additional monitoring as may be adequate for such purposes.

ACKNOWLEDGMENT AND SIGNS

A. **Publications.** The Sponsor shall include language which acknowledges the funding contribution of the applicable grant program to this project in any release or other publication developed or modified for, or referring to, the project during the project period and in the future.

B. **Signs.**

1) During the period of performance through the period of long-term obligation, the Sponsor shall post openly visible signs or other appropriate media at entrances and other locations on the project area that acknowledge the applicable grant program's funding contribution, unless waived by the director; and

2) During the period of long-term obligation, the Sponsor shall post openly visible signs or other appropriate media at entrances and other locations to notify the public of the availability of the site for reasonable public access.

C. **Ceremonies.** The Sponsor shall notify RCO no later than two weeks before a dedication ceremony for this project. The Sponsor shall verbally acknowledge the applicable grant program's funding contribution at all dedication

ceremonies.

PROVISIONS APPLYING TO ACQUISITION PROJECTS

The following provisions shall be in force:

A. **Evidence of Land Value.** Before disbursement of funds by RCO as provided under this Agreement, the Sponsor agrees to supply documentation acceptable to RCO that the cost of the property rights acquired has been established according to all applicable manuals and RCWs or WACs.

B. **Evidence of Title.** The Sponsor agrees to provide documentation that shows the type of ownership interest for the property that has been acquired. This shall be done before any payment of financial assistance.

C. **Legal Description of Real Property Rights Acquired.** The legal description of the real property rights purchased with funding assistance provided through this Agreement (and protected by a recorded conveyance of rights to the State of Washington) shall be delivered to RCO before final payment.

D. **Conveyance of Rights to the State of Washington.** When real property rights (both fee simple and lesser interests) are acquired, the Sponsor agrees to execute an appropriate document (provided or approved by RCO) conveying certain rights and responsibilities to RCO or the Funding Entity on behalf of the State of Washington or another agency of the state, or federal agency, or other organization. These documents include a Deed of Right, Assignment of Rights, Easements and/or Leases as described below. The Sponsor agrees to use document language provided by RCO, to record the executed document in the County where the real property lies, and to provide a copy of the recorded document to RCO. The document required will vary depending on the project type, the real property rights being acquired and whether or not those rights are being acquired in perpetuity.

   1) **Deed of Right.** The Deed of Right as described in RCO Manual #3 conveys to the people of the state of Washington the right to preserve, protect, access, and/or use the property for public purposes consistent with the funding source and project agreement. Sponsors shall use this document when acquiring real property rights that include the underlying land. This document may also be applicable for those easements where the Sponsor has acquired a perpetual easement for public purposes.

   2) **Assignment of Rights.** The Assignment of Rights as described in RCO Manual #3 document transfers certain rights to RCO and the state such as public access, access for compliance, and enforcement. Sponsors shall use this document when an easement or lease is being acquired under this Agreement. The Assignment of Rights requires the signature of the underlying landowner and must be incorporated by reference in the easement document.

   3) **Easements and Leases.** The Sponsor may incorporate required language from the Deed of Right or Assignment of Rights directly into the easement or lease document, thereby eliminating the requirement for a separate document. Language will depend on the situation; Sponsor must obtain RCO approval on the draft language prior to executing the easement or lease.

E. **Real Property Acquisition and Relocation Assistance.** In the event that housing and relocation costs and procedures are required by local, state, tribal, or federal law, or rule; the Sponsor agrees to provide such housing and relocation assistance as a condition of the Agreement and receiving grant funds.

F. **Buildings and Structures.** In general, grant funds are to be used for outdoor recreation, conservation, or salmon recovery. Sponsors agree to remove or demolish ineligible structures. Sponsor must consult with RCO regarding treatment of such structures and compliance with COMPLIANCE WITH APPLICABLE LAW SECTION, Archeological and Cultural Resources paragraph.

G. **Hazardous Substances.**

   1) **Certification.** The Sponsor shall inspect, investigate, and conduct an environmental audit of the proposed acquisition site for the presence of hazardous substances, as defined in RCW 70.105D.020(13), and certify:

      a) No hazardous substances were found on the site, or

      b) Any hazardous substances found have been treated and/or disposed of in compliance with applicable state and federal laws, and the site deemed "clean."

   2) **Responsibility.** Nothing in this provision alters the Sponsor's duties and liabilities regarding hazardous substances as set forth in RCW 70.105D.

   3) **Hold Harmless.** Subject to the limitations provided in this Agreement, the Sponsor will defend, protect and hold harmless RCO and any and all of its employees and/or agents, from and against liability, cost (including but not limited to all costs of defense and attorneys' fees) and loss of any nature from any and all claims or suits resulting from the presence of, or the release or threatened release of, hazardous substances on the

property the Sponsor is acquiring, except to the extent, if any, that the State, its officers and agents, including RCO, caused or contributed to the release or should have inquired into or disclosed relevant information to the Sponsor.

LONG-TERM OBLIGATIONS OF THE PROJECTS AND SPONSORS

A. **Long-Term Obligations.** Sponsor shall comply with the terms of this Agreement.

B. **Perpetuity.** For acquisition projects, unless otherwise allowed by applicable manual, policy, program rules, or this Agreement, or approved in writing by RCO, RCO requires that the project area continue to function as intended after the period of performance in perpetuity. The ability for RCO to enforce this long-term obligation for an acquisition project shall be as prescribed in this Agreement.

C. **Conversion.** The Sponsor shall not at any time convert any real property (including any interest therein) or facility acquired pursuant to this Agreement, unless provided for in applicable statutes, rules, and policies. Conversion includes, but is not limited to, putting such property to uses other than those purposes for which funds were approved or transferring such property to another entity without prior approval via a written amendment to the Agreement. All real property or facilities acquired with funding assistance shall remain in the same ownership and in public use/access status in perpetuity unless otherwise expressly provided in the Agreement or applicable policy or unless a transfer or change in use is approved by the RCO through an amendment. Failure to comply with these obligations is a conversion. Further, if the project is subject to operation and or maintenance obligations, the failure to comply with such obligations, without cure after a reasonable period as determined by the RCO, is a conversion. Determination of whether a conversion has occurred shall be based upon the terms of this Agreement, including without limitation all WACs and manuals deemed applicable and all applicable laws.

   For acquisition projects that are expressly term limited in the Agreement, such as one involving a lease or a term-limited restoration, renovation or development project or easement, the restriction on conversion shall apply only for the length of the term, unless otherwise provided by this Agreement, any applicable manual or WAC, or any applicable state or federal law.

   When a conversion has been determined to have occurred, the Sponsor is required to remedy the conversion per this Agreement and the applicable manuals, WACs and laws, and the RCO may pursue such remedies as the above allows.

CONSTRUCTION, OPERATION, USE, AND MAINTENANCE OF ASSISTED PROJECTS

The following provisions shall be in force for this agreement:

A. **Property and facility operation and maintenance.** Sponsor must ensure that properties or facilities assisted with the grant funds, including undeveloped sites, are built, operated, used, and maintained:

   1) According to applicable federal, state, and local laws and regulations, including public health standards and building codes;

   2) In a reasonably safe condition for the project's intended use;

   3) Throughout its estimated useful service life so as to prevent undue deterioration;

   4) In compliance with all applicable federal and state nondiscrimination laws, regulations and policies.

B. **Open to the public.** Unless otherwise specifically provided for in the Agreement, and in compliance with applicable statutes, rules, and applicable WACs and manuals, facilities must be open and accessible to the general public, and must:

   1) Be constructed, maintained, and operated to meet or exceed the minimum requirements of the most current applicable guidelines or rules, local or state codes, Uniform Federal Accessibility Standards, guidelines, or rules, including but not limited to: the International Building Code, the Americans with Disabilities Act, and the Architectural Barriers Act, as amended and updated.

   2) Appear attractive and inviting to the public except for brief installation, construction, or maintenance periods.

   3) Be available for appropriate use by the general public at reasonable hours and times of the year, according to the type of area or facility, unless otherwise stated in RCO manuals, by a decision of the RCO director in writing. Sponsor shall notify the public of the availability for use by posting and updating that information on its website and by maintaining at entrances and/or other locations openly visible signs with such information.

ORDER OF PRECEDENCE

This Agreement is entered into, pursuant to, and under the authority granted by applicable federal and state laws. The provisions of the Agreement shall be construed to conform to those laws. In the event of a direct and irreconcilable conflict between the terms of this Agreement and any applicable statute, rule, or policy or procedure, the conflict shall be resolved by giving precedence in the following order:

A. Federal law and binding executive orders;

B. Code of federal regulations;

C. Terms and conditions of a grant award to the state from the federal government;

D. Federal grant program policies and procedures adopted by a federal agency that are required to be applied by federal law;

E. Applicable State law (constitution, statute);

F. Applicable Washington Administrative Code;

G. Applicable RCO manuals.

LIMITATION OF AUTHORITY

Only RCO's Director or RCO's delegate by writing (delegation to be made prior to action) shall have the authority to alter, amend, modify, or waive any clause or condition of this Agreement; provided that any such alteration, amendment, modification, or waiver of any clause or condition of this Agreement is not effective or binding unless made as a written amendment to this Agreement and signed by the RCO Director or delegate.

WAIVER OF DEFAULT

Waiver of any default shall not be deemed to be a waiver of any subsequent default. Waiver or breach of any provision of the Agreement shall not be deemed to be a waiver of any other or subsequent breach and shall not be construed to be a modification of the terms of the Agreement unless stated to be such in writing, signed by the director, or the director's designee, and attached as an amendment to the original Agreement.

APPLICATION REPRESENTATIONS – MISREPRESENTATIONS OR INACCURACY OR BREACH

The Funding Entity (if different from RCO) and RCO relies on the Sponsor's application in making its determinations as to eligibility for, selection for, and scope of, funding grants. Any misrepresentation, error or inaccuracy in any part of the application may be deemed a breach of this Agreement.

SPECIFIC PERFORMANCE

RCO may enforce this Agreement by the remedy of specific performance, which usually will mean completion of the project as described in this Agreement and /or enforcement of long-term or other obligations. However, the remedy of specific performance shall not be the sole or exclusive remedy available to RCO. No remedy available to the RCO shall be deemed exclusive. The RCO may elect to exercise any, a combination of, or all of the remedies available to it under this Agreement, or under any provision of law, common law, or equity, including but not limited to seeking full or partial repayment of the grant amount paid and damages.

TERMINATION AND SUSPENSION

The RCO will require strict compliance by the Sponsor with all the terms of this Agreement including, but not limited to, the requirements of the applicable statutes, rules, and RCO policies, and with the representations of the Sponsor in its application for a grant as finally approved by RCO. For federal awards, notification of termination will comply with 2 C.F.R. § 200.340.

A. **For Cause.**

1) The RCO director may suspend or terminate the obligation to provide funding to the Sponsor under this Agreement:

a) If the Sponsor breaches any of the Sponsor's obligations under this Agreement;

b) If the Sponsor fails to make progress satisfactory to the RCO director toward completion of the project by the completion date set out in this Agreement. Included in progress is adherence to

milestones and other defined deadlines; or

c) If the primary and secondary Sponsor(s) cannot mutually agree on the process and actions needed to implement the project.

2) Prior to termination, the RCO shall notify the Sponsor in writing of the opportunity to cure. If corrective action is not taken within 30 days or such other time period that the director approves in writing, the Agreement may be terminated. In the event of termination, the Sponsor shall be liable for damages or other relief as authorized by law and/or this Agreement.

3) RCO reserves the right to suspend all or part of the Agreement, withhold further payments, or prohibit the Sponsor from incurring additional obligations of funds during the investigation of any alleged breach and pending corrective action by the Sponsor, or a decision by the RCO to terminate the Contract.

B. **For Convenience.** Except as otherwise provided in this Agreement, RCO may, by ten (10) days written notice, beginning on the second day after the mailing, terminate this Agreement, in whole or in part when it is in the best interest of the state. If this Agreement is so terminated, RCO shall be liable only for payment required under the terms of this Agreement prior to the effective date of termination. A claimed termination for cause shall be deemed to be a "Termination for Convenience" if it is determined that:

1) The Sponsor was not in default; or

2) Failure to perform was outside Sponsor's control, fault or negligence.

C. **Rights or Remedies of the RCO.**

1) The rights and remedies of RCO provided in this Agreement are not exclusive and are in addition to any other rights and remedies provided by law.

2) In the event this Agreement is terminated by the director, after any portion of the grant amount has been paid to the Sponsor under this Agreement, the director may require that any amount paid be repaid to RCO for redeposit into the account from which the funds were derived. However, any repayment shall be limited to the extent it would be inequitable and represent a manifest injustice in circumstances where the project will fulfill its fundamental purpose for substantially the entire period of performance and of long-term obligation.

D. **Non Availability of Funds.** The obligation of the RCO to make payments is contingent on the availability of state and federal funds through legislative appropriation and state allotment. If amounts sufficient to fund the grant made under this Agreement are not appropriated to RCO for expenditure for this Agreement in any biennial fiscal period, RCO shall not be obligated to pay any remaining unpaid portion of this grant unless and until the necessary action by the Legislature or the Office of Financial Management occurs. If RCO participation is suspended under this section for a continuous period of one year, RCO's obligation to provide any future funding under this Agreement shall terminate. Termination of the Agreement under this section is not subject to appeal by the Sponsor.

1) **Suspension:** The obligation of the RCO to manage contract terms and make payments is contingent upon the state appropriating state and federal funding each biennium. In the event the state is unable to appropriate such funds by the first day of each new biennium RCO reserves the right to suspend the Agreement, with ten (10) days written notice, until such time funds are appropriated. Suspension will mean all work related to the contract must cease until such time funds are obligated to RCO and the RCO provides notice to continue work.

DISPUTE RESOLUTION

General. This Dispute Resolution section applies only to disputes between the Sponsor and RCO regarding the Parties rights and responsibilities under this Agreement, including disputes concerning any claims of the Parties for any indemnification pursuant to this Agreement for third party claims.

The parties shall, if possible, first attempt to resolve any disputes through Informal Negotiations as described below. If that is not possible or is unsuccessful, the parties shall elect to resolve the dispute through (1) a Dispute Hearing process if agreeable to both parties, or (2) binding arbitration; provided the Sponsor shall have the option to elect to resolve the dispute in state or federal court if such courts possess jurisdiction over the dispute in question.

For all of the dispute resolution methods, (1) each party shall bear its own attorney's fees and costs; and (2) during utilization of any and/or all of the mediation, arbitration and/or Dispute Hearing steps and processes, any statutes of limitation shall be tolled, and in no circumstances shall any time utilizing such steps and processes be considered when determining whether any statutes of limitation have expired.

Informal Negotiations. The parties shall attempt in good faith to resolve any dispute arising out of or relating to this Agreement promptly by negotiation between executives who have authority to settle the controversy and who are at a higher level of management than the persons with direct responsibility for administration of this Agreement. Any party may give the other

party written notice of any dispute not resolved in the normal course of business. Within 15 days after delivery of the notice, the receiving party shall submit to the other a written response. The notice and response shall include with reasonable particularity (a) a statement of each party's position and a summary of arguments supporting that position, and (b) the name and title of the executive who will represent that party and of any other person who will accompany the executive. Within 30 days after delivery of the notice, the executives of both parties shall meet at a mutually acceptable time and place.

Unless otherwise agreed in writing by the negotiating parties, the above-described negotiation shall end at the close of the first meeting of executives described above. Such closure shall not preclude continuing or later negotiations, if desired.

All offers, promises, conduct and statements, whether oral or written, made in the course of the negotiation by any of the parties, their agents, employees, experts and attorneys are confidential, privileged and inadmissible for any purpose, including impeachment, in arbitration or other proceeding involving the parties, provided that evidence that is otherwise admissible or discoverable shall not be rendered inadmissible or non-discoverable as a result of its use in the negotiation.

Dispute Hearing. In order for this section to apply to the resolution of any specific dispute or disputes, the other party must agree in writing that the procedure under this section shall be used to resolve those specific issues.

A party's request for a dispute hearing must be in writing and clearly state:

A. The disputed issues;

B. The relative positions of the parties;

C. The Sponsor's name, address, project title, and the assigned project number.

The dispute shall be heard by a panel of three persons consisting of one person chosen by the Sponsor, one person chosen by the RCO director, and a third person chosen by the two persons initially appointed. If a third person cannot be agreed on, the third person shall be chosen by the funding board's chair.

Any hearing under this section shall be informal, with the specific processes to be determined by the dispute panel according to the nature and complexity of the issues involved. The process may be solely based on written material, if the parties so agree. The disputes panel shall be governed by the provisions of this Agreement in deciding the disputes.

The parties shall be bound by the majority decision of the dispute panelists, unless the remedy directed by that panel is beyond the legal authority of either or both parties to perform, as necessary, or is otherwise unlawful.

Request for a dispute hearing under this section by either party shall be delivered or mailed to the other party. The request shall be delivered or mailed within thirty (30) days of the date the requesting party has received notice of the action or position of the other party which it wishes to dispute, or completion of any Informal Negotiations conducted by the parties concerning the disputed action or position, whichever is later.

All fees and costs associated with the implementation of this process (excluding each party's own attorney's fees and costs) shall be shared equally by the parties.

Arbitration. In the event the Parties do not agree to resolve the dispute through a Dispute Hearing Process as set forth above, the parties shall resolve any controversy, claim or dispute concerning the making, formation, validity, obligations under, or breach of, this Agreement (Disputed Matter) through binding arbitration conducted under Judicial Arbitration and Mediation Services (JAMS) rules. Prior to invoking arbitration, the parties may agree to mediation, in which event the parties will use their best efforts to select a mediator as soon as possible. The mediator's costs and attendant costs of mediation shall be borne equally by the parties.

Either party may make a written demand for binding arbitration before a qualified arbitrator in Seattle, Washington, or at another place as the parties may agree in writing. Request for binding arbitration under this section by either party shall be delivered or mailed to the other party. The request shall be delivered or mailed within thirty (30) days of the date the requesting party has received notice of the action or position of the other party which it wishes to dispute, or completion of any Informal Negotiations conducted by the parties concerning the disputed action or position, whichever is later. A qualified arbitrator will mean a person generally familiar with the subject matter of the Disputed Matter with at least five years of arbitration experience, and knowledge of federal Indian law, if federal Indian law is part of the dispute. If the parties cannot agree on a single arbitrator, a three-person arbitration panel shall be selected as follows: each party shall select an arbitration panel member and the two selected panelists shall select a third. If the panelists cannot agree on a third arbitrator, the third arbitrator shall be selected by JAMS. The arbitration shall be administered by JAMS pursuant to its Expedited Procedures as now written or hereafter amended. Each party will pay for its own attorneys' fees and costs. The substantially prevailing party is entitled to reimbursement from the other party of all moneys it paid to the third arbitrator or JAMS related to the arbitration proceeding. The arbitrator's award shall be binding upon the parties and no appeal shall be permitted, except for a request to vacate under RCW 7.04A.230 or 9 U.S.C. § 10.

GOVERNING LAW/VENUE

This Agreement shall be construed and interpreted in accordance with the authorities set forth in the Order of Preference section. In the event of a lawsuit involving this Agreement, venue shall be in the jurisdiction where the project is situated, if venue there is legally proper, and if not, in another jurisdiction where venue is legally proper.

PROVISIONS FOR FEDERALLY RECOGNIZED INDIAN TRIBES

A. Limited Waiver of Sovereign Immunity. The Tribe expressly retains all rights and benefits of sovereign immunity. Nothing in this Agreement shall be deemed as a waiver of sovereign immunity or as increasing the Tribe's liability beyond any statutory or other limitation of liability, except as expressly stated herein.

The Tribe hereby grants and provides a limited waiver of sovereign immunity for the following purposes as may be needed by Sponsor or RCO:

1) to enforce the terms of this Agreement, including the indemnification provisions, and any documents recorded pursuant to this Agreement, such as those related to real property interests in the form of deeds, easements, or covenants,

2) to enforce the Dispute Resolution provisions of this Agreement,

3) to compel arbitration of a Disputed Matter,

4) to enforce any mediation agreement, Disputes Panel Decision, or Arbitration award or judgment, and/or vacate an Arbitration award or judgment under RCW 7.04A.230 or 9 U.S.C. § 10,

5) to enforce the long-term obligations of this agreement.

B. This limited waiver of sovereign immunity shall apply to all matters in the above subsection A in federal district court, and if the federal district court lacks jurisdiction, then in a State court of competent jurisdiction. Such court may render judgment and issue such orders as may be necessary to enforce such awards or judgments. This waiver does not extend to and is not for the benefit of any third party and shall not be enforceable by any third party or by any assignee of the parties; nor does it extend to any other type of action or to any other forum or regarding any other matter. No award for punitive damages of any kind may be made or enforced against the Tribe.

Duration of Limited Waiver of Sovereign Immunity described in subsection A above. The limited waiver of sovereign immunity shall apply during the period of performance of this Agreement and then be limited as follows:

1) For land acquisition projects: Limited to the 10 years following the end date of this agreement, however, the waiver shall be in perpetuity for fee simple property acquisitions or perpetual easements. However, the limited waiver of sovereign immunity in perpetuity is limited to the sole purpose of enforcing only subsections B and C of the Long-Term Obligations of the Projects and Sponsors section of this Agreement. Long-term obligations include any property or value owed to RCO for any conversion of the project real property to other purposes. For land acquisitions that are term limited, any limited waiver of sovereign immunity shall be limited to the longer of the 10 years following the end date of this agreement or the time required to enforce long-term obligations but only then for any relief owed to RCO for any conversion of real property to other purposes.

2) For restoration projects: Limited to the 10 years following the end date of this agreement.

3) For non-capital projects: Limited to the period of performance. Non-capital projects include Planning, Research, Monitoring, Education, Enforcement, Maintenance, Preliminary Design, Assessments, Acquisition of Water Rights, and Studies.

4) For capital projects: Limited to the 25 years after the end date of this agreement. Capital projects include Development and Renovation (construction and/or renovation), and completed final designs.

C. Liability Limits. Any payment of a monetary judgment arising from a resolution or judgment under the Dispute Resolution section, or any other defense and/or indemnity obligation under this Agreement, Sponsor's long-term obligations, or a default of an explicit duty owed by the Tribe to the RCO under the terms of this Agreement, shall be limited by and to the following:

1) For Noncapital Projects (Planning, Research, Monitoring, Education, Enforcement, Maintenance, Preliminary Design, Assessments, Acquisition of Water Rights, and Studies.): The RCO grant amount.

2) For Restoration, Development (construction/renovation), Renovation, Acquisition, and completed final design projects: a per occurrence limit of $1 million (with a maximum aggregate limit of $3 million), or the grant amount, whichever greater, or in the case of a long-term obligation the cost of conversion or replacement property based on the current fair market value of a replacement property or an equivalent amount if the

Sponsor has not obtained or is unable to obtain replacement property.

D. In disputes between the parties, each party shall bear its own attorneys' fees and costs. Attorneys' fees and costs in connection with third party claims subject to the Sponsor's indemnification of RCO shall not reduce or otherwise affect the Sponsor's liability limits in subsection C above.

E. Insurance

Sponsor shall provide RCO copies of its insurance policies that provide the coverage required per this agreement. RCO shall make these exhibits herein.

1) At its own expense, the Tribe shall procure and maintain insurance coverages for general liability (or marine general liability as may apply) covering claims for bodily injury, personal injury, or property damage arising out of or connected to the Tribe's acts, omissions, or other activities under this Agreement in such amounts no less than $1 million per occurrence (with a maximum aggregate limit of $3 million, or the grant amount whichever is greater).

    a) CGL insurance must be written on Insurance Services Office (ISO) Occurrence Form CG 00 01 (or a substitute form providing equivalent coverage, which must be approved in advance of any grant by RCO). All insurance must cover liability arising out of premises, operations, independent contractors, products completed operations, personal injury and advertising injury, and liability assumed under an insured contract (including the tort liability of another party assumed in a business contract) and contain separation of insured (cross-liability) condition.

    b) MGL insurance must have no exclusions for non-owned watercraft.

    c) Errors and Omissions. The Tribe shall maintain insurance for Tribal Officials Errors and Omissions Liability and Miscellaneous Errors and Omissions Liability, with respect to the acts, omissions, or other activities of the Tribe and any person acting in his or capacity as a tribal council member, director, officer or manager or employee under this Agreement in such amounts no less than $1 million.

2) Longshore and Harbor Workers' Act (33 U.S.C. Section 901 et seq.) and/or the Jones Act (46 U.S.C. Section 688) may require the Tribe to provide insurance coverage in some circumstances. The Tribe shall ascertain if such insurance is required and, if required, shall maintain insurance in compliance with law. The Tribe is responsible for all civil and criminal liability arising from failure to maintain such coverage.

3) Auto Policy Insurance. If the Tribe operates, maintains, loads, or unloads vehicles as part of the Activities, the Tribe shall maintain auto liability insurance and, if necessary, commercial umbrella liability insurance with a limit not less than Two Million Dollars ($2,000,000) per accident, and the amount of excess liability coverage [shown in an exhibit, as may apply]. Such insurance must cover liability arising out of "Any Auto".

4) Tribe's insurance shall be issued by an insurance company or companies admitted to do business in the State of Washington and have a rating of A- or better by the most recently published edition of Best's Reports. If an insurer is not admitted, the insurance policies and procedures for issuing the insurance policies shall comply with Chapter 48.15 RCW and 284-15 WAC.

5) All insurance policies must name the RCO, and their officials, agents, and employees as an additional insured.

6) All insurance provided in compliance with this Agreement must be primary as to any other insurance or self-insurance programs afforded to or maintained by State.

7) The Tribe and its insurers shall waive all rights of subrogation against RCO for recovery of damages to the extent insurance maintained pursuant to this Agreement covers these damages.

8) The Tribe shall provide RCO with a certificate(s) of insurance executed by a duly authorized representative of each insurer, showing compliance with insurance requirements specified in this Agreement and, if requested, copies of full policies.

    a) The certificate(s) of insurance must reference additional insureds and the Agreement number. Receipt of such certificates or policies by the RCO does not constitute approval by the RCO or the State of the terms of such policies nor does not represent that coverage and limits required under this Agreement are adequate to protect the Tribe.

9) The Parties shall use any insurance proceeds payable by reason of damage or destruction to property first to restore or replace the real property covered by this Agreement, then to pay the cost of the reconstruction, then to pay RCO any sums in arrears, and then to the Tribe.

10) If any liability or claim owned to RCO is not covered and payable by insurance, the Tribe shall pay such amounts from another source.

SEVERABILITY

The provisions of this Agreement are intended to be severable. If any term or provision is illegal or invalid for any reason whatsoever, such illegality or invalidity shall not affect the validity of the remainder of the Agreement.

END OF AGREEMENT

This is the end of the agreement.

2e 7/27/21

AGENDA ITEM SUMMARY

(Must be submitted NLT 3PM Wednesday for next week agenda)

Department: BOCC/Finance

WORK SESSION ☒ **Meeting Date: July 19, 2021**

REGULAR AGENDA ☒ **Meeting Date: July 27, 2021**

Required originals approved and attached? ☐
Will be provided on:

Item summary:

☐ Call for Hearing
☒ Contract/Agreement/MOU - Contract # 19925.21.003-1
☐ Resolution
☐ Proclamation
☐ Budget Item
☐ Draft Ordinance
☐ Final Ordinance
☐ Other

Documents exempt from public disclosure attached: ☐

Executive summary: Public Works requests an amendment to their Personal Services Agreement to add to the scope of Olympic Discovery Trail (ODT) improvement projects under their current $150,000 lodging tax grant. The added scope of work is for the ODT-Dawley Road Area Trail Stabilization and Restoration Project. This project would apply their lodging tax grant award also to support construction related costs to stabilize, repair and restore an ODT section located just east of Dawley Road (between Sequim Bay State Park and Blyn) that has experienced a significant loss of trail width and also damage (e.g., cracks) to the remaining trail surface due to trail movement and slumping. At their July 8, 2021 meeting, the Lodging Tax Advisory Committee (LTAC) considered and recommended approval of this ODT scope of work amendment. Attached are the PSA Amendment and the Public Works letter to LTAC about the scope of amendment change.

Budgetary impact: (Is there a monetary impact? If so, are funds for this already allocated or is a budget change necessary? If this is a contract and a budget change is necessary, the budget change form must be submitted with the item at work session and for the regular agenda) **If a budget action is required, has it been submitted and a copy attached?** ☐

The $150,000 is already budgeted. There is no change in funding only the scope of work.

Recommended action: (Does the Board need to act? If so, what is the department's recommendation?)

Please review and approve the PSA Amendment for the scope of work addition.

County Official signature & print name: Debi Cook DCook

Name of Employee/Stakeholder attending meeting: Ross Tyler, Joe Donisi

Relevant Departments: BOCC, Public Works

Date submitted: 7/14/2021

PERSONAL SERVICES AGREEMENT
AMENDMENT 1

THIS AMENDMENT is entered into between CLALLAM COUNTY, a political subdivision of the State of Washington, (hereinafter called "County" or "Clallam County") and

Name: Public Works

Address: 223 E 4th St, Suite 6
Port Angeles, WA 98362

Phone Nº: 360-417-2290

(hereinafter called "Contractor") and changes the following attachments to the agreement entered into on month, day, year.

This Amendment is comprised of:

☒ Attachment A – Scope of Work

☐ Attachment B – Compensation

copies of which are attached hereto and incorporated herein by this reference as if fully set forth.

The term of this Amendment shall commence on the 1st day of January, 2021 and shall, unless terminated as provided elsewhere in the Agreement, end on the 31st day of December 2021.

IN WITNESS WHEREOF, the parties have executed this Agreement on this 27th day of July 2021.

CONTRACTOR

R Taylor, P.E.

Print name: R Taylor, P.E.

Title: County Engineer

Date: 7/14/2021 2021

CLALLAM COUNTY BOARD OF COMMISSIONERS

Mark Ozias, Chair

Originals: BOCC
Vendor
Initiating Department

THIS CONTRACT HAS BEEN APPROVED AS TO FORM BY THE CLALLAM COUNTY PROSECUTING ATTORNEY

SCOPE OF WORK

The lodging tax grant will be used to assist with the funding of the following 2021 Olympic Discovery Trail (ODT) Improvement Projects:

1. ***ODT-Forks to La Push Trail Corridor Acquisition.*** The lodging tax grant will be used to assist with trail corridor acquisition efforts between US 101 and the Olympic National Park boundary in the vicinity of SR 110 needed to support future development of the approximately 13-mile planned western terminus of the ODT between the communities of Forks and La Push.

2. ***ODT-Dawley Road Area Trail Stabilization and Restoration Project.*** The lodging tax grant will be used to support construction related costs to stabilize, repair and restore the ODT section located east of Dawley Road (between Sequim Bay State Park and Blyn) that has experienced significant loss of trail width and also damage (e.g., cracks) to the remaining trail surface due to trail movement and slumping on the hillside below US 101.

3. ***Meet with the Lodging Tax Advisory Committee on a yearly basis to:***

   - Review goals and objectives for tourism enhancement.
   - Review expenditure of funds.
   - Review achievements of the past year.
   - Discuss the proposed work plan for the coming year.
   - Additional review may be required by the Commissioners upon reasonable notice.

COMPENSATION

1: ☒**a. FIXED FEE FOR SERVICE:** For services rendered, the County shall pay to the Contractor a fixed fee of ONE HUNDRED, FIFTY THOUSAND DOLLARS ($150,000) for the completed work set forth in Attachment A. Payments for completed tasks shall be made no more frequently than ☒ monthly; ☐ quarterly; ☐semi-annually; ☐annually; ☐ at completion of project; ☐ other (specify) .

Each request for payment shall be supported by an invoice specifying the tasks completed up to the request for payment and the payment amount requested. In no event shall payment be sought in an amount which represents a percentage of the fee greater than the percentage of completed tasks.

OR

☐ **b. HOURLY RATES:** For services rendered, the County shall compensate the Contractor at the following hourly rates:

Name/Position	***Hourly Rate***

Payments for completed tasks shall be made no more frequently than ☐ monthly; ☐quarterly; ☐semi-annually;
☐ annually; ☐at completion of project; ☐ other (specify) .

Each request for payment shall be supported by an invoice specifying: the name/position of the Contractor's employee if two or more are identified above; number of hours worked; completed tasks for which compensation is sought; estimated percentage of task completion; payment amount requested; other (specify) .

In no event shall Contractor be compensated in excess of DOLLARS ($) for the completed work set forth in Attachment "A."

2. AND

☒**a.** The compensation set forth herein includes, without limitation: labor, materials, equipment, travel, telephone, computer, copiers and the like.

OR

☐ **b.** The County shall reimburse the Contractor for actual expenses incurred for travel, telephone, copiers and computer. Reimbursement for airfare, mileage, meals, and/or accommodations shall be at the same rate as that applicable to county employees traveling on county business.

OR

☐ **c.** Other (specify):

Clallam County Public Works/Road Department

223 E. Fourth St., Suite 6
Port Angeles, WA 98362-3000
360-417-2290 Fax: 360-417-2513 E-mail: sgray@co.clallam.wa.us

June 29, 2021

TO: Lodging Tax Advisory Committee

SUBJECT: Request to Use Part of $150,000 2021 Lodging Tax Grant Award for ODT-Dawley Rd. Area Trail Stabilization and Restoration Project.

The Clallam County Public Works/Road Department requests consideration by the Lodging Tax Advisory Committee (LTAC) to use part of our Year 2021 $150,000 Lodging Tax Grant Award to stabilize and restore a significantly damaged section of the Olympic Discovery Trail (ODT) located between Sequim and Blyn near the east of the end of Dawley Road. Attached is a map of the general project site location.

The Issue

The approximately 150-foot long impacted trail section is on a hillside just below US 101. It has sustained continued trail loss and damage (e.g., cracks, dips) over the past several years due to trail slumping. In this section, the original 10-foot wide paved trail and gravel shoulder has been reduced in width. At the narrowest point, the trail surface has only a 3 to 3.5 foot useable width that is sandwiched between a vertical gabion wall on the upslope side and an abrupt irregular edge and drop-off on the downslope side. Attached are several photos illustrating trail loss and surface impacts.

This damaged section is part of the ODT route between Sequim and Blyn (includes a section thru Sequim Bay State Park) and experiences heavy use. It is also part of the route of a number of trail events such as the North Olympic Discovery Marathon, Frosty Moss Relay, Run the Peninsula as well as other events. The ODT and related events attract thousands of visitors annually to Clallam County. Many ODT users and event participants stay at our local hotels, motels, B&B's, RV-parks, campgrounds and other lodging establishments as well as frequenting other local businesses.

Based on current conditions, there is a high risk that further trail loss will result in the need to close this section of the ODT. If closed, trail users travelling between Sequim and Blyn will either need to turn-around at the closure point or use busy US 101 to detour around.

Key Efforts To-Date

Over the past couple of years the Road Department has performed a number of asphalt patches to address reoccurring cracks and dips in this impacted trail section. While patching helps, it does not address loss of trail width or eliminate all undesirable cracks, dips, and bumps on the remaining trail surface. We have also placed and maintained warning fencing and cones along the failed trail edge and installed warning signs on both ends of the impacted trail section.

In 2020/2021, the Road Department conducted a site assessment to identify possible underlying factors contributing to trail loss and damage. One outcome of this assessment was that the Washington State Department of Transportation (WSDOT) cleaned-out manhole area on south-side of US 101 and blew-out pipes that convey stormwater under the highway for discharge below the damaged trail section. Following the clean-out, Sequim assisted the County and WSDOT in using their remote camera to

obtain a visual of the integrity of conveyance pipes under US 101. The Road Department monitored the section for continued trail loss and damage (e.g., cracking) over the 2020/2021 winter/spring season. This monitoring showed some trail edge loss and cracking, but significantly less than in the past.

County engineers recently completed a design to stabilize and restore this damaged trail section. The design includes significant excavation of hillside materials, building a Flex MSE Vegetated Wall System on the downslope side of the trail, backfill behind the wall, and restoring a trail base width of at least 10 feet wide. The innovative wall design will allow for plant growth to blend in with the environment and further strengthen the wall over-time. Attached are two trail examples of applications of the Flex MSE Vegetated Wall System from the vendor.

Our Request

This project is now "shovel ready" and we are requesting LTAC support to apply part of our 2021 Lodging Tax grant award to fund this major trail stabilization and restoration project. This project goes well-beyond normal maintenance the Road Department budgets for the ODT. Our request will allow us to restore this damaged trail section without significantly impacting our maintenance budget for the rest of the County ODT managed sections.

The total project materials and construction costs are estimated at around $100,000 as summarized below. Labor costs are based on an estimated 10 working days of a County work crew. Major labor work items include site preparation (e.g., heavy equipment access); excavation (500-750 cubic yards); wall bag filling (~ 2000 bags), wall building (i.e., bag placement), backfill behind wall, and preparation of trail surface base.

Budget Estimate

Cost Item	Costs
Materials to Construct Wall (~ 2000 sand type bags, intervening bag plates, and geogrid reinforcement system).	$18,422
Geoform Blocks	$8,827
Sandbag Filling Machine (need to fill over 2000 sand bags for wall)	$17,000
Compost Material Mix for Wall Bags	$1,300
Estimated Labor Costs	$55,000*
Total Estimated Costs	**$100,549**

This request does not mean we are putting on hold our ODT-Forks to La Push trail corridor acquisition project currently supported by our 2021 Lodging Tax Grant Award. The appraisal work for a significant part of the needed trail corridor is under contract and in process.

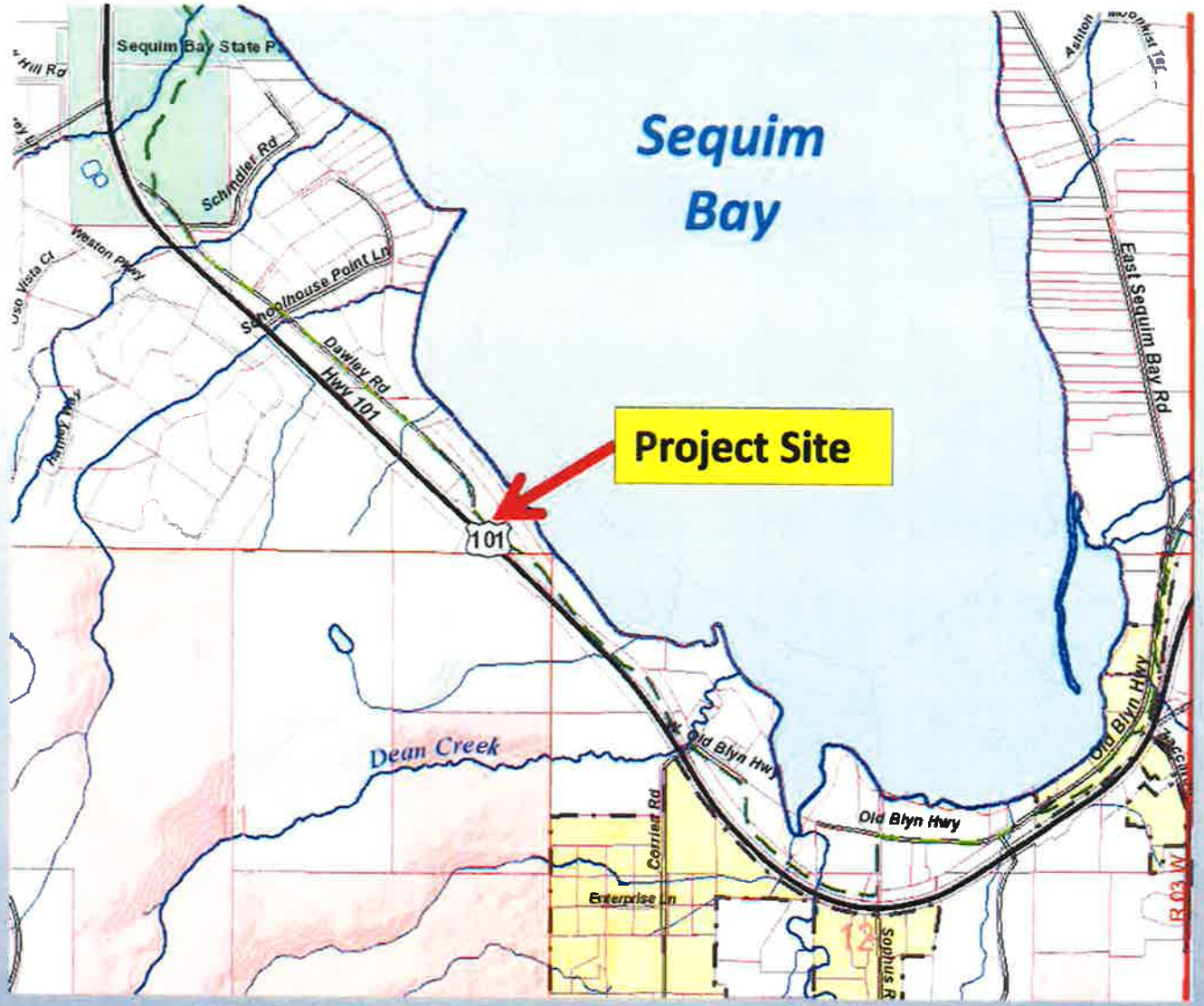
Thank you for your consideration. I will attend the July 8 meeting to answer any questions you may have related to our request.

Sincerely,

Steve Gray
Transportation Program Manager
Clallam County Public Works/Road Department

ODT-Dawley Rd. Area Trail Stabilization & Restoration

Project Site



ODT – Dawley Trail Slump



ODT-Dawley Trail Slump Area

February 2020 Photo

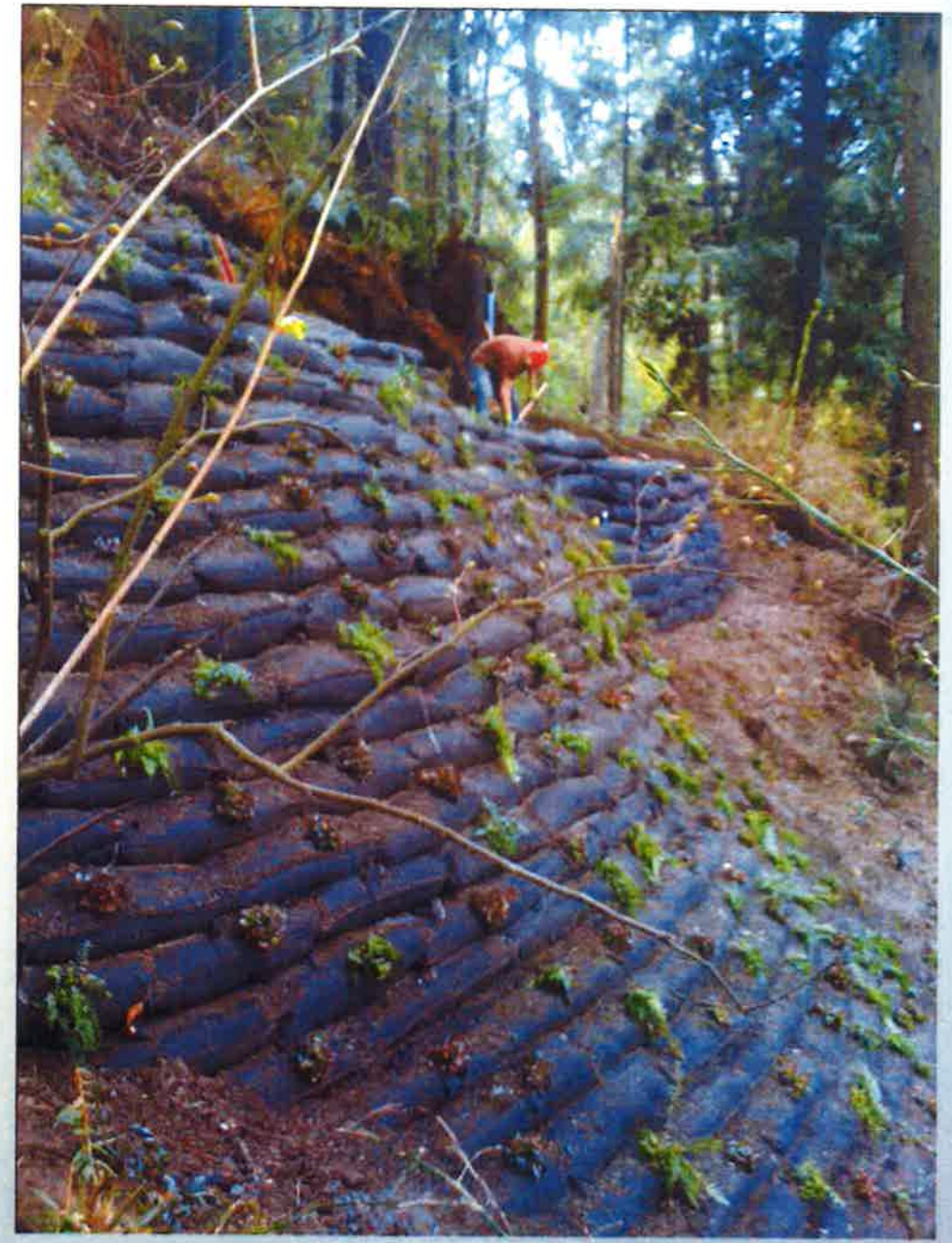


January 2021 Photo



Vegetated Wall Example #1
During Construction & Planting

The height and slope of this wall is similar to what is being proposed for the ODT-Dawley Rd. Area Trail Stabilization and Restoration Project



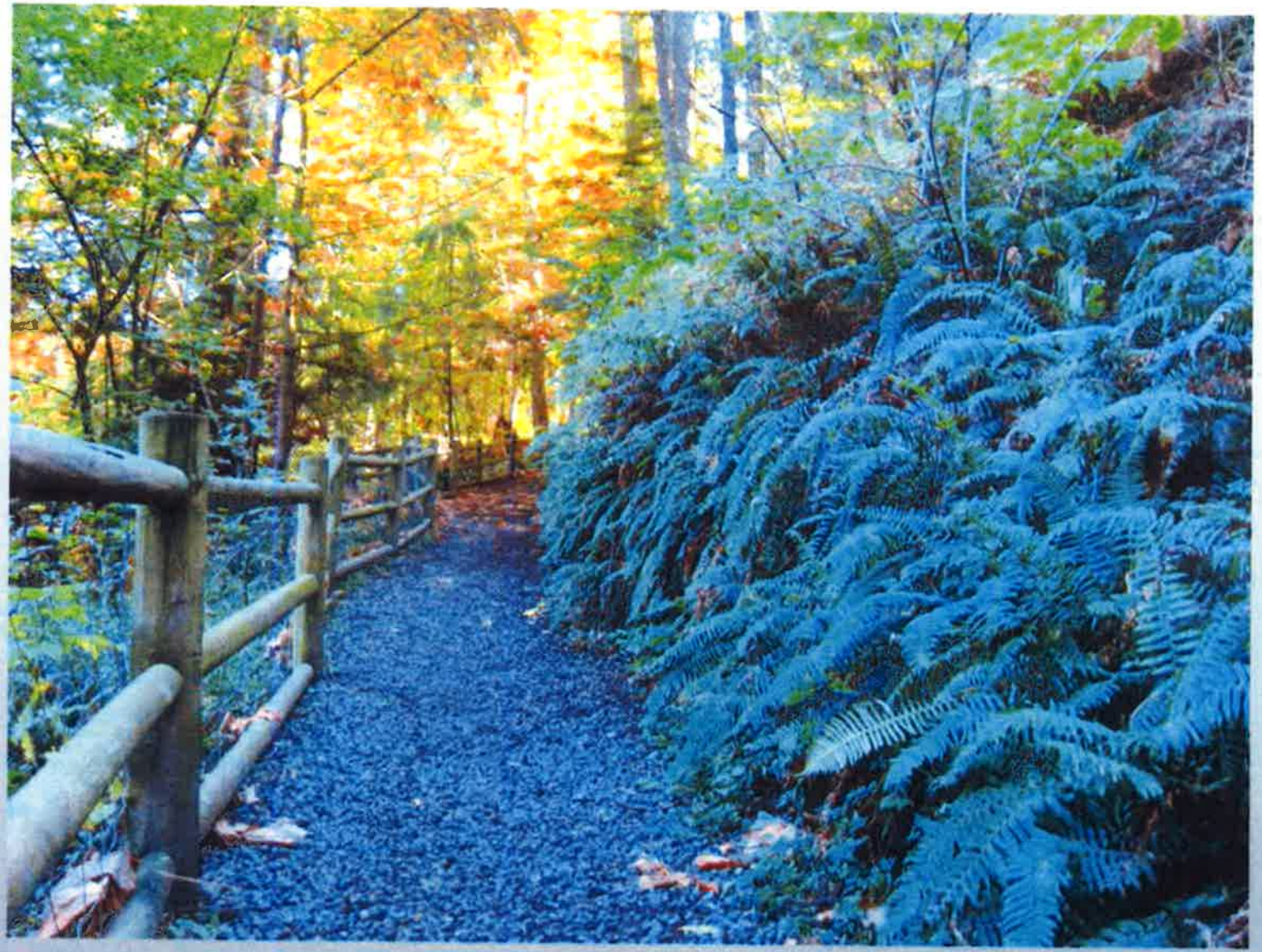
Flex Vegetated Wall Example #2

During Construction



Flex Vegetated Wall Example #2

After 5 Years



2A
7/27/21

AGENDA ITEM SUMMARY

(Must be submitted NLT 3PM Wednesday for next week agenda)

Department: Finance

WORK SESSION ☒ **Meeting Date:** **07/26/2021**

REGULAR AGENDA ☒ **Meeting Date:** **07/27/2021**

Required originals approved and attached? ☒
Will be provided on:

Item summary:

☐ Call for Hearing ☒ Contract/Agreement/MOU - Contract # 19961.21.001

☐ Resolution ☐ Proclamation ☐ Budget Item

☐ Draft Ordinance ☐ Final Ordinance ☒ Other Monthly Review

Documents exempt from public disclosure attached: ☐

ARPA SUBRECIPIENT AGREEMENT—CLALLAM COUNTY PUD FOR PROVISION OF RESIDENTIAL AND COMMERCIAL UTILITY ASSISTANCE:

BACKGROUND

In May 2021, the County was awarded $15,020,640 of federal stimulus funding from the Coronavirus State Fiscal Recovery Fund and the Coronavirus Local Fiscal Recovery Funds ("ARPA Funds") under Section 603(b) of the Social Security Act, as amended by Section 9901 of the American Rescue Plan Act ("ARPA Act").

In a letter dated May 24, 2021, Clallam County PUD submitted a formal request to the County requesting American Rescue Plan Act ("ARPA") funds be allocated to the PUD in support of several PUD broadband and water infrastructure projects totaling approximately $1.774 million, and to fund utility arrearage assistance to be provided to Clallam County-based households, commercial businesses and nonprofit utility customers of the PUD totaling $350,000. During the BOCC Work Session held on June 21, 2021, Clallam PUD formally presented their request to the BOCC. Based on discussions held during this Work Session, the BOCC approved the granting of $350,000 of ARPA-funded residential and commercial utility assistance to be administered by Clallam County PUD.

As outlined in the AARPA Interim Final Rule and FAQ guidance provided by the U.S. Treasury, ARPA Funds can be utilized in support of the following purposes:

(1) To respond to the COVID-19 public health emergency or its negative economic impacts, including assistance to households, small businesses, and nonprofits, or aid to impacted industries such as tourism, travel, and hospitality;

(2) To respond to workers performing essential work during the COVID-19 public health emergency by providing premium pay to eligible workers;
(3) For the provision of government services to the extent of the reduction in revenue due to the COVID-19 public health emergency relative to revenues collected in the most recent full fiscal year prior to the emergency; and
(4) To make necessary investments in water, sewer, or broadband infrastructure

As provided under FAQ 2.5 of US Treasury's Coronavirus State and Local Fiscal Recovery Funds Frequently Asked Questions, the eligible types of assistance that may be provided to address the negative economic impacts of the pandemic, assistance provided to households, small businesses and nonprofits may include utility assistance. As a result, based on review of Clallam PUD's request, we believe the provision of utility arrearage assistance to residential and commercial customers of Clallam PUD represents an eligible and proper use of ARPA funds to address the negative economic impacts of the COVID-19 pandemic.

CLALLAM COUNTY PUD SUBRECIPIENT AGREEMENT

Using a ARPA Subrecipient Agreement template developed based on the previous CARES Subrecipient Agreement executed with Clallam County PUD in 2020, as modified for the requirements governing the usage of ARPA funds, we have prepared the attached subrecipient agreement to engage Clallam County PUD as a subrecipient of County ARPA funding to administer the disbursement of the $350,000 allotted for residential and commercial utility assistance it will be awarding on behalf of eligible individuals, small businesses and nonprofits who meet the eligibility criteria established in Attachment D of the Agreement.

Eligible recipients must:

- Be a Clallam County resident, small business, or nonprofit;
- Be a Clallam PUD residential or commercial utility account holder in either an active or inactive customer status that has a currently past due account balance at the time of application;
- For residents classified as having low to moderate household income based on household size in accordance with HUD Income Limits for Clallam County; OR for residents not classified as low to moderate income who have incurred a financial hardship due to the COVID public health emergency, such as a job loss, reduced work hours, lay off, or experienced food or housing insecurity, illness or other circumstance leading to a significant reduction in household income;
- For small businesses and nonprofits, have incurred a financial hardship due to the COVID public health emergency, resulting in a significant reduction in revenue, business disruption, and/or increased operating costs;
- Consent to disclosure and release by Clallam PUD to Clallam County of all information gathered during the application process and details of award granted under this program;
- Grant limitations: one utility assistance grant will be awarded per Household, Small Business, or Nonprofit;
- Applicants will be required to provide a self-certification, under penalty of perjury, that all information and representations made as part of their application submitted to Clallam PUD are true; and
- Meet other criteria as outlined in Attachment D of the Agreement.

Grant award payments will be made by Clallam PUD via an account credit to eligible utility account holders of Clallam PUD seeking assistance. Grant awards will be limited to $4,000 for residential customers and $10,000 for commercial customers.

Disbursement of funds to Clallam County PUD will be made following receipt and approval of monthly A-19 equivalent reimbursement requests submitted by CCPUD detailing the utility assistance grants to be disbursed by CCPUD based on eligible applications received, reviewed and certified by the CCPUD as meeting the eligibility requirements herein until such ARPA funds are depleted.

In an effort to maximize the amount of assistance available to those seeking assistance, Clallam PUD has agreed to waive charging an indirect rate to cover its administrative costs for this program.

Budgetary impact: (Is there a monetary impact? If so, are funds for this already allocated or is a budget change necessary? If this is a contract and a budget change is necessary, the budget change form must be submitted with the item at work session and for the regular agenda) **If a budget action is required, has it been submitted and a copy attached?** ☐

Approval of this contract will authorize the release of $350,000 of ARPA funds from the American Rescue Plan Act special revenue fund.

Recommended action: (Does the Board need to act? If so, what is the department's recommendation?)
We request the Commissioner's feedback and approval to proceed in submitting this agreement for approval during the next BOCC meeting.

County Official signature & print name: _____Mark Lane_____

Name of Employee/Stakeholder attending meeting: _____Mark Lane_____

Relevant Departments: ____Finance, BOCC_____

Date submitted:

July 21, 2021

19961.21.001

ARPA SUBRECIPIENT AGREEMENT

This ARPA Subrecipient Agreement ("Agreement") is dated as of the _____ day of _____, 2021, by and between Clallam County, a Washington political subdivision ("County"), and Clallam County PUD, a Washington state public utility ("Subrecipient").

WHEREAS, the U.S. Department of the Treasury ("Treasury") has allocated to the County $15,020,640 of federal stimulus funding from the Coronavirus State Fiscal Recovery Fund and the Coronavirus Local Fiscal Recovery Funds ("ARPA Funds") under Section 603(b) of the Social Security Act, as amended by Section 9901 of the American Rescue Plan Act ("ARPA Act") for the limited purposes identified in the Interagency Agreement between the Treasury and Clallam County ("IGA"), identified as Attachment A, the Coronavirus State and Local Fiscal Recovery Funds Interim Final Rule ("Interim Final Rule"), identified as Attachment B, and the Compliance and Reporting Guidance for State and Local Fiscal Recovery Funds ("Compliance & Reporting Guidelines"). Attachments A, B & C are attached hereto and incorporated herein by this reference.

WHEREAS, the ARPA Act authorizes the County to expend ARPA Funds awarded to the County for the following eligible purposes as outlined in the Interim Final Rule as follows:

(1) To respond to the COVID-19 public health emergency or its negative economic impacts, including assistance to households, small businesses, and nonprofits, or aid to impacted industries such as tourism, travel, and hospitality;
(2) To respond to workers performing essential work during the COVID-19 public health emergency by providing premium pay to eligible workers;
(3) For the provision of government services to the extent of the reduction in revenue due to the COVID-19 public health emergency relative to revenues collected in the most recent full fiscal year prior to the emergency; and
(4) To make necessary investments in water, sewer, or broadband infrastructure (collectively "Eligible Uses").

Eligible Uses must be obligated no earlier than March 3, 2021 and no later than December 31, 2024, with final disbursement of all funds no later than December 31, 2026.

WHEREAS, the County desires to allocate portions of the ARPA Funds awarded to Clallam County to residents, small businesses, and nonprofits experiencing severe financial hardship due to job loss, layoff, reduction of work hours, reduced revenues or other negative economic impacts or circumstances resulting from the COVID-19 emergency that need utility payment assistance to avoid utility disconnect that would endanger the health and well-being of such impacted residents, and impair the ability of businesses and organizations to continue to operate, with such allocation of funds to be consistent with the Eligible Uses of ARPA Funds outlined above.

WHEREAS, the County and Subrecipient desire to enter into this Agreement so that the County may provide ARPA Funds for appropriate and qualifying expenditures of grant funds advanced to the Subrecipient by the County for provision of residential and commercial utility assistance

grants to be made by the Subrecipient to eligible residents, small businesses, and nonprofits who are utility customers of the Subrecipient allowed under the IGA and Interim Final Rule.

NOW, THEREFORE, in consideration of the foregoing recitals which are incorporated herein by reference, and the terms and conditions set forth below, the parties agree as follows:

1. Effective Date and Term. This Agreement shall commence when last executed by all parties and remain in effect until December 31, 2022, unless terminated by the County in writing.

2. ARPA Funds. The County agrees to provide the Subrecipient a total sum not to exceed $350,000 to be used for provision of residential and commercial utility assistance, conditioned on the requirement that such funds will be disbursed via an account credit to eligible utility account holders of Subrecipient for utility costs incurred during the COVID-19 public health emergency during the period of March 17, 2021 through December 31, 2022 based on eligibility criteria outlined in Attachment D.

3. Subrecipient's Use of ARPA Funds. The Subrecipient shall ensure that the ARPA Funds requests are necessary Eligible Uses under one of the following cost categories: a) To respond to the COVID-19 public health emergency or its negative economic impacts, including assistance to households, small businesses, and nonprofits, or aid to impacted industries such as tourism, travel, and hospitality, b) To respond to workers performing essential work during the COVID-19 public health emergency by providing premium pay to eligible workers, c) For the provision of government services to the extent of the reduction in revenue due to the COVID-19 public health emergency relative to revenues collected in the most recent full fiscal year prior to the emergency; and d) To make necessary investments in water, sewer, or broadband infrastructure.

4. Ineligible Uses. Non-allowable uses of ARPA Funds include, without limitation, the following: a) usage of funds to either directly or indirectly offset a reduction in net tax revenue resulting from a change in law, regulation or administrative interpretation during the covered period that reduces any tax or delays the imposition of any tax or tax increase; b) damages covered by insurance; c) usage of funds as a deposit into any pension fund; d) expenses that have been or will be reimbursed under any federal program; e) debt service costs; f) contributions to a "rainy day" fund; and d) legal settlements.

5. Reimbursement Request & Reporting Requirments. To facilitate the release of ARPA Funds by the County to the Subrecipient and the County's compliance with reporting requirements for usage of ARPA funding under the IGA and Attachment D, the Subrecipient may submit one A-19 equivalent request schedule per month to the County on or before the 10th day following the end of each calendar month during the term of the Agreement, detailing the utility assistance grants to be disbursed by the Subrecipient based on eligible applications received, reviewed and approved by the Subrecipent with an attestation by the Subrecipient that such grants are eligible in accordance with the eligibility requirements outlined in Attachment D. The County shall then distribute

ARPA Funds, as requested by the Subrecipient, to the Subrecipient to fund the utility assistance grants approved by the County subject to availability of funds. Such schedule may be modified with the prior approval of the County. Failure to provide any of the required documentation may result in the withholding and/or nonpayment of all or a portion of the request, and termination of the Agreement.

6. Termination. The County may terminate this Agreement, for convenience or otherwise and for no consideration or damages, upon prior notice to the Subrecipient.

7. Independent Contractor. Each party under the Agreement shall be for all purposes an independent Contractor. Nothing contained herein will be deemed to create an association, a partnership, a joint venture, or a relationship of principal and agent, or employer and employee between the parties. The Subrecipient shall not be, or be deemed to be, or act or purport to act, as an employee, agent, or representative of the County for any purpose.

8. Indemnification. The Subrecipient agrees to defend, indemnify and hold the County, its officers, officials, employees, agents and volunteers harmless from and against any and all claims, injuries, damages, losses or expenses including without limitation personal injury, bodily injury, sickness, disease, or death, or damage to or destruction of property, which are alleged or proven to be caused in whole or in part by an act or omission of the Subrecipient, its officers, directors, employees, and/or agents relating to the Subrecipients' performance or failure to perform under this Agreement. The section shall survive the expiration or termination of this Agreement.

9. Compliance with Laws, Guidelines. The Subrecipient shall comply with all federal, state, and local laws and all requirements (including certifications and audits) of the IGA, Interim Final Rule, and Compliance & Reporting Guidelines to the extent applicable, when disbursing ARPA Funds to recipients or when seeking Reimbursement from the County.

10. Maintenance and Audit of Records. The Subrecipient shall maintain records, books, documents, and other materials relevant to its performance under this Agreement. These records shall be subject to inspection, review and audit by the County or its designee, the Washington State Auditor's Office and as required by the IGA, Interim Final Rule and Compliance & Reporting Guidelines for five (5) years following termination of this Agreement. If it is determined during the course of the audit that the Subrecipient was reimbursed for unallowable costs under this Agreement or any, the Subrecipient agrees to promptly reimburse the County for such payments upon request.

11. Notices. Any notice desired or required to be given hereunder shall be in writing, and shall be deemed received three (3) days after deposit with the U.S. Postal Service, postage fully prepaid, certified mail, return receipt requested, and addressed to the party to which it is intended at its last known address, or to such other person or address as either party shall designate to the other from time to time in writing forwarded in like manner:

Subrecipient
Clallam County PUD
Attn: Doug Nass
104 Hooker Road
Sequim, WA 98382

Clallam County
Attn: Mark Lane
223 E 4th St, Suite 4
Port Angeles, WA 98362-3015

12. Improper Influence. Each party warrants that it did not and will not employ, retain, or contract with any person or entity on a contingent compensation basis for the purpose of seeking, obtaining, maintaining, or extending this Agreement. Each party agrees, warrants, and represents that no gratuity whatsoever has been or will offered or conferred with a view towards obtaining, maintaining, or extending this Agreement.

13. Conflict of Interest. The elected and appointed officials and employees of the parties shall not have any personal interest, direct or indirect, which gives rise to a conflict of interest.

14. Time. Time is of the essence in this Agreement.

15. Survival. The provisions of this Agreement that by their sense and purpose should survive expiration or termination of the Agreement shall so survive. Those provisions include without limitation Indemnification and Maintenance and Audit of Records.

16. Amendment. No amendment or modification to the Agreement will be effective without the prior written consent of the authorized representatives of the parties.

17. Governing Law; Venue. The Agreement will be governed in all respects by the laws of the Washington State, both as to interpretation and performance, without regard to conflicts of law or choice of law provisions. Any action arising out of or in connection with the Agreement may be instituted and maintained only in a court of competent jurisdiction in Clallam County, Washington or as provided by RCW 36.01.050.

17. Non-Waiver. No failure on the part of the County to exercise, and no delay in exercising, any right hereunder shall operate as a wavier thereof; nor shall any single or partial exercise by the County of any right hereunder preclude any other or further exercise thereof or the exercise of any other right. The remedies herein provided are cumulative and not exclusive of any remedy available to the County at law or in equity.

18. Binding Effect. This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors.

19. Assignment. The Subrecipient shall not assign or transfer any of its interests in or obligations under this Agreement without the prior written consent of the County.

20. Entire Agreement. This Agreement constitutes the entire agreement between the County and the Subrecipient for the use of funds received under this Agreement and it supersedes all prior or contemporaneous communications and proposals, whether electronic, oral, or written between the parties with respect to this Agreement.

21. No Third Party Beneficiaries. Nothing herein shall or be deemed to create or confer any right, action, or benefit in, to, or on the part of any person or entity that is not a party to this Agreement. This provision shall not limit any obligation which either Party has to Treasury in connection with the use of ARPA Funds, including the obligations to provide access to records and cooperate with audits as provided in this Agreement.

22. Severability. In the event that one or more provisions of this Agreement shall be determined to be invalid by any court of competent jurisdiction or agency having jurisdiction thereof, the remainder of the Agreement shall remain in full force and effect and the invalid provisions shall be deemed deleted.

23. Counterparts. This Agreement may be executed in one or more counterparts, any of which shall be deemed an original but all of which together shall constitute one and the same instrument.

24. Authorization. Each party signing below warrants to the other party, that they have the full power and authority to execute this Agreement on behalf of the party for whom they sign.

IN WITNESS WHEREOF, this Agreement is executed and shall become effective as of the last date signed below.

DATED this 19 **day of** July, **2021.**

SUBRECIPIENT

By: _____ Sean Worthington

For

Print Name: Doug Nass

Its: General Manager

DATED this _____ day of _____ _____, 2021.

APPROVED AS TO FORM by DPA Stanley [ENTER DATE]

BOARD OF COUNTY COMMISSIONERS
CLALLAM COUNTY, WASHINGTON

_____

MARK OZIAS, Chair

_____

RANDY JOHNSON, Commissioner

_____

BILL PEACH, Commissioner

ATTEST:

_____

L. Gores, Clerk of the Board

ATTACHMENT A

INTERAGENCY AGREEMENT BETWEEN
THE U.S. DEPARTMENT OF TREASURY AND
CLALLAM COUNTY

DocuSign Envelope ID: EF22FEC0-DB4C-45DA-B2F0-43D84D64229D

OMB Approved No. 1505-0271
Expiration Date: November 30, 2021

U.S. DEPARTMENT OF THE TREASURY
CORONAVIRUS STATE AND LOCAL FISCAL RECOVERY FUNDS

Recipient name and address: CLALLAM COUNTY 223 EAST FOURTH STREET, SUITE 4 PORT ANGELES, Washington, 98362-3015	DUNS Number: 075739235 Taxpayer Identification Number: 916001298 Assistance Listing Number: 21.019

Sections 602(b) and 603(b) of the Social Security Act (the Act) as added by section 9901 of the American Rescue Plan Act, Pub. L. No. 117-2 (March 11, 2021) authorize the Department of the Treasury (Treasury) to make payments to certain recipients from the Coronavirus State Fiscal Recovery Fund and the Coronavirus Local Fiscal Recovery Fund.

Recipient hereby agrees, as a condition to receiving such payment from Treasury, to the terms attached hereto.

Recipient: DocuSigned by: MARK OZIAS 9C5FE664B8F24C1...

Authorized Representative: MARK OZIAS

Title: CHAIRMAN, BOARD OF CLALLAM COUNTY COMMISSIONERS

Date signed: 5/19/2021

U.S. Department of the Treasury:

_____

Authorized Representative:

Title:

Date:

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U.S. DEPARTMENT OF THE TREASURY
CORONAVIRUS LOCAL FISCAL RECOVERY FUND
AWARD TERMS AND CONDITIONS

1. Use of Funds.
   a. Recipient understands and agrees that the funds disbursed under this award may only be used in compliance with section 603(c) of the Social Security Act (the Act), Treasury's regulations implementing that section, and guidance issued by Treasury regarding the foregoing.

   b. Recipient will determine prior to engaging in any project using this assistance that it has the institutional, managerial, and financial capability to ensure proper planning, management, and completion of such project.

2. Period of Performance. The period of performance for this award begins on the date hereof and ends on December 31, 2026. As set forth in Treasury's implementing regulations, Recipient may use award funds to cover eligible costs incurred during the period that begins on March 3, 2021, and ends on December 31, 2024.

3. Reporting. Recipient agrees to comply with any reporting obligations established by Treasury as they relate to this award.

4. Maintenance of and Access to Records
   a. Recipient shall maintain records and financial documents sufficient to evidence compliance with section 603(c) of the Act, Treasury's regulations implementing that section, and guidance issued by Treasury regarding the foregoing.

   b. The Treasury Office of Inspector General and the Government Accountability Office, or their authorized representatives, shall have the right of access to records (electronic and otherwise) of Recipient in order to conduct audits or other investigations.

   c. Records shall be maintained by Recipient for a period of five (5) years after all funds have been expended or returned to Treasury, whichever is later.

5. Pre-award Costs. Pre-award costs, as defined in 2 C.F.R. § 200.458, may not be paid with funding from this award.

6. Administrative Costs. Recipient may use funds provided under this award to cover both direct and indirect costs.

7. Cost Sharing. Cost sharing or matching funds are not required to be provided by Recipient.

8. Conflicts of Interest. Recipient understands and agrees it must maintain a conflict of interest policy consistent with 2 C.F.R. § 200.318(c) and that such conflict of interest policy is applicable to each activity funded under this award. Recipient and subrecipients must disclose in writing to Treasury or the pass-through entity, as appropriate, any potential conflict of interest affecting the awarded funds in accordance with 2 C.F.R. § 200.112.

9. Compliance with Applicable Law and Regulations.

a. Recipient agrees to comply with the requirements of section 603 of the Act, regulations adopted by Treasury pursuant to section 603(f) of the Act, and guidance issued by Treasury regarding the foregoing. Recipient also agrees to comply with all other applicable federal statutes, regulations, and executive orders, and Recipient shall provide for such compliance by other parties in any agreements it enters into with other parties relating to this award.

b. Federal regulations applicable to this award include, without limitation, the following:

i. Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, 2 C.F.R. Part 200, other than such provisions as Treasury may determine are inapplicable to this Award and subject to such exceptions as may be otherwise provided by Treasury. Subpart F – Audit Requirements of the Uniform Guidance, implementing the Single Audit Act, shall apply to this award.

ii. Universal Identifier and System for Award Management (SAM), 2 C.F.R. Part 25, pursuant to which the award term set forth in Appendix A to 2 C.F.R. Part 25 is hereby incorporated by reference.

iii. Reporting Subaward and Executive Compensation Information, 2 C.F.R. Part 170, pursuant to which the award term set forth in Appendix A to 2 C.F.R. Part 170 is hereby incorporated by reference.

iv. OMB Guidelines to Agencies on Governmentwide Debarment and Suspension (Nonprocurement), 2 C.F.R. Part 180, including the requirement to include a term or condition in all lower tier covered transactions (contracts and subcontracts described in 2 C.F.R. Part 180, subpart B) that the award is subject to 2 C.F.R. Part 180 and Treasury's implementing regulation at 31 C.F.R. Part 19.

v. Recipient Integrity and Performance Matters, pursuant to which the award term set forth in 2 C.F.R. Part 200, Appendix XII to Part 200 is hereby incorporated by reference.

vi. Governmentwide Requirements for Drug-Free Workplace, 31 C.F.R. Part 20.

vii. New Restrictions on Lobbying, 31 C.F.R. Part 21.

viii. Uniform Relocation Assistance and Real Property Acquisitions Act of 1970 (42 U.S.C. §§ 4601-4655) and implementing regulations.

ix. Generally applicable federal environmental laws and regulations.

c. Statutes and regulations prohibiting discrimination applicable to this award include, without limitation, the following:

i. Title VI of the Civil Rights Act of 1964 (42 U.S.C. §§ 2000d et seq.) and Treasury's implementing regulations at 31 C.F.R. Part 22, which prohibit discrimination on the basis of race, color, or national origin under programs or activities receiving federal financial assistance;

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ii. The Fair Housing Act, Title VIII of the Civil Rights Act of 1968 (42 U.S.C. §§ 3601 et seq.), which prohibits discrimination in housing on the basis of race, color, religion, national origin, sex, familial status, or disability;

iii. Section 504 of the Rehabilitation Act of 1973, as amended (29 U.S.C. § 794), which prohibits discrimination on the basis of disability under any program or activity receiving federal financial assistance;

iv. The Age Discrimination Act of 1975, as amended (42 U.S.C. §§ 6101 et seq.), and Treasury's implementing regulations at 31 C.F.R. Part 23, which prohibit discrimination on the basis of age in programs or activities receiving federal financial assistance; and

v. Title II of the Americans with Disabilities Act of 1990, as amended (42 U.S.C. §§ 12101 et seq.), which prohibits discrimination on the basis of disability under programs, activities, and services provided or made available by state and local governments or instrumentalities or agencies thereto.

10. Remedial Actions. In the event of Recipient's noncompliance with section 603 of the Act, other applicable laws, Treasury's implementing regulations, guidance, or any reporting or other program requirements, Treasury may impose additional conditions on the receipt of a subsequent tranche of future award funds, if any, or take other available remedies as set forth in 2 C.F.R. § 200.339. In the case of a violation of section 603(c) of the Act regarding the use of funds, previous payments shall be subject to recoupment as provided in section 603(e) of the Act.

11. Hatch Act. Recipient agrees to comply, as applicable, with requirements of the Hatch Act (5 U.S.C. §§ 1501-1508 and 7324-7328), which limit certain political activities of State or local government employees whose principal employment is in connection with an activity financed in whole or in part by this federal assistance.

12. False Statements. Recipient understands that making false statements or claims in connection with this award is a violation of federal law and may result in criminal, civil, or administrative sanctions, including fines, imprisonment, civil damages and penalties, debarment from participating in federal awards or contracts, and/or any other remedy available by law.

13. Publications. Any publications produced with funds from this award must display the following language: "This project [is being] [was] supported, in whole or in part, by federal award number [enter project FAIN] awarded to [name of Recipient] by the U.S. Department of the Treasury."

14. Debts Owed the Federal Government.
    a. Any funds paid to Recipient (1) in excess of the amount to which Recipient is finally determined to be authorized to retain under the terms of this award; (2) that are determined by the Treasury Office of Inspector General to have been misused; or (3) that are determined by Treasury to be subject to a repayment obligation pursuant to section 603(e) of the Act and have not been repaid by Recipient shall constitute a debt to the federal government.

    b. Any debts determined to be owed the federal government must be paid promptly by

Recipient. A debt is delinquent if it has not been paid by the date specified in Treasury's initial written demand for payment, unless other satisfactory arrangements have been made or if the Recipient knowingly or improperly retains funds that are a debt as defined in paragraph 14(a). Treasury will take any actions available to it to collect such a debt.

15. Disclaimer.
    a. The United States expressly disclaims any and all responsibility or liability to Recipient or third persons for the actions of Recipient or third persons resulting in death, bodily injury, property damages, or any other losses resulting in any way from the performance of this award or any other losses resulting in any way from the performance of this award or any contract, or subcontract under this award.

    b. The acceptance of this award by Recipient does not in any way establish an agency relationship between the United States and Recipient.

16. Protections for Whistleblowers.
    a. In accordance with 41 U.S.C. § 4712, Recipient may not discharge, demote, or otherwise discriminate against an employee in reprisal for disclosing to any of the list of persons or entities provided below, information that the employee reasonably believes is evidence of gross mismanagement of a federal contract or grant, a gross waste of federal funds, an abuse of authority relating to a federal contract or grant, a substantial and specific danger to public health or safety, or a violation of law, rule, or regulation related to a federal contract (including the competition for or negotiation of a contract) or grant.

    b. The list of persons and entities referenced in the paragraph above includes the following:
        i. A member of Congress or a representative of a committee of Congress;
        ii. An Inspector General;
        iii. The Government Accountability Office;
        iv. A Treasury employee responsible for contract or grant oversight or management;
        v. An authorized official of the Department of Justice or other law enforcement agency;
        vi. A court or grand jury; or
        vii. A management official or other employee of Recipient, contractor, or subcontractor who has the responsibility to investigate, discover, or address misconduct.

    c. Recipient shall inform its employees in writing of the rights and remedies provided under this section, in the predominant native language of the workforce.

17. Increasing Seat Belt Use in the United States. Pursuant to Executive Order 13043, 62 FR 19217 (Apr. 18, 1997), Recipient should encourage its contractors to adopt and enforce on-the-job seat belt policies and programs for their employees when operating company-owned, rented or personally owned vehicles.

18. Reducing Text Messaging While Driving. Pursuant to Executive Order 13513, 74 FR 51225 (Oct. 6, 2009), Recipient should encourage its employees, subrecipients, and contractors to adopt and enforce policies that ban text messaging while driving, and Recipient should establish workplace safety policies to decrease accidents caused by distracted drivers.

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OMB Approved No. 1505-0271
Expiration Date: November 30, 2021

ASSURANCES OF COMPLIANCE WITH CIVIL RIGHTS REQUIREMENTS

ASSURANCES OF COMPLIANCE WITH TITLE VI OF THE CIVIL RIGHTS ACT OF 1964

As a condition of receipt of federal financial assistance from the Department of the Treasury, the recipient named below (hereinafter referred to as the "Recipient") provides the assurances stated herein. The federal financial assistance may include federal grants, loans and contracts to provide assistance to the Recipient's beneficiaries, the use or rent of Federal land or property at below market value, Federal training, a loan of Federal personnel, subsidies, and other arrangements with the intention of providing assistance. Federal financial assistance does not encompass contracts of guarantee or insurance, regulated programs, licenses, procurement contracts by the Federal government at market value, or programs that provide direct benefits.

The assurances apply to all federal financial assistance from or funds made available through the Department of the Treasury, including any assistance that the Recipient may request in the future.

The Civil Rights Restoration Act of 1987 provides that the provisions of the assurances apply to all of the operations of the Recipient's program(s) and activity(ies), so long as any portion of the Recipient's program(s) or activity(ies) is federally assisted in the manner prescribed above.

1. Recipient ensures its current and future compliance with Title VI of the Civil Rights Act of 1964, as amended, which prohibits exclusion from participation, denial of the benefits of, or subjection to discrimination under programs and activities receiving federal financial assistance, of any person in the United States on the ground of race, color, or national origin (42 U.S.C. § 2000d *et seq.*), as implemented by the Department of the Treasury Title VI regulations at 31 CFR Part 22 and other pertinent executive orders such as Executive Order 13166, directives, circulars, policies, memoranda, and/or guidance documents.
2. Recipient acknowledges that Executive Order 13166, "Improving Access to Services for Persons with Limited English Proficiency," seeks to improve access to federally assisted programs and activities for individuals who, because of national origin, have Limited English proficiency (LEP). Recipient understands that denying a person access to its programs, services, and activities because of LEP is a form of national origin discrimination prohibited under Title VI of the Civil Rights Act of 1964 and the Department of the Treasury's implementing regulations. Accordingly, Recipient shall initiate reasonable steps, or comply with the Department of the Treasury's directives, to ensure that LEP persons have meaningful access to its programs, services, and activities. Recipient understands and agrees that meaningful access may entail providing language assistance services, including oral interpretation and written translation where necessary, to ensure effective communication in the Recipient's programs, services, and activities.
3. Recipient agrees to consider the need for language services for LEP persons when Recipient develops applicable budgets and conducts programs, services, and activities. As a resource, the Department of the Treasury has published its LEP guidance at 70 FR 6067. For more information on taking reasonable steps to provide meaningful access for LEP persons, please visit http://www.lep.gov.

OMB Approved No. 1505-0271
Expiration Date: November 30, 2021

4. Recipient acknowledges and agrees that compliance with the assurances constitutes a condition of continued receipt of federal financial assistance and is binding upon Recipient and Recipient's successors, transferees, and assignees for the period in which such assistance is provided.

5. Recipient acknowledges and agrees that it must require any sub-grantees, contractors, subcontractors, successors, transferees, and assignees to comply with assurances 1-4 above, and agrees to incorporate the following language in every contract or agreement subject to Title VI and its regulations between the Recipient and the Recipient's sub-grantees, contractors, subcontractors, successors, transferees, and assignees:

   The sub-grantee, contractor, subcontractor, successor, transferee, and assignee shall comply with Title VI of the Civil Rights Act of 1964, which prohibits recipients of federal financial assistance from excluding from a program or activity, denying benefits of, or otherwise discriminating against a person on the basis of race, color, or national origin (42 U.S.C. § 2000d et seq.), as implemented by the Department of the Treasury's Title VI regulations, 31 CFR Part 22, which are herein incorporated by reference and made a part of this contract (or agreement). Title VI also includes protection to persons with "Limited English Proficiency" in any program or activity receiving federal financial assistance, 42 U.S.C. § 2000d et seq., as implemented by the Department of the Treasury's Title VI regulations, 31 CFR Part 22, and herein incorporated by reference and made a part of this contract or agreement.

6. Recipient understands and agrees that if any real property or structure is provided or improved with the aid of federal financial assistance by the Department of the Treasury, this assurance obligates the Recipient, or in the case of a subsequent transfer, the transferee, for the period during which the real property or structure is used for a purpose for which the federal financial assistance is extended or for another purpose involving the provision of similar services or benefits. If any personal property is provided, this assurance obligates the Recipient for the period during which it retains ownership or possession of the property.

7. Recipient shall cooperate in any enforcement or compliance review activities by the Department of the Treasury of the aforementioned obligations. Enforcement may include investigation, arbitration, mediation, litigation, and monitoring of any settlement agreements that may result from these actions. The Recipient shall comply with information requests, on-site compliance reviews and reporting requirements.

8. Recipient shall maintain a complaint log and inform the Department of the Treasury of any complaints of discrimination on the grounds of race, color, or national origin, and limited English proficiency covered by Title VI of the Civil Rights Act of 1964 and implementing regulations and provide, upon request, a list of all such reviews or proceedings based on the complaint, pending or completed, including outcome. Recipient also must inform the Department of the Treasury if Recipient has received no complaints under Title VI.

9. Recipient must provide documentation of an administrative agency's or court's findings of non-compliance of Title VI and efforts to address the non-compliance, including any voluntary compliance or other

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agreements between the Recipient and the administrative agency that made the finding. If the Recipient settles a case or matter alleging such discrimination, the Recipient must provide documentation of the settlement. If Recipient has not been the subject of any court or administrative agency finding of discrimination, please so state.

10. If the Recipient makes sub-awards to other agencies or other entities, the Recipient is responsible for ensuring that sub-recipients also comply with Title VI and other applicable authorities covered in this document State agencies that make sub-awards must have in place standard grant assurances and review procedures to demonstrate that that they are effectively monitoring the civil rights compliance of sub-recipients.

The United States of America has the right to seek judicial enforcement of the terms of this assurances document and nothing in this document alters or limits the federal enforcement measures that the United States may take in order to address violations of this document or applicable federal law.

Under penalty of perjury, the undersigned official(s) certifies that official(s) has read and understood the Recipient's obligations as herein described, that any information submitted in conjunction with this assurances document is accurate and complete, and that the Recipient is in compliance with the aforementioned nondiscrimination requirements.

CLALLAM COUNTY

Recipient

5/19/2021

Date

DocuSigned by:
MARK OZIAS
9C5FE664B8F24C1...

Signature of Authorized Official

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ATTACHMENT B

U.S. DEPARTMENT OF TREASURY
CORONAVIRUS STATE AND LOCAL FISCAL RECOVERY FUNDS
INTERIM FINAL RULE
DATED 5-17-2021

DEPARTMENT OF THE TREASURY

31 CFR Part 35

RIN 1505–AC77

Coronavirus State and Local Fiscal Recovery Funds

AGENCY: Department of the Treasury.

ACTION: Interim final rule.

SUMMARY: The Secretary of the Treasury (Treasury) is issuing this interim final rule to implement the Coronavirus State Fiscal Recovery Fund and the Coronavirus Local Fiscal Recovery Fund established under the American Rescue Plan Act.

DATES: *Effective date:* The provisions in this interim final rule are effective May 17, 2021.

Comment date: Comments must be received on or before July 16, 2021.

ADDRESSES: Please submit comments electronically through the Federal eRulemaking Portal: *http://www.regulations.gov.* Comments can be mailed to the Office of the Undersecretary for Domestic Finance, Department of the Treasury, 1500 Pennsylvania Avenue NW, Washington, DC 20220. Because postal mail may be subject to processing delay, it is recommended that comments be submitted electronically. All comments should be captions with "Coronavirus State and Local Fiscal Recovery Funds Interim Final Rule Comments." Please include your name, organization affiliation, address, email address and telephone number in your comment. Where appropriate, a comment should include a short executive summary.

In general, comments received will be posted on *http://www.regulations.gov* without change, including any business or personal information provided. Comments received, including attachments and other supporting materials, will be part of the public record and subject to public disclosure. Do not enclose any information in your comment or supporting materials that you consider confidential or inappropriate for public disclosure.

FOR FURTHER INFORMATION CONTACT: Katharine Richards, Senior Advisor, Office of Recovery Programs, Department of the Treasury, (844) 529–9527.

SUPPLEMENTARY INFORMATION:

I. Background Information

A. Overview

Since the first case of coronavirus disease 2019 (COVID–19) was discovered in the United States in January 2020, the disease has infected over 32 million and killed over 575,000 Americans.[1] The disease has impacted every part of life: As social distancing became a necessity, businesses closed, schools transitioned to remote education, travel was sharply reduced, and millions of Americans lost their jobs. In April 2020, the national unemployment rate reached its highest level in over seventy years following the most severe month-over-month decline in employment on record.[2] As of April 2021, there were still 8.2 million fewer jobs than before the pandemic.[3] During this time, a significant share of households have faced food and housing insecurity.[4] Economic disruptions impaired the flow of credit to households, State and local governments, and businesses of all sizes.[5] As businesses weathered closures and sharp declines in revenue, many were forced to shut down, especially small businesses.[6]

Amid this once-in-a-century crisis, State, territorial, Tribal, and local governments (State, local, and Tribal governments) have been called on to respond at an immense scale. Governments have faced myriad needs to prevent and address the spread of COVID–19, including testing, contact tracing, isolation and quarantine, public communications, issuance and enforcement of health orders, expansions to health system capacity like alternative care facilities, and in recent months, a massive nationwide mobilization around vaccinations. Governments also have supported major efforts to prevent COVID–19 spread through safety measures in settings like nursing homes, schools, congregate living settings, dense worksites, incarceration settings, and public facilities. The pandemic's impacts on behavioral health, including the toll of pandemic-related stress, have increased the need for behavioral health resources.

At the same time, State, local and Tribal governments launched major efforts to address the economic impacts of the pandemic. These efforts have been tailored to the needs of their communities and have included expanded assistance to unemployed workers; food assistance; rent, mortgage, and utility support; cash assistance; internet access programs; expanded services to support individuals experiencing homelessness; support for individuals with disabilities and older adults; and assistance to small businesses facing closures or revenue loss or implementing new safety measures.

In responding to the public health emergency and its negative economic impacts, State, local, and Tribal governments have seen substantial increases in costs to provide these services, often amid substantial declines in revenue due to the economic downturn and changing economic patterns during the pandemic.[7] Facing these budget challenges, many State, local, and Tribal governments have been forced to make cuts to services or their workforces, or delay critical investments. From February to May of 2020, State, local, and Tribal governments reduced their workforces by more than 1.5 million jobs and, in April of 2021, State, local, and Tribal government employment remained nearly 1.3 million jobs below pre-pandemic levels.[8] These cuts to State, local, and Tribal government workforces

[1] Centers for Disease Control and Prevention, COVID Data Tracker, *http://www.covid.cdc.gov/covid-data-tracker/#datatracker-home* (last visited May 8, 2021).

[2] U.S. Bureau of Labor Statistics, Unemployment Rate [UNRATE], retrieved from FRED, Federal Reserve Bank of St. Louis; *https://fred.stlouisfed.org/series/UNRATE,* May 3, 2021. U.S. Bureau of Labor Statistics, Employment Level [LNU02000000], retrieved from FRED, Federal Reserve Bank of St. Louis; *https://fred.stlouisfed.org/series/LNU02000000,* May 3, 2021.

[3] U.S. Bureau of Labor Statistics, All Employees, Total Nonfarm [PAYEMS], retrieved from FRED, Federal Reserve Bank of St. Louis; *https://fred.stlouisfed.org/series/PAYEMS,* May 7, 2021.

[4] Nirmita Panchal et al., The Implications of COVID–19 for Mental Health and Substance Abuse (Feb. 10, 2021), https://www.kff.org/coronavirus-covid-19/issue-brief/the-implications-of-covid-19-for-mental-health-and-substance-use/#:~:text=Older%20adults%20are%20also%20more,prior%20to%20the%20current%20crisis; U.S. Census Bureau, Household Pulse Survey: Measuring Social and Economic Impacts during the Coronavirus Pandemic, https://www.census.gov/programs-surveys/household-pulse-survey.html (last visited Apr. 26, 2021); Rebecca T. Leeb et al., Mental Health-Related Emergency Department Visits Among Children Aged <18 Years During the COVID Pandemic—United States, January 1—October 17, 2020, Morb. Mortal. Wkly. Rep. 69(45):1675–80 (Nov. 13, 2020), *https://www.cdc.gov/mmwr/volumes/69/wr/mm6945a3.htm.*

[5] Board of Governors of the Federal Reserve System, Monetary Policy Report (June 12, 2020), *https://www.federalreserve.gov/monetarypolicy/2020-06-mpr-summary.htm.*

[6] Joseph R. Biden, Remarks by President Biden on Helping Small Businesses (Feb. 22, 2021), *https://www.whitehouse.gov/briefing-room/speeches-remarks/2021/02/22/remarks-by-president-biden-on-helping-small-businesses/.*

[7] Michael Leachman, House Budget Bill Provides Needed Fiscal Aid for States, Localities, Tribal Nations, and Territories (Feb. 10, 2021), *https://www.cbpp.org/research/state-budget-and-tax/house-budget-bill-provides-needed-fiscal-aid-for-states-localities.*

[8] U.S. Bureau of Labor Statistics, All Employees, State Government [CES9092000001] and All Employees, Local Government [CES9093000001], retrieved from FRED, Federal Reserve Bank of St. Louis, *https://fred.stlouisfed.org/series/CES9092000001* and *https://fred.stlouisfed.org/series/CES9093000001* (last visited May 8, 2021).

come at a time when demand for government services is high, with State, local, and Tribal governments on the frontlines of fighting the pandemic. Furthermore, State, local, and Tribal government austerity measures can hamper overall economic growth, as occurred in the recovery from the Great Recession.[9]

Finally, although the pandemic's impacts have been widespread, both the public health and economic impacts of the pandemic have fallen most severely on communities and populations disadvantaged before it began. Low-income communities, people of color, and Tribal communities have faced higher rates of infection, hospitalization, and death,[10] as well as higher rates of unemployment and lack of basic necessities like food and housing.[11] Pre-existing social vulnerabilities magnified the pandemic in these communities, where a reduced ability to work from home and, frequently, denser housing amplified the risk of infection. Higher rates of pre-existing health conditions also may have contributed to more severe COVID–19 health outcomes.[12] Similarly, communities or households facing economic insecurity before the pandemic were less able to weather business closures, job losses, or declines in earnings and were less able to participate in remote work or education due to the inequities in access to reliable and affordable broadband infrastructure.[13] Finally, though schools in all areas faced challenges, those in high poverty areas had fewer resources to adapt to remote and hybrid learning models.[14] Unfortunately, the pandemic also has reversed many gains made by communities of color in the prior economic expansion.[15]

B. The Statute and Interim Final Rule

On March 11, 2021, the American Rescue Plan Act (ARPA) was signed into law by the President.[16] Section 9901 of ARPA amended Title VI of the Social Security Act[17] (the Act) to add section 602, which establishes the Coronavirus State Fiscal Recovery Fund, and section 603, which establishes the Coronavirus Local Fiscal Recovery Fund (together, the Fiscal Recovery Funds).[18] The Fiscal Recovery Funds are intended to provide support to State, local, and Tribal governments (together, recipients) in responding to the impact of COVID–19 and in their efforts to contain COVID–19 on their communities, residents, and businesses. The Fiscal Recovery Funds build on and expand the support provided to these governments over the last year, including through the Coronavirus Relief Fund (CRF).[19]

Through the Fiscal Recovery Funds, Congress provided State, local, and Tribal governments with significant resources to respond to the COVID–19 public health emergency and its economic impacts through four categories of eligible uses. Section 602 and section 603 contain the same eligible uses; the primary difference between the two sections is that section 602 establishes a fund for States, territories, and Tribal governments and section 603 establishes a fund for metropolitan cities, nonentitlement units of local government, and counties. Sections 602(c)(1) and 603(c)(1) provide that funds may be used:

(a) To respond to the public health emergency or its negative economic impacts, including assistance to households, small businesses, and nonprofits, or aid to impacted industries such as tourism, travel, and hospitality;

(b) To respond to workers performing essential work during the COVID–19 public health emergency by providing premium pay to eligible workers;

(c) For the provision of government services to the extent of the reduction in revenue due to the COVID–19 public health emergency relative to revenues collected in the most recent full fiscal year prior to the emergency; and

(d) To make necessary investments in water, sewer, or broadband infrastructure.

In addition, Congress clarified two types of uses which do not fall within these four categories. Sections 602(c)(2)(B) and 603(c)(2) provide that these eligible uses do not include, and thus funds may not be used for, depositing funds into any pension fund. Section 602(c)(2)(A) also provides, for States and territories, that the eligible uses do not include "directly or indirectly offset[ting] a reduction in the net tax revenue of [the] State or territory resulting from a change in law, regulation, or administrative interpretation."

The ARPA provides a substantial infusion of resources to meet pandemic response needs and rebuild a stronger, more equitable economy as the country recovers. First, payments from the Fiscal Recovery Funds help to ensure that State, local, and Tribal governments have the resources needed to continue to take actions to decrease the spread of COVID–19 and bring the pandemic under control. Payments from the Fiscal Recovery Funds may also be used by recipients to provide support for costs incurred in addressing public health and economic challenges resulting from the pandemic, including resources to offer premium pay to essential workers, in recognition of their sacrifices over the

[9] Tracy Gordon, State and Local Budgets and the Great Recession, Brookings Institution (Dec. 31, 2012), *http://www.brookings.edu/articles/state-and-local-budgets-and-the-great-recession.*

[10] Sebastian D. Romano et al., Trends in Racial and Ethnic Disparities in COVID–19 Hospitalizations, by Region—United States, March–December 2020, MMWR Morb Mortal Wkly Rep 2021, 70:560–565 (Apr. 16, 2021), *https://www.cdc.gov/mmwr/volumes/70/wr/mm7015e2.htm?s_cid=mm7015e2_w.*

[11] Center on Budget and Policy Priorities, Tracking the COVID–19 Recession's Effects on Food, Housing, and Employment Hardships, *https://www.cbpp.org/research/poverty-and-inequality/tracking-the-covid-19-recessions-effects-on-housing-and* (last visited May 4, 2021).

[12] Lisa R. Fortuna et al., Inequity and the Disproportionate Impact of COVID–19 on Communities of Color in the United States: The Need for Trauma-Informed Social Justice Response, Psychological Trauma Vol. 12(5):443–45 (2020), *available at https://psycnet.apa.org/fulltext/2020-37320-001.pdf.*

[13] Emily Vogles et al., 53% of Americans Say the internet Has Been Essential During the COVID–19 Outbreak (Apr. 30, 2020), *https://www.pewresearch.org/internet/2020/04/30/53-of-americans-say-the-internet-has-been-essential-during-the-covid-19-outbreak/.*

[14] Emma Dorn et al., COVID–19 and student learning in the United States: The hurt could last a lifetime (June 2020), *https://webtest.childrensinstitute.net/sites/default/files/documents/COVID-19-and-student-learning-in-the-United-States_FINAL.pdf;* Andrew Bacher-Hicks et al., Inequality in Household Adaptation to Schooling Shocks: Covid-Induced Online Engagement in Real Time, J. of Public Econ. Vol. 193(C) (July 2020), *available at https://www.nber.org/papers/w27555.*

[15] *See, e.g.,* Tyler Atkinson & Alex Richter, Pandemic Disproportionately Affects Women, Minority Labor Force Participation, *https://www.dallasfed.org/research/economics/2020/1110* (last visited May 9, 2021); Jared Bernstein & Janelle Jones, The Impact of the COVID19 Recession on the Jobs and Incomes of Persons of Color, *https://www.cbpp.org/sites/default/files/atoms/files/6-2-20bud_0.pdf* (last visited May 9, 2021).

[16] American Rescue Plan Act of 2021 (ARPA), sec. 9901, Public Law 117–2, codified at 42 U.S.C. 802 *et seq.* The term "state" as used in this **SUPPLEMENTARY INFORMATION** and defined in section 602 of the Act means each of the 50 States and the District of Columbia. The term "territory" as used in this **SUPPLEMENTARY INFORMATION** and defined in section 602 of the Act means the Commonwealth of Puerto Rico, the United States Virgin Islands, Guam, the Commonwealth of Northern Mariana Islands, and American Samoa. Tribal government is defined in the Act and the interim final rule to mean "the recognized governing body of any Indian or Alaska Native tribe, band, nation, pueblo, village, community, component band, or component reservation, individually identified (including parenthetically) in the list published most recently as of the date of enactment of the [American Rescue Plan Act] pursuant to section 104 of the Federally Recognized Indian Tribe List Act of 1994 (25 U.S.C. 5131)." See section 602(g)(7) of the Social Security Act, as added by the American Rescue Plan Act. On January 29, 2021, the Bureau of Indian Affairs published a current list of 574 Tribal entities. See 86 FR 7554, January 29, 2021. The term "local governments" as used in this **SUPPLEMENTARY INFORMATION** includes metropolitan cities, counties, and nonentitlement units of local government.

[17] 42 U.S.C. 801 *et seq.*

[18] Sections 602, 603 of the Act.

[19] The CRF was established by the section 601 of the Act as added by the Coronavirus Aid, Relief, and Economic Security Act (CARES Act), Public Law 116–136, 134 Stat. 281 (2020).

last year. Recipients may also use payments from the Fiscal Recovery Funds to replace State, local, and Tribal government revenue lost due to COVID–19, helping to ensure that governments can continue to provide needed services and avoid cuts or layoffs. Finally, these resources lay the foundation for a strong, equitable economic recovery, not only by providing immediate economic stabilization for households and businesses, but also by addressing the systemic public health and economic challenges that may have contributed to more severe impacts of the pandemic among low-income communities and people of color.

Within the eligible use categories outlined in the Fiscal Recovery Funds provisions of ARPA, State, local, and Tribal governments have flexibility to determine how best to use payments from the Fiscal Recovery Funds to meet the needs of their communities and populations. The interim final rule facilitates swift and effective implementation by establishing a framework for determining the types of programs and services that are eligible under the ARPA along with examples of uses that State, local, and Tribal governments may consider. These uses build on eligible expenditures under the CRF, including some expansions in eligible uses to respond to the public health emergency, such as vaccination campaigns. They also reflect changes in the needs of communities, as evidenced by, for example, nationwide data demonstrating disproportionate impacts of the COVID–19 public health emergency on certain populations, geographies, and economic sectors. The interim final rule takes into consideration these disproportionate impacts by recognizing a broad range of eligible uses to help States, local, and Tribal governments support the families, businesses, and communities hardest hit by the COVID–19 public health emergency.

Implementation of the Fiscal Recovery Funds also reflect the importance of public input, transparency, and accountability. Treasury seeks comment on all aspects of the interim final rule and, to better facilitate public comment, has included specific questions throughout this **SUPPLEMENTARY INFORMATION**. Treasury encourages State, local, and Tribal governments in particular to provide feedback and to engage with Treasury regarding issues that may arise regarding all aspects of this interim final rule and Treasury's work in administering the Fiscal Recovery Funds. In addition, the interim final rule establishes certain regular reporting requirements, including by requiring State, local, and Tribal governments to publish information regarding uses of Fiscal Recovery Funds payments in their local jurisdiction. These reporting requirements reflect the need for transparency and accountability, while recognizing and minimizing the burden, particularly for smaller local governments. Treasury urges State, territorial, Tribal, and local governments to engage their constituents and communities in developing plans to use these payments, given the scale of funding and its potential to catalyze broader economic recovery and rebuilding.

II. Eligible Uses

A. Public Health and Economic Impacts

Sections 602(c)(1)(A) and 603(c)(1)(A) provide significant resources for State, territorial, Tribal governments, and counties, metropolitan cities, and nonentitlement units of local governments (each referred to as a recipient) to meet the wide range of public health and economic impacts of the COVID–19 public health emergency.

These provisions authorize the use of payments from the Fiscal Recovery Funds to respond to the public health emergency with respect to COVID–19 or its negative economic impacts. Section 602 and section 603 also describe several types of uses that would be responsive to the impacts of the COVID–19 public health emergency, including assistance to households, small businesses, and nonprofits and aid to impacted industries, such as tourism, travel, and hospitality.[20]

Accordingly, to assess whether a program or service is included in this category of eligible uses, a recipient should consider whether and how the use would respond to the COVID–19 public health emergency. Assessing whether a program or service "responds to" the COVID–19 public health emergency requires the recipient to, first, identify a need or negative impact of the COVID–19 public health emergency and, second, identify how the program, service, or other intervention addresses the identified need or impact. While the COVID–19 public health emergency affected many aspects of American life, eligible uses under this category must be in response to the disease itself or the harmful consequences of the economic disruptions resulting from or exacerbated by the COVID–19 public health emergency.

The interim final rule implements these provisions by identifying a non-exclusive list of programs or services that may be funded as responding to COVID–19 or the negative economic impacts of the COVID–19 public health emergency, along with considerations for evaluating other potential uses of the Fiscal Recovery Funds not explicitly listed. The interim final rule also provides flexibility for recipients to use payments from the Fiscal Recovery Funds for programs or services that are not identified on these non-exclusive lists but that fall under the terms of section 602(c)(1)(A) or 603(c)(1)(A) by responding to the COVID–19 public health emergency or its negative economic impacts. As an example, in determining whether a program or service responds to the negative economic impacts of the COVID–19 public health emergency, the interim final rule provides that payments from the Fiscal Recovery Funds should be designed to address an economic harm resulting from or exacerbated by the public health emergency. Recipients should assess the connection between the negative economic harm and the COVID–19 public health emergency, the nature and extent of that harm, and how the use of this funding would address such harm.

As discussed, the pandemic and the necessary actions taken to control the spread had a severe impact on households and small businesses, including in particular low-income workers and communities and people of color. While eligible uses under sections 602(c)(1)(A) and 603(c)(1)(A) provide flexibility to recipients to identify the most pressing local needs, Treasury encourages recipients to provide assistance to those households, businesses, and non-profits in communities most disproportionately impacted by the pandemic.

1. Responding to COVID–19

On January 21, 2020, the Centers for Disease Control and Prevention (CDC) identified the first case of novel coronavirus in the United States.[21] By late March, the virus had spread to many States and the first wave was growing rapidly, centered in the northeast.[22] This wave brought acute

[20] Sections 602(c)(1)(A), 603(c)(1)(A) of the Act.

[21] Press Release, Centers for Disease Control and Prevention, First Travel-related Case of 2019 Novel Coronavirus Detected in United States (Jan. 21, 2020), *https://www.cdc.gov/media/releases/2020/p0121-novel-coronavirus-travel-case.html.*

[22] Anne Schuchat et al., Public Health Response to the Initiation and Spread of Pandemic COVID–19 in the United States, February 24–April 21, 2021, MMWR Morb Mortal Wkly Rep 2021, 69(18):551–56 (May 8, 2021), *https://www.cdc.gov/mmwr/volumes/69/wr/mm6918e2.htm.*

strain on health care and public health systems: Hospitals and emergency medical services struggled to manage a major influx of patients; response personnel faced shortages of personal protective equipment; testing for the virus was scarce; and congregate living facilities like nursing homes and prisons saw rapid spread. State, local, and Tribal governments mobilized to support the health care system, issue public health orders to mitigate virus spread, and communicate safety measures to the public. The United States has since faced at least two additional COVID–19 waves that brought many similar challenges: The second in the summer, centered in the south and southwest, and a wave throughout the fall and winter, in which the virus reached a point of uncontrolled spread across the country and over 3,000 people died per day.[23] By early May 2021, the United States has experienced over 32 million confirmed COVID–19 cases and over 575,000 deaths.[24]

Mitigating the impact of COVID–19, including taking actions to control its spread and support hospitals and health care workers caring for the sick, continues to require a major public health response from State, local and Tribal governments. New or heightened public health needs include COVID–19 testing, major expansions in contact tracing, support for individuals in isolation or quarantine, enforcement of public health orders, new public communication efforts, public health surveillance (*e.g.,* monitoring case trends and genomic sequencing for variants), enhancement to health care capacity through alternative care facilities, and enhancement of public health data systems to meet new demands or scaling needs. State, local, and Tribal governments have also supported major efforts to prevent COVID–19 spread through safety measures at key settings like nursing homes, schools, congregate living settings, dense worksites, incarceration settings, and in other public facilities. This has included implementing infection prevention measures or making ventilation improvements in congregate settings, health care settings, or other key locations.

Other response and adaptation costs include capital investments in public facilities to meet pandemic operational needs, such as physical plant improvements to public hospitals and health clinics or adaptations to public buildings to implement COVID–19 mitigation tactics. In recent months, State, local, and Tribal governments across the country have mobilized to support the national vaccination campaign, resulting in over 250 million doses administered to date.[25]

The need for public health measures to respond to COVID–19 will continue in the months and potentially years to come. This includes the continuation of the vaccination campaign for the general public and, if vaccinations are approved for children in the future, eventually for youths. This also includes monitoring the spread of COVID–19 variants, understanding the impact of these variants (especially on vaccination efforts), developing approaches to respond to those variants, and monitoring global COVID–19 trends to understand continued risks to the United States. Finally, the long-term health impacts of COVID–19 will continue to require a public health response, including medical services for individuals with "long COVID," and research to understand how COVID–19 impacts future health needs and raises risks for the millions of Americans who have been infected.

Other areas of public health have also been negatively impacted by the COVID–19 pandemic. For example, in one survey in January 2021, over 40 percent of American adults reported symptoms of depression or anxiety, up from 11 percent in the first half of 2019.[26] The proportion of children's emergency department visits related to mental health has also risen noticeably.[27] Similarly, rates of substance misuse and overdose deaths have spiked: Preliminary data from the CDC show a nearly 30 percent increase in drug overdose mortality from September 2019 to September 2020.[28] Stay-at-home orders and other pandemic responses may have also reduced the ability of individuals affected by domestic violence to access services.[29] Finally, some preventative public health measures like childhood vaccinations have been deferred and potentially forgone.[30]

While the pandemic affected communities across the country, it disproportionately impacted some demographic groups and exacerbated health inequities along racial, ethnic, and socioeconomic lines.[31] The CDC has found that racial and ethnic minorities are at increased risk for infection, hospitalization, and death from COVID–19, with Hispanic or Latino and Native American or Alaska Native patients at highest risk.[32]

Similarly, low-income and socially vulnerable communities have seen the most severe health impacts. For example, counties with high poverty rates also have the highest rates of infections and deaths, with 223 deaths per 100,000 compared to the U.S. average of 175 deaths per 100,000, as of May 2021.[33] Counties with high social vulnerability, as measured by factors such as poverty and educational attainment, have also fared more poorly than the national average, with 211 deaths per 100,000 as of May 2021.[34]

[23] Centers for Disease Control and Prevention, COVID Data Tracker: Trends in Number of COVID–19 Cases and Deaths in the US Reported to CDC, by State/Territory, *https://covid.cdc.gov/covid-data-tracker/#trends_dailytrendscases* (last visited May 8, 2021).

[24] *Id.*

[25] Centers for Disease Control and Prevention, COVID Data Tracker: COVID–19 Vaccinations in the United States, *https://covid.cdc.gov/covid-data-tracker/#vaccinations* (last visited May 8, 2021).

[26] Panchal, *supra* note 4; Mark É. Czeisler et al., Mental Health, Substance Abuse, and Suicidal Ideation During COVID–19 Pandemic– United States, June 24–30 2020, Morb. Mortal. Wkly. Rep. 69(32):1049–57 (Aug. 14, 2020), *https://www.cdc.gov/mmwr/volumes/69/wr/mm6932a1.htm.*

[27] Leeb, *supra* note 4.

[28] Centers for Disease Prevention and Control, National Center for Health Statistics, Provisional Drug Overdose Death Counts, *https://www.cdc.gov/nchs/nvss/vsrr/drug-overdose-data.htm* (last visited May 8, 2021).

[29] Megan L. Evans, et al., A Pandemic within a Pandemic—Intimate Partner Violence during Covid–19, N. Engl. J. Med. 383:2302–04 (Dec. 10, 2020), *available at https://www.nejm.org/doi/full/10.1056/NEJMp2024046.*

[30] Jeanne M. Santoli et al., Effects of the COVID–19 Pandemic on Routine Pediatric Vaccine Ordering and Administration—United States, Morb. Mortal. Wkly. Rep. 69(19):591–93 (May 8, 2020), *https://www.cdc.gov/mmwr/volumes/69/wr/mm6919e2.htm;* Marisa Langdon-Embry et al., Notes from the Field: Rebound in Routine Childhood Vaccine Administration Following Decline During the COVID–19 Pandemic—New York City, March 1–June 27, 2020, Morb. Mortal. Wkly. Rep. 69(30):999–1001 (Jul. 31 2020), *https://www.cdc.gov/mmwr/volumes/69/wr/mm6930a3.htm.*

[31] Office of the White House, National Strategy for the COVID–19 Response and Pandemic Preparedness (Jan. 21, 2021), *https://www.whitehouse.gov/wp-content/uploads/2021/01/National-Strategy-for-the-COVID-19-Response-and-Pandemic-Preparedness.pdf.*

[32] In a study of 13 states from October to December 2020, the CDC found that Hispanic or Latino and Native American or Alaska Native individuals were 1.7 times more likely to visit an emergency room for COVID–19 than White individuals, and Black individuals were 1.4 times more likely to do so than White individuals. *See* Romano, *supra* note 10.

[33] Centers for Disease Control and Prevention, COVID Data Tracker: Trends in COVID–19 Cases and Deaths in the United States, by County-level Population Factors, *https://covid.cdc.gov/covid-data-tracker/#pop-factors_totaldeaths* (last visited May 8, 2021).

[34] The CDC's Social Vulnerability Index includes fifteen variables measuring social vulnerability, including unemployment, poverty, education levels, single-parent households, disability status, non-English speaking households, crowded housing, and transportation access.

Centers for Disease Control and Prevention, COVID Data Tracker: Trends in COVID–19 Cases

Continued

Over the last year, Native Americans have experienced more than one and a half times the rate of COVID–19 infections, more than triple the rate of hospitalizations, and more than double the death rate compared to White Americans.[35] Low-income and minority communities also exhibit higher rates of pre-existing conditions that may contribute to an increased risk of COVID–19 mortality.[36]

In addition, individuals living in low-income communities may have had more limited ability to socially distance or to self-isolate when ill, resulting in faster spread of the virus, and were over-represented among essential workers, who faced greater risk of exposure.[37] Social distancing measures in response to the pandemic may have also exacerbated pre-existing public health challenges. For example, for children living in homes with lead paint, spending substantially more time at home raises the risk of developing elevated blood lead levels, while screenings for elevated blood lead levels declined during the pandemic.[38] The combination of these underlying social and health vulnerabilities may have contributed to more severe public health outcomes of the pandemic within these communities, resulting in an exacerbation of pre-existing disparities in health outcomes.[39]

Eligible Public Health Uses. The Fiscal Recovery Funds provide resources to meet and address these emergent public health needs, including through measures to counter the spread of COVID–19, through the provision of care for those impacted by the virus, and through programs or services that address disparities in public health that have been exacerbated by the pandemic. To facilitate implementation and use of payments from the Fiscal Recovery Funds, the interim final rule identifies a non-exclusive list of eligible uses of funding to respond to the COVID–19 public health emergency. Eligible uses listed under this section build and expand upon permissible expenditures under the CRF, while recognizing the differences between the ARPA and CARES Act, and recognizing that the response to the COVID–19 public health emergency has changed and will continue to change over time. To assess whether additional uses would be eligible under this category, recipients should identify an effect of COVID–19 on public health, including either or both of immediate effects or effects that may manifest over months or years, and assess how the use would respond to or address the identified need.

The interim final rule identifies a non-exclusive list of uses that address the effects of the COVID–19 public health emergency, including:

- *COVID–19 Mitigation and Prevention.* A broad range of services and programming are needed to contain COVID–19. Mitigation and prevention efforts for COVID–19 include vaccination programs; medical care; testing; contact tracing; support for isolation or quarantine; supports for vulnerable populations to access medical or public health services; public health surveillance (*e.g.*, monitoring case trends, genomic sequencing for variants); enforcement of public health orders; public communication efforts; enhancement to health care capacity, including through alternative care facilities; purchases of personal protective equipment; support for prevention, mitigation, or other services in congregate living facilities (*e.g.*, nursing homes, incarceration settings, homeless shelters, group living facilities) and other key settings like schools;[40] ventilation improvements in congregate settings, health care settings, or other key locations; enhancement of public health data systems; and other public health responses.[41] They also include capital investments in public facilities to meet pandemic operational needs, such as physical plant improvements to public hospitals and health clinics or adaptations to public buildings to implement COVID–19 mitigation tactics. These COVID–19 prevention and mitigation programs and services, among others, were eligible expenditures under the CRF and are eligible uses under this category of eligible uses for the Fiscal Recovery Funds.[42]
- *Medical Expenses.* The COVID–19 public health emergency continues to have devastating effects on public health; the United States continues to average hundreds of deaths per day and the spread of new COVID–19 variants has raised new risks and genomic surveillance needs.[43] Moreover, our understanding of the potentially serious and long-term effects of the virus is growing, including the potential for symptoms like shortness of breath to continue for weeks or months, for multi-organ impacts from COVID–19, or for post-intensive care syndrome.[44] State and local governments may need to continue to provide care and services to address these near- and longer-term needs.[45]

and Deaths in the United States, by Social Vulnerability Index, *https://covid.cdc.gov/covid-data-tracker/#pop-factors_totaldeaths* (last visited May 8, 2021).

[35] Centers for Disease Control and Prevention, Risk for COVID–19 Infection, Hospitalization, and Death By Race/Ethnicity, *https://www.cdc.gov/coronavirus/2019-ncov/covid-data/investigations-discovery/hospitalization-death-by-race-ethnicity.html* (last visited Apr. 26, 2021).

[36] *See, e.g.*, Centers for Disease Control and Prevention, Risk of Severe Illness or Death from COVID–19 (Dec. 10, 2020), *https://www.cdc.gov/coronavirus/2019-ncov/community/health-equity/racial-ethnic-disparities/disparities-illness.html* (last visited Apr. 26, 2021).

[37] Milena Almagro et al., Racial Disparities in Frontline Workers and Housing Crowding During COVID–19: Evidence from Geolocation Data (Sept. 22, 2020), NYU Stern School of Business (forthcoming), *available at https://papers.ssrn.com/sol3/papers.cfm?abstract_id=3695249*; Grace McCormack et al., Economic Vulnerability of Households with Essential Workers, JAMA 324(4):388–90 (2020), *available at https://jamanetwork.com/journals/jama/fullarticle/2767630*.

[38] *See, e.g.*, Joseph G. Courtney et al., Decreases in Young Children Who Received Blood Lead Level Testing During COVID–19—34 Jurisdictions, January–May 2020, Morb. Mort. Wkly. Rep. 70(5):155–61 (Feb. 5, 2021), *https://www.cdc.gov/mmwr/volumes/70/wr/mm7005a2.htm*; Emily A. Benfer & Lindsay F. Wiley, Health Justice Strategies to Combat COVID–19: Protecting Vulnerable Communities During a Pandemic, Health Affairs Blog (Mar. 19, 2020), *https://www.healthaffairs.org/do/10.1377/hblog20200319.757883/full/*.

[39] *See, e.g.*, Centers for Disease Control and Prevention, *supra* note 34; Benfer & Wiley, *supra* note 38; Nathaniel M. Lewis et al., Disparities in COVID–19 Incidence, Hospitalizations, and Testing, by Area-Level Deprivation—Utah, March 3–July 9, 2020, Morb. Mortal. Wkly. Rep. 69(38):1369–73 (Sept. 25, 2020), *https://www.cdc.gov/mmwr/volumes/69/wr/mm6938a4.htm*.

[40] This includes implementing mitigation strategies consistent with the Centers for Disease Control and Prevention's (CDC) Operational Strategy for K–12 Schools through Phased Prevention, *available at https://www.cdc.gov/coronavirus/2019-ncov/community/schools-childcare/operation-strategy.html*.

[41] Many of these expenses were also eligible in the CRF. Generally, funding uses eligible under CRF as a response to the direct public health impacts of COVID–19 will continue to be eligible under the ARPA, including those not explicitly listed here (*e.g.*, telemedicine costs, costs to facilitate compliance with public health orders, disinfection of public areas, facilitating distance learning, increased solid waste disposal needs related to PPE, paid sick and paid family and medical leave to public employees to enable compliance with COVID–19 public health precautions), with the following two exceptions: (1) The standard for eligibility of public health and safety payrolls has been updated (see section II.A of this **SUPPLEMENTARY INFORMATION**) and (2) expenses related to the issuance of tax-anticipation notes are no longer an eligible funding use (see discussion of debt service in section II.B of this **SUPPLEMENTARY INFORMATION**).

[42] Coronavirus Relief Fund for States, Tribal Governments, and Certain Eligible Local Governments, 86 FR 4182 (Jan. 15, 2021), *available at https://home.treasury.gov/system/files/136/CRF-Guidance-Federal-Register_2021-00827.pdf*.

[43] Centers for Disease Control and Prevention, *supra* note 24.

[44] Centers for Disease Control and Prevention, Long-Term Effects (Apr. 8, 2021), *https://www.cdc.gov/coronavirus/2019-ncov/long-term-effects.html* (last visited Apr. 26, 2021).

[45] Pursuant to 42 CFR 433.51 and 45 CFR 75.306, Fiscal Recovery Funds may not serve as a State or locality's contribution of certain Federal funds.

• *Behavioral Health Care.* In addition, new or enhanced State, local, and Tribal government services may be needed to meet behavioral health needs exacerbated by the pandemic and respond to other public health impacts. These services include mental health treatment, substance misuse treatment, other behavioral health services, hotlines or warmlines, crisis intervention, overdose prevention, infectious disease prevention, and services or outreach to promote access to physical or behavioral health primary care and preventative medicine.

• *Public Health and Safety Staff.* Treasury recognizes that responding to the public health and negative economic impacts of the pandemic, including administering the services described above, requires a substantial commitment of State, local, and Tribal government human resources. As a result, the Fiscal Recovery Funds may be used for payroll and covered benefits expenses for public safety, public health, health care, human services, and similar employees, to the extent that their services are devoted to mitigating or responding to the COVID–19 public health emergency.[46] Accordingly, the Fiscal Recovery Funds may be used to support the payroll and covered benefits for the portion of the employee's time that is dedicated to responding to the COVID–19 public health emergency. For administrative convenience, the recipient may consider public health and safety employees to be entirely devoted to mitigating or responding to the COVID–19 public health emergency, and therefore fully covered, if the employee, or his or her operating unit or division, is primarily dedicated to responding to the COVID–19 public health emergency. Recipients may consider other presumptions for assessing the extent to which an employee, division, or operating unit is engaged in activities that respond to the COVID–19 public health emergency, provided that the recipient reassesses periodically and maintains records to support its assessment, such as payroll records, attestations from supervisors or staff, or regular work product or correspondence demonstrating work on the COVID–19 response. Recipients need not routinely track staff hours.

• *Expenses to Improve the Design and Execution of Health and Public Health Programs.* State, local, and Tribal governments may use payments from the Fiscal Recovery Funds to engage in planning and analysis in order to improve programs addressing the COVID–19 pandemic, including through use of targeted consumer outreach, improvements to data or technology infrastructure, impact evaluations, and data analysis.

Eligible Uses to Address Disparities in Public Health Outcomes. In addition, in recognition of the disproportionate impacts of the COVID–19 pandemic on health outcomes in low-income and Native American communities and the importance of mitigating these effects, the interim final rule identifies a broader range of services and programs that will be presumed to be responding to the public health emergency when provided in these communities. Specifically, Treasury will presume that certain types of services, outlined below, are eligible uses when provided in a Qualified Census Tract (QCT),[47] to families living in QCTs, or when these services are provided by Tribal governments.[48] Recipients may also provide these services to other populations, households, or geographic areas that are disproportionately impacted by the pandemic. In identifying these disproportionately-impacted communities, recipients should be able to support their determination that the pandemic resulted in disproportionate public health or economic outcomes to the specific populations, households, or geographic areas to be served.

Given the exacerbation of health disparities during the pandemic and the role of pre-existing social vulnerabilities in driving these disparate outcomes, services to address health disparities are presumed to be responsive to the public health impacts of the pandemic. Specifically, recipients may use payments from the Fiscal Recovery Funds to facilitate access to resources that improve health outcomes, including services that connect residents with health care resources and public assistance programs and build healthier environments, such as:

• Funding community health workers to help community members access health services and services to address the social determinants of health;[49]

• Funding public benefits navigators to assist community members with navigating and applying for available Federal, State, and local public benefits or services;

• Housing services to support healthy living environments and neighborhoods conducive to mental and physical wellness;

• Remediation of lead paint or other lead hazards to reduce risk of elevated blood lead levels among children; and

• Evidence-based community violence intervention programs to prevent violence and mitigate the increase in violence during the pandemic.[50]

2. Responding to Negative Economic Impacts

Impacts on Households and Individuals. The public health emergency, including the necessary measures taken to protect public health, resulted in significant economic and financial hardship for many Americans. As businesses closed, consumers stayed home, schools shifted to remote

[46] In general, if an employee's wages and salaries are an eligible use of Fiscal Recovery Funds, recipients may treat the employee's covered benefits as an eligible use of Fiscal Recovery Funds. For purposes of the Fiscal Recovery Funds, covered benefits include costs of all types of leave (vacation, family-related, sick, military, bereavement, sabbatical, jury duty), employee insurance (health, life, dental, vision), retirement (pensions, 401(k)), unemployment benefit plans (Federal and state), workers compensation insurance, and Federal Insurance Contributions Act (FICA) taxes (which includes Social Security and Medicare taxes).

[47] Qualified Census Tracts are a common, readily-accessible, and geographically granular method of identifying communities with a large proportion of low-income residents. Using an existing measure may speed implementation and decrease administrative burden, while identifying areas of need at a highly-localized level.

While QCTs are an effective tool generally, many tribal communities have households with a wide range of income levels due in part to non-tribal member, high income residents living in the community. Mixed income communities, with a significant share of tribal members at the lowest levels of income, are often not included as eligible QCTs yet tribal residents are experiencing disproportionate impacts due to the pandemic. Therefore, including all services provided by Tribal governments is a more effective means of ensuring that disproportionately impacted Tribal members can receive services.

[48] U.S. Department of Housing and Urban Development (HUD), Qualified Census Tracts and Difficult Development Areas, *https://www.huduser.gov/portal/datasets/qct.html* (last visited Apr. 26, 2021); U.S. Department of the Interior, Bureau of Indian Affairs, Indian Lands of Federally Recognized Tribes of the United States (June 2016), *https://www.bia.gov/sites/bia.gov/files/assets/bia/ots/webteam/pdf/idc1-028635.pdf* (last visited Apr. 26, 2021).

[49] The social determinants of health are the social and environmental conditions that affect health outcomes, specifically economic stability, health care access, social context, neighborhoods and built environment, and education access. *See, e.g.,* U.S. Department of Health and Human Services, Office of Disease Prevention and Health Promotion, Healthy People 2030: Social Determinants of Health, *https://health.gov/healthypeople/objectives-and-data/social-determinants-health* (last visited Apr. 26, 2021).

[50] National Commission on COVID–19 and Criminal Justice, Impact Report: COVID–19 and Crime (Jan. 31, 2021), *https://covid19.councilonci.org/2021/01/31/impact-report-covid-19-and-crime-3/* (showing a spike in homicide and assaults); Brad Boesrup et al., Alarming Trends in US domestic violence during the COVID–19 pandemic, Am. J. of Emerg. Med. 38(12): 2753–55 (Dec. 1, 2020), *available at https://www.ajemjournal.com/article/S0735-6757(20)30307-7/fulltext* (showing a spike in domestic violence).

education, and travel declined precipitously, over 20 million jobs were lost in March and April 2020.[51] Although many have returned to work, as of April 2021, the economy remains 8.2 million jobs below its pre-pandemic peak,[52] and more than 3 million workers have dropped out of the labor market altogether relative to February 2020.[53]

Rates of unemployment are particularly severe among workers of color and workers with lower levels of educational attainment; for example, the overall unemployment rate in the United States was 6.1 percent in April 2021, but certain groups saw much higher rates: 9.7 percent for Black workers, 7.9 percent for Hispanic or Latino workers, and 9.3 percent for workers without a high school diploma.[54] Job losses have also been particularly steep among low wage workers, with these workers remaining furthest from recovery as of the end of 2020.[55] A severe recession—and its concentrated impact among low-income workers—has amplified food and housing insecurity, with an estimated nearly 17 million adults living in households where there is sometimes or often not enough food to eat and an estimated 10.7 million adults living in households that were not current on rent.[56] Over the course of the pandemic, inequities also manifested along gender lines, as schools closed to in-person activities, leaving many working families without child care during the day.[57] Women of color have been hit especially hard: The labor force participation rate for Black women has fallen by 3.2 percentage points [58] during the pandemic as compared to 1.0 percentage points for Black men [59] and 2.0 percentage points for White women.[60]

As the economy recovers, the effects of the pandemic-related recession may continue to impact households, including a risk of longer-term effects on earnings and economic potential. For example, unemployed workers, especially those who have experienced longer periods of unemployment, earn lower wages over the long term once rehired.[61] In addition to the labor market consequences for unemployed workers, recessions can also cause longer-term economic challenges through, among other factors, damaged consumer credit scores [62] and reduced familial and childhood wellbeing.[63] These potential long-term economic consequences underscore the continued need for robust policy support.

Impacts on Businesses. The pandemic has also severely impacted many businesses, with small businesses hit especially hard. Small businesses make up nearly half of U.S. private-sector employment [64] and play a key role in supporting the overall economic recovery as they are responsible for two-thirds of net new jobs.[65] Since the beginning of the pandemic, however, 400,000 small businesses have closed, with many more at risk.[66] Sectors with a large share of small business employment have been among those with the most drastic drops in employment.[67] The negative outlook for small businesses has continued: As of April 2021, approximately 70 percent of small businesses reported that the pandemic has had a moderate or large negative effect on their business, and over a third expect that it will take over 6 months for their business to return to their normal level of operations.[68]

This negative outlook is likely the result of many small businesses having faced periods of closure and having seen declining revenues as customers stayed home.[69] In general, small businesses can face greater hurdles in accessing credit,[70] and many small businesses were already financially fragile at the outset of the pandemic.[71] Non-profits, which provide vital services to communities, have similarly faced

[51] U.S. Bureau of Labor Statistics, All Employees, Total Nonfarm (PAYEMS), retrieved from FRED, Federal Reserve Bank of St. Louis; *https://fred.stlouisfed.org/series/PAYEMS* (last visited May 8, 2021).

[52] *Id.*

[53] U.S. Bureau of Labor Statistics, Civilian Labor Force Level [CLF16OV], retrieved from FRED, Federal Reserve Bank of St. Louis, *https://fred.stlouisfed.org/series/CLF16OV* (last visited May 8, 2021).

[54] U.S. Bureau of Labor Statistics, Labor Force Statistics from the Current Population Survey: Employment status of the civilian population by sex and age (May 8 2021), *https://www.bls.gov/news.release/empsit.t01.htm* (last visited May 8, 2021); U.S. Bureau of Labor Statistics, Labor Force Statistics from the Current Population Survey: Employment status of the civilian noninstitutional population by race, Hispanic or Latino ethnicity, sex, and age (May 8, 2021), *https://www.bls.gov/web/empsit/cpseea04.htm* (last visited May 8, 2021); U.S. Bureau of Labor Statistics, Labor Force Statistics from the Current Population Survey: Employment status of the civilian noninstitutional population 25 years and over by educational attainment (May 8, 2021), *https://www.bls.gov/web/empsit/cpseea05.htm* (last visited May 8, 2021).

[55] Elise Gould & Jori Kandra, Wages grew in 2020 because the bottom fell out of the low-wage labor market, Economic Policy Institute (Feb. 24, 2021), *https://files.epi.org/pdf/219418.pdf. See also,* Michael Dalton et al., The K-Shaped Recovery: Examining the Diverging Fortunes of Workers in the Recovery from the COVID–19 Pandemic using Business and Household Survey Microdata, U.S. Bureau of Labor Statistics Working Paper Series (Feb. 2021), *https://www.bls.gov/osmr/research-papers/2021/pdf/ec210020.pdf.*

[56] Center on Budget and Policy Priorities, Tracking the COVID–19 Recession's Effects on Food, Housing, and Employment Hardships, *https://www.cbpp.org/research/poverty-and-inequality/tracking-the-covid-19-recessions-effects-on-food-housing-and* (last visited May 8, 2021).

[57] Women have carried a larger share of childcare responsibilities than men during the COVID–19 crisis. *See, e.g.,* Gema Zamarro & María J. Prados, Gender differences in couples' division of childcare, work and mental health during COVID–19, Rev. Econ. Household 19:11–40 (2021), *available at https://link.springer.com/article/10.1007/s11150-020-09534-7;* Titan Alon et al., The Impact of COVID–19 on Gender Equality, National Bureau of Economic Research Working Paper 26947 (April 2020), *available at https://www.nber.org/papers/w26947.*

[58] U.S. Bureau of Labor Statistics, Labor Force Participation Rate—20 Yrs. & Over, Black or African American Women [LNS11300032], retrieved from FRED, Federal Reserve Bank of St. Louis; *https://fred.stlouisfed.org/series/LNS11300032* (last visited May 8, 2021).

[59] U.S. Bureau of Labor Statistics, Labor Force Participation Rate—20 Yrs. & Over, Black or African American Men [LNS11300031], retrieved from FRED, Federal Reserve Bank of St. Louis; *https://fred.stlouisfed.org/series/LNS11300031* (last visited May 8, 2021).

[60] U.S. Bureau of Labor Statistics, Labor Force Participation Rate—20 Yrs. & Over, White Women [LNS11300029], retrieved from FRED, Federal Reserve Bank of St. Louis; *https://fred.stlouisfed.org/series/LNS11300029* (last visited May 8, 2021).

[61] *See, e.g.,* Michael Greenstone & Adam Looney, Unemployment and Earnings Losses: A Look at Long-Term Impacts of the Great Recession on American Workers, Brookings Institution (Nov. 4, 2021), *https://www.brookings.edu/blog/jobs/2011/11/04/unemployment-and-earnings-losses-a-look-at-long-term-impacts-of-the-great-recession-on-american-workers/.*

[62] Chi Chi Wu, Solving the Credit Conundrum: Helping Consumers' Credit Records Impaired by the Foreclosure Crisis and Great Recession (Dec. 2013), *https://www.nclc.org/images/pdf/credit_reports/report-credit-conundrum-2013.pdf.*

[63] Irwin Garfinkel, Sara McLanahan, Christopher Wimer, eds., Children of the Great Recession, Russell Sage Foundation (Aug. 2016), *available at https://www.russellsage.org/publications/children-great-recession.*

[64] Board of Governors of the Federal Reserve System, *supra* note 5.

[65] U.S. Small Business Administration, Office of Advocacy, Small Businesses Generate 44 Percent of U.S. Economic Activity (Jan. 30, 2019), *https://advocacy.sba.gov/2019/01/30/small-businesses-generate-44-percent-of-u-s-economic-activity/.*

[66] Biden, *supra* note 6.

[67] Daniel Wilmoth, U.S. Small Business Administration Office of Advocacy, The Effects of the COVID–19 Pandemic on Small Businesses, Issue Brief No. 16 (Mar. 2021), *available at https://cdn.advocacy.sba.gov/wp-content/uploads/2021/03/02112318/COVID-19-Impact-On-Small-Business.pdf.*

[68] U.S. Census Bureau, Small Business Pulse Survey, *https://portal.census.gov/pulse/data/* (last visited May 8, 2021).

[69] Olivia S. Kim et al., Revenue Collapses and the Consumption of Small Business Owners in the Early Stages of the COVID–19 Pandemic (Nov. 2020), *https://www.nber.org/papers/w28151.*

[70] *See e.g.,* Board of Governors of the Federal Reserve System, Report to Congress on the Availability of Credit to Small Businesses (Sept. 2017), *available at https://www.federalreserve.gov/publications/2017-september-availability-of-credit-to-small-businesses.htm.*

[71] Alexander W. Bartik et al., The Impact of COVID–19 on small business outcomes and expectations, PNAS 117(30): 17656–66 (July 28, 2020), *available at https://www.pnas.org/content/117/30/17656.*

economic and financial challenges due to the pandemic.[72]

Impacts to State, Local, and Tribal Governments. State, local, and Tribal governments have felt substantial fiscal pressures. As noted above, State, local, and Tribal governments have faced significant revenue shortfalls and remain over 1 million jobs below their pre-pandemic staffing levels.[73] These reductions in staffing may undermine the ability to deliver services effectively, as well as add to the number of unemployed individuals in their jurisdictions.

Exacerbation of Pre-existing Disparities. The COVID–19 public health emergency may have lasting negative effects on economic outcomes, particularly in exacerbating disparities that existed prior to the pandemic.

The negative economic impacts of the COVID–19 pandemic are particularly pronounced in certain communities and families. Low- and moderate-income jobs make up a substantial portion of both total pandemic job losses,[74] and jobs that require in-person frontline work, which are exposed to greater risk of contracting COVID–19.[75] Both factors compound pre-existing vulnerabilities and the likelihood of food, housing, or other financial insecurity in low- and moderate-income families and, given the concentration of low- and moderate-income families within certain communities,[76] raise a substantial risk that the effects of the COVID–19 public health emergency will be amplified within these communities.

These compounding effect of recessions on concentrated poverty and the long-lasting nature of this effect were observed after the 2007–2009 recession, including a large increase in concentrated poverty with the number of people living in extremely poor neighborhoods more than doubling by 2010–2014 relative to 2000.[77] Concentrated poverty has a range of deleterious impacts, including additional burdens on families and reduced economic potential and social cohesion.[78] Given the disproportionate impact of COVID–19 on low-income households discussed above, there is a risk that the current pandemic-induced recession could further increase concentrated poverty and cause long-term damage to economic prospects in neighborhoods of concentrated poverty.

The negative economic impacts of COVID–19 also include significant impacts to children in disproportionately affected families and include impacts to education, health, and welfare, all of which contribute to long-term economic outcomes.[79] Many low-income and minority students, who were disproportionately served by remote or hybrid education during the pandemic, lacked the resources to participate fully in remote schooling or live in households without adults available throughout the day to assist with online coursework.[80] Given these trends, the pandemic may widen educational disparities and worsen outcomes for low-income students,[81] an effect that would substantially impact their long-term economic outcomes. Increased economic strain or material hardship due to the pandemic could also have a long-term impact on health, educational, and economic outcomes of young children.[82] Evidence suggests that adverse conditions in early childhood, including exposure to poverty, food insecurity, housing insecurity, or other economic hardships, are particularly impactful.[83]

The pandemic's disproportionate economic impacts are also seen in Tribal communities across the country—for Tribal governments as well as families and businesses on and off Tribal lands. In the early months of the pandemic, Native American unemployment spiked to 26 percent and, while partially recovered, remains at nearly 11 percent.[84] Tribal enterprises are a significant source of revenue for Tribal governments to support the provision of government services. These enterprises, notably concentrated in gaming, tourism, and hospitality, frequently closed, significantly reducing both revenues to Tribal governments and employment. As a result, Tribal governments have reduced essential services to their citizens and communities.[85]

Eligible Uses. Sections 602(c)(1)(A) and 603(c)(1)(A) permit use of payments from the Fiscal Recovery Funds to respond to the negative economic impacts of the COVID–19 public health emergency. Eligible uses that respond to the negative economic impacts of the public health emergency must be designed to address an economic harm resulting from or exacerbated by the public health emergency. In considering whether a program or service would be

[72] Federal Reserve Bank of San Francisco, Impacts of COVID–19 on Nonprofits in the Western United States (May 2020), *https://www.frbsf.org/community-development/files/impact-of-covid-nonprofits-serving-western-united-states.pdf.*

[73] Bureau of Labor Statistics, *supra* note 8; Elijah Moreno & Heather Sobrepena, Tribal entities remain resilient as COVID–19 batters their finances, Federal Reserve Bank of Minneapolis (Nov. 10, 2021), *https://www.minneapolisfed.org/article/2020/tribal-entities-remain-resilient-as-covid-19-batters-their-finances.*

[74] Kim Parker et al., Economic Fallout from COVID–19 Continues to Hit Lower-Income Americans the Hardest, Pew Research Center (Sept. 24, 2020), *https://www.pewresearch.org/social-trends/2020/09/24/economic-fallout-from-covid-19-continues-to-hit-lower-income-americans-the-hardest/;* Gould, *supra* note 55.

[75] *See infra* Section II.B of this Supplementary Information.

[76] Elizabeth Kneebone, The Changing geography of US poverty, Brookings Institution (Feb. 15, 2017), *https://www.brookings.edu/testimonies/the-changing-geography-of-us-poverty/.*

[77] Elizabeth Kneebone & Natalie Holmes, U.S. concentrated poverty in the wake of the Great Recession, Brookings Institution (Mar. 31, 2016), *https://www.brookings.edu/research/u-s-concentrated-poverty-in-the-wake-of-the-great-recession/.*

[78] David Erickson et al., The Enduring Challenge of Concentrated Poverty in America: Case Studies from Communities Across the U.S. (2008), *available at https://www.frbsf.org/community-development/files/cp_fullreport.pdf.*

[79] Educational quality, as early as Kindergarten, has a long-term impact on children's public health and economic outcomes. *See, e.g.,* Tyler W. Watts et al., The Chicago School Readiness Project: Examining the long-term impacts of an early childhood intervention, PLoS ONE 13(7) (2018), *available at https://journals.plos.org/plosone/article?id=10.1371/journal.pone.0200144;* Opportunity Insights, How Can We Amplify Education as an Engine of Mobility? Using big data to help children get the most from school, *https://opportunityinsights.org/education/* (last visited Apr. 26, 2021); U.S. Department of Health and Human Services (HHS), Office of Disease Prevention and Health Promotion, Early Childhood Development and Education, *https://www.healthypeople.gov/2020/topics-objectives/topic/social-determinants-health/interventions-resources/early-childhood-development-and-education* (last visited Apr. 26, 2021).

[80] *See, e.g.,* Bacher-Hicks, *supra* note 14.

[81] A Department of Education survey found that, as of February 2021, 42 percent of fourth grade students nationwide were offered only remote education, compared to 48 percent of economically disadvantaged students, 54 percent of Black students and 57 percent of Hispanic students. Large districts often disproportionately serve low-income students. *See* Institute of Education Sciences, Monthly School Survey Dashboard, *https://ies.ed.gov/schoolsurvey/* (last visited Apr. 26, 2021). In summer 2020, a review found that 74 percent of the largest 100 districts chose remote learning only. *See* Education Week, School Districts' Reopening Plans: A Snapshot (Jul. 15, 2020), *https://www.edweek.org/leadership/school-districts-reopening-plans-a-snapshot/2020/07* (last visited May 4, 2021).

[82] HHS, *supra* note 79.

[83] Hirokazu Yoshikawa, Effects of the Global Coronavirus Disease—2019 Pandemic on Early Childhood Development: Short- and Long-Term Risks and Mitigating Program and Policy Actions, J. of Pediatrics Vol. 223:188–93 (Aug. 1, 2020), *available at https://www.jpeds.com/article/S0022-3476(20)30606-5/abstract.*

[84] Based on calculations conducted by the Minneapolis Fed's Center for Indian Country Development using Flood et al. (2020)'s Current Population Survey." Sarah Flood, Miriam King, Renae Rodgers, Steven Ruggles and J. Robert Warren. Integrated Public Use Microdata Series, Current Population Survey: Version 8.0 [dataset]. Minneapolis, MN: IPUMS, 2020. *https://doi.org/10.18128/D030.V8.0; see also* Donna Feir & Charles Golding, Native Employment During COVID–19: Hard hit in April but Starting to Rebound? (Aug. 5, 2020), *https://www.minneapolisfed.org/article/2020/native-employment-during-covid-19-hit-hard-in-april-but-starting-to-rebound.*

[85] Moreno & Sobrepena, *supra* note 73.

eligible under this category, the recipient should assess whether, and the extent to which, there has been an economic harm, such as loss of earnings or revenue, that resulted from the COVID–19 public health emergency and whether, and the extent to which, the use would respond or address this harm.[86] A recipient should first consider whether an economic harm exists and whether this harm was caused or made worse by the COVID–19 public health emergency. While economic impacts may either be immediate or delayed, assistance or aid to individuals or businesses that did not experience a negative economic impact from the public health emergency would not be an eligible use under this category.

In addition, the eligible use must "respond to" the identified negative economic impact. Responses must be related and reasonably proportional to the extent and type of harm experienced; uses that bear no relation or are grossly disproportionate to the type or extent of harm experienced would not be eligible uses. Where there has been a negative economic impact resulting from the public health emergency, States, local, and Tribal governments have broad latitude to choose whether and how to use the Fiscal Recovery Funds to respond to and address the negative economic impact. Sections 602(c)(1)(A) and 603(c)(1)(A) describe several types of uses that would be eligible under this category, including assistance to households, small businesses, and nonprofits and aid to impacted industries such as tourism, travel, and hospitality.

To facilitate implementation and use of payments from the Fiscal Recovery Funds, the interim final rule identifies a non-exclusive list of eligible uses of funding that respond to the negative economic impacts of the public health emergency. Consistent with the discussion above, the eligible uses listed below would respond directly to the economic or financial harms resulting from and or exacerbated by the public health emergency.

- *Assistance to Unemployed Workers.* This includes assistance to unemployed workers, including services like job training to accelerate rehiring of unemployed workers; these services may extend to workers unemployed due to the pandemic or the resulting recession, or who were already unemployed when the pandemic began and remain so due to the negative economic impacts of the pandemic.
- *State Unemployment Insurance Trust Funds.* Consistent with the approach taken in the CRF, recipients may make deposits into the state account of the Unemployment Trust Fund established under section 904 of the Social Security Act (42 U.S.C. 1104) up to the level needed to restore the pre-pandemic balances of such account as of January 27, 2020 or to pay back advances received under Title XII of the Social Security Act (42 U.S.C. 1321) for the payment of benefits between January 27, 2020 and May 17, 2021, given the close nexus between Unemployment Trust Fund costs, solvency of Unemployment Trust Fund systems, and pandemic economic impacts. Further, Unemployment Trust Fund deposits can decrease fiscal strain on Unemployment Insurance systems impacted by the pandemic. States facing a sharp increase in Unemployment Insurance claims during the pandemic may have drawn down positive Unemployment Trust Fund balances and, after exhausting the balance, required advances to fund continuing obligations to claimants. Because both of these impacts were driven directly by the need for assistance to unemployed workers during the pandemic, replenishing Unemployment Trust Funds up to the pre-pandemic level responds to the pandemic's negative economic impacts on unemployed workers.
- *Assistance to Households.* Assistance to households or populations facing negative economic impacts due to COVID–19 is also an eligible use. This includes: Food assistance; rent, mortgage, or utility assistance; counseling and legal aid to prevent eviction or homelessness; cash assistance (discussed below); emergency assistance for burials, home repairs, weatherization, or other needs; internet access or digital literacy assistance; or job training to address negative economic or public health impacts experienced due to a worker's occupation or level of training. As discussed above, in considering whether a potential use is eligible under this category, a recipient must consider whether, and the extent to which, the household has experienced a negative economic impact from the pandemic. In assessing whether a household or population experienced economic harm as a result of the pandemic, a recipient may presume that a household or population that experienced unemployment or increased food or housing insecurity or is low- or moderate-income experienced negative economic impacts resulting from the pandemic. For example, a cash transfer program may focus on unemployed workers or low- and moderate-income families, which have faced disproportionate economic harms due to the pandemic. Cash transfers must be reasonably proportional to the negative economic impact they are intended to address. Cash transfers grossly in excess of the amount needed to address the negative economic impact identified by the recipient would not be considered to be a response to the COVID–19 public health emergency or its negative impacts. In particular, when considering the appropriate size of permissible cash transfers made in response to the COVID–19 public health emergency, State, local and Tribal governments may consider and take guidance from the per person amounts previously provided by the Federal Government in response to the COVID–19 crisis. Cash transfers that are grossly in excess of such amounts would be outside the scope of eligible uses under sections 602(c)(1)(A) and 603(c)(1)(A) and could be subject to recoupment. In addition, a recipient could provide survivor's benefits to surviving family members of COVID–19 victims, or cash assistance to widows, widowers, and dependents of eligible COVID–19 victims.
- *Expenses to Improve Efficacy of Economic Relief Programs.* State, local, and Tribal governments may use payments from the Fiscal Recovery Funds to improve efficacy of programs addressing negative economic impacts, including through use of data analysis, targeted consumer outreach, improvements to data or technology infrastructure, and impact evaluations.
- *Small Businesses and Non-profits.* As discussed above, small businesses and non-profits faced significant challenges in covering payroll, mortgages or rent, and other operating costs as a result of the public health emergency and measures taken to contain the spread of the virus. State, local, and Tribal governments may provide assistance to small businesses to adopt safer operating procedures, weather periods of closure, or mitigate financial hardship resulting from the COVID–19 public health emergency, including:
  - Loans or grants to mitigate financial hardship such as declines in revenues or impacts of periods of business closure, for example by supporting payroll and benefits costs, costs to retain employees, mortgage, rent, or utilities costs, and other operating costs;
  - Loans, grants, or in-kind assistance to implement COVID–19 prevention or mitigation tactics, such as physical

[86] In some cases, a use may be permissible under another eligible use category even if it falls outside the scope of section (c)(1)(A) of the Act.

plant changes to enable social distancing, enhanced cleaning efforts, barriers or partitions, or COVID–19 vaccination, testing, or contact tracing programs; and

○ Technical assistance, counseling, or other services to assist with business planning needs.

As discussed above, these services should respond to the negative economic impacts of COVID–19. Recipients may consider additional criteria to target assistance to businesses in need, including small businesses. Such criteria may include businesses facing financial insecurity, substantial declines in gross receipts (*e.g.*, comparable to measures used to assess eligibility for the Paycheck Protection Program), or other economic harm due to the pandemic, as well as businesses with less capacity to weather financial hardship, such as the smallest businesses, those with less access to credit, or those serving disadvantaged communities. Recipients should consider local economic conditions and business data when establishing such criteria.[87]

• *Rehiring State, Local, and Tribal Government Staff.* State, local, and Tribal governments continue to see pandemic impacts in overall staffing levels: State, local, and Tribal government employment remains more than 1 million jobs lower in April 2021 than prior to the pandemic.[88] Employment losses decrease a state or local government's ability to effectively administer services. Thus, the interim final rule includes as an eligible use payroll, covered benefits, and other costs associated with rehiring public sector staff, up to the pre-pandemic staffing level of the government.

• *Aid to Impacted Industries.* Sections 602(c)(1)(A) and 603(c)(1)(A) recognize that certain industries, such as tourism, travel, and hospitality, were disproportionately and negatively impacted by the COVID–19 public health emergency. Aid provided to tourism, travel, and hospitality industries should respond to the negative economic impacts of the pandemic on those and similarly impacted industries. For example, aid may include assistance to implement COVID–19 mitigation and infection prevention measures to enable safe resumption of tourism, travel, and hospitality services, for example, improvements to ventilation, physical barriers or partitions, signage to facilitate social distancing, provision of masks or personal protective equipment, or consultation with infection prevention professionals to develop safe reopening plans.

Aid may be considered responsive to the negative economic impacts of the pandemic if it supports businesses, attractions, business districts, and Tribal development districts operating prior to the pandemic and affected by required closures and other efforts to contain the pandemic. For example, a recipient may provide aid to support safe reopening of businesses in the tourism, travel, and hospitality industries and to business districts that were closed during the COVID–19 public health emergency, as well as aid for a planned expansion or upgrade of tourism, travel, and hospitality facilities delayed due to the pandemic.

When considering providing aid to industries other than tourism, travel, and hospitality, recipients should consider the extent of the economic impact as compared to tourism, travel, and hospitality, the industries enumerated in the statute. For example, on net, the leisure and hospitality industry has experienced an approximately 24 percent decline in revenue and approximately 17 percent decline in employment nationwide due to the COVID–19 public health emergency.[89] Recipients should also consider whether impacts were due to the COVID–19 pandemic, as opposed to longer-term economic or industrial trends unrelated to the pandemic.

To facilitate transparency and accountability, the interim final rule requires that State, local, and Tribal governments publicly report assistance provided to private-sector businesses under this eligible use, including tourism, travel, hospitality, and other impacted industries, and its connection to negative economic impacts of the pandemic. Recipients also should maintain records to support their assessment of how businesses or business districts receiving assistance were affected by the negative economic impacts of the pandemic and how the aid provided responds to these impacts.

As discussed above, economic disparities that existed prior to the COVID–19 public health emergency amplified the impact of the pandemic among low-income and minority groups. These families were more likely to face housing, food, and financial insecurity; are over-represented among low-wage workers; and many have seen their livelihoods deteriorate further during the pandemic and economic contraction. In recognition of the disproportionate negative economic impacts on certain communities and populations, the interim final rule identifies services and programs that will be presumed to be responding to the negative economic impacts of the COVID–19 public health emergency when provided in these communities.

Specifically, Treasury will presume that certain types of services, outlined below, are eligible uses when provided in a QCT, to families and individuals living in QCTs, or when these services are provided by Tribal governments.[90] Recipients may also provide these services to other populations, households, or geographic areas disproportionately impacted by the pandemic. In identifying these disproportionately impacted communities, recipients should be able to support their determination that the pandemic resulted in disproportionate public health or economic outcomes to the specific populations, households, or geographic areas to be served. The interim final rule identifies a non-exclusive list of uses that address the disproportionate negative economic effects of the COVID–19 public health emergency, including:

○ *Building Stronger Communities through Investments in Housing and Neighborhoods.* The economic impacts of COVID–19 have likely been most acute in lower-income neighborhoods, including concentrated areas of high unemployment, limited economic opportunity, and housing insecurity.[91]

[87] *See* Federal Reserve Bank of Cleveland, An Uphill Battle: COVID–19's Outsized Toll on Minority-Owned Firms (Oct. 8, 2020), *https://www.clevelandfed.org/newsroom-and-events/publications/community-development-briefs/db-20201008-misera-report.aspx* (discussing the impact of COVID–19 on minority owned businesses).

[88] U.S. Bureau of Labor Statistics, All Employees, State Government [CES9092000001] and All Employees, Local Government [CES9093000001], retrieved from FRED, Federal Reserve Bank of St. Louis, *https://fred.stlouisfed.org/series/CES9092000001* and *https://fred.stlouisfed.org/series/CES9093000001* (last visited May 8, 2021).

[89] From February 2020 to April 2021, employment in "Leisure and hospitality" has fallen by approximately 17 percent. *See* U.S. Bureau of Labor Statistics, All Employees, Leisure and Hospitality, retrieved from FRED, Federal Reserve Bank of St. Louis, *https://fred.stlouisfed.org/series/USLAH* (last visited May 8, 2021). From 2019Q4 to 2020Q4, gross output (*e.g.* revenue) in arts, entertainment, recreation, accommodation, and food services has fallen by approximately 24 percent. *See* Bureau of Economic Analysis, News Release: Gross Domestic Product (Third Estimate), Corporate Profits, and GDP by Industry, Fourth Quarter and Year 2020 (Mar. 25, 2021), Table 17, *https://www.bea.gov/sites/default/files/2021-03/gdp4q20_3rd.pdf.*

[90] HUD, *supra* note 48.

[91] Stuart M. Butler & Jonathan Grabinsky, Tackling the legacy of persistent urban inequality and concentrated poverty, Brookings Institution (Nov. 16, 2020), *https://www.brookings.edu/blog/up-front/2020/11/16/tackling-the-legacy-of-*

Continued

Services in this category alleviate the immediate economic impacts of the COVID–19 pandemic on housing insecurity, while addressing conditions that contributed to poor public health and economic outcomes during the pandemic, namely concentrated areas with limited economic opportunity and inadequate or poor-quality housing.[92] Eligible services include:

- Services to address homelessness such as supportive housing, and to improve access to stable, affordable housing among unhoused individuals;
- Affordable housing development to increase supply of affordable and high-quality living units; and
- Housing vouchers, residential counseling, or housing navigation assistance to facilitate household moves to neighborhoods with high levels of economic opportunity and mobility for low-income residents, to help residents increase their economic opportunity and reduce concentrated areas of low economic opportunity.[93]

○ *Addressing Educational Disparities.* As outlined above, school closures and the transition to remote education raised particular challenges for lower-income students, potentially exacerbating educational disparities, while increases in economic hardship among families could have long-lasting impacts on children's educational and economic prospects. Services under this prong would enhance educational supports to help mitigate impacts of the pandemic. Eligible services include:

- New, expanded, or enhanced early learning services, including pre-kindergarten, Head Start, or partnerships between pre-kindergarten programs and local education authorities, or administration of those services;
- Providing assistance to high-poverty school districts to advance equitable funding across districts and geographies;
- Evidence-based educational services and practices to address the academic needs of students, including tutoring, summer, afterschool, and other extended learning and enrichment programs; and
- Evidence-based practices to address the social, emotional, and mental health needs of students;

○ *Promoting Healthy Childhood Environments.* Children's economic and family circumstances have a long-term impact on their future economic outcomes.[94] Increases in economic hardship, material insecurity, and parental stress and behavioral health challenges all raise the risk of long-term harms to today's children due to the pandemic. Eligible services to address this challenge include:

- New or expanded high-quality childcare to provide safe and supportive care for children;
- Home visiting programs to provide structured visits from health, parent educators, and social service professionals to pregnant women or families with young children to offer education and assistance navigating resources for economic support, health needs, or child development; and
- Enhanced services for child welfare-involved families and foster youth to provide support and training on child development, positive parenting, coping skills, or recovery for mental health and substance use challenges.

State, local, and Tribal governments are encouraged to use payments from the Fiscal Recovery Funds to respond to the direct and immediate needs of the pandemic and its negative economic impacts and, in particular, the needs of households and businesses that were disproportionately and negatively impacted by the public health emergency. As highlighted above, low-income communities and workers and people of color have faced more severe health and economic outcomes during the pandemic, with pre-existing social vulnerabilities like low-wage or insecure employment, concentrated neighborhoods with less economic opportunity, and pre-existing health disparities likely contributing to the magnified impact of the pandemic. The Fiscal Recovery Funds provide resources to not only respond to the immediate harms of the pandemic but also to mitigate its longer-term impact in compounding the systemic public health and economic challenges of disproportionately impacted populations. Treasury encourages recipients to consider funding uses that foster a strong, inclusive, and equitable recovery, especially uses with long-term benefits for health and economic outcomes.

Uses Outside the Scope of this Category. Certain uses would not be within the scope of this eligible use category, although may be eligible under other eligible use categories. A general infrastructure project, for example, typically would not be included unless the project responded to a specific pandemic public health need (*e.g.*, investments in facilities for the delivery of vaccines) or a specific negative economic impact like those described above (*e.g.*, affordable housing in a QCT). The ARPA explicitly includes infrastructure if it is "necessary" and in water, sewer, or broadband. *See* Section II.D of this **SUPPLEMENTARY INFORMATION**. State, local, and Tribal governments also may use the Fiscal Recovery Funds under sections 602(c)(1)(C) or 603(c)(1)(C) to provide "government services" broadly to the extent of their reduction in revenue. *See* Section II.C of this **SUPPLEMENTARY INFORMATION**.

This category of eligible uses also would not include contributions to rainy day funds, financial reserves, or similar funds. Resources made available under this eligible use category are intended to help meet pandemic response needs and provide relief for households and businesses facing near- and long-term negative economic impacts. Contributions to rainy day funds and similar financial reserves would not address these needs or respond to the COVID–19 public health emergency but would rather constitute savings for future spending needs. Similarly, this eligible use category would not include payment of interest or principal on outstanding debt instruments, including, for example, short-term revenue or tax anticipation notes, or other debt service costs. As discussed below, payments from the Fiscal Recovery Funds are intended to be used prospectively and the interim final rule precludes use of these funds to cover the costs of debt incurred prior to March 3, 2021. Fees or issuance costs associated with the issuance of new debt would also not be covered using payments from the Fiscal Recovery Funds because such costs would not themselves have been incurred to address the needs of pandemic response or its negative economic impacts. The purpose of the Fiscal Recovery Funds is to provide fiscal relief that will permit State, local, and Tribal governments to continue to respond to the COVID–19 public health emergency.

For the same reasons, this category of eligible uses would not include satisfaction of any obligation arising under or pursuant to a settlement agreement, judgment, consent decree, or judicially confirmed debt restructuring

persistent-urban-inequality-and-concentrated-poverty/.

[92] U.S. Department of Health and Human Services (HHS), Office of Disease Prevention and Health Promotion, Quality of Housing, *https://www.healthypeople.gov/2020/topics-objectives/topic/social-determinants-health/interventions-resources/quality-of-housing#11* (last visited Apr. 26, 2021).

[93] The Opportunity Atlas, *https://www.opportunityatlas.org/* (last visited Apr. 26, 2021); Raj Chetty & Nathaniel Hendren, The Impacts of Neighborhoods on Intergenerational Mobility I: Childhood Exposure Effects, Quarterly J. of Econ. 133(3):1107–162 (2018), *available at https://opportunityinsights.org/paper/neighborhoodsi/.*

[94] *See* supra notes 52 and 84.

plan in a judicial, administrative, or regulatory proceeding, except to the extent the judgment or settlement requires the provision of services that would respond to the COVID–19 public health emergency. That is, satisfaction of a settlement or judgment would not itself respond to COVID–19 with respect to the public health emergency or its negative economic impacts, unless the settlement requires the provision of services or aid that did directly respond to these needs, as described above.

In addition, as described in Section V.III of this **SUPPLEMENTARY INFORMATION**, Treasury will establish reporting and record keeping requirements for uses within this category, including enhanced reporting requirements for certain types of uses.

Question 1: Are there other types of services or costs that Treasury should consider as eligible uses to respond to the public health impacts of COVID–19? Describe how these respond to the COVID–19 public health emergency.

Question 2: The interim final rule permits coverage of payroll and benefits costs of public health and safety staff primarily dedicated to COVID–19 response, as well as rehiring of public sector staff up to pre-pandemic levels. For how long should these measures remain in place? What other measures or presumptions might Treasury consider to assess the extent to which public sector staff are engaged in COVID–19 response, and therefore reimbursable, in an easily-administrable manner?

Question 3: The interim final rule permits rehiring of public sector staff up to the government's pre-pandemic staffing level, which is measured based on employment as of January 27, 2020. Does this approach adequately measure the pre-pandemic staffing level in a manner that is both accurate and easily administrable? Why or why not?

Question 4: The interim final rule permits deposits to Unemployment Insurance Trust Funds, or using funds to pay back advances, up to the pre-pandemic balance. What, if any, conditions should be considered to ensure that funds repair economic impacts of the pandemic and strengthen unemployment insurance systems?

Question 5: Are there other types of services or costs that Treasury should consider as eligible uses to respond to the negative economic impacts of COVID–19? Describe how these respond to the COVID–19 public health emergency.

Question 6: What other measures, presumptions, or considerations could be used to assess "impacted industries" affected by the COVID–19 public health emergency?

Question 7: What are the advantages and disadvantages of using Qualified Census Tracts and services provided by Tribal governments to delineate where a broader range of eligible uses are presumed to be responsive to the public health and economic impacts of COVID–19? What other measures might Treasury consider? Are there other populations or geographic areas that were disproportionately impacted by the pandemic that should be explicitly included?

Question 8: Are there other services or costs that Treasury should consider as eligible uses to respond to the disproportionate impacts of COVID–19 on low-income populations and communities? Describe how these respond to the COVID–19 public health emergency or its negative economic impacts, including its exacerbation of pre-existing challenges in these areas.

Question 9: The interim final rule includes eligible uses to support affordable housing and stronger neighborhoods in disproportionately-impacted communities. Discuss the advantages and disadvantages of explicitly including other uses to support affordable housing and stronger neighborhoods, including rehabilitation of blighted properties or demolition of abandoned or vacant properties. In what ways does, or does not, this potential use address public health or economic impacts of the pandemic? What considerations, if any, could support use of Fiscal Recovery Funds in ways that do not result in resident displacement or loss of affordable housing units?

B. Premium Pay

Fiscal Recovery Funds payments may be used by recipients to provide premium pay to eligible workers performing essential work during the COVID–19 public health emergency or to provide grants to third-party employers with eligible workers performing essential work.[95] These are workers who have been and continue to be relied on to maintain continuity of operations of essential critical infrastructure sectors, including those who are critical to protecting the health and wellbeing of their communities.

Since the start of the COVID–19 public health emergency in January 2020, essential workers have put their physical wellbeing at risk to meet the daily needs of their communities and to provide care for others. In the course of this work, many essential workers have contracted or died of COVID–19.[96] Several examples reflect the severity of the health impacts for essential workers. Meat processing plants became "hotspots" for transmission, with 700 new cases reported at a single plant on a single day in May 2020.[97] In New York City, 120 employees of the Metropolitan Transit Authority were estimated to have died due to COVID–19 by mid-May 2020, with nearly 4,000 testing positive for the virus.[98] Furthermore, many essential workers are people of color or low-wage workers.[99] These workers, in particular, have borne a disproportionate share of the health and economic impacts of the pandemic. Such workers include:

- Staff at nursing homes, hospitals, and home care settings;
- Workers at farms, food production facilities, grocery stores, and restaurants;
- Janitors and sanitation workers;
- Truck drivers, transit staff, and warehouse workers;
- Public health and safety staff;
- Childcare workers, educators, and other school staff; and
- Social service and human services staff.

During the public health emergency, employers' policies on COVID–19-related hazard pay have varied widely, with many essential workers not yet compensated for the heightened risks they have faced and continue to face.[100]

[95] Sections 602(c)(1)(B), 603(c)(1)(B) of the Act.

[96] *See, e.g.*, Centers for Disease Control and Prevention, COVID Data Tracker: Cases & Death among Healthcare Personnel, *https://covid.cdc.gov/covid-data-tracker/#health-care-personnel* (last visited May 4, 2021); Centers for Disease Control and Prevention, COVID Data Tracker: Confirmed COVID–19 Cases and Deaths among Staff and Rate per 1,000 Resident-Weeks in Nursing Homes, by Week—United States, *https://covid.cdc.gov/covid-data-tracker/#nursing-home-staff* (last visited May 4, 2021).

[97] *See, e.g.*, The Lancet, The plight of essential workers during the COVID–19 pandemic, Vol. 395, Issue 10237:1587 (May 23, 2020), *available at https://www.thelancet.com/journals/lancet/article/PIIS0140-6736%2820%2931200-9/fulltext.*

[98] *Id.*

[99] Joanna Gaitens et al., Covid–19 and essential workers: A narrative review of health outcomes and moral injury, Int'l J. of Envtl. Research and Pub. Health 18(4):1446 (Feb. 4, 2021), *available at https://pubmed.ncbi.nlm.nih.gov/33557075/;* Tiana N. Rogers et al., Racial Disparities in COVID–19 Mortality Among Essential Workers in the United States, World Med. & Health policy 12(3):311–27 (Aug. 5, 2020), *available at https://onlinelibrary.wiley.com/doi/full/10.1002/wmh3.358* (finding that vulnerability to coronavirus exposure was increased among non-Hispanic blacks, who disproportionately occupied the top nine essential occupations).

[100] Economic Policy Institute, Only 30% of those working outside their home are receiving hazard pay (June 16, 2020), *https://www.epi.org/press/only-30-of-those-working-outside-their-home-are-receiving-hazard-pay-black-and-hispanic-workers-are-most-concerned-about-bringing-the-coronavirus-home/.*

Many of these workers earn lower wages on average and live in socioeconomically vulnerable communities as compared to the general population.[101] A recent study found that 25 percent of essential workers were estimated to have low household income, with 13 percent in high-risk households.[102] The low pay of many essential workers makes them less able to cope with the financial consequences of the pandemic or their work-related health risks, including working hours lost due to sickness or disruptions to childcare and other daily routines, or the likelihood of COVID–19 spread in their households or communities. Thus, the threats and costs involved with maintaining the ongoing operation of vital facilities and services have been, and continue to be, borne by those that are often the most vulnerable to the pandemic. The added health risk to essential workers is one prominent way in which the pandemic has amplified pre-existing socioeconomic inequities.

The Fiscal Recovery Funds will help respond to the needs of essential workers by allowing recipients to remunerate essential workers for the elevated health risks they have faced and continue to face during the public health emergency. To ensure that premium pay is targeted to workers that faced or face heightened risks due to the character of their work, the interim final rule defines essential work as work involving regular in-person interactions or regular physical handling of items that were also handled by others. A worker would not be engaged in essential work and, accordingly may not receive premium pay, for telework performed from a residence.

Sections 602(g)(2) and 603(g)(2) define eligible worker to mean "those workers needed to maintain continuity of operations of essential critical infrastructure sectors and additional sectors as each Governor of a State or territory, or each Tribal government, may designate as critical to protect the health and well-being of the residents of their State, territory, or Tribal government." [103] The rule incorporates this definition and provides a list of industries recognized as essential critical infrastructure sectors.[104] These sectors include healthcare, public health and safety, childcare, education, sanitation, transportation, and food production and services, among others as noted above. As provided under sections 602(g)(2) and 603(g)(2), the chief executive of each recipient has discretion to add additional sectors to this list, so long as additional sectors are deemed critical to protect the health and well-being of residents.

In providing premium pay to essential workers or grants to eligible employers, a recipient must consider whether the pay or grant would "respond to" to the worker or workers performing essential work. Premium pay or grants provided under this section respond to workers performing essential work if it addresses the heightened risk to workers who must be physically present at a jobsite and, for many of whom, the costs associated with illness were hardest to bear financially. Many of the workers performing critical essential services are low- or moderate-income workers, such as those described above. The ARPA recognizes this by defining premium pay to mean an amount up to $13 per hour in addition to wages or remuneration the worker otherwise receives and in an aggregate amount not to exceed $25,000 per eligible worker. To ensure the provision is implemented in a manner that compensates these workers, the interim final rule provides that any premium pay or grants provided using the Fiscal Recovery Funds should prioritize compensation of those lower income eligible workers that perform essential work.

As such, providing premium pay to eligible workers responds to such workers by helping address the disparity between the critical services and risks taken by essential workers and the relatively low compensation they tend to receive in exchange. If premium pay would increase a worker's total pay above 150 percent of their residing state's average annual wage for all occupations, as defined by the Bureau of Labor Statistics' Occupational Employment and Wage Statistics, or their residing county's average annual wage, as defined by the Bureau of Labor Statistics' Occupational Employment and Wage Statistics, whichever is higher, on an annual basis, the State, local, or Tribal government must provide Treasury and make publicly available, whether for themselves or on behalf of a grantee, a written justification of how the premium pay or grant is responsive to workers performing essential worker during the public health emergency.[105]

The threshold of 150 percent for requiring additional written justification is based on an analysis of the distribution of labor income for a sample of 20 occupations that generally correspond to the essential workers as defined in the interim final rule.[106] For these occupations, labor income for the vast majority of workers was under 150 percent of average annual labor income across all occupations. Treasury anticipates that the threshold of 150 percent of the annual average wage will be greater than the annual average wage of the vast majority of eligible workers performing essential work. These enhanced reporting requirements help to ensure grants are directed to essential workers in critical infrastructure sectors and responsive to the impacts of the pandemic observed among essential workers, namely the mis-alignment between health risks and compensation. Enhanced reporting also provides transparency to the public. Finally, using a localized measure reflects differences in wages and cost of living across the country, making this standard administrable and reflective of essential worker incomes across a diverse range of geographic areas.

Furthermore, because premium pay is intended to compensate essential workers for heightened risk due to COVID–19, it must be entirely additive to a worker's regular rate of wages and other remuneration and may not be used to reduce or substitute for a worker's normal earnings. The definition of premium pay also clarifies that premium pay may be provided retrospectively for work performed at any time since the start of the COVID–19 public health emergency, where those workers have yet to be compensated adequately for work previously performed.[107] Treasury encourages recipients to prioritize providing retrospective premium pay where possible, recognizing that many essential workers have not yet received additional compensation for work conducted over the course of many

[101] McCormack, *supra* note 37.

[102] *Id.*

[103] Sections 602(g)(2), 603(g)(2) of the Act.

[104] The list of critical infrastructure sectors provided in the interim final rule is based on the list of essential workers under The Heroes Act, H.R. 6800, 116th Cong. (2020).

[105] County median annual wage is taken to be that of the metropolitan or nonmetropolitan area that includes the county. *See* U.S. Bureau of Labor Statistics, State Occupational Employment and Wage Estimates, *https://www.bls.gov/oes/current/oessrcst.htm* (last visited May 1, 2021); U.S. Bureau of Labor Statistics, May 2020 Metropolitan and Nonmetropolitan Area Estimates listed by county or town, *https://www.bls.gov/oes/current/county_links.htm* (last visited May 1, 2021).

[106] Treasury performed this analysis with data from the U.S. Census Bureau's 2019 Annual Social and Economic Supplement. In determining which occupations to include in this analysis, Treasury excluded management and supervisory positions, as such positions may not necessarily involve regular in-person interactions or physical handling of items to the same extent as non-managerial positions.

[107] However, such compensation must be "in addition to" remuneration or wages already received. That is, employers may not reduce such workers' current pay and use Fiscal Recovery Funds to compensate themselves for premium pay previously provided to the worker.

months. Essential workers who have already earned premium pay for essential work performed during the COVID–19 public health emergency remain eligible for additional payments, and an essential worker may receive both retrospective premium pay for prior work as well as prospective premium pay for current or ongoing work.

To ensure any grants respond to the needs of essential workers and are made in a fair and transparent manner, the rule imposes some additional reporting requirements for grants to third-party employers, including the public disclosure of grants provided. *See* Section VIII of this **SUPPLEMENTARY INFORMATION**, discussing reporting requirements. In responding to the needs of essential workers, a grant to an employer may provide premium pay to eligible workers performing essential work, as these terms are defined in the interim final rule and discussed above. A grant provided to an employer may also be for essential work performed by eligible workers pursuant to a contract. For example, if a municipality contracts with a third party to perform sanitation work, the third-party contractor could be eligible to receive a grant to provide premium pay for these eligible workers.

Question 10: Are there additional sectors beyond those listed in the interim final rule that should be considered essential critical infrastructure sectors?

Question 11: What, if any, additional criteria should Treasury consider to ensure that premium pay responds to essential workers?

Question 12: What consideration, if any, should be given to the criteria on salary threshold, including measure and level, for requiring written justification?

C. Revenue Loss

Recipients may use payments from the Fiscal Recovery Funds for the provision of government services to the extent of the reduction in revenue experienced due to the COVID–19 public health emergency.[108] Pursuant to sections 602(c)(1)(C) and 603(c)(1)(C) of the Act, a recipient's reduction in revenue is measured relative to the revenue collected in the most recent full fiscal year prior to the emergency.

Many State, local, and Tribal governments are experiencing significant budget shortfalls, which can have a devastating impact on communities. State government tax revenue from major sources were down 4.3 percent in the six months ended September 2020, relative to the same period 2019.[109] At the local level, nearly 90 percent of cities have reported being less able to meet the fiscal needs of their communities and, on average, cities expect a double-digit decline in general fund revenues in their fiscal year 2021.[110] Similarly, surveys of Tribal governments and Tribal enterprises found majorities of respondents reporting substantial cost increases and revenue decreases, with Tribal governments reporting reductions in healthcare, housing, social services, and economic development activities as a result of reduced revenues.[111] These budget shortfalls are particularly problematic in the current environment, as State, local, and Tribal governments work to mitigate and contain the COVID–19 pandemic and help citizens weather the economic downturn.

Further, State, local, and Tribal government budgets affect the broader economic recovery. During the period following the 2007–2009 recession, State and local government budget pressures led to fiscal austerity that was a significant drag on the overall economic recovery.[112] Inflation-adjusted State and local government revenue did not return to the previous peak until 2013,[113] while State, local, and Tribal government employment did not recover to its prior peak for over a decade, until August 2019—just a few months before the COVID–19 public health emergency began.[114]

Sections 602(c)(1)(C) and 603(c)(1)(C) of the Act allow recipients facing budget shortfalls to use payments from the Fiscal Recovery Funds to avoid cuts to government services and, thus, enable State, local, and Tribal governments to continue to provide valuable services and ensure that fiscal austerity measures do not hamper the broader economic recovery. The interim final rule implements these provisions by establishing a definition of "general revenue" for purposes of calculating a loss in revenue and by providing a methodology for calculating revenue lost due to the COVID–19 public health emergency.

General Revenue. The interim final rule adopts a definition of "general revenue" based largely on the components reported under "General Revenue from Own Sources" in the Census Bureau's Annual Survey of State and Local Government Finances, and for purposes of this interim final rule, helps to ensure that the components of general revenue would be calculated in a consistent manner.[115] By relying on a methodology that is both familiar and comprehensive, this approach minimizes burden to recipients and provides consistency in the measurement of general revenue across a diverse set of recipients.

The interim final rule defines the term "general revenue" to include revenues collected by a recipient and generated from its underlying economy and would capture a range of different types of tax revenues, as well as other types of revenue that are available to support government services.[116] In calculating revenue, recipients should sum across all revenue streams covered as general revenue. This approach minimizes the administrative burden for recipients, provides for greater consistency across recipients, and presents a more accurate representation of the overall impact of

[108] ARPA, *supra* note 16.

[109] Major sources include personal income tax, corporate income tax, sales tax, and property tax. *See* Lucy Dadayan., States Reported Revenue Growth in July–September Quarter, Reflecting Revenue Shifts from the Prior Quarter, State Tax and Econ. Rev. (Q. 3, 2020), *available at https://www.urban.org/sites/default/files/publication/103938/state-tax-and-economic-review-2020-q3_0.pdf.*

[110] National League of Cities, City Fiscal Conditions (2020), *available at https://www.nlc.org/wp-content/uploads/2020/08/City_Fiscal_Conditions_2020_FINAL.pdf.*

[111] Surveys conducted by the Center for Indian Country Development at the Federal Reserve Bank of Minneapolis in March, April, and September 2020. *See* Moreno & Sobrepena, *supra* note 73.

[112] *See, e.g.,* Fitzpatrick, Haughwout & Setren, Fiscal Drag from the State and Local Sector?, Liberty Street Economics Blog, Federal Reserve Bank of New York (June 27, 2012), *https://www.libertystreeteconomics.newyorkfed.org/2012/06/fiscal-drag-from-the-state-and-local-sector.html;* Jiri Jonas, Great Recession and Fiscal Squeeze at U.S. Subnational Government Level, IMF Working Paper 12/184, (July 2012), *available at https://www.imf.org/external/pubs/ft/wp/2012/wp12184.pdf;* Gordon, *supra* note 9.

[113] State and local government general revenue from own sources, adjusted for inflation using the GDP price index. U.S. Census Bureau, Annual Survey of State Government Finances and U.S. Bureau of Economic Analysis, National Income and Product Accounts.

[114] U.S. Bureau of Labor Statistics, All Employees, State Government [CES9092000001] and All Employees, Local Government [CES9093000001], retrieved from FRED, Federal Reserve Bank of St. Louis, *https://fred.stlouisfed.org/series/CES9092000001* and *https://fred.stlouisfed.org/series/CES9093000001* (last visited Apr. 27, 2021).

[115] U.S. Census Bureau, Annual Survey of State and Local Government Finances, *https://www.census.gov/programs-surveys/gov-finances.html* (last visited Apr. 30, 2021).

[116] The interim final rule would define tax revenue in a manner consistent with the Census Bureau's definition of tax revenue, with certain changes (*i.e.,* inclusion of revenue from liquor stores and certain intergovernmental transfers). Current charges are defined as "charges imposed for providing current services or for the sale of products in connection with general government activities." It includes revenues such as public education institution, public hospital, and toll revenues. Miscellaneous general revenue comprises of all other general revenue of governments from their own sources (*i.e.,* other than liquor store, utility, and insurance trust revenue), including rents, royalties, lottery proceeds, and fines.

the COVID–19 public health emergency on a recipient's revenue, rather than relying on financial reporting prepared by each recipient, which vary in methodology used and which generally aggregates revenue by purpose rather than by source.[117]

Consistent with the Census Bureau's definition of "general revenue from own sources," the definition of general revenue in the interim final rule would exclude refunds and other correcting transactions, proceeds from issuance of debt or the sale of investments, and agency or private trust transactions. The definition of general revenue also would exclude revenue generated by utilities and insurance trusts. In this way, the definition of general revenue focuses on sources that are generated from economic activity and are available to fund government services, rather than a fund or administrative unit established to account for and control a particular activity.[118] For example, public utilities typically require financial support from the State, local, or Tribal government, rather than providing revenue to such government, and any revenue that is generated by public utilities typically is used to support the public utility's continued operation, rather than being used as a source of revenue to support government services generally.

The definition of general revenue would include all revenue from Tribal enterprises, as this revenue is generated from economic activity and is available to fund government services. Tribes are not able to generate revenue through taxes in the same manner as State and local governments and, as a result, Tribal enterprises are critical sources of revenue for Tribal governments that enable Tribal governments to provide a range of services, including elder care, health clinics, wastewater management, and forestry.

Finally, the term "general revenue" includes intergovernmental transfers between State and local governments, but excludes intergovernmental transfers from the Federal Government, including Federal transfers made via a State to a local government pursuant to the CRF or as part of the Fiscal Recovery Funds. States and local governments often share or collect revenue on behalf of one another, which results in intergovernmental transfers. When attributing revenue to a unit of government, the Census Bureau's methodology considers which unit of government imposes, collects, and retains the revenue and assigns the revenue to the unit of government that meets at least two of those three factors.[119] For purposes of measuring loss in general revenue due to the COVID–19 public health emergency and to better allow continued provision of government services, the retention and ability to use the revenue is a more critical factor. Accordingly, and to better measure the funds available for the provision of government services, the definition of general revenue would include intergovernmental transfers from States or local governments other than funds transferred pursuant to ARPA, CRF, or another Federal program. This formulation recognizes the importance of State transfers for local government revenue.[120]

Calculation of Loss. In general, recipients will compute the extent of the reduction in revenue by comparing actual revenue to a counterfactual trend representing what could have been expected to occur in the absence of the pandemic. This approach measures losses in revenue relative to the most recent fiscal year prior to the COVID–19 public health emergency by using the most recent pre-pandemic fiscal year as the starting point for estimates of revenue growth absent the pandemic. In other words, the counterfactual trend starts with the last full fiscal year prior to the COVID–19 public health emergency and then assumes growth at a constant rate in the subsequent years. Because recipients can estimate the revenue shortfall at multiple points in time throughout the covered period as revenue is collected, this approach accounts for variation across recipients in the timing of pandemic impacts.[121] Although revenue may decline for reasons unrelated to the COVID–19 public health emergency, to minimize the administrative burden on recipients and taking into consideration the devastating effects of the COVID–19 public health emergency, any diminution in actual revenues relative to the counterfactual pre-pandemic trend would be presumed to have been due to the COVID–19 public health emergency.

For purposes of measuring revenue growth in the counterfactual trend, recipients may use a *growth adjustment* of either 4.1 percent per year or the recipient's average annual revenue growth over the three full fiscal years prior to the COVID–19 public health emergency, whichever is higher. The option of 4.1 percent represents the average annual growth across all State and local government "General Revenue from Own Sources" in the most recent three years of available data.[122] This approach provides recipients with a standardized growth adjustment when calculating the counterfactual revenue trend and thus minimizes administrative burden, while not disadvantaging recipients with revenue growth that exceeded the national average prior to the COVID–19 public health emergency by permitting these recipients to use their own revenue growth rate over the preceding three years.

Recipients should calculate the extent of the reduction in revenue as of four points in time: December 31, 2020; December 31, 2021; December 31, 2022; and December 31, 2023. To calculate the extent of the reduction in revenue at each of these dates, recipients should follow a four-step process:

- *Step 1:* Identify revenues collected in the most recent full fiscal year prior to the public health emergency (*i.e.*, last full fiscal year before January 27, 2020), called the *base year revenue.*
- *Step 2:* Estimate *counterfactual revenue,* which is equal to *base year revenue* * [(1 + *growth adjustment*) ^ (*n*/12)], where *n* is the number of months elapsed since the end of the base year to the calculation date, and *growth adjustment* is the greater of 4.1 percent and the recipient's average annual revenue growth in the three full fiscal

[117] Fund-oriented reporting, such as what is used under the Governmental Accounting Standards Board (GASB), focuses on the types of uses and activities funded by the revenue, as opposed to the economic activity from which the revenue is sourced. *See* Governmental Accounting Standards Series, Statement No. 54 of the Governmental Accounting Standards Board: Fund Balance Reporting and Governmental Fund Type Definitions, No. 287–B (Feb. 2009).

[118] *Supra* note 116.

[119] U.S. Census Bureau, Government Finance and Employment Classification Manual (Dec. 2000), *https://www2.census.gov/govs/class/classfull.pdf.*

[120] For example, in 2018, state transfers to localities accounted for approximately 27 percent of local revenues. U.S. Census Bureau, Annual Survey of State and Local Government Finances, Table 1 (2018), *https://www.census.gov/data/datasets/2018/econ/local/public-use-datasets.html.*

[121] For example, following the 2007–09 recession, local government property tax collections did not begin to decline until 2011, suggesting that property tax collection declines can lag downturns. *See* U.S. Bureau of Economic Analysis, Personal current taxes: State and local: Property taxes [S210401A027NBEA], retrieved from Federal Reserve Economic Data, Federal Reserve Bank of St. Louis, *https://fred.stlouisfed.org/graph/?g=r3YI* (last visited Apr. 22, 2021). Estimating the reduction in revenue at points throughout the covered period will allow for this type of lagged effect to be taken into account during the covered period.

[122] Together with revenue from liquor stores from 2015 to 2018. This estimate does not include any intergovernmental transfers. A recipient using the three-year average to calculate their growth adjustment must be based on the definition of general revenue, including treatment of intergovernmental transfers. 2015–2018 represents the most recent available data. *See* U.S. Census Bureau, State & Local Government Finance Historical Datasets and Tables (2018), *https://www.census.gov/programs-surveys/gov-finances/data/datasets.html.*

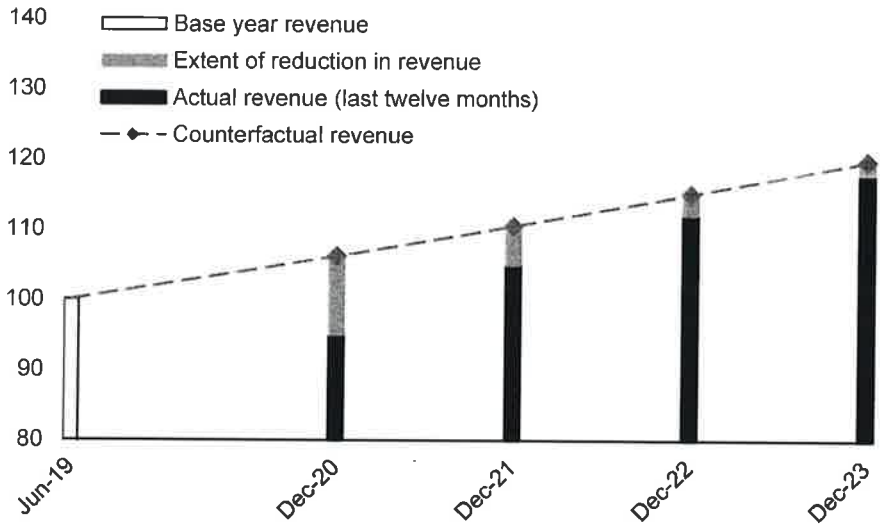
years prior to the COVID–19 public health emergency.

- *Step 3:* Identify *actual revenue,* which equals revenues collected over the past twelve months as of the calculation date.
- *Step 4:* The extent of the reduction in revenue is equal to *counterfactual revenue* less *actual revenue.* If actual revenue exceeds counterfactual revenue, the extent of the reduction in revenue is set to zero for that calculation date.

For illustration, consider a hypothetical recipient with *base year revenue* equal to 100. In Step 2, the hypothetical recipient finds that 4.1 percent is greater than the recipient's average annual revenue growth in the three full fiscal years prior to the public health emergency. Furthermore, this recipient's base year ends June 30. In this illustration, *n* (months elapsed) and *counterfactual revenue* would be equal to:

As of:	12/31/2020	12/31/2021	12/31/2022	12/31/2023
n (months elapsed)	18	30	42	54
Counterfactual revenue:	106.2	110.6	115.1	119.8

The overall methodology for calculating the reduction in revenue is illustrated in the figure below:



Upon receiving Fiscal Recovery Fund payments, recipients may immediately calculate revenue loss for the period ending December 31, 2020.

Sections 602(c)(1)(C) and 603(c)(1)(C) of the Act provide recipients with broad latitude to use the Fiscal Recovery Funds for the provision of government services. Government services can include, but are not limited to, maintenance or pay-go funded building [123] of infrastructure, including roads; modernization of cybersecurity, including hardware, software, and protection of critical infrastructure; health services; environmental remediation; school or educational services; and the provision of police, fire, and other public safety services. However, expenses associated with obligations under instruments evidencing financial indebtedness for borrowed money would not be considered the provision of government services, as these financing expenses do not directly provide services or aid to citizens. Specifically, government services would not include interest or principal on any outstanding debt instrument, including, for example, short-term revenue or tax anticipation notes, or fees or issuance costs associated with the issuance of new debt. For the same reasons, government services would not include satisfaction of any obligation arising under or pursuant to a settlement agreement, judgment, consent decree, or judicially confirmed debt restructuring in a judicial, administrative, or regulatory proceeding, except if the judgment or settlement required the provision of government services. That is, satisfaction of a settlement or judgment itself is not a government service, unless the settlement required the provision of government services. In addition, replenishing financial reserves (*e.g.,* rainy day or other reserve funds) would not be considered provision of a government service, since such expenses do not directly relate to the provision of government services.

Question 13: Are there sources of revenue that either should or should not be included in the interim final rule's measure of "general revenue" for recipients? If so, discuss why these sources either should or should not be included.

Question 14: In the interim final rule, recipients are expected to calculate the reduction in revenue on an aggregate basis. Discuss the advantages and disadvantages of, and any potential concerns with, this approach, including circumstances in which it could be necessary or appropriate to calculate the reduction in revenue by source.

Question 15: Treasury is considering whether to take into account other factors, including actions taken by the recipient as well as the expiration of the COVID–19 public health emergency, in determining whether to presume that revenue losses are "due to" the COVID–

[123] Pay-go infrastructure funding refers to the practice of funding capital projects with cash-on-hand from taxes, fees, grants, and other sources, rather than with borrowed sums.

19 public health emergency. Discuss the advantages and disadvantages of this presumption, including when, if ever, during the covered period it would be appropriate to reevaluate the presumption that all losses are attributable to the COVID–19 public health emergency.

Question 16: Do recipients anticipate lagged revenue effects of the public health emergency? If so, when would these lagged effects be expected to occur, and what can Treasury to do support these recipients through its implementation of the program?

Question 17: In the interim final rule, paying interest or principal on government debt is not considered provision of a government service. Discuss the advantages and disadvantages of this approach, including circumstances in which paying interest or principal on government debt could be considered provision of a government service.

D. Investments in Infrastructure

To assist in meeting the critical need for investments and improvements to existing infrastructure in water, sewer, and broadband, the Fiscal Recovery Funds provide funds to State, local, and Tribal governments to make necessary investments in these sectors. The interim final rule outlines eligible uses within each category, allowing for a broad range of necessary investments in projects that improve access to clean drinking water, improve wastewater and stormwater infrastructure systems, and provide access to high-quality broadband service. Necessary investments are designed to provide an adequate minimum level of service and are unlikely to be made using private sources of funds. Necessary investments include projects that are required to maintain a level of service that, at least, meets applicable health-based standards, taking into account resilience to climate change, or establishes or improves broadband service to unserved or underserved populations to reach an adequate level to permit a household to work or attend school, and that are unlikely to be met with private sources of funds.[124]

It is important that necessary investments in water, sewer, or broadband infrastructure be carried out in ways that produce high-quality infrastructure, avert disruptive and costly delays, and promote efficiency. Treasury encourages recipients to ensure that water, sewer, and broadband projects use strong labor standards, including project labor agreements and community benefits agreements that offer wages at or above the prevailing rate and include local hire provisions, not only to promote effective and efficient delivery of high-quality infrastructure projects but also to support the economic recovery through strong employment opportunities for workers. Using these practices in construction projects may help to ensure a reliable supply of skilled labor that would minimize disruptions, such as those associated with labor disputes or workplace injuries.

To provide public transparency on whether projects are using practices that promote on-time and on-budget delivery, Treasury will seek information from recipients on their workforce plans and practices related to water, sewer, and broadband projects undertaken with Fiscal Recovery Funds. Treasury will provide additional guidance and instructions on the reporting requirements at a later date.

1. Water and Sewer Infrastructure

The ARPA provides funds to State, local, and Tribal governments to make necessary investments in water and sewer infrastructure.[125] By permitting funds to be used for water and sewer infrastructure needs, Congress recognized the critical role that clean drinking water and services for the collection and treatment of wastewater and stormwater play in protecting public health. Understanding that State, local, and Tribal governments have a broad range of water and sewer infrastructure needs, the interim final rule provides these governments with wide latitude to identify investments in water and sewer infrastructure that are of the highest priority for their own communities, which may include projects on privately-owned infrastructure. The interim final rule does this by aligning eligible uses of the Fiscal Recovery Funds with the wide range of types or categories of projects that would be eligible to receive financial assistance through the Environmental Protection Agency's (EPA) Clean Water State Revolving Fund (CWSRF) or Drinking Water State Revolving Fund (DWSRF).[126]

Established by the 1987 amendments[127] to the Clean Water Act (CWA),[128] the CWSRF provides financial assistance for a wide range of water infrastructure projects to improve water quality and address water pollution in a way that enables each State to address and prioritize the needs of their populations. The types of projects eligible for CWSRF assistance include projects to construct, improve, and repair wastewater treatment plants, control non-point sources of pollution, improve resilience of infrastructure to severe weather events, create green infrastructure, and protect waterbodies from pollution.[129] Each of the 51 State programs established under the CWSRF have the flexibility to direct funding to their particular environmental needs, and each State may also have its own statutes, rules, and regulations that guide project eligibility.[130]

The DWSRF was modeled on the CWSRF and created as part of the 1996 amendments to the Safe Drinking Water Act (SDWA),[131] with the principal objective of helping public water systems obtain financing for improvements necessary to protect public health and comply with drinking water regulations.[132] Like the CWSRF,

[124] Treasury notes that using funds to support or oppose collective bargaining would not be included as part of "necessary investments in water, sewer, or broadband infrastructure."

[125] Sections 602(c)(1)(D), 603(c)(1)(D) of the Act.

[126] Environmental Protection Agency, Drinking Water State Revolving fund, *https://www.epa.gov/dwsrf* (last visited Apr. 30, 2021); Environmental Protection Agency, Clean Water State Revolving Fund, *https://www.epa.gov/cwsrf* (last visited Apr. 30, 2021).

[127] Water Quality Act of 1987, Public Law 100–4.

[128] Federal Water Pollution Control Act as amended, codified at 33 U.S.C. 1251 *et seq.*, common name (Clean Water Act). In 2009, the American Recovery and Reinvestment Act created the Green Project Reserve, which increased the focus on green infrastructure, water and energy efficient, and environmentally innovative projects. Public Law 111–5. The CWA was amended by the Water Resources Reform and Development Act of 2014 to further expand the CWSRF's eligibilities. Public Law 113–121. *The CWSRF's eligibilities were further expanded in 2018 by the America's Water Infrastructure Act of 2018, Public Law 115–270.*

[129] *See* Environmental Protection Agency, The Drinking Water State Revolving Funds: Financing America's Drinking Water, EPA–816–R–00–023 (Nov. 2000), *https://nepis.epa.gov/Exe/ZyPDF.cgi/200024WB.PDF?Dockey=200024WB.PDF; See also* Environmental Protection Agency, *Learn About the Clean Water State Revolving Fund, https://www.epa.gov/cwsrf/learn-about-clean-water-state-revolving-fund-cwsrf (last visited Apr. 30, 2021).*

[130] 33 U.S.C. 1383(c). *See also Environmental Protection Agency, Overview of Clean Water State Revolving Fund Eligibilities (May 2016), https://www.epa.gov/sites/production/files/2016-07/documents/overview_of_cwsrf_eligibilities_may_2016.pdf; Claudia Copeland, Clean Water Act: A Summary of the Law, Congressional Research Service (Oct. 18, 2016), https://fas.org/sgp/crs/misc/RL30030.pdf; Jonathan L Ramseur, Wastewater Infrastructure: Overview, Funding, and Legislative Developments, Congressional Research Service (May 22, 2018), https://fas.org/sgp/crs/misc/R44963.pdf.*

[131] 42 U.S.C. 300j–12.

[132] Environmental Protection Agency, Drinking Water State Revolving Fund Eligibility Handbook, (June 2017), *https://www.epa.gov/sites/production/files/2017-06/documents/dwsrf_eligibility_handbook_june_13_2017_updated_508_version.pdf;* Environmental Protection Agency, Drinking Water

the DWSRF provides States with the flexibility to meet the needs of their populations.[133] The primary use of DWSRF funds is to assist communities in making water infrastructure capital improvements, including the installation and replacement of failing treatment and distribution systems.[134] In administering these programs, States must give priority to projects that ensure compliance with applicable health and environmental safety requirements; address the most serious risks to human health; and assist systems most in need on a per household basis according to State affordability criteria.[135]

By aligning use of Fiscal Recovery Funds with the categories or types of eligible projects under the existing EPA state revolving fund programs, the interim final rule provides recipients with the flexibility to respond to the needs of their communities while ensuring that investments in water and sewer infrastructure made using Fiscal Recovery Funds are necessary. As discussed above, the CWSRF and DWSRF were designed to provide funding for projects that protect public health and safety by ensuring compliance with wastewater and drinking water health standards.[136] The need to provide funding through the state revolving funds suggests that these projects are less likely to be addressed with private sources of funding; for example, by remediating failing or inadequate infrastructure, much of which is publicly owned, and by addressing non-point sources of pollution. This approach of aligning with the EPA state revolving fund programs also supports expedited project identification and investment so that needed relief for the people and communities most affected by the pandemic can deployed expeditiously and have a positive impact on their health and wellbeing as soon as possible. Further, the interim final rule is intended to preserve flexibility for award recipients to direct funding to their own particular needs and priorities and would not preclude recipients from applying their own additional project eligibility criteria.

In addition, responding to the immediate needs of the COVID–19 public health emergency may have diverted both personnel and financial resources from other State, local, and Tribal priorities, including projects to ensure compliance with applicable water health and quality standards and provide safe drinking and usable water.[137] Through sections 602(c)(1)(D) and 603(c)(1)(D), the ARPA provides resources to address these needs. Moreover, using Fiscal Recovery Funds in accordance with the priorities of the CWA and SWDA to "assist systems most in need on a per household basis according to state affordability criteria" would also have the benefit of providing vulnerable populations with safe drinking water that is critical to their health and, thus, their ability to work and learn.[138]

Recipients may use Fiscal Recovery Funds to invest in a broad range of projects that improve drinking water infrastructure, such as building or upgrading facilities and transmission, distribution, and storage systems, including replacement of lead service lines. Given the lifelong impacts of lead exposure for children, and the widespread nature of lead service lines, Treasury encourages recipients to consider projects to replace lead service lines.

Fiscal Recovery Funds may also be used to support the consolidation or establishment of drinking water systems. With respect to wastewater infrastructure, recipients may use Fiscal Recovery Funds to construct publicly owned treatment infrastructure, manage and treat stormwater or subsurface drainage water, facilitate water reuse, and secure publicly owned treatment works, among other uses. Finally, consistent with the CWSRF and DWSRF, Fiscal Recovery Funds may be used for cybersecurity needs to protect water or sewer infrastructure, such as developing effective cybersecurity practices and measures at drinking water systems and publicly owned treatment works.

Many of the types of projects eligible under either the CWSRF or DWSRF also support efforts to address climate change. For example, by taking steps to manage potential sources of pollution and preventing these sources from reaching sources of drinking water, projects eligible under the DWSRF and the ARPA may reduce energy required to treat drinking water. Similarly, projects eligible under the CWSRF include measures to conserve and reuse water or reduce the energy consumption of public water treatment facilities. Treasury encourages recipients to consider green infrastructure investments and projects to improve resilience to the effects of climate change. For example, more frequent and extreme precipitation events combined with construction and development trends have led to increased instances of stormwater runoff, water pollution, and flooding. Green infrastructure projects that support stormwater system resiliency could include rain gardens that provide water storage and filtration benefits, and green streets, where vegetation, soil, and engineered systems are combined to direct and filter rainwater from impervious surfaces. In cases of a natural disaster, recipients may also use Fiscal Recovery Funds to provide relief, such as interconnecting water systems or rehabilitating existing wells during an extended drought.

Question 18: What are the advantages and disadvantages of aligning eligible uses with the eligible project type requirements of the DWSRF and CWSRF? What other water or sewer project categories, if any, should Treasury consider in addition to DWSRF and CWSRF eligible projects? Should Treasury consider a broader general category of water and sewer projects?

Question 19: What additional water and sewer infrastructure categories, if any, should Treasury consider to address and respond to the needs of unserved, undeserved, or rural communities? How do these projects differ from DWSFR and CWSRF eligible projects?

Question 20: What new categories of water and sewer infrastructure, if any, should Treasury consider to support State, local, and Tribal governments in mitigating the negative impacts of climate change? Discuss emerging technologies and processes that support resiliency of water and sewer infrastructure. Discuss any challenges faced by States and local governments when pursuing or implementing climate resilient infrastructure projects.

Question 21: Infrastructure projects related to dams and reservoirs are generally not eligible under the CWSRF and DWSRF categories. Should Treasury consider expanding eligible

Infrastructure Needs Survey and Assessment: Sixth Report to Congress (March 2018), *https://www.epa.gov/sites/production/files/2018-10/documents/corrected_sixth_drinking_water_infrastructure_needs_survey_and_assessment.pdf.*

[133] *Id.*

[134] *Id.*

[135] 42 U.S.C. 300j–12(b)(3)(A).

[136] Environmental Protection Agency, Learn About the Clean Water State Revolving Fund, *https://www.epa.gov/cwsrf/learn-about-clean-water-state-revolving-fund-cwsrf* (last visited Apr. 30, 2021); 42 U.S.C. 300j–12.

[137] House Committee on the Budget, State and Local Governments are in Dire Need of Federal Relief (Aug. 19, 2020), *https://budget.house.gov/publications/report/state-and-local-governments-are-dire-need-federal-relief.*

[138] Environmental Protection Agency, Drinking Water State Revolving Fund (Nov. 2019), *https://www.epa.gov/sites/production/files/2019-11/documents/fact_sheet_-_dwsrf_overview_final_0.pdf;* Environmental Protection Agency, National Benefits Analysis for Drinking Water Regulations, *https://www.epa.gov/sdwa/national-benefits-analysis-drinking-water-regulations* (last visited Apr. 30, 2020).

infrastructure under the interim final rule to include dam and reservoir projects? Discuss public health, environmental, climate, or equity benefits and costs in expanding the eligibility to include these types of projects.

2. Broadband Infrastructure

The COVID–19 public health emergency has underscored the importance of universally available, high-speed, reliable, and affordable broadband coverage as millions of Americans rely on the internet to participate in, among critical activities, remote school, healthcare, and work. Recognizing the need for such connectivity, the ARPA provides funds to State, territorial, local, and Tribal governments to make necessary investments in broadband infrastructure.

The National Telecommunications and Information Administration (NTIA) highlighted the growing necessity of broadband in daily lives through its analysis of NTIA Internet Use Survey data, noting that Americans turn to broadband internet access service for every facet of daily life including work, study, and healthcare.[139] With increased use of technology for daily activities and the movement by many businesses and schools to operating remotely during the pandemic, broadband has become even more critical for people across the country to carry out their daily lives.

By at least one measure, however, tens of millions of Americans live in areas where there is no broadband infrastructure that provides download speeds greater than 25 Mbps and upload speeds of 3 Mbps.[140] By contrast, as noted below, many households use upload and download speeds of 100 Mbps to meet their daily needs. Even in areas where broadband infrastructure exists, broadband access may be out of reach for millions of Americans because it is unaffordable, as the United States has some of the highest broadband prices in the Organisation for Economic Co-operation and Development (OECD).[141] There are disparities in availability as well; historically, Americans living in territories and Tribal lands as well as rural areas have disproportionately lacked sufficient broadband infrastructure.[142] Moreover, rapidly growing demand has, and will likely continue to, quickly outpace infrastructure capacity, a phenomenon acknowledged by various states around the country that have set scalability requirements to account for this anticipated growth in demand.[143]

The interim final rule provides that eligible investments in broadband are those that are designed to provide services meeting adequate speeds and are provided to unserved and underserved households and businesses. Understanding that States, territories, localities, and Tribal governments have a wide range of varied broadband infrastructure needs, the interim final rule provides award recipients with flexibility to identify the specific locations within their communities to be served and to otherwise design the project.

Under the interim final rule, eligible projects are expected to be designed to deliver, upon project completion, service that reliably meets or exceeds symmetrical upload and download speeds of 100 Mbps. There may be instances in which it would not be practicable for a project to deliver such service speeds because of the geography, topography, or excessive costs associated with such a project. In these instances, the affected project would be expected to be designed to deliver, upon project completion, service that reliably meets or exceeds 100 Mbps download and between at least 20 Mbps and 100 Mbps upload speeds and be scalable to a minimum of 100 Mbps symmetrical for download and upload speeds.[144] In setting these standards, Treasury identified speeds necessary to ensure that broadband infrastructure is sufficient to enable users to generally meet household needs, including the ability to support the simultaneous use of work, education, and health applications, and also sufficiently robust to meet increasing household demands for bandwidth. Treasury also recognizes that different communities and their members may have a broad range of internet needs and that those needs may change over time.

In considering the appropriate speed requirements for eligible projects, Treasury considered estimates of typical households demands during the pandemic. Using the Federal Communication Commission's (FCC) Broadband Speed Guide, for example, a household with two telecommuters and two to three remote learners today are estimated to need 100 Mbps download to work simultaneously.[145] In households with more members, the demands may be greater, and in households with fewer members, the demands may be less.

In considering the appropriate speed requirements for eligible projects, Treasury also considered data usage patterns and how bandwidth needs have changed over time for U.S. households and businesses as people's use of technology in their daily lives has evolved. In the few years preceding the pandemic, market research data showed that average upload speeds in the United States surpassed over 10 Mbps in 2017[146] and continued to increase significantly, with the average upload speed as of November, 2019 increasing to 48.41 Mbps,[147] attributable, in part to a shift to using broadband and the internet by individuals and businesses

[139] *See, e.g., https://www.ntia.gov/blog/2020/more-half-american-households-used-internet-health-related-activities-2019-ntia-data-show; https://www.ntia.gov/blog/2020/nearly-third-american-employees-worked-remotely-2019-ntia-data-show;* and generally, *https://www.ntia.gov/data/digital-nation-data-explorer.*

[140] As an example, data from the Federal Communications Commission shows that as of June 2020, 9.07 percent of the U.S. population had no available cable or fiber broadband providers providing greater than 25 Mbps download speeds and 3 Mbps upload speeds. Availability was significantly less for rural versus urban populations, with 35.57 percent of the rural population lacking such access, compared with 2.57 percent of the urban population. Availability was also significantly less for tribal versus non-tribal populations, with 35.93 percent of the tribal population lacking such access, compared with 8.74 of the non-tribal population. Federal Communications Commission, Fixed Broadband Deployment, *https://broadbandmap.fcc.gov/#/* (last visited May 9, 2021).

[141] How Do U.S. Internet Costs Compare To The Rest Of The World?, BroadbandSearch Blog Post, *available at https://www.broadbandsearch.net/blog/internet-costs-compared-worldwide.*

[142] *See, e.g.,* Federal Communications Commission, Fourteenth Broadband Deployment Report, *available at https://docs.fcc.gov/public/attachments/FCC-21-18A1.pdf.*

[143] *See, e.g.,* Illinois Department of Commerce & Economic Opportunity, Broadband Grants, h (last visited May 9, 2021), *https://www2.illinois.gov/dceo/ConnectIllinois/Pages/BroadbandGrants.aspx;* Kansas Office of Broadband Development, Broadband Acceleration Grant, *https://www.kansascommerce.gov/wp-content/uploads/2020/11/Broadband-Acceleration-Grant.pdf* (last visited May 9, 2021); New York State Association of Counties, Universal Broadband: Deploying High Speed Internet Access in NYS (Jul. 2017), *https://www.nysac.org/files/BroadbandUpdateReport2017(1).pdf.*

[144] This scalability threshold is consistent with scalability requirements used in other jurisdictions. *Id.*

[145] Federal Communications Commission, Broadband Speed Guide, *https://www.fcc.gov/consumers/guides/broadband-speed-guide* (last visited Apr. 30, 2021).

[146] Letter from Lisa R. Youngers, President and CEO of Fiber Broadband Association to FCC, WC Docket No. 19–126 (filed Jan. 3, 2020), including an Appendix with research from RVA LLC, *Data Review Of The Importance of Upload Speeds* (Jan. 2020), and Ookla speed test data, *available at https://ecfsapi.fcc.gov/file/1010300851185 17/FCC%20RDOF%20Jan%203%20Ex%20Parte.pdf.* Additional information on historic growth in data usage is provided in Schools, Health & Libraries Broadband Coalition, *Common Sense Solutions for Closing the Digital Divide,* Apr. 29, 2021.

[147] *Id. See also* United States's Mobile and Broadband internet Speeds—Speedtest Global Index, *available at https://www.speedtest.net/global-index/united-states#fixed.*

to create and share content using video sharing, video conferencing, and other applications.[148]

The increasing use of data accelerated markedly during the pandemic as households across the country became increasingly reliant on tools and applications that require greater internet capacity, both to download data but also to upload data. Sending information became as important as receiving it. A video consultation with a healthcare provider or participation by a child in a live classroom with a teacher and fellow students requires video to be sent and received simultaneously.[149] As an example, some video conferencing technology platforms indicate that download and upload speeds should be roughly equal to support two-way, interactive video meetings.[150] For both work and school, client materials or completed school assignments, which may be in the form of PDF files, videos, or graphic files, also need to be shared with others. This is often done by uploading materials to a collaboration site, and the upload speed available to a user can have a significant impact on the time it takes for the content to be shared with others. [151] These activities require significant capacity from home internet connections to both download and upload data, especially when there are multiple individuals in one household engaging in these activities simultaneously.

This need for increased broadband capacity during the pandemic was reflected in increased usage patterns seen over the last year. As OpenVault noted in recent advisories, the pandemic significantly increased the amount of data users consume. Among data users observed by OpenVault, per-subscriber average data usage for the fourth quarter of 2020 was 482.6 gigabytes per month, representing a 40 percent increase over the 344 gigabytes consumed in the fourth quarter of 2019 and a 26 percent increase over the third quarter 2020 average of 383.8 gigabytes.[152] OpenVault also noted significant increases in upstream usage among the data users it observed, with upstream data usage growing 63 percent—from 19 gigabytes to 31 gigabytes—between December, 2019 and December, 2020.[153] According to an OECD Broadband statistic from June 2020, the largest percentage of U.S. broadband subscribers have services providing speeds between 100 Mbps and 1 Gbps.[154]

Jurisdictions and Federal programs are increasingly responding to the growing demands of their communities for both heightened download and upload speeds. For example, Illinois now requires 100 Mbps symmetrical service as the construction standard for its state broadband grant programs. This standard is also consistent with speed levels, particularly download speed levels, prioritized by other Federal programs supporting broadband projects. Bids submitted as part of the FCC in its Rural Digital Opportunity Fund (RDOF), established to support the construction of broadband networks in rural communities across the country, are given priority if they offer faster service, with the service offerings of 100 Mbps download and 20 Mbps upload being included in the "above baseline" performance tier set by the FCC.[155] The Broadband Infrastructure Program (BBIP) [156] of the Department of Commerce, which provides Federal funding to deploy broadband infrastructure to eligible service areas of the country also prioritizes projects designed to provide broadband service with a download speed of not less than 100 Mbps and an upload speed of not less than 20 Mbps.[157]

The 100 Mbps upload and download speeds will support the increased and growing needs of households and businesses. Recognizing that, in some instances, 100 Mbps upload speed may be impracticable due to geographical, topographical, or financial constraints, the interim final rule permits upload speeds of between at least 20 Mbps and 100 Mbps in such instances. To provide for investments that will accommodate technologies requiring symmetry in download and upload speeds, as noted above, eligible projects that are not designed to deliver, upon project completion, service that reliably meets or exceeds symmetrical speeds of 100 Mbps because it would be impracticable to do so should be designed so that they can be scalable to such speeds. Recipients are also encouraged to prioritize investments in fiber optic infrastructure where feasible, as such advanced technology enables the next generation of application solutions for all communities.

Under the interim final rule, eligible projects are expected to focus on locations that are unserved or underserved. The interim final rule treats users as being unserved or underserved if they lack access to a wireline connection capable of reliably delivering at least minimum speeds of 25 Mbps download and 3 Mbps upload as households and businesses lacking this level of access are generally not viewed as being able to originate and receive high-quality voice, data, graphics, and video telecommunications. This threshold is consistent with the FCC's benchmark for an "advanced telecommunications capability." [158] This threshold is also consistent with thresholds used in other Federal programs to identify eligible areas to be served by programs to improve broadband services. For example, in the FCC's RDOF program, eligible areas include those without current (or already funded) access to terrestrial broadband service providing 25 Mbps download and 3 Mbps upload speeds.[159] The Department of Commerce's BBIP also considers households to be "unserved" generally if they lack access to broadband service

[148] *Id.*

[149] One high definition Zoom meeting or class requires approximately 3.8 Mbps/3.0 Mbps (up/down).

[150] *See, e.g.*, Zoom, System Requirements for Windows, macOS, and Linux, *https://support.zoom.us/hc/en-us/articles/201362023-System-requirements-for-Windows-macOS-and-Linux#h_d278c327-e03d-4896-b19a-96a8f3c0c69c* (last visited May 8, 2021).

[151] By one estimate, to upload a one gigabit video file to YouTube would take 15 minutes at an upload speed of 10 Mbps compared with 1 minute, 30 seconds at an upload speed of 100 Mbps, and 30 seconds at an upload speed of 300 Mbps. *Reviews.org:* What is Symmetrical internet? (March 2020).

[152] OVBI: Covid-19 Drove 15 percent Increase in Broadband Traffic in 2020, OpenVault, Quarterly Advisory, (Feb. 10, 2021), *available at https://openvault.com/ovbi-covid-19-drove-51-increase-in-broadband-traffic-in-2020; See* OpenVault's data set incorporates information on usage by subscribers across multiple continents, including North America and Europe. Additional data and detail on increases in the amount of data users consume and the broadband speeds they are using is provided in *OpenVault Broadband Insights Report Q4*, Quarterly Advisory (Feb. 10, 2021), *available at https://openvault.com/complimentary-report-4q20/.*

[153] OVBI Special Report: 202 Upstream Growth Nearly 4X of Pre-Pandemic Years, OpenVault, Quarterly Advisory, (April 1, 20201), *available at https://openvault.com/ovbi-special-report-2020-upstream-growth-rate-nearly-4x-of-pre-pandemic-years/;* Additional data is provided in *OpenVault Broadband Insights Pandemic Impact on Upstream Broadband Usage and Network Capacity, available at https://openvault.com/upstream-whitepaper/.*

[154] Organisation for Economic Co-operation and Development, Fixed broadband subscriptions per 100 inhabitants, per speed tiers (June 2020), *https://www.oecd.org/sti/broadband/5.1-FixedBB-SpeedTiers-2020-06.xls www.oecd.org/sti/broadband/broadband-statistics.*

[155] *Rural Digital Opportunity Fund*, Report and Order, 35 FCC Rcd 686, 690, para. 9 (2020), *available at https://www.fcc.gov/document/fcc-launches-20-billion-rural-digital-opportunity-fund-0.*

[156] The BIPP was authorized by the Consolidated Appropriations Act, 2021, Section 905, Public Law 116–260, 134 Stat. 1182 (Dec. 27, 2020).

[157] Section 905(d)(4) of the Consolidated Appropriations Act, 2021.

[158] *Deployment Report, supra* note 142.

[159] *Rural Digital Opportunity Fund, supra* note 156.

with a download speed of not less than 25 Mbps download and 3 Mbps upload, among other conditions. In selecting an area to be served by a project, recipients are encouraged to avoid investing in locations that have existing agreements to build reliable wireline service with minimum speeds of 100 Mbps download and 20 Mbps upload by December 31, 2024, in order to avoid duplication of efforts and resources.

Recipients are also encouraged to consider ways to integrate affordability options into their program design. To meet the immediate needs of unserved and underserved households and businesses, recipients are encouraged to focus on projects that deliver a physical broadband connection by prioritizing projects that achieve last mile-connections. Treasury also encourages recipients to prioritize support for broadband networks owned, operated by, or affiliated with local governments, non-profits, and co-operatives—providers with less pressure to turn profits and with a commitment to serving entire communities.

Under sections 602(c)(1)(A) and 603(c)(1)(A), assistance to households facing negative economic impacts due to COVID–19 is also an eligible use, including internet access or digital literacy assistance. As discussed above, in considering whether a potential use is eligible under this category, a recipient must consider whether, and the extent to which, the household has experienced a negative economic impact from the pandemic.

Question 22: What are the advantages and disadvantages of setting minimum symmetrical download and upload speeds of 100 Mbps? What other minimum standards would be appropriate and why?

Question 23: Would setting such a minimum be impractical for particular types of projects? If so, where and on what basis should those projects be identified? How could such a standard be set while also taking into account the practicality of using this standard in particular types of projects? In addition to topography, geography, and financial factors, what other constraints, if any, are relevant to considering whether an investment is impracticable?

Question 24: What are the advantages and disadvantages of setting a minimum level of service at 100 Mbps download and 20 Mbps upload in projects where it is impracticable to set minimum symmetrical download and upload speeds of 100 Mbps? What are the advantages and disadvantages of setting a scalability requirement in these cases? What other minimum standards would be appropriate and why?

Question 25: What are the advantages and disadvantages of focusing these investments on those without access to a wireline connection that reliably delivers 25 Mbps download by 3 Mbps upload? Would another threshold be appropriate and why?

Question 26: What are the advantages and disadvantages of setting any particular threshold for identifying unserved or underserved areas, minimum speed standards or scalability minimum? Are there other standards that should be set (e.g., latency)? If so, why and how? How can such threshold, standards, or minimum be set in a way that balances the public's interest in making sure that reliable broadband services meeting the daily needs of all Americans are available throughout the country with the providing recipients flexibility to meet the varied needs of their communities?

III. Restrictions on Use

As discussed above, recipients have considerable flexibility to use Fiscal Recovery Funds to address the diverse needs of their communities. To ensure that payments from the Fiscal Recovery Funds are used for these congressionally permitted purposes, the ARPA includes two provisions that further define the boundaries of the statute's eligible uses. Section 602(c)(2)(A) of the Act provides that States and territories may not "use the funds . . . to either directly or indirectly offset a reduction in . . . net tax revenue . . . resulting from a change in law, regulation, or administrative interpretation during the covered period that reduces any tax . . . or delays the imposition of any tax or tax increase." In addition, sections 602(c)(2)(B) and 603(c)(2) prohibit any recipient, including cities, nonentitlement units of government, and counties, from using Fiscal Recovery Funds for deposit into any pension fund. These restrictions support the use of funds for the congressionally permitted purposes described in Section II of this Supplementary Information by providing a backstop against the use of funds for purposes outside of the eligible use categories.

These provisions give force to Congress's clear intent that Fiscal Recovery Funds be spent within the four eligible uses identified in the statute—(1) to respond to the public health emergency and its negative economic impacts, (2) to provide premium pay to essential workers, (3) to provide government services to the extent of eligible governments' revenue losses, and (4) to make necessary water, sewer, and broadband infrastructure investments—and not otherwise. These four eligible uses reflect Congress's judgment that the Fiscal Recovery Funds should be expended in particular ways that support recovery from the COVID–19 public health emergency. The further restrictions reflect Congress's judgment that tax cuts and pension deposits do not fall within these eligible uses. The interim final rule describes how Treasury will identify when such uses have occurred and how it will recoup funds put toward these impermissible uses and, as discussed in Section VIII of this **SUPPLEMENTARY INFORMATION**, establishes a reporting framework for monitoring the use of Fiscal Recovery Funds for eligible uses.

A. Deposit Into Pension Funds

The statute provides that recipients may not use Fiscal Recovery Funds for "deposit into any pension fund." For the reasons discussed below, Treasury interprets "deposit" in this context to refer to an extraordinary payment into a pension fund for the purpose of reducing an accrued, unfunded liability. More specifically, the interim final rule does not permit this assistance to be used to make a payment into a pension fund if both:

1. The payment reduces a liability incurred prior to the start of the COVID–19 public health emergency, and

2. the payment occurs outside the recipient's regular timing for making such payments.

Under this interpretation, a "deposit" is distinct from a "payroll contribution," which occurs when employers make payments into pension funds on regular intervals, with contribution amounts based on a pre-determined percentage of employees' wages and salaries.

As discussed above, eligible uses for premium pay and responding to the negative economic impacts of the COVID–19 public health emergency include hiring and compensating public sector employees. Interpreting the scope of "deposit" to exclude contributions that are part of payroll contributions is more consistent with these eligible uses and would reduce administrative burden for recipients. Accordingly, if an employee's wages and salaries are an eligible use of Fiscal Recovery Funds, recipients may treat the employee's covered benefits as an eligible use of Fiscal Recovery Funds. For purposes of the Fiscal Recovery Funds, covered benefits include costs of all types of leave (vacation, family-related, sick, military, bereavement, sabbatical, jury duty), employee insurance (health, life, dental, vision), retirement (pensions, 401(k)), unemployment benefit plans

(Federal and State), workers' compensation insurance, and Federal Insurance Contributions Act taxes (which includes Social Security and Medicare taxes).

Treasury anticipates that this approach to employees' covered benefits will be comprehensive and, for employees whose wage and salary costs are eligible expenses, will allow all covered benefits listed in the previous paragraph to be eligible under the Fiscal Recovery Funds. Treasury expects that this will minimize the administrative burden on recipients by treating all the specified covered benefit types as eligible expenses, for employees whose wage and salary costs are eligible expenses.

Question 27: Beyond a "deposit" and a "payroll contribution," are there other types of payments into a pension fund that Treasury should consider?

B. Offset a Reduction in Net Tax Revenue

For States and territories (recipient governments [160]), section 602(c)(2)(A)—the offset provision—prohibits the use of Fiscal Recovery Funds to directly or indirectly offset a reduction in net tax revenue resulting from a change in law, regulation, or administrative interpretation [161] during the covered period. If a State or territory uses Fiscal Recovery Funds to offset a reduction in net tax revenue, the ARPA provides that the State or territory must repay to the Treasury an amount equal to the lesser of (i) the amount of the applicable reduction attributable to the impermissible offset and (ii) the amount received by the State or territory under the ARPA. *See* Section IV of this **SUPPLEMENTARY INFORMATION**. As discussed below Section IV of this **SUPPLEMENTARY INFORMATION**, a State or territory that chooses to use Fiscal Recovery Funds to offset a reduction in net tax revenue does not forfeit its entire allocation of Fiscal Recovery Funds (unless it misused the full allocation to offset a reduction in net tax revenue) or any non-ARPA funding received.

The interim final rule implements these conditions by establishing a framework for States and territories to determine the cost of changes in law, regulation, or interpretation that reduce tax revenue and to identify and value the sources of funds that will offset—*i.e.*, cover the cost of—any reduction in net tax revenue resulting from such changes. A recipient government would only be considered to have used Fiscal Recovery Funds to offset a reduction in net tax revenue resulting from changes in law, regulation, or interpretation if, and to the extent that, the recipient government could not identify sufficient funds from sources other than the Fiscal Recovery Funds to offset the reduction in net tax revenue. If sufficient funds from other sources cannot be identified to cover the full cost of the reduction in net tax revenue resulting from changes in law, regulation, or interpretation, the remaining amount not covered by these sources will be considered to have been offset by Fiscal Recovery Funds, in contravention of the offset provision. The interim final rule recognizes three sources of funds that may offset a reduction in net tax revenue other than Fiscal Recovery Funds—organic growth, increases in revenue (*e.g.*, an increase in a tax rate), and certain cuts in spending.

In order to reduce burden, the interim final rule's approach also incorporates the types of information and modeling already used by States and territories in their own fiscal and budgeting processes. By incorporating existing budgeting processes and capabilities, States and territories will be able to assess and evaluate the relationship of tax and budget decisions to uses of the Fiscal Recovery Funds based on information they likely have or can obtain. This approach ensures that recipient governments have the information they need to understand the implications of their decisions regarding the use of the Fiscal Recovery Funds—and, in particular, whether they are using the funds to directly or indirectly offset a reduction in net tax revenue, making them potentially subject to recoupment.

Reporting on both the eligible uses and on a State's or territory's covered tax changes that would reduce tax revenue will enable identification of, and recoupment for, use of Fiscal Recovery Funds to directly offset reductions in tax revenue resulting from tax relief. Moreover, this approach recognizes that, because money is fungible, even if Fiscal Recovery Funds are not explicitly or directly used to cover the costs of changes that reduce net tax revenue, those funds may be used in a manner inconsistent with the statute by indirectly being used to substitute for the State's or territory's funds that would otherwise have been needed to cover the costs of the reduction. By focusing on the cost of changes that reduce net tax revenue—and how a recipient government is offsetting those reductions in constructing its budget over the covered period—the framework prevents efforts to use Fiscal Recovery Funds to indirectly offset reductions in net tax revenue for which the recipient government has not identified other offsetting sources of funding.

As discussed in greater detail below in this preamble, the framework set forth in the interim final rule establishes a step-by-step process for determining whether, and the extent to which, Fiscal Recovery Funds have been used to offset a reduction in net tax revenue. Based on information reported annually by the recipient government:

- First, each year, each recipient government will identify and value the changes in law, regulation, or interpretation that would result in a reduction in net tax revenue, as it would in the ordinary course of its budgeting process. The sum of these values in the year for which the government is reporting is the amount it needs to "pay for" with sources other than Fiscal Recovery Funds (total value of revenue reducing changes).
- Second, the interim final rule recognizes that it may be difficult to predict how a change would affect net tax revenue in future years and, accordingly, provides that if the total value of the changes in the year for which the recipient government is reporting is below a de minimis level, as discussed below, the recipient government need not identify any sources of funding to pay for revenue reducing changes and will not be subject to recoupment.
- Third, a recipient government will consider the amount of actual tax revenue recorded in the year for which they are reporting. If the recipient government's actual tax revenue is greater than the amount of tax revenue received by the recipient for the fiscal year ending 2019, adjusted annually for inflation, the recipient government will not be considered to have violated the offset provision because there will not have been a reduction in net tax revenue.
- Fourth, if the recipient government's actual tax revenue is less than the amount of tax revenue received by the recipient government for the fiscal year ending 2019, adjusted annually for inflation, in the reporting year the recipient government will identify any sources of funds that have been used to permissibly offset the total value of covered tax changes other than Fiscal Recovery Funds. These are:
  - State or territory tax changes that would increase any source of general

[160] In this sub-section, "recipient governments" refers only to States and territories. In other sections, "recipient governments" refers more broadly to eligible governments receiving funding from the Fiscal Recovery Funds.

[161] For brevity, referred to as "changes in law, regulation, or interpretation" for the remainder of this preamble.

fund revenue, such as a change that would increase a tax rate; and

○ Spending cuts in areas not being replaced by Fiscal Recovery Funds.

The recipient government will calculate the value of revenue reduction remaining after applying these sources of offsetting funding to the total value of revenue reducing changes—that, is, how much of the tax change has not been paid for. The recipient government will then compare that value to the difference between the baseline and actual tax revenue. A recipient government will not be required to repay to the Treasury an amount that is greater than the recipient government's actual tax revenue shortfall relative to the baseline (*i.e.,* fiscal year 2019 tax revenue adjusted for inflation). This "revenue reduction cap," together with Step 3, ensures that recipient governments can use organic revenue growth to offset the cost of revenue reductions.

• Finally, if there are any amounts that could be subject to recoupment, Treasury will provide notice to the recipient government of such amounts. This process is discussed in greater detail in Section IV of this **SUPPLEMENTARY INFORMATION**.

Together, these steps allow Treasury to identify the amount of reduction in net tax revenue that both is attributable to covered changes and has been directly or indirectly offset with Fiscal Recovery Funds. This process ensures Fiscal Recovery Funds are used in a manner consistent with the statute's defined eligible uses and the offset provision's limitation on these eligible uses, while avoiding undue interference with State and territory decisions regarding tax and spending policies.

The interim final rule also implements a process for recouping Fiscal Recovery Funds that were used to offset reductions in net tax revenue, including the calculation of any amounts that may be subject to recoupment, a process for a recipient government to respond to a notice of recoupment, and clarification regarding amounts excluded from recoupment. *See* Section IV of this **SUPPLEMENTARY INFORMATION**.

The interim final rule includes several definitions that are applicable to the implementation of the offset provision.

Covered change. The offset provision is triggered by a reduction in net tax revenue resulting from "a change in law, regulation, or administrative interpretation." A covered change includes any final legislative or regulatory action, a new or changed administrative interpretation, and the phase-in or taking effect of any statute or rule where the phase-in or taking effect was not prescribed prior to the start of the covered period. Changed administrative interpretations would not include corrections to replace prior inaccurate interpretations; such corrections would instead be treated as changes implementing legislation enacted or regulations issued prior to the covered period; the operative change in those circumstances is the underlying legislation or regulation that occurred prior to the covered period. Moreover, only the changes within the control of the State or territory are considered covered changes. Covered changes do not include a change in rate that is triggered automatically and based on statutory or regulatory criteria in effect prior to the covered period. For example, a state law that sets its earned income tax credit (EITC) at a fixed percentage of the Federal EITC will see its EITC payments automatically increase—and thus its tax revenue reduced—because of the Federal Government's expansion of the EITC in the ARPA.[162] This would not be considered a covered change. In addition, the offset provision applies only to actions for which the change in policy occurs during the covered period; it excludes regulations or other actions that implement a change or law substantively enacted prior to March 3, 2021. Finally, Treasury has determined and previously announced that income tax changes—even those made during the covered period—that simply conform with recent changes in Federal law (including those to conform to recent changes in Federal taxation of unemployment insurance benefits and taxation of loan forgiveness under the Paycheck Protection Program) are permissible under the offset provision.

Baseline. For purposes of measuring a reduction in net tax revenue, the interim final rule measures actual changes in tax revenue relative to a revenue baseline (baseline). The baseline will be calculated as fiscal year 2019 (FY 2019) tax revenue indexed for inflation in each year of the covered period, with inflation calculated using the Bureau of Economic Analysis's Implicit Price Deflator.[163]

FY 2019 was chosen as the starting year for the baseline because it is the last full fiscal year prior to the COVID–19 public health emergency.[164] This baseline year is consistent with the approach directed by the ARPA in sections 602(c)(1)(C) and 603(c)(1)(C), which identify the "most recent full fiscal year of the [State, territory, or Tribal government] prior to the emergency" as the comparator for measuring revenue loss. U.S. gross domestic product is projected to rebound to pre-pandemic levels in 2021,[165] suggesting that an FY 2019 pre-pandemic baseline is a reasonable comparator for future revenue levels. The FY 2019 baseline revenue will be adjusted annually for inflation to allow for direct comparison of actual tax revenue in each year (reported in nominal terms) to baseline revenue in common units of measurement; without inflation adjustment, each dollar of reported actual tax revenue would be worth less than each dollar of baseline revenue expressed in 2019 terms.

Reporting year. The interim final rule defines "reporting year" as a single year within the covered period, aligned to the current fiscal year of the recipient government during the covered period, for which a recipient government reports the value of covered changes and any sources of offsetting revenue increases ("in-year" value), regardless of when those changes were enacted. For the fiscal years ending in 2021 or 2025 (partial years), the term "reporting year" refers to the portion of the year falling within the covered period. For example, the reporting year for a fiscal year beginning July 2020 and ending June 2021 would be from March 3, 2021 to July 2021.

Tax revenue. The interim final rule's definition of "tax revenue" is based on the Census Bureau's definition of taxes, used for its Annual Survey of State Government Finances.[166] It provides a consistent, well-established definition with which States and territories will be familiar and is consistent with the approach taken in Section II.C of this **SUPPLEMENTARY INFORMATION** describing the implementation of sections 602(c)(1)(C) and 603(c)(1)(C) of the Act, regarding revenue loss. Consistent with the approach described in Section II.C of this **SUPPLEMENTARY INFORMATION**, tax

[162] *See, e.g.,* Tax Policy Center, How do state earned income tax credits work?, *https://www.taxpolicycenter.org/briefing-book/how-do-state-earned-income-tax-credits-work/* (last visited May 9, 2021).

[163] U.S. Department of Commerce, Bureau of Economic Analysis, GDP Price Deflator, *https://www.bea.gov/data/prices-inflation/gdp-price-deflator* (last visited May 9, 2021).

[164] Using Fiscal Year 2019 is consistent with section 602 as Congress provided for using that baseline for determining the impact of revenue loss affecting the provision of government services. *See* section 602(c)(1)(C).

[165] Congressional Budget Office, An Overview of the Economic Outlook: 2021 to 2031 (February 1, 2021), *available at https://www.cbo.gov/publication/56965.*

[166] U.S. Census Bureau, Annual Survey of State and Local Government Finances Glossary, *https://www.census.gov/programs-surveys/state/about/glossary.html* (last visited Apr. 30, 2021).

revenue does not include revenue taxed and collected by a different unit of government (*e.g.*, revenue from taxes levied by a local government and transferred to a recipient government).

Framework. The interim final rule provides a step-by-step framework, to be used in each reporting year, to calculate whether the offset provision applies to a State's or territory's use of Fiscal Recovery Funds:

(1) *Covered changes that reduce tax revenue.* For each reporting year, a recipient government will identify and value covered changes that the recipient government predicts will have the effect of reducing tax revenue in a given reporting year, similar to the way it would in the ordinary course of its budgeting process. The value of these covered changes may be reported based on estimated values produced by a budget model, incorporating reasonable assumptions, that aligns with the recipient government's existing approach for measuring the effects of fiscal policies, and that measures relative to a current law baseline. The covered changes may also be reported based on actual values using a statistical methodology to isolate the change in year-over-year revenue attributable to the covered change(s), relative to the current law baseline prior to the change(s). Further, estimation approaches should not use dynamic methodologies that incorporate the projected effects of macroeconomic growth because macroeconomic growth is accounted for separately in the framework. Relative to these dynamic scoring methodologies, scoring methodologies that do not incorporate projected effects of macroeconomic growth rely on fewer assumptions and thus provide greater consistency among States and territories. Dynamic scoring that incorporates macroeconomic growth may also increase the likelihood of underestimation of the cost of a reduction in tax revenue.

In general and where possible, reporting should be produced by the agency of the recipient government responsible for estimating the costs and effects of fiscal policy changes. This approach offers recipient governments the flexibility to determine their reporting methodology based on their existing budget scoring practices and capabilities. In addition, the approach of using the projected value of changes in law that enact fiscal policies to estimate the net effect of such policies is consistent with the way many States and territories already consider tax changes.[167]

(2) *In excess of the de minimis.* The recipient government will next calculate the total value of all covered changes in the reporting year resulting in revenue reductions, identified in Step 1. If the total value of the revenue reductions resulting from these changes is below the de minimis level, the recipient government will be deemed not to have any revenue-reducing changes for the purpose of determining the recognized net reduction. If the total is above the de minimis level, the recipient government must identify sources of in-year revenue to cover the full costs of changes that reduce tax revenue.

The de minimis level is calculated as 1 percent of the reporting year's baseline. Treasury recognizes that, pursuant to their taxing authority, States and territories may make many small changes to alter the composition of their tax revenues or implement other policies with marginal effects on tax revenues. They may also make changes based on projected revenue effects that turn out to differ from actual effects, unintentionally resulting in minor revenue changes that are not fairly described as "resulting from" tax law changes. The de minimis level recognizes the inherent challenges and uncertainties that recipient governments face, and thus allows relatively small reductions in tax revenue without consequence. Treasury determined the 1 percent level by assessing the historical effects of state-level tax policy changes in state EITCs implemented to effect policy goals other than reducing net tax revenues.[168] The 1 percent de minimis level reflects the historical reductions in revenue due to minor changes in state fiscal policies.

(3) *Safe harbor.* The recipient government will then compare the reporting year's actual tax revenue to the baseline. If actual tax revenue is greater than the baseline, Treasury will deem the recipient government not to have any recognized net reduction for the reporting year, and therefore to be in a safe harbor and outside the ambit of the offset provision. This approach is consistent with the ARPA, which contemplates recoupment of Fiscal Recovery Funds only in the event that such funds are used to offset a reduction in net tax revenue. If net tax revenue has not been reduced, this provision does not apply. In the event that actual tax revenue is above the baseline, the organic revenue growth that has occurred, plus any other revenue-raising changes, by definition must have been enough to offset the in-year costs of the covered changes.

(4) *Consideration of other sources of funding.* Next, the recipient government will identify and calculate the total value of changes that could pay for revenue reduction due to covered changes and sum these items. This amount can be used to pay for up to the total value of revenue-reducing changes in the reporting year. These changes consist of two categories:

(a) *Tax and other increases in revenue.* The recipient government must identify and consider covered changes in policy that the recipient government predicts will have the effect of increasing general revenue in a given reporting year. As when identifying and valuing covered changes that reduce tax revenue, the value of revenue-raising changes may be reported based on estimated values produced by a budget model, incorporating reasonable assumptions, aligned with the recipient government's existing approach for measuring the effects of fiscal policies, and measured relative to a current law baseline, or based on actual values using a statistical methodology to isolate the change in year-over-year revenue attributable to the covered change(s). Further, and as discussed above, estimation approaches should not use dynamic scoring methodologies that incorporate the effects of macroeconomic growth because growth is accounted for separately under the interim final rule. In general and where possible, reporting should be produced by the agency of the recipient government responsible for estimating the costs and effects of fiscal policy changes. This approach offers recipient governments the flexibility to determine their reporting methodology based on their existing budget scoring practices and capabilities.

(b) *Covered spending cuts.* A recipient government also may cut spending in certain areas to pay for covered changes that reduce tax revenue, up to the amount of the recipient government's net reduction in total spending as described below. These changes must be reductions in government outlays not in an area where the recipient government has spent Fiscal Recovery Funds. To better align with existing reporting and accounting, the interim final rule considers the department, agency, or

[167] *See, e.g.*, Megan Randall & Kim Rueben, Tax Policy Center, Sustainable Budgeting in the States: Evidence on State Budget Institutions and Practices (Nov. 2017), *available at https://www.taxpolicycenter.org/sites/default/files/publication/149186/sustainable-budgeting-in-the-states_1.pdf.*

[168] Data provided by the Urban-Brookings Tax Policy Center for state-level EITC changes for 2004–2017.

authority from which spending has been cut and whether the recipient government has spent Fiscal Recovery Funds on that same department, agency, or authority. This approach was selected to allow recipient governments to report how Fiscal Recovery Funds have been spent using reporting units already incorporated into their budgeting process. If they have not spent Fiscal Recovery Funds in a department, agency, or authority, the full amount of the reduction in spending counts as a covered spending cut, up to the recipient government's net reduction in total spending. If they have, the Fiscal Recovery Funds generally would be deemed to have replaced the amount of spending cut and only reductions in spending above the amount of Fiscal Recovery Funds spent on the department, agency, or authority would count.

To calculate the amount of spending cuts that are available to offset a reduction in tax revenue, the recipient government must first consider whether there has been a reduction in total net spending, excluding Fiscal Recovery Funds (net reduction in total spending). This approach ensures that reported spending cuts actually create fiscal space, rather than simply offsetting other spending increases. A net reduction in total spending is measured as the difference between total spending in each reporting year, excluding Fiscal Recovery Funds spent, relative to total spending for the recipient's fiscal year ending in 2019, adjusted for inflation. Measuring reductions in spending relative to 2019 reflects the fact that the fiscal space created by a spending cut persists so long as spending remains below its original level, even if it does not decline further, relative to the same amount of revenue. Measuring spending cuts from year to year would, by contrast, not recognize any available funds to offset revenue reductions unless spending continued to decline, failing to reflect the actual availability of funds created by a persistent change and limiting the discretion of States and territories. In general and where possible, reporting should be produced by the agency of the recipient government responsible for estimating the costs and effects of fiscal policy changes. Treasury chose this approach because while many recipient governments may score budget legislation using projections, spending cuts are readily observable using actual values.

This approach—allowing only spending reductions in areas where the recipient government has not spent Fiscal Recovery Funds to be used as an offset for a reduction in net tax revenue—aims to prevent recipient governments from using Fiscal Recovery Funds to supplant State or territory funding in the eligible use areas, and then use those State or territory funds to offset tax cuts. Such an approach helps ensure that Fiscal Recovery Funds are not used to "indirectly" offset revenue reductions due to covered changes.

In order to help ensure recipient governments use Fiscal Recovery Funds in a manner consistent with the prescribed eligible uses and do not use Fiscal Recovery Funds to indirectly offset a reduction in net tax revenue resulting from a covered change, Treasury will monitor changes in spending throughout the covered period. If, over the course of the covered period, a spending cut is subsequently replaced with Fiscal Recovery Funds and used to indirectly offset a reduction in net tax revenue resulting from a covered change, Treasury may consider such change to be an evasion of the restrictions of the offset provision and seek recoupment of such amounts.

(5) *Identification of amounts subject to recoupment.* If a recipient government (i) reports covered changes that reduce tax revenue (Step 1); (ii) to a degree greater than the de minimis (Step 2); (iii) has experienced a reduction in net tax revenue (Step 3); and (iv) lacks sufficient revenue from other, permissible sources to pay for the entirety of the reduction (Step 4), then the recipient government will be considered to have used Fiscal Recovery Funds to offset a reduction in net tax revenue, up to the amount that revenue has actually declined. That is, the maximum value of reduction in revenue due to covered changes which a recipient government must cover is capped at the difference between the baseline and actual tax revenue.[169] In the event that the baseline is above actual tax revenue and the difference between them is less than the sum of revenue reducing changes that are not paid for with other, permissible sources, organic revenue growth has implicitly offset a portion of the reduction. For example, if a recipient government reduces tax revenue by $1 billion, makes no other changes, and experiences revenue growth driven by organic economic growth worth $500 million, it need only pay for the remaining $500 million with sources other than Fiscal Recovery Funds. The revenue reduction cap implements this approach for permitting organic revenue growth to cover the cost of tax cuts.

Finally, as discussed further in Section IV of this **SUPPLEMENTARY INFORMATION**, a recipient government may request reconsideration of any amounts identified as subject to recoupment under this framework. This process ensures that all relevant facts and circumstances, including information regarding planned spending cuts and budgeting assumptions, are considered prior to a determination that an amount must be repaid. Amounts subject to recoupment are calculated on an annual basis; amounts recouped in one year cannot be returned if the State or territory subsequently reports an increase in net tax revenue.

To facilitate the implementation of the framework above, and in addition to reporting required on eligible uses, in each year of the reporting period, each State and territory will report to Treasury the following items:

- Actual net tax revenue for the reporting year;
- Each revenue-reducing change made to date during the covered period and the in-year value of each change;
- Each revenue-raising change made to date during the covered period and the in-year value of each change;
- Each covered spending cut made to date during the covered period, the in-year value of each cut, and documentation demonstrating that each spending cut is covered as prescribed under the interim final rule;

Treasury will provide additional guidance and instructions the reporting requirements at a later date.

Question 28: Does the interim final rule's definition of tax revenue accord with existing State and territorial practice and, if not, are there other definitions or elements Treasury should consider? Discuss why or why not.

Question 29: The interim final rule permits certain spending cuts to cover the costs of reductions in tax revenue, including cuts in a department, agency, or authority in which the recipient government is not using Fiscal Recovery Funds. How should Treasury and recipient governments consider the scope of a department, agency, or authority for the use of funds to ensure spending cuts are not being substituted with Fiscal Recovery Funds while also avoiding an overbroad definition of that captures spending that is, in fact, distinct?

Question 30: Discuss the budget scoring methodologies currently used by States and territories. How should the interim final rule take into consideration differences in approaches? Please discuss the use of

[169] This cap is applied in § 35.8(c) of the interim final rule, calculating the amount of funds used in violation of the tax offset provision.

practices including but not limited to macrodynamic scoring, microdynamic scoring, and length of budget windows.

Question 31: If a recipient government has a balanced budget requirement, how will that requirement impact its use of Fiscal Recovery Funds and ability to implement this framework?

Question 32: To implement the framework described above, the interim final rule establishes certain reporting requirements. To what extent do recipient governments already produce this information and on what timeline? Discuss ways that Treasury and recipient governments may better rely on information already produced, while ensuring a consistent application of the framework.

Question 33: Discuss States' and territories' ability to produce the figures and numbers required for reporting under the interim final rule. What additional reporting tools, such as a standardized template, would facilitate States' and territories' ability to complete the reporting required under the interim final rule?

C. Other Restrictions on Use

Payments from the Fiscal Recovery Funds are also subject to pre-existing limitations provided in other Federal statutes and regulations and may not be used as non-Federal match for other Federal programs whose statute or regulations bar the use of Federal funds to meet matching requirements. For example, payments from the Fiscal Recovery Funds may not be used to satisfy the State share of Medicaid.[170]

As provided for in the award terms, payments from the Fiscal Recovery Funds as a general matter will be subject to the provisions of the Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (2 CFR part 200) (the Uniform Guidance), including the cost principles and restrictions on general provisions for selected items of cost.

D. Timeline for Use of Fiscal Recovery Funds

Section 602(c)(1) and section 603(c)(1) require that payments from the Fiscal Recovery Funds be used only to cover costs incurred by the State, territory, Tribal government, or local government by December 31, 2024. Similarly, the CARES Act provided that payments from the CRF be used to cover costs incurred by December 31, 2021.[171] The definition of "incurred" does not have a clear meaning. With respect to the CARES Act, on the understanding that the CRF was intended to be used to meet relatively short-term needs, Treasury interpreted this requirement to mean that, for a cost to be considered to have been incurred, performance of the service or delivery of the goods acquired must occur by December 31, 2021. In contrast, the ARPA, passed at a different stage of the COVID–19 public health emergency, was intended to provide more general fiscal relief over a broader timeline. In addition, the ARPA expressly permits the use of Fiscal Recovery Funds for improvements to water, sewer, and broadband infrastructure, which entail a longer timeframe. In recognition of this, Treasury is interpreting the requirement in section 602 and section 603 that costs be incurred by December 31, 2024, to require only that recipients have obligated the Fiscal Recovery Funds by such date. The interim final rule adopts a definition of "obligation" that is based on the definition used for purposes of the Uniform Guidance, which will allow for uniform administration of this requirement and is a definition with which most recipients will be familiar.

Payments from the Fiscal Recovery Funds are grants provided to recipients to mitigate the fiscal effects of the COVID–19 public health emergency and to respond to the public health emergency, consistent with the eligible uses enumerated in sections 602(c)(1) and 603(c)(1).[172] As such, these funds are intended to provide economic stimulus in areas still recovering from the economic effects of the pandemic. In implementing and interpreting these provisions, including what it means to "respond to" the COVID–19 public health emergency, Treasury takes into consideration pre-pandemic facts and circumstances (*e.g.*, average revenue growth prior to the pandemic) as well as impact of the pandemic that predate the enactment of the ARPA (*e.g.*, replenishing Unemployment Trust balances drawn during the pandemic). While assessing the effects of the COVID–19 public health emergency necessarily takes into consideration the facts and circumstances that predate the ARPA, use of Fiscal Recovery Funds is forward looking.

As discussed above, recipients are permitted to use payments from the Fiscal Recovery Funds to respond to the public health emergency, to respond to workers performing essential work by providing premium pay or providing grants to eligible employers, and to make necessary investments in water, sewer, or broadband infrastructure, which all relate to prospective uses. In addition, sections 602(c)(1)(C) and 603(c)(1)(C) permit recipients to use Fiscal Recovery Funds for the provision of government services. This clause provides that the amount of funds that may be used for this purpose is measured by reference to the reduction in revenue due to the public health emergency relative to revenues collected in the most recent full fiscal year, but this reference does not relate to the period during which recipients may use the funds, which instead refers to prospective uses, consistent with the other eligible uses.

Although as discussed above the eligible uses of payments from the Fiscal Recovery Funds are all prospective in nature, Treasury considers the beginning of the covered period for purposes of determining compliance with section 602(c)(2)(A) to be the relevant reference point for this purpose. The interim final rule thus permits funds to be used to cover costs incurred beginning on March 3, 2021. This aligns the period for use of Fiscal Recovery Funds with the period during which these funds may not be used to offset reductions in net tax revenue. Permitting Fiscal Recovery Funds to be used to cover costs incurred beginning on this date will also mean that recipients that began incurring costs in the anticipation of enactment of the ARPA and in advance of the issuance of this rule and receipt of payment from the Fiscal Recovery Funds would be able to cover them using these payments.[173]

As set forth in the award terms, the period of performance will run until December 31, 2026, which will provide recipients a reasonable amount of time to complete projects funded with payments from the Fiscal Recovery Funds.

IV. Recoupment Process

Under the ARPA, failure to comply with the restrictions on use contained in sections 602(c) and 603(c) of the Act may result in recoupment of funds.[174] The interim final rule implements these provisions by establishing a process for recoupment.

Identification and Notice of Violations. Failure to comply with the restrictions on use will be identified based on reporting provided by the

[170] *See* 42 CFR 433.51 and 45 CFR 75.306.

[171] Section 1001 of Division N of the Consolidated Appropriations Act, 2021 amended section 601(d)(3) of the Act by extending the end of the covered period for CRF expenditures from December 30, 2020 to December 31, 2021.

[172] Sections 602(a), 603(a), 602(c)(1) and 603(c)(1) of the Act.

[173] Given the nature of this program, recipients will not be permitted to use funds to cover pre-award costs, *i.e.*, those incurred prior to March 3, 2021.

[174] Sections 602(e) and 603(e) of the Act.

recipient. As discussed further in Sections III.B and VIII of this **SUPPLEMENTARY INFORMATION**, Treasury will collect information regarding eligible uses on a quarterly basis and on the tax offset provision on an annual basis. Treasury also may consider other information in identifying a violation, such as information provided by members of the public. If Treasury identifies a violation, it will provide written notice to the recipient along with an explanation of such amounts.

Request for Reconsideration. Under the interim final rule, a recipient may submit a request for reconsideration of any amounts identified in the notice provided by Treasury. This reconsideration process provides a recipient the opportunity to submit additional information it believes supports its request in light of the notice of recoupment, including, for example, additional information regarding the recipient's use of Fiscal Recovery Funds or its tax revenues. The process also provides the Secretary with an opportunity to consider all information relevant to whether a violation has occurred, and if so, the appropriate amount for recoupment.

The interim final rule also establishes requirements for the timing of a request for reconsideration. Specifically, if a recipient wishes to request reconsideration of any amounts identified in the notice, the recipient must submit a written request for reconsideration to the Secretary within 60 calendar days of receipt of such notice. The request must include an explanation of why the recipient believes that the finding of a violation or recoupable amount identified in the notice of recoupment should be reconsidered. To facilitate the Secretary's review of a recipient's request for reconsideration, the request should identify all supporting reasons for the request. Within 60 calendar days of receipt of the recipient's request for reconsideration, the recipient will be notified of the Secretary's decision to affirm, withdraw, or modify the notice of recoupment. Such notification will include an explanation of the decision, including responses to the recipient's supporting reasons and consideration of additional information provided.

The process and timeline established by the interim final rule are intended to provide the recipient with an adequate opportunity to fully present any issues or arguments in response to the notice of recoupment.[175] This process will allow the Secretary to respond to the issues and considerations raised in the request for reconsideration taking into account the information and arguments presented by the recipient along with any other relevant information.

Repayment. Finally, the interim final rule provides that any amounts subject to recoupment must be repaid within 120 calendar days of receipt of any final notice of recoupment or, if the recipient has not requested reconsideration, within 120 calendar days of the initial notice provided by the Secretary.

Question 34: Discuss the timeline for requesting reconsideration under the interim final rule. What, if any, challenges does this timeline present?

V. Payments in Tranches to Local Governments and Certain States

Section 603 of the Act provides that the Secretary will make payments to local governments in two tranches, with the second tranche being paid twelve months after the first payment. In addition, section 602(b)(6)(A)(ii) provides that the Secretary may withhold payment of up to 50 percent of the amount allocated to each State and territory for a period of up to twelve months from the date on which the State or territory provides its certification to the Secretary. Any such withholding for a State or territory is required to be based on the unemployment rate in the State or territory as of the date of the certification.

The Secretary has determined to provide in this interim final rule for withholding of 50 percent of the amount of Fiscal Recovery Funds allocated to all States (and the District of Columbia) other than those with an unemployment rate that is 2.0 percentage points or more above its pre-pandemic (*i.e.*, February 2020) level. The Secretary will refer to the latest available monthly data from the Bureau of Labor Statistics as of the date the certification is provided. Based on data available at the time of public release of this interim final rule, this threshold would result in a majority of States being paid in two tranches.

Splitting payments for the majority of States is consistent with the requirement in section 603 of the Act to make payments from the Coronavirus Local Fiscal Recovery Fund to local governments in two tranches.[176] Splitting payments to States into two tranches will help encourage recipients to adapt, as necessary, to new developments that could arise over the coming twelve months, including potential changes to the nature of the public health emergency and its negative economic impacts. While the U.S. economy has been recovering and adding jobs in aggregate, there is still considerable uncertainty in the economic outlook and the interaction between the pandemic and the economy.[177] For these reasons, Treasury believes it will be appropriate for a majority of recipients to adapt their plans as the recovery evolves. For example, a faster-than-expected economic recovery in 2021 could lead a recipient to dedicate more Fiscal Recovery Funds to longer-term investments starting in 2022. In contrast, a slower-than-expected economic recovery in 2021 could lead a recipient to use additional funds for near-term stimulus in 2022.

At the same time, the statute contemplates the possibility that elevated unemployment in certain States could justify a single payment. Elevated unemployment is indicative of a greater need to assist unemployed workers and stimulate a faster economic recovery. For this reason, the interim final rule provides that States and territories with an increase in their unemployment rate over a specified threshold may receive a single payment, with the expectation that a single tranche will better enable these States and territories to take additional immediate action to aid the unemployed and strengthen their economies.

Following the initial pandemic-related spike in unemployment in 2020, States' unemployment rates have been trending back towards pre-pandemic levels. However, some States' labor markets are healing more slowly than others. Moreover, States varied widely in their pre-pandemic levels of unemployment, and some States remain substantially further from their pre-

[175] The interim final rule also provides that Treasury may extend any deadlines.

[176] With respect to Federal financial assistance more generally, States are subject to the requirements of the Cash Management Improvement Act (CMIA), under which Federal funds are drawn upon only on an as needed basis and States are required to remit interest on unused balances to Treasury. Given the statutory requirement for Treasury to make payments to States within a certain period, these requirements of the CMIA and Treasury's implementing regulations at 31 CFR part 205 will not apply to payments from the Fiscal Recovery Funds. Providing funding in two tranches to the majority of States reflects, to the maximum extent permitted by section 602 of the Act, the general principles of Federal cash management and stewardship of Federal funding, yet will be much less restrictive than the usual requirements to which States are subject.

[177] The potential course of the virus, and its impact on the economy, has contributed to a heightened degree of uncertainty relative to prior periods. *See, e.g.*, Dave Altig et al., Economic uncertainty before and during the COVID–19 pandemic, J. of Public Econ. (Nov. 2020), *available at https://www.sciencedirect.com/science/article/abs/pii/S0047272720301389*.

pandemic starting point. Consequently, Treasury is delineating States with significant remaining elevation in the unemployment rate, based on the net difference to pre-pandemic levels.

Treasury has established that significant remaining elevation in the unemployment rate is a net change in the unemployment rate of 2.0 percentage points or more relative to pre-pandemic levels. In the four previous recessions going back to the early 1980s, the national unemployment rate rose by 3.6, 2.3, 2.0, and 5.0 percentage points, as measured from the start of the recession to the eventual peak during or immediately following the recession.[178] Each of these increases can therefore represent a recession's impact on unemployment. To identify States with significant remaining elevation in unemployment, Treasury took the lowest of these four increases, 2.0 percentage points, to indicate states where, despite improvement in the unemployment rate, current labor market conditions are consistent still with a historical benchmark for a recession.

No U.S. territory will be subject to withholding of its payment from the Fiscal Recovery Funds. For Puerto Rico, the Secretary has determined that the current level of the unemployment rate (8.8 percent, as of March 2021[179]) is sufficiently high such that Treasury should not withhold any portion of its payment from the Fiscal Recovery Funds regardless of its change in unemployment rate relative to its pre-pandemic level. For U.S. territories that are not included in the Bureau of Labor Statistics' monthly unemployment rate data, the Secretary will not exercise the authority to withhold amounts from the Fiscal Recovery Funds.

VI. Transfer

The statute authorizes State, territorial, and Tribal governments; counties; metropolitan cities; and nonentitlement units of local government (counties, metropolitan cities, and nonentitlement units of local government are collectively referred to as "local governments") to transfer amounts paid from the Fiscal Recovery Funds to a number of specified entities. By permitting these transfers, Congress recognized the importance of providing flexibility to governments seeking to achieve the greatest impact with their funds, including by working with other levels or units of government or private entities to assist recipient governments in carrying out their programs. This includes special-purpose districts that perform specific functions in the community, such as fire, water, sewer, or mosquito abatement districts.

Specifically, under section 602(c)(3), a State, territory, or Tribal government may transfer funds to a "private nonprofit organization . . . a Tribal organization . . . a public benefit corporation involved in the transportation of passengers or cargo, or a special-purpose unit of State or local government."[180] Similarly, section 603(c)(3) authorizes a local government to transfer funds to the same entities (other than Tribal organizations).

The interim final rule clarifies that the lists of transferees in sections 602(c)(3) and 603(c)(3) are not exclusive. The interim final rule permits State, territorial, and Tribal governments to transfer Fiscal Recovery Funds to other constituent units of government or private entities beyond those specified in the statute. Similarly, local governments are authorized to transfer Fiscal Recovery Funds to other constituent units of government (*e.g.*, a county is able to transfer Fiscal Recovery Funds to a city, town, or school district within it) or to private entities. This approach is intended to help provide funding to local governments with needs that may exceed the allocation provided under the statutory formula.

State, local, territorial, and Tribal governments that receive a Federal award directly from a Federal awarding agency, such as Treasury, are "recipients." A transferee receiving a transfer from a recipient under sections 602(c)(3) and 603(c)(3) will be a subrecipient. Subrecipients are entities that receive a subaward from a recipient to carry out a program or project on behalf of the recipient with the recipient's Federal award funding. The recipient remains responsible for monitoring and overseeing the subrecipient's use of Fiscal Recovery Funds and other activities related to the award to ensure that the subrecipient complies with the statutory and regulatory requirements and the terms and conditions of the award. Recipients also remain responsible for reporting to Treasury on their subrecipients' use of payments from the Fiscal Recovery Funds for the duration of the award.

Transfers under sections 602(c)(3) and 603(c)(3) must qualify as an eligible use of Fiscal Recovery Funds by the transferor. Once Fiscal Recovery Funds are received, the transferee must abide by the restrictions on use applicable to the transferor under the ARPA and other applicable law and program guidance. For example, if a county transferred Fiscal Recovery Funds to a town within its borders to respond to the COVID–19 public health emergency, the town would be bound by the eligible use requirements applicable to the county in carrying out the county's goal. This also means that county A may not transfer Fiscal Recovery Funds to county B for use in county B because such a transfer would not, from the perspective of the transferor (county A), be an eligible use in county A.

Section 603(c)(4) separately provides for transfers by a local government to its State or territory. A transfer under section 603(c)(4) will not make the State a subrecipient of the local government, and such Fiscal Recovery Funds may be used by the State for any purpose permitted under section 602(c). A transfer under section 603(c)(4) will result in a cancellation or termination of the award on the part of the transferor local government and a modification of the award to the transferee State or territory. The transferor must provide notice of the transfer to Treasury in a format specified by Treasury. If the local government does not provide such notice, it will remain legally obligated to Treasury under the award and remain responsible for ensuring that the awarded Fiscal Recovery Funds are being used in accordance with the statute and program guidance and for reporting on such uses to Treasury. A State that receives a transfer from a local government under section 603(c)(4) will be bound by all of the use restrictions set forth in section 602(c) with respect to the use of those Fiscal Recovery Funds, including the prohibitions on use of such Fiscal Recovery Funds to offset certain reductions in taxes or to make deposits into pension funds.

Question 35: What are the advantages and disadvantages of treating the list of transferees in sections 602(c)(3) and 603(c)(3) as nonexclusive, allowing States and localities to transfer funds to entities outside of the list?

Question 36: Are there alternative ways of defining "special-purpose unit of State or local government" and

[178] Includes the period during and immediately following recessions, as defined by the National Bureau of Economic Research. National Bureau of Economic Research, US Business Cycle Expansions and Contractions, *https://www.nber.org/research/data/us-business-cycle-expansions-and-contractions* (last visited Apr. 27, 2021). Based on data from U.S. Bureau of Labor Statistics, Unemployment Rate [UNRATE], retrieved from FRED, Federal Reserve Bank of St. Louis, *https://fred.stlouisfed.org/series/UNRATE* (last visited Apr. 27, 2021).

[179] U.S. Bureau of Labor Statistics, Economic News Release—Table 1. Civilian labor force and unemployment by state and selected area, seasonally adjusted, *https://www.bls.gov/news.release/laus.t01.htm* (last visited Apr. 30, 2021).

[180] Section 602(c)(3) of the Act.

"public benefit corporation" that would better further the aims of the Funds?

VII. Nonentitlement Units of Government

The Fiscal Recovery Funds provides for $19.53 billion in payments to be made to States and territories which will distribute the funds to nonentitlement units of local government (NEUs); local governments which generally have populations below 50,000. These local governments have not yet received direct fiscal relief from the Federal Government during the COVID–19 public health emergency, making Fiscal Recovery Funds payments an important source of support for their public health and economic responses. Section 603 requires Treasury to allocate and pay Fiscal Recovery Funds to the States and territories and requires the States and territories to distribute Fiscal Recovery Funds to NEUs based on population within 30 days of receipt unless an extension is granted by the Secretary. The interim final rule clarifies certain aspects regarding the distribution of Fiscal Recovery by States and territories to NEUs, as well as requirements around timely payments from the Fiscal Recovery Funds.

The ARPA requires that States and territories allocate funding to NEUs in an amount that bears the same proportion as the population of the NEU bears to the total population of all NEUs in the State or territory, subject to a cap (described below). Because the statute requires States and territories to make distributions based on population, States and territories may not place additional conditions or requirements on distributions to NEUs, beyond those required by the ARPA and Treasury's implementing regulations and guidance. For example, a State may not impose stricter limitations than permitted by statute or Treasury regulations or guidance on an NEU's use of Fiscal Recovery Funds based on the NEU's proposed spending plan or other policies. States and territories are also not permitted to offset any debt owed by the NEU against the NEU's distribution. Further, States and territories may not provide funding on a reimbursement basis—*e.g.,* requiring NEUs to pay for project costs up front before being reimbursed with Fiscal Recovery Funds payments—because this funding model would not comport with the statutory requirement that States and territories make distributions to NEUs within the statutory timeframe.

Similarly, States and territories distributing Fiscal Recovery Funds payments to NEUs are responsible for complying with the Fiscal Recovery Funds statutory requirement that distributions to NEUs not exceed 75 percent of the NEU's most recent budget. The most recent budget is defined as the NEU's most recent annual total operating budget, including its general fund and other funds, as of January 27, 2020. Amounts in excess of such cap and therefore not distributed to the NEU must be returned to Treasury by the State or territory. States and territories may rely for this determination on a certified top-line budget total from the NEU.

Under the interim final rule, the total allocation and distribution to an NEU, including the sum of both the first and second tranches of funding, cannot exceed the 75 percent cap. States and territories must permit NEUs without formal budgets as of January 27, 2020 to self-certify their most recent annual expenditures as of January 27, 2020 for the purpose of calculating the cap. This approach will provide an administrable means to implement the cap for small local governments that do not adopt a formal budget.

Section 603(b)(3) of the Social Security Act provides for Treasury to make payments to counties but provides that, in the case of an amount to be paid to a county that is not a unit of general local government, the amount shall instead be paid to the State in which such county is located, and such State shall distribute such amount to each unit of general local government within such county in an amount that bears the same proportion to the amount to be paid to such county as the population of such units of general local government bears to the total population of such county. As with NEUs, States may not place additional conditions or requirements on distributions to such units of general local government, beyond those required by the ARPA and Treasury's implementing regulations and guidance.

In the case of consolidated governments, section 603(b)(4) allows consolidated governments (*e.g.,* a city-county consolidated government) to receive payments under each allocation based on the respective formulas. In the case of a consolidated government, Treasury interprets the budget cap to apply to the consolidated government's NEU allocation under section 603(b)(2) but not to the consolidated government's county allocation under section 603(b)(3).

If necessary, States and territories may use the Fiscal Recovery Funds under section 602(c)(1)(A) to fund expenses related to administering payments to NEUs and units of general local government, as disbursing these funds itself is a response to the public health emergency and its negative economic impacts. If a State or territory requires more time to disburse Fiscal Recovery Funds to NEUs than the allotted 30 days, Treasury will grant extensions of not more than 30 days for States and territories that submit a certification in writing in accordance with section 603(b)(2)(C)(ii)(I). Additional extensions may be granted at the discretion of the Secretary.

Question 37: What are alternative ways for States and territories to enforce the 75 percent cap while reducing the administrative burden on them?

Question 38: What criteria should Treasury consider in assessing requests for extensions for further time to distribute NEU payments?

VIII. Reporting

States (defined to include the District of Columbia), territories, metropolitan cities, counties, and Tribal governments will be required to submit one interim report and thereafter quarterly Project and Expenditure reports through the end of the award period on December 31, 2026. The interim report will include a recipient's expenditures by category at the summary level from the date of award to July 31, 2021 and, for States and territories, information related to distributions to nonentitlement units. Recipients must submit their interim report to Treasury by August 31, 2021. Nonentitlement units of local government are not required to submit an interim report.

The quarterly Project and Expenditure reports will include financial data, information on contracts and subawards over $50,000, types of projects funded, and other information regarding a recipient's utilization of the award funds. The reports will include the same general data (*e.g.,* on obligations, expenditures, contracts, grants, and subawards) as those submitted by recipients of the CRF, with some modifications. Modifications will include updates to the expenditure categories and the addition of data elements related to specific eligible uses, including some of the reporting elements described in sections above. The initial quarterly Project and Expenditure report will cover two calendar quarters from the date of award to September 30, 2021, and must be submitted to Treasury by October 31, 2021. The subsequent quarterly reports will cover one calendar quarter and must be submitted to Treasury within 30 days after the end of each calendar quarter.

Nonentitlement units of local government will be required to submit

annual Project and Expenditure reports until the end of the award period on December 31, 2026. The initial annual Project and Expenditure report for nonentitlement units of local government will cover activity from the date of award to September 30, 2021 and must be submitted to Treasury by October 31, 2021. The subsequent annual reports must be submitted to Treasury by October 31 each year.

States, territories, metropolitan cities, and counties with a population that exceeds 250,000 residents will also be required to submit an annual Recovery Plan Performance report to Treasury. The Recovery Plan Performance report will provide the public and Treasury information on the projects that recipients are undertaking with program funding and how they are planning to ensure project outcomes are achieved in an effective, efficient, and equitable manner. Each jurisdiction will have some flexibility in terms of the form and content of the Recovery Plan Performance report, as long as it includes the minimum information required by Treasury. The Recovery Plan Performance report will include key performance indicators identified by the recipient and some mandatory indicators identified by Treasury, as well as programmatic data in specific eligible use categories and the specific reporting requirements described in the sections above. The initial Recovery Plan Performance report will cover the period from the date of award to July 31, 2021 and must be submitted to Treasury by August 31, 2021. Thereafter, Recovery Plan Performance reports will cover a 12-month period, and recipients will be required to submit the report to Treasury within 30 days after the end of the 12-month period. The second Recovery Plan Performance report will cover the period from July 1, 2021 to June 30, 2022, and must be submitted to Treasury by July 31, 2022. Each annual Recovery Plan Performance report must be posted on the public-facing website of the recipient. Local governments with fewer than 250,000 residents, Tribal governments, and nonentitlement units of local government are not required to develop a Recovery Plan Performance report.

Treasury will provide additional guidance and instructions on the reporting requirements outlined above for the Fiscal Recovery Funds at a later date.

IX. Comments and Effective Date

This interim final rule is being issued without advance notice and public comment to allow for immediate implementation of this program. As discussed below, the requirements of advance notice and public comment do not apply "to the extent that there is involved . . . a matter relating to agency . . . grants." [181] The interim final rule implements statutory conditions on the eligible uses of the Fiscal Recovery Funds grants, and addresses the payment of those funds, the reporting on uses of funds, and potential consequences of ineligible uses. In addition and as discussed below, the Administrative Procedure Act also provides an exception to ordinary notice-and-comment procedures "when the agency for good cause finds (and incorporates the finding and a brief statement of reasons therefor in the rules issued) that notice and public procedure thereon are impracticable, unnecessary, or contrary to the public interest." [182] This good cause justification also supports waiver of the 60-day delayed effective date for major rules under the Congressional Review Act at 5 U.S.C. 808(2). Although this interim final rule is effective immediately, comments are solicited from interested members of the public and from recipient governments on all aspects of the interim final rule.

These comments must be submitted on or before July 16, 2021.

X. Regulatory Analyses

Executive Orders 12866 and 13563

This interim final rule is economically significant for the purposes of Executive Orders 12866 and 13563. Treasury, however, is proceeding under the emergency provision at Executive Order 12866 section 6(a)(3)(D) based on the need to act expeditiously to mitigate the current economic conditions arising from the COVID–19 public health emergency. The rule has been reviewed by the Office of Management and Budget (OMB) in accordance with Executive Order 12866. This rule is necessary to implement the ARPA in order to provide economic relief to State, local, and Tribal governments adversely impacted by the COVID–19 public health emergency.

Under Executive Order 12866, OMB must determine whether this regulatory action is "significant" and, therefore, subject to the requirements of the Executive Order and subject to review by OMB. Section 3(f) of Executive Order 12866 defines a significant regulatory action as an action likely to result in a rule that may:

(1) Have an annual effect on the economy of $100 million or more, or adversely affect a sector of the economy; productivity; competition; jobs; the environment; public health or safety; or State, local, or Tribal governments or communities in a material way (also referred to as "economically significant" regulations);

(2) Create a serious inconsistency or otherwise interfere with an action taken or planned by another agency;

(3) Materially alter the budgetary impacts of entitlements, grants, user fees, or loan programs or the rights and obligations of recipients thereof; or

(4) Raise novel legal or policy issues arising out of legal mandates, the President's priorities, or the principles stated in the Executive order.

This regulatory action is an economically significant regulatory action subject to review by OMB under section 3(f) of Executive Order 12866. Treasury has also reviewed these regulations under Executive Order 13563, which supplements and explicitly reaffirms the principles, structures, and definitions governing regulatory review established in Executive Order 12866. To the extent permitted by law, section 1(b) of Executive Order 13563 requires that an agency:

(1) Propose or adopt regulations only upon a reasoned determination that their benefits justify their costs (recognizing that some benefits and costs are difficult to quantify);

(2) Tailor its regulations to impose the least burden on society, consistent with obtaining regulatory objectives taking into account, among other things, and to the extent practicable, the costs of cumulative regulations;

(3) Select, in choosing among alternative regulatory approaches, those approaches that maximize net benefits (including potential economic, environmental, public health and safety, and other advantages; distributive impacts; and equity);

(4) To the extent feasible, specify performance objectives, rather than the behavior or manner of compliance a regulated entity must adopt; and

(5) Identify and assess available alternatives to direct regulation, including providing economic incentives—such as user fees or marketable permits—to encourage the desired behavior, or providing information that enables the public to make choices.

Executive Order 13563 also requires an agency "to use the best available

[181] 5 U.S.C. 553(a)(2).

[182] 5 U.S.C. 553(b)(3)(B); *see also* 5 U.S.C. 553(d)(3) (creating an exception to the requirement of a 30-day delay before the effective date of a rule "for good cause found and published with the rule").

techniques to quantify anticipated present and future benefits and costs as accurately as possible." OMB's Office of Information and Regulatory Affairs (OIRA) has emphasized that these techniques may include "identifying changing future compliance costs that might result from technological innovation or anticipated behavioral changes."

Treasury has assessed the potential costs and benefits, both quantitative and qualitative, of this regulatory action, and is issuing this interim final rule only on a reasoned determination that the benefits exceed the costs. In choosing among alternative regulatory approaches, Treasury selected those approaches that would maximize net benefits. Based on the analysis that follows and the reasons stated elsewhere in this document, Treasury believes that this interim final rule is consistent with the principles set forth in Executive Order 13563.

Treasury also has determined that this regulatory action does not unduly interfere with States, territories, Tribal governments, and localities in the exercise of their governmental functions.

This Regulatory Impact Analysis discusses the need for regulatory action, the potential benefits, and the potential costs.

Need for Regulatory Action. This interim final rule implements the $350 billion Fiscal Recovery Funds of the ARPA, which Congress passed to help States, territories, Tribal governments, and localities respond to the ongoing COVID–19 public health emergency and its economic impacts. As the agency charged with execution of these programs, Treasury has concluded that this interim final rule is needed to ensure that recipients of Fiscal Recovery Funds fully understand the requirements and parameters of the program as set forth in the statute and deploy funds in a manner that best reflects Congress' mandate for targeted fiscal relief.

This interim final rule is primarily a transfer rule: It transfers $350 billion in aid from the Federal Government to states, territories, Tribal governments, and localities, generating a significant macroeconomic effect on the U.S. economy. In making this transfer, Treasury has sought to implement the program in ways that maximize its potential benefits while minimizing its costs. It has done so by aiming to target relief in key areas according to the congressional mandate; offering clarity to States, territories, Tribal governments, and localities while maintaining their flexibility to respond to local needs; and limiting administrative burdens.

Analysis of Benefits. Relative to a pre-statutory baseline, the Fiscal Recovery Funds provide a combined $350 billion to State, local, and Tribal governments for fiscal relief and support for costs incurred responding to the COVID–19 pandemic. Treasury believes that this transfer will generate substantial additional economic activity, although given the flexibility accorded to recipients in the use of funds, it is not possible to precisely estimate the extent to which this will occur and the timing with which it will occur. Economic research has demonstrated that state fiscal relief is an efficient and effective way to mitigate declines in jobs and output during an economic downturn.[183] Absent such fiscal relief, fiscal austerity among State, local, and Tribal governments could exert a prolonged drag on the overall economic recovery, as occurred following the 2007–09 recession.[184]

This interim final rule provides benefits across several areas by implementing the four eligible funding uses, as defined in statute: Strengthening the response to the COVID–19 public health emergency and its economic impacts; easing fiscal pressure on State, local, and Tribal governments that might otherwise lead to harmful cutbacks in employment or government services; providing premium pay to essential workers; and making necessary investments in certain types of infrastructure. In implementing the ARPA, Treasury also sought to support disadvantaged communities that have been disproportionately impacted by the pandemic. The Fiscal Recovery Funds as implemented by the interim final rule can be expected to channel resources toward these uses in order to achieve substantial near-term economic and public health benefits, as well as longer-term benefits arising from the allowable investments in water, sewer, and broadband infrastructure and aid to families.

These benefits are achieved in the interim final rule through a broadly flexible approach that sets clear guidelines on eligible uses of Fiscal Recovery Funds and provides State, local, and Tribal government officials discretion within those eligible uses to direct Fiscal Recovery Funds to areas of greatest need within their jurisdiction. While preserving recipients' overall flexibility, the interim final rule includes several provisions that implement statutory requirements and will help support use of Fiscal Recovery Funds to achieve the intended benefits. The remainder of this section clarifies how Treasury's approach to key provisions in the interim final rule will contribute to greater realization of benefits from the program.

- *Revenue Loss:* Recipients will compute the extent of reduction in revenue by comparing actual revenue to a counterfactual trend representing what could have plausibly been expected to occur in the absence of the pandemic. The counterfactual trend begins with the last full fiscal year prior to the public health emergency (as required by statute) and projects forward with an annualized growth adjustment. Treasury's decision to incorporate a growth adjustment into the calculation of revenue loss ensures that the formula more fully captures revenue shortfalls relative to recipients' pre-pandemic expectations. Moreover, recipients will have the opportunity to re-calculate revenue loss at several points throughout the program, recognizing that some recipients may experience revenue effects with a lag. This option to re-calculate revenue loss on an ongoing basis should result in more support for recipients to avoid harmful cutbacks in future years. In calculating revenue loss, recipients will look at general revenue in the aggregate, rather than on a source-by-source basis. Given that recipients may have experienced offsetting changes in revenues across sources, Treasury's approach provides a more accurate representation of the effect of the pandemic on overall revenues.
- *Premium Pay:* Per the statute, recipients have broad latitude to designate critical infrastructure sectors and make grants to third-party employers for the purpose of providing premium pay or otherwise respond to essential workers. While the interim final rule generally preserves the flexibility in the statute, it does add a requirement that recipients give written justification in the case that premium pay would increase a worker's annual pay above a certain threshold. To set this threshold, Treasury analyzed data

[183] Gabriel Chodorow-Reich et al., Does State Fiscal Relief during Recessions Increase Employment? Evidence from the American Recovery and Reinvestment Act, American Econ. J.: Econ. Policy, 4:3 118–45 (Aug. 2012), *available at https://www.aeaweb.org/articles?id=10.1257/pol.4.3.118.*

[184] *See, e.g.*, Fitzpatrick, Haughwout & Setren, Fiscal Drag from the State and Local Sector?, Liberty Street Economics Blog, Federal Reserve Bank of New York (June 27, 2012), *https://www.libertystreeteconomics.newyorkfed.org/2012/06/fiscal-drag-from-the-state-and-local-sector.html;* Jiri Jonas, Great Recession and Fiscal Squeeze at U.S. Subnational Government Level, IMF Working Paper 12/184, (July 2012), *available at https://www.imf.org/external/pubs/ft/wp/2012/wp12184.pdf;* Gordon, *supra* note 9.

from the Bureau of Labor Statistics to determine a level that would not require further justification for premium pay to the vast majority of essential workers, while requiring higher scrutiny for provision of premium pay to higher-earners who, even without premium pay, would likely have greater personal financial resources to cope with the effects of the pandemic. Treasury believes the threshold in the interim final rule strikes the appropriate balance between preserving flexibility and helping encourage use of these resources to help those in greatest need. The interim final rule also requires that eligible workers have regular in-person interactions or regular physical handling of items that were also handled by others. This requirement will also help encourage use of financial resources for those who have endured the heightened risk of performing essential work.

- *Withholding of Payments to Recipients:* Treasury believes that for the vast majority of recipient entities, it will be appropriate to receive funds in two separate payments. As discussed above, withholding of payments ensures that recipients can adapt spending plans to evolving economic conditions and that at least some of the economic benefits will be realized in 2022 or later. However, consistent with authorities granted to Treasury in the statute, Treasury recognizes that a subset of States with significant remaining elevation in the unemployment rate could face heightened additional near-term needs to aid unemployed workers and stimulate the recovery. Therefore, for a subset of State governments, Treasury will not withhold any funds from the first payment. Treasury believes that this approach strikes the appropriate balance between the general reasons to provide funds in two payments and the heightened additional near-term needs in specific States. As discussed above, Treasury set a threshold based on historical analysis of unemployment rates in recessions.
- *Hiring Public Sector Employees:* The interim final rule states explicitly that recipients may use funds to restore their workforces up to pre-pandemic levels. Treasury believes that this statement is beneficial because it eliminates any uncertainty that could cause delays or otherwise negatively impact restoring public sector workforces (which, at time of publication, remain significantly below pre-pandemic levels).

Finally, the interim final rule aims to promote and streamline the provision of assistance to individuals and communities in greatest need, particularly communities that have been historically disadvantaged and have experienced disproportionate impacts of the COVID–19 crisis. Targeting relief is in line with Executive Order 13985, "Advancing Racial Equity and Support for Underserved Communities Through the Federal Government," which laid out an Administration-wide priority to support "equity for all, including people of color and others who have been historically underserved, marginalized, and adversely affected by persistent poverty and inequality."[185] To this end, the interim final rule enumerates a list of services that may be provided using Fiscal Recovery Funds in low-income areas to address the disproportionate impacts of the pandemic in these communities; establishes the characteristics of essential workers eligible for premium pay and encouragement to serve workers based on financial need; provides that recipients may use Fiscal Recovery Funds to restore (to pre-pandemic levels) state and local workforces, where women and people of color are disproportionately represented;[186] and targets investments in broadband infrastructure to unserved and underserved areas. Collectively, these provisions will promote use of resources to facilitate the provision of assistance to individuals and communities with the greatest need.

Analysis of Costs. This regulatory action will generate administrative costs relative to a pre-statutory baseline. This includes, chiefly, costs required to administer Fiscal Recovery Funds, oversee subrecipients and beneficiaries, and file periodic reports with Treasury. It also requires States to allocate Fiscal Recovery Funds to nonentitlement units, which are smaller units of local government that are statutorily required to receive their funds through States.

Treasury expects that the administrative burden associated with this program will be moderate for a grant program of its size. Treasury expects that most recipients receive direct or indirect funding from Federal Government programs and that many have familiarity with how to administer and report on Federal funds or grant funding provided by other entities. In particular, States, territories, and large localities will have received funds from the CRF and Treasury expects them to rely heavily on established processes developed last year or through prior grant funding, mitigating burden on these governments.

Treasury expects to provide technical assistance to defray the costs of administration of Fiscal Recovery Funds to further mitigate burden. In making implementation choices, Treasury has hosted numerous consultations with a diverse range of direct recipients—States, small cities, counties, and Tribal governments—along with various communities across the United States, including those that are underserved. Treasury lacks data to estimate the precise extent to which this interim final rule generates administrative burden for State, local, and Tribal governments, but seeks comment to better estimate and account for these costs, as well as on ways to lessen administrative burdens.

Executive Order 13132

Executive Order 13132 (entitled Federalism) prohibits an agency from publishing any rule that has federalism implications if the rule either imposes substantial, direct compliance costs on State, local, and Tribal governments, and is not required by statute, or preempts state law, unless the agency meets the consultation and funding requirements of section 6 of the Executive order. This interim final rule does not have federalism implications within the meaning of the Executive order and does not impose substantial, direct compliance costs on State, local, and Tribal governments or preempt state law within the meaning of the Executive order. The compliance costs are imposed on State, local, and Tribal governments by sections 602 and 603 of the Social Security Act, as enacted by the ARPA. Notwithstanding the above, Treasury has engaged in efforts to consult and work cooperatively with affected State, local, and Tribal government officials and associations in the process of developing the interim final rule. Pursuant to the requirements set forth in section 8(a) of Executive Order 13132, Treasury certifies that it has complied with the requirements of Executive Order 13132.

Administrative Procedure Act

The Administrative Procedure Act (APA), 5 U.S.C. 551 *et seq.*, generally requires public notice and an opportunity for comment before a rule

[185] Executive Order on Advancing Racial Equity and Support for Underserved Communities through the Federal Government (Jan. 20, 2021) (86 FR 7009, January 25, 2021), *https://www.whitehouse.gov/briefing-room/presidential-actions/2021/01/20/executive-order-advancing-racial-equity-and-support-for-underserved-communities-through-the-federal-government/* (last visited May 9, 2021).

[186] David Cooper, Mary Gable & Algernon Austin, Economic Policy Institute Briefing Paper, The Public-Sector Jobs Crisis: Women and African Americans hit hardest by job losses in state and local governments, *https://www.epi.org/publication/bp339-public-sector-jobs-crisis* (last visited May 9, 2021).

becomes effective. However, the APA provides that the requirements of 5 U.S.C. 553 do not apply "to the extent that there is involved . . . a matter relating to agency . . . grants." The interim final rule implements statutory conditions on the eligible uses of the Fiscal Recovery Funds grants, and addresses the payment of those funds, the reporting on uses of funds, and potential consequences of ineligible uses. The rule is thus "both clearly and directly related to a federal grant program." *National Wildlife Federation* v. *Snow,* 561 F.2d 227, 232 (D.C. Cir. 1976). The rule sets forth the "process necessary to maintain state . . . eligibility for federal funds," *id.,* as well as the "method[s] by which states can . . . qualify for federal aid," and other "integral part[s] of the grant program," *Center for Auto Safety* v. *Tiemann,* 414 F. Supp. 215, 222 (D.D.C. 1976). As a result, the requirements of 5 U.S.C. 553 do not apply.

The APA also provides an exception to ordinary notice-and-comment procedures "when the agency for good cause finds (and incorporates the finding and a brief statement of reasons therefor in the rules issued) that notice and public procedure thereon are impracticable, unnecessary, or contrary to the public interest." 5 U.S.C. 553(b)(3)(B); *see also* 5 U.S.C. 553(d)(3) (creating an exception to the requirement of a 30-day delay before the effective date of a rule "for good cause found and published with the rule"). Assuming 5 U.S.C. 553 applied, Treasury would still have good cause under sections 553(b)(3)(B) and 553(d)(3) for not undertaking section 553's requirements. The ARPA is a law responding to a historic economic and public health emergency; it is "extraordinary" legislation about which "both Congress and the President articulated a profound sense of 'urgency.'" *Petry* v. *Block,* 737 F.2d 1193, 1200 (D.C. Cir. 1984). Indeed, several provisions implemented by this interim final rule (sections 602(c)(1)(A) and 603(c)(1)(A)) explicitly provide funds to "respond to the public health emergency," and the urgency is further exemplified by Congress's command (in sections 602(b)(6)(B) and 603(b)(7)(A)) that, "[t]o the extent practicable," funds must be provided to Tribes and cities "not later than 60 days after the date of enactment." *See Philadelphia Citizens in Action* v. *Schweiker,* 669 F.2d 877, 884 (3d Cir. 1982) (finding good cause under circumstances, including statutory time limits, where APA procedures would have been "virtually impossible"). Finally, there is an urgent need for States to undertake the planning necessary for sound fiscal policymaking, which requires an understanding of how funds provided under the ARPA will augment and interact with existing budgetary resources and tax policies. Treasury understands that many states require immediate rules on which they can rely, especially in light of the fact that the ARPA "covered period" began on March 3, 2021. The statutory urgency and practical necessity are good cause to forego the ordinary requirements of notice-and-comment rulemaking.

Congressional Review Act

The Administrator of OIRA has determined that this is a major rule for purposes of Subtitle E of the Small Business Regulatory Enforcement and Fairness Act of 1996 (also known as the Congressional Review Act or CRA) (5 U.S.C. 804(2) *et seq.*). Under the CRA, a major rule takes effect 60 days after the rule is published in the **Federal Register**. 5 U.S.C. 801(a)(3). Notwithstanding this requirement, the CRA allows agencies to dispense with the requirements of section 801 when the agency for good cause finds that such procedure would be impracticable, unnecessary, or contrary to the public interest and the rule shall take effect at such time as the agency promulgating the rule determines. 5 U.S.C. 808(2). Pursuant to section 808(2), for the reasons discussed above, Treasury for good cause finds that a 60-day delay to provide public notice is impracticable and contrary to the public interest.

Paperwork Reduction Act

The information collections associated with State, territory, local, and Tribal government applications materials necessary to receive Fiscal Recovery Funds (*e.g.,* payment information collection and acceptance of award terms) have been reviewed and approved by OMB pursuant to the Paperwork Reduction Act (44 U.S.C. chapter 35) (PRA) emergency processing procedures and assigned control number 1505–0271. The information collections related to ongoing reporting requirements, as discussed in this interim final rule, will be submitted to OMB for emergency processing in the near future. Under the PRA, an agency may not conduct or sponsor and a respondent is not required to respond to, an information collection unless it displays a valid OMB control number.

Estimates of hourly burden under this program are set forth in the table below. Burden estimates below are preliminary.

Reporting	Number of respondents (estimated)	Number of responses per respondent	Total responses	Hours per response	Total burden in hours	Cost to respondent ($48.80 per hour*)
Recipient Payment Form	5,050	1	5,050	.25 (15 minutes)	1,262.5	$61,610
Acceptance of Award Terms	5,050	1	5,050	.25 (15 minutes)	1,262.5	61,610
Title VI Assurances	5,050	1	5,050	.50 (30 minutes)	2,525	123,220
Quarterly Project and Expenditure Report.	5,050	4***	20,200	25	505,000	24,644,000
Annual Project and Expenditure Report from NEUs.	TBD	1 per year	†20,000–40,000	15	300,000–600,000	14,640,000–29,280,000
Annual Recovery Plan Performance report.	418	1 per year	418	100	41,800	2,039,840
Total	(**)	N/A	55,768–75,768	141	851,850–1,151,850	41,570,280–56,210,280

*Bureau of Labor Statistics, U.S. Department of Labor, Occupational Outlook Handbook, Accountants and Auditors, on the internet at *https://www.bls.gov/ooh/business-and-financial/accountants-and-auditors.htm* (visited March 28, 2020). Base wage of $33.89/hour increased by 44 percent to account for fully loaded employer cost of employee compensation (benefits, etc.) for a fully loaded wage rate of $48.80.
**5,050–TBD.
***Per year after first year.
† (Estimate only).

Periodic reporting is required by section 602(c) of Section VI of the Social Security Act and under the interim final rule.

As discussed in Section VIII of this **SUPPLEMENTARY INFORMATION**, recipients of Fiscal Recovery Funds will be required to submit one interim report and thereafter quarterly Project and Expenditure reports until the end of the award period. Recipients must submit interim reports to Treasury by August

31, 2021. The quarterly Project and Expenditure reports will include financial data, information on contracts and subawards over $50,000, types of projects funded, and other information regarding a recipient's utilization of the award funds.

Nonentitlement unit recipients will be required to submit annual Project and Expenditure reports until the end of the award period. The initial annual Project and Expenditure report for Nonentitlement unit recipients must be submitted to Treasury by October 31, 2021. The subsequent annual reports must be submitted to Treasury by October 31 each year. States, territories, metropolitan cities, and counties with a population that exceeds 250,000 residents will also be required to submit an annual Recovery Plan Performance report to Treasury. The Recovery Plan Performance report will include descriptions of the projects funded and information on the performance indicators and objectives of the award. Each annual Recovery Plan Performance report must be posted on the public-facing website of the recipient. Treasury will provide additional guidance and instructions on the all the reporting requirements outlined above for the Fiscal Recovery Funds program at a later date.

These and related periodic reporting requirements are under consideration and will be submitted to OMB for approval under the PRA emergency provisions in the near future.

Treasury invites comments on all aspects of the reporting and recordkeeping requirements including: (a) Whether the collection of information is necessary for the proper performance of the functions of the agency, including whether the information has practical utility; (b) the accuracy of the estimate of the burden of the collection of information; (c) ways to enhance the quality, utility, and clarity of the information to be collected; (d) ways to minimize the burden of the collection of information; and (e) estimates of capital or start-up costs and costs of operation, maintenance, and purchase of services to provide information. Comments should be sent by the comment deadline to the *www.regulations.gov* docket with a copy to the Office of Information and Regulatory Affairs, U.S. Office of Management and Budget, 725 17th Street NW, Washington, DC 20503; or email to *oira_submission@omb.eop.gov.*

Regulatory Flexibility Analysis

The Regulatory Flexibility Act (RFA) generally requires that when an agency issues a proposed rule, or a final rule pursuant to section 553(b) of the Administrative Procedure Act or another law, the agency must prepare a regulatory flexibility analysis that meets the requirements of the RFA and publish such analysis in the **Federal Register**. 5 U.S.C. 603, 604.

Rules that are exempt from notice and comment under the APA are also exempt from the RFA requirements, including the requirement to conduct a regulatory flexibility analysis, when among other things the agency for good cause finds that notice and public procedure are impracticable, unnecessary, or contrary to the public interest. Since this rule is exempt from the notice and comment requirements of the APA, Treasury is not required to conduct a regulatory flexibility analysis.

List of Subjects in 31 CFR Part 35

Executive compensation, Public health emergency, State and local governments, Tribal governments.

For the reasons stated in the preamble, the Department of the Treasury amends 31 CFR part 35 as follows:

PART 35—PANDEMIC RELIEF PROGRAMS

■ 1. The authority citation for part 35 is revised to read as follows:

Authority: 42 U.S.C. 802(f); 42 U.S.C. 803(f); 31 U.S.C. 321; Division N, Title V, Subtitle B, Pub. L. 116–260, 134 Stat. 1182; Section 104A, Pub. L. 103–325, 108 Stat. 2160, as amended (12 U.S.C. 4701 *et seq.*); Pub. L. 117–2, 135 Stat. 4 (42 U.S.C. 802 *et seq.*).

■ 2. Revise the part heading to read as set forth above.

■ 3. Add subpart A to read as follows:

Subpart A—Coronavirus State and Local Fiscal Recovery Funds

Sec.

35.1 Purpose.
35.2 Applicability.
35.3 Definitions.
35.4 Reservation of authority, reporting.
35.5 Use of funds.
35.6 Eligible uses.
35.7 Pensions.
35.8 Tax.
35.9 Compliance with applicable laws.
35.10 Recoupment.
35.11 Payments to States.
35.12 Distributions to nonentitlement units of local government and units of general local government.

§ 35.1 Purpose.

This subpart implements section 9901 of the American Rescue Plan Act (Subtitle M of Title IX of Pub. L. 117–2), which amends Title VI of the Social Security Act (42 U.S.C. 801 *et seq.*) by adding sections 602 and 603 to establish the Coronavirus State Fiscal Recovery Fund and Coronavirus Local Fiscal Recovery Fund.

§ 35.2 Applicability.

This subpart applies to States, territories, Tribal governments, metropolitan cities, nonentitlement units of local government, counties, and units of general local government that accept a payment or transfer of funds made under section 602 or 603 of the Social Security Act.

§ 35.3 Definitions.

As used in this subpart:

Baseline means tax revenue of the recipient for its fiscal year ending in 2019, adjusted for inflation in each reporting year using the Bureau of Economic Analysis's Implicit Price Deflator for the gross domestic product of the United States.

County means a county, parish, or other equivalent county division (as defined by the Census Bureau).

Covered benefits include, but are not limited to, the costs of all types of leave (vacation, family-related, sick, military, bereavement, sabbatical, jury duty), employee insurance (health, life, dental, vision), retirement (pensions, 401(k)), unemployment benefit plans (Federal and State), workers' compensation insurance, and Federal Insurance Contributions Act taxes (which includes Social Security and Medicare taxes).

Covered change means a change in law, regulation, or administrative interpretation. A change in law includes any final legislative or regulatory action, a new or changed administrative interpretation, and the phase-in or taking effect of any statute or rule if the phase-in or taking effect was not prescribed prior to the start of the covered period.

Covered period means, with respect to a State, Territory, or Tribal government, the period that:

(1) Begins on March 3, 2021; and

(2) Ends on the last day of the fiscal year of such State, Territory, or Tribal government in which all funds received by the State, Territory, or Tribal government from a payment made under section 602 or 603 of the Social Security Act have been expended or returned to, or recovered by, the Secretary.

COVID–19 means the Coronavirus Disease 2019.

COVID–19 public health emergency means the period beginning on January 27, 2020 and until the termination of the national emergency concerning the COVID–19 outbreak declared pursuant to the National Emergencies Act (50 U.S.C. 1601 *et seq.*).

Deposit means an extraordinary payment of an accrued, unfunded liability. The term deposit does not refer to routine contributions made by an employer to pension funds as part of the employer's obligations related to payroll, such as either a pension contribution consisting of a normal cost component related to current employees or a component addressing the amortization of unfunded liabilities calculated by reference to the employer's payroll costs.

Eligible employer means an employer of an eligible worker who performs essential work.

Eligible workers means workers needed to maintain continuity of operations of essential critical infrastructure sectors, including health care; emergency response; sanitation, disinfection, and cleaning work; maintenance work; grocery stores, restaurants, food production, and food delivery; pharmacy; biomedical research; behavioral health work; medical testing and diagnostics; home- and community-based health care or assistance with activities of daily living; family or child care; social services work; public health work; vital services to Tribes; any work performed by an employee of a State, local, or Tribal government; educational work, school nutrition work, and other work required to operate a school facility; laundry work; elections work; solid waste or hazardous materials management, response, and cleanup work; work requiring physical interaction with patients; dental care work; transportation and warehousing; work at hotel and commercial lodging facilities that are used for COVID–19 mitigation and containment; work in a mortuary; work in critical clinical research, development, and testing necessary for COVID–19 response.

(1) With respect to a recipient that is a metropolitan city, nonentitlement unit of local government, or county, workers in any additional sectors as each chief executive officer of such recipient may designate as critical to protect the health and well-being of the residents of their metropolitan city, nonentitlement unit of local government, or county; or

(2) With respect to a State, Territory, or Tribal government, workers in any additional sectors as each Governor of a State or Territory, or each Tribal government, may designate as critical to protect the health and well-being of the residents of their State, Territory, or Tribal government.

Essential work means work that:

(1) Is not performed while teleworking from a residence; and

(2) Involves:

(i) Regular in-person interactions with patients, the public, or coworkers of the individual that is performing the work; or

(ii) Regular physical handling of items that were handled by, or are to be handled by patients, the public, or coworkers of the individual that is performing the work.

Funds means, with respect to a recipient, amounts provided to the recipient pursuant to a payment made under section 602(b) or 603(b) of the Social Security Act or transferred to the recipient pursuant to section 603(c)(4) of the Social Security Act.

General revenue means money that is received from tax revenue, current charges, and miscellaneous general revenue, excluding refunds and other correcting transactions, proceeds from issuance of debt or the sale of investments, agency or private trust transactions, and intergovernmental transfers from the Federal Government, including transfers made pursuant to section 9901 of the American Rescue Plan Act. General revenue does not include revenues from utilities. Revenue from Tribal business enterprises must be included in general revenue.

Intergovernmental transfers means money received from other governments, including grants and shared taxes.

Metropolitan city has the meaning given that term in section 102(a)(4) of the Housing and Community Development Act of 1974 (42 U.S.C. 5302(a)(4)) and includes cities that relinquish or defer their status as a metropolitan city for purposes of receiving allocations under section 106 of such Act (42 U.S.C. 5306) for fiscal year 2021.

Net reduction in total spending is measured as the State or Territory's total spending for a given reporting year excluding its spending of funds, subtracted from its total spending for its fiscal year ending in 2019, adjusted for inflation using the Bureau of Economic Analysis's Implicit Price Deflator for the gross domestic product of the United States.

Nonentitlement unit of local government means a "city," as that term is defined in section 102(a)(5) of the Housing and Community Development Act of 1974 (42 U.S.C. 5302(a)(5)), that is not a metropolitan city.

Nonprofit means a nonprofit organization that is exempt from Federal income taxation and that is described in section 501(c)(3) of the Internal Revenue Code.

Obligation means an order placed for property and services and entering into contracts, subawards, and similar transactions that require payment.

Pension fund means a defined benefit plan and does not include a defined contribution plan.

Premium pay means an amount of up to $13 per hour that is paid to an eligible worker, in addition to wages or remuneration the eligible worker otherwise receives, for all work performed by the eligible worker during the COVID–19 public health emergency. Such amount may not exceed $25,000 with respect to any single eligible worker. Premium pay will be considered to be in addition to wages or remuneration the eligible worker otherwise receives if, as measured on an hourly rate, the premium pay is:

(1) With regard to work that the eligible worker previously performed, pay and remuneration equal to the sum of all wages and remuneration previously received plus up to $13 per hour with no reduction, substitution, offset, or other diminishment of the eligible worker's previous, current, or prospective wages or remuneration; or

(2) With regard to work that the eligible worker continues to perform, pay of up to $13 that is in addition to the eligible worker's regular rate of wages or remuneration, with no reduction, substitution, offset, or other diminishment of the workers' current and prospective wages or remuneration.

Qualified census tract has the same meaning given in 26 U.S.C. 42(d)(5)(B)(ii)(I).

Recipient means a State, Territory, Tribal government, metropolitan city, nonentitlement unit of local government, county, or unit of general local government that receives a payment made under section 602(b) or 603(b) of the Social Security Act or transfer pursuant to section 603(c)(4) of the Social Security Act.

Reporting year means a single year or partial year within the covered period, aligned to the current fiscal year of the State or Territory during the covered period.

Secretary means the Secretary of the Treasury.

State means each of the 50 States and the District of Columbia.

Small business means a business concern or other organization that:

(1) Has no more than 500 employees, or if applicable, the size standard in number of employees established by the Administrator of the Small Business Administration for the industry in which the business concern or organization operates; and

(2) Is a small business concern as defined in section 3 of the Small Business Act (15 U.S.C. 632).

Tax revenue means revenue received from a compulsory contribution that is exacted by a government for public purposes excluding refunds and corrections and, for purposes of § 35.8, intergovernmental transfers. Tax revenue does not include payments for a special privilege granted or service rendered, employee or employer assessments and contributions to finance retirement and social insurance trust systems, or special assessments to pay for capital improvements.

Territory means the Commonwealth of Puerto Rico, the United States Virgin Islands, Guam, the Commonwealth of the Northern Mariana Islands, or American Samoa.

Tribal enterprise means a business concern:

(1) That is wholly owned by one or more Tribal governments, or by a corporation that is wholly owned by one or more Tribal governments; or

(2) That is owned in part by one or more Tribal governments, or by a corporation that is wholly owned by one or more Tribal governments, if all other owners are either United States citizens or small business concerns, as these terms are used and consistent with the definitions in 15 U.S.C. 657a(b)(2)(D).

Tribal government means the recognized governing body of any Indian or Alaska Native tribe, band, nation, pueblo, village, community, component band, or component reservation, individually identified (including parenthetically) in the list published by the Bureau of Indian Affairs on January 29, 2021, pursuant to section 104 of the Federally Recognized Indian Tribe List Act of 1994 (25 U.S.C. 5131).

Unemployment rate means the U–3 unemployment rate provided by the Bureau of Labor Statistics as part of the Local Area Unemployment Statistics program, measured as total unemployment as a percentage of the civilian labor force.

Unemployment trust fund means an unemployment trust fund established under section 904 of the Social Security Act (42 U.S.C. 1104).

Unit of general local government has the meaning given to that term in section 102(a)(1) of the Housing and Community Development Act of 1974 (42 U.S.C. 5302(a)(1)).

Unserved and underserved households or businesses means one or more households or businesses that are not currently served by a wireline connection that reliably delivers at least 25 Mbps download speed and 3 Mbps of upload speed.

§ 35.4 Reservation of authority, reporting.

(a) *Reservation of authority.* Nothing in this subpart shall limit the authority of the Secretary to take action to enforce conditions or violations of law, including actions necessary to prevent evasions of this subpart.

(b) *Extensions or accelerations of timing.* The Secretary may extend or accelerate any deadline or compliance date of this subpart, including reporting requirements that implement this subpart, if the Secretary determines that such extension or acceleration is appropriate. In determining whether an extension or acceleration is appropriate, the Secretary will consider the period of time that would be extended or accelerated and how the modified timeline would facilitate compliance with this subpart.

(c) *Reporting and requests for other information.* During the covered period, recipients shall provide to the Secretary periodic reports providing detailed accounting of the uses of funds, all modifications to a State or Territory's tax revenue sources, and such other information as the Secretary may require for the administration of this section. In addition to regular reporting requirements, the Secretary may request other additional information as may be necessary or appropriate, including as may be necessary to prevent evasions of the requirements of this subpart. False statements or claims made to the Secretary may result in criminal, civil, or administrative sanctions, including fines, imprisonment, civil damages and penalties, debarment from participating in Federal awards or contracts, and/or any other remedy available by law.

§ 35.5 Use of funds.

(a) *In general.* A recipient may only use funds to cover costs incurred during the period beginning March 3, 2021, and ending December 31, 2024, for one or more of the purposes enumerated in sections 602(c)(1) and 603(c)(1) of the Social Security Act, as applicable, including those enumerated in section § 35.6, subject to the restrictions set forth in sections 602(c)(2) and 603(c)(2) of the Social Security Act, as applicable.

(b) *Costs incurred.* A cost shall be considered to have been incurred for purposes of paragraph (a) of this section if the recipient has incurred an obligation with respect to such cost by December 31, 2024.

(c) *Return of funds.* A recipient must return any funds not obligated by December 31, 2024, and any funds not expended to cover such obligations by December 31, 2026.

§ 35.6 Eligible uses.

(a) *In general.* Subject to §§ 35.7 and 35.8, a recipient may use funds for one or more of the purposes described in paragraphs (b) through (e) of this section

(b) *Responding to the public health emergency or its negative economic impacts.* A recipient may use funds to respond to the public health emergency or its negative economic impacts, including for one or more of the following purposes:

(1) *COVID–19 response and prevention.* Expenditures for the mitigation and prevention of COVID–19, including:

(i) Expenses related to COVID–19 vaccination programs and sites, including staffing, acquisition of equipment or supplies, facilities costs, and information technology or other administrative expenses;

(ii) COVID–19-related expenses of public hospitals, clinics, and similar facilities;

(iii) COVID–19 related expenses in congregate living facilities, including skilled nursing facilities, long-term care facilities, incarceration settings, homeless shelters, residential foster care facilities, residential behavioral health treatment, and other group living facilities;

(iv) Expenses of establishing temporary public medical facilities and other measures to increase COVID–19 treatment capacity, including related construction costs and other capital investments in public facilities to meet COVID–19-related operational needs;

(v) Expenses of establishing temporary public medical facilities and other measures to increase COVID–19 treatment capacity, including related construction costs and other capital investments in public facilities to meet COVID–19-related operational needs;

(vi) Costs of providing COVID–19 testing and monitoring, contact tracing, and monitoring of case trends and genomic sequencing for variants;

(vii) Emergency medical response expenses, including emergency medical transportation, related to COVID–19;

(viii) Expenses for establishing and operating public telemedicine capabilities for COVID–19-related treatment;

(ix) Expenses for communication related to COVID–19 vaccination programs and communication or enforcement by recipients of public health orders related to COVID–19;

(x) Expenses for acquisition and distribution of medical and protective supplies, including sanitizing products and personal protective equipment;

(xi) Expenses for disinfection of public areas and other facilities in

response to the COVID–19 public health emergency;

(xii) Expenses for technical assistance to local authorities or other entities on mitigation of COVID–19-related threats to public health and safety;

(xiii) Expenses for quarantining or isolation of individuals;

(xiv) Expenses of providing paid sick and paid family and medical leave to public employees to enable compliance with COVID–19 public health precautions;

(xv) Expenses for treatment of the long-term symptoms or effects of COVID–19, including post-intensive care syndrome;

(xvi) Expenses for the improvement of ventilation systems in congregate settings, public health facilities, or other public facilities;

(xvii) Expenses related to establishing or enhancing public health data systems; and

(xviii) Mental health treatment, substance misuse treatment, and other behavioral health services.

(2) *Public health and safety staff.* Payroll and covered benefit expenses for public safety, public health, health care, human services, and similar employees to the extent that the employee's time is spent mitigating or responding to the COVID–19 public health emergency.

(3) *Hiring State and local government staff.* Payroll, covered benefit, and other costs associated with the recipient increasing the number of its employees up to the number of employees that it employed on January 27, 2020.

(4) *Assistance to unemployed workers.* Assistance, including job training, for individuals who want and are available for work, including those who have looked for work sometime in the past 12 months or who are employed part time but who want and are available for full-time work.

(5) *Contributions to State unemployment insurance trust funds.* Contributions to an unemployment trust fund up to the level required to restore the unemployment trust fund to its balance on January 27, 2020 or to pay back advances received under Title XII of the Social Security Act (42 U.S.C. 1321) for the payment of benefits between January 27, 2020 and May 17, 2021.

(6) *Small businesses.* Assistance to small businesses, including loans, grants, in-kind assistance, technical assistance or other services, that responds to the negative economic impacts of the COVID–19 public health emergency.

(7) *Nonprofits.* Assistance to nonprofit organizations, including loans, grants, in-kind assistance, technical assistance or other services, that responds to the negative economic impacts of the COVID–19 public health emergency.

(8) *Assistance to households.* Assistance programs, including cash assistance programs, that respond to the COVID–19 public health emergency.

(9) *Aid to impacted industries.* Aid to tourism, travel, hospitality, and other impacted industries that responds to the negative economic impacts of the COVID–19 public health emergency.

(10) *Expenses to improve efficacy of public health or economic relief programs.* Administrative costs associated with the recipient's COVID–19 public health emergency assistance programs, including services responding to the COVID–19 public health emergency or its negative economic impacts, that are not federally funded.

(11) *Survivor's benefits.* Benefits for the surviving family members of individuals who have died from COVID–19, including cash assistance to widows, widowers, or dependents of individuals who died of COVID–19.

(12) *Disproportionately impacted populations and communities.* A program, service, or other assistance that is provided in a qualified census tract, that is provided to households and populations living in a qualified census tract, that is provided by a Tribal government, or that is provided to other households, businesses, or populations disproportionately impacted by the COVID–19 public health emergency, such as:

(i) Programs or services that facilitate access to health and social services, including:

(A) Assistance accessing or applying for public benefits or services;

(B) Remediation of lead paint or other lead hazards; and

(C) Community violence intervention programs;

(ii) Programs or services that address housing insecurity, lack of affordable housing, or homelessness, including:

(A) Supportive housing or other programs or services to improve access to stable, affordable housing among individuals who are homeless;

(B) Development of affordable housing to increase supply of affordable and high-quality living units; and

(C) Housing vouchers and assistance relocating to neighborhoods with higher levels of economic opportunity and to reduce concentrated areas of low economic opportunity;

(iii) Programs or services that address or mitigate the impacts of the COVID–19 public health emergency on education, including:

(A) New or expanded early learning services;

(B) Assistance to high-poverty school districts to advance equitable funding across districts and geographies; and

(C) Educational and evidence-based services to address the academic, social, emotional, and mental health needs of students; and

(iv) Programs or services that address or mitigate the impacts of the COVID–19 public health emergency on childhood health or welfare, including:

(A) New or expanded childcare;

(B) Programs to provide home visits by health professionals, parent educators, and social service professionals to individuals with young children to provide education and assistance for economic support, health needs, or child development; and

(C) Services for child welfare-involved families and foster youth to provide support and education on child development, positive parenting, coping skills, or recovery for mental health and substance use.

(c) *Providing premium pay to eligible workers.* A recipient may use funds to provide premium pay to eligible workers of the recipient who perform essential work or to provide grants to eligible employers, provided that any premium pay or grants provided under this paragraph (c) must respond to eligible workers performing essential work during the COVID–19 public health emergency. A recipient uses premium pay or grants provided under this paragraph (c) to respond to eligible workers performing essential work during the COVID–19 public health emergency if it prioritizes low- and moderate-income persons. The recipient must provide, whether for themselves or on behalf of a grantee, a written justification to the Secretary of how the premium pay or grant provided under this paragraph (c) responds to eligible workers performing essential work if the premium pay or grant would increase an eligible worker's total wages and remuneration above 150 percent of such eligible worker's residing State's average annual wage for all occupations or their residing county's average annual wage, whichever is higher.

(d) *Providing government services.* For the provision of government services to the extent of a reduction in the recipient's general revenue, calculated according to paragraphs (d)(1) and (2) of this section.

(1) *Frequency.* A recipient must calculate the reduction in its general revenue using information as-of December 31, 2020, December 31, 2021, December 31, 2022, and December 31, 2023 (each, a calculation date) and following each calculation date.

(2) *Calculation.* A reduction in a recipient's general revenue equals:

$$Max\ \{[Base\ Year\ Revenue * (1 + Growth\ Adjustment)^{\left(\frac{n_t}{12}\right)}] - Actual\ General\ Revenue_t; 0\}$$

Where:

Base Year Revenue is the recipient's general revenue for the most recent full fiscal year prior to the COVID–19 public health emergency;

Growth Adjustment is equal to the greater of 4.1 percent (or 0.041) and the recipient's average annual revenue growth over the three full fiscal years prior to the COVID–19 public health emergency.

n equals the number of months elapsed from the end of the base year to the calculation date.

Actual General Revenue is a recipient's actual general revenue collected during 12-month period ending on each calculation date;

Subscript *t* denotes the specific calculation date.

(e) *To make necessary investments in infrastructure.* A recipient may use funds to make investments in:

(1) *Clean Water State Revolving Fund and Drinking Water State Revolving Fund investments.* Projects or activities of the type that would be eligible under section 603(c) of the Federal Water Pollution Control Act (33 U.S.C. 1383(c)) or section 1452 of the Safe Drinking Water Act (42 U.S.C. 300j–12); or,

(2) *Broadband.* Broadband infrastructure that is designed to provide service to unserved or underserved households and businesses and that is designed to, upon completion:

(i) Reliably meet or exceed symmetrical 100 Mbps download speed and upload speeds; or

(ii) In cases where it is not practicable, because of the excessive cost of the project or geography or topography of the area to be served by the project, to provide service meeting the standards set forth in paragraph (e)(2)(i) of this section:

(A) Reliably meet or exceed 100 Mbps download speed and between at least 20 Mbps and 100 Mbps upload speed; and

(B) Be scalable to a minimum of 100 Mbps download speed and 100 Mbps upload speed.

§ 35.7 Pensions.

A recipient may not use funds for deposit into any pension fund.

§ 35.8 Tax.

(a) *Restriction.* A State or Territory shall not use funds to either directly or indirectly offset a reduction in the net tax revenue of the State or Territory resulting from a covered change during the covered period.

(b) *Violation.* Treasury will consider a State or Territory to have used funds to offset a reduction in net tax revenue if, during a reporting year:

(1) *Covered change.* The State or Territory has made a covered change that, either based on a reasonable statistical methodology to isolate the impact of the covered change in actual revenue or based on projections that use reasonable assumptions and do not incorporate the effects of macroeconomic growth to reduce or increase the projected impact of the covered change, the State or Territory assesses has had or predicts to have the effect of reducing tax revenue relative to current law;

(2) *Exceeds the de minimis threshold.* The aggregate amount of the measured or predicted reductions in tax revenue caused by covered changes identified under paragraph (b)(1) of this section, in the aggregate, exceeds 1 percent of the State's or Territory's baseline;

(3) *Reduction in net tax revenue.* The State or Territory reports a reduction in net tax revenue, measured as the difference between actual tax revenue and the State's or Territory's baseline, each measured as of the end of the reporting year; and

(4) *Consideration of other changes.* The aggregate amount of measured or predicted reductions in tax revenue caused by covered changes is greater than the sum of the following, in each case, as calculated for the reporting year:

(i) The aggregate amount of the expected increases in tax revenue caused by one or more covered changes that, either based on a reasonable statistical methodology to isolate the impact of the covered change in actual revenue or based on projections that use reasonable assumptions and do not incorporate the effects of macroeconomic growth to reduce or increase the projected impact of the covered change, the State or Territory assesses has had or predicts to have the effect of increasing tax revenue; and

(ii) Reductions in spending, up to the amount of the State's or Territory's net reduction in total spending, that are in:

(A) Departments, agencies, or authorities in which the State or Territory is not using funds; and

(B) Departments, agencies, or authorities in which the State or Territory is using funds, in an amount equal to the value of the spending cuts in those departments, agencies, or authorities, minus funds used.

(c) *Amount and revenue reduction cap.* If a State or Territory is considered to be in violation pursuant to paragraph (b) of this section, the amount used in violation of paragraph (a) of this section is equal to the lesser of:

(1) The reduction in net tax revenue of the State or Territory for the reporting year, measured as the difference between the State's or Territory's baseline and its actual tax revenue, each measured as of the end of the reporting year; and,

(2) The aggregate amount of the reductions in tax revenues caused by covered changes identified in paragraph (b)(1) of this section, minus the sum of the amounts in identified in paragraphs (b)(4)(i) and (ii).

§ 35.9 Compliance with applicable laws.

A recipient must comply with all other applicable Federal statutes, regulations, and Executive orders, and a recipient shall provide for compliance with the American Rescue Plan Act, this subpart, and any interpretive guidance by other parties in any agreements it enters into with other parties relating to these funds.

§ 35.10 Recoupment.

(a) *Identification of violations*—(1) *In general.* Any amount used in violation of § 35.5, § 35.6, or § 35.7 may be identified at any time prior to December 31, 2026.

(2) *Annual reporting of amounts of violations.* On an annual basis, a recipient that is a State or Territory must calculate and report any amounts used in violation of § 35.8.

(b) *Calculation of amounts subject to recoupment*—(1) *In general.* Except as provided in paragraph (b)(2) of this section, Treasury will calculate any amounts subject to recoupment resulting from a violation of § 35.5, § 35.6, or § 35.7 as the amounts used in violation of such restrictions.

(2) *Violations of § 35.8.* Treasury will calculate any amounts subject to recoupment resulting from a violation of § 35.8, equal to the lesser of:

(i) The amount set forth in § 35.8(c); and,

(ii) The amount of funds received by such recipient.

(c) *Notice.* If Treasury calculates an amount subject to recoupment under paragraph (b) of this section, Treasury will provide the recipient a written notice of the amount subject to recoupment along with an explanation of such amounts.

(d) *Request for reconsideration.* Unless Treasury extends the time period, within 60 calendar days of receipt of a notice of recoupment provided under paragraph (c) of this section, a recipient may submit a written request to Treasury requesting reconsideration of any amounts subject to recoupment under paragraph (b) of this section. To request reconsideration of any amounts subject to recoupment, a recipient must submit to Treasury a written request that includes:

(1) An explanation of why the recipient believes all or some of the amount should not be subject to recoupment; and

(2) A discussion of supporting reasons, along with any additional information.

(e) *Final amount subject to recoupment.* Unless Treasury extends the time period, within 60 calendar days of receipt of the recipient's request for reconsideration provided pursuant to paragraph (d) of this section, the recipient will be notified of the Secretary's decision to affirm, withdraw, or modify the notice of recoupment. Such notification will include an explanation of the decision, including responses to the recipient's supporting reasons and consideration of additional information provided.

(f) *Repayment of funds.* Unless Treasury extends the time period, a recipient shall repay to the Secretary any amounts subject to recoupment in accordance with instructions provided by Treasury:

(1) Within 120 calendar days of receipt of the notice of recoupment provided under paragraph (c) of this section, in the case of a recipient that does not submit a request for reconsideration in accordance with the requirements of paragraph (d) of this section; or

(2) Within 120 calendar days of receipt of the Secretary's decision under paragraph (e) of this section, in the case of a recipient that submits a request for reconsideration in accordance with the requirements of paragraph (d) of this section.

§ 35.11 Payments to States.

(a) *In general.* With respect to any State or Territory that has an unemployment rate as of the date that it submits an initial certification for payment of funds pursuant to section 602(d)(1) of the Social Security Act that is less than two percentage points above its unemployment rate in February 2020, the Secretary will withhold 50 percent of the amount of funds allocated under section 602(b) of the Social Security Act to such State or territory until the date that is twelve months from the date such initial certification is provided to the Secretary.

(b) *Payment of withheld amount.* In order to receive the amount withheld under paragraph (a) of this section, the State or Territory must submit to the Secretary at least 30 days prior to the date referenced in paragraph (a) the following information:

(1) A certification, in the form provided by the Secretary, that such State or Territory requires the payment to carry out the activities specified in section 602(c) of the Social Security Act and will use the payment in compliance with section 602(c) of the Social Security Act; and,

(2) Any reports required to be filed by that date pursuant to this subpart that have not yet been filed.

§ 35.12 Distributions to nonentitlement units of local government and units of general local government.

(a) *Nonentitlement units of local government.* Each State or Territory that receives a payment from Treasury pursuant to section 603(b)(2)(B) of the Social Security Act shall distribute the amount of the payment to nonentitlement units of government in such State or Territory in accordance with the requirements set forth in section 603(b)(2)(C) of the Social Security Act and without offsetting any debt owed by such nonentitlement units of local governments against such payments.

(b) *Budget cap.* A State or Territory may not make a payment to a nonentitlement unit of local government pursuant to section 603(b)(2)(C) of the Social Security Act and paragraph (a) of this section in excess of the amount equal to 75 percent of the most recent budget for the nonentitlement unit of local government as of January 27, 2020. A State or Territory shall permit a nonentitlement unit of local government without a formal budget as of January 27, 2020, to provide a certification from an authorized officer of the nonentitlement unit of local government of its most recent annual expenditures as of January 27, 2020, and a State or Territory may rely on such certification for purposes of complying with this paragraph (b).

(c) *Units of general local government.* Each State or Territory that receives a payment from Treasury pursuant to section 603(b)(3)(B)(ii) of the Social Security Act, in the case of an amount to be paid to a county that is not a unit of general local government, shall distribute the amount of the payment to units of general local government within such county in accordance with the requirements set forth in section 603(b)(3)(B)(ii) of the Social Security Act and without offsetting any debt owed by such units of general local government against such payments.

(d) *Additional conditions.* A State or Territory may not place additional conditions or requirements on distributions to nonentitlement units of local government or units of general local government beyond those required by section 603 of the Social Security Act or this subpart.

Laurie Schaffer,

Acting General Counsel.

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ATTACHMENT C

U.S. DEPARTMENT OF TREASURY
COMPLIANCE AND REPORTING GUIDANCE FOR CORONAVIRUS STATE AND LOCAL FISCAL RECOVERY FUNDS
DATED 6-17-2021

Compliance and Reporting Guidance

State and Local Fiscal Recovery Funds



June 24, 2021

Version: 1.1

Coronavirus State and Local Fiscal Recovery Funds Guidance on Recipient Compliance and Reporting Responsibilities

On March 11, 2021, the American Rescue Plan Act was signed into law, and established the Coronavirus State Fiscal Recovery Fund and Coronavirus Local Fiscal Recovery Funds, which together make up the Coronavirus State and Local Fiscal Recovery Funds ("SLFRF") program. This program is intended to provide support to State, territorial, local, and Tribal governments in responding to the economic and public health impacts of COVID-19 and in their efforts to contain impacts on their communities, residents, and businesses.

This guidance provides additional detail and clarification for each recipient's compliance and reporting responsibilities under the SLFRF program, and should be read in concert with the Award Terms and Conditions, the authorizing statute, the SLFRF implementing regulation, and other regulatory and statutory requirements, including regulatory requirements under the Uniform Guidance (2 CRF Part 200). Please see the Assistance Listing in SAM.gov under assistance listing number (formerly known as CFDA number), 21.027 for more information.

Please Note: This guidance document applies to the SLFRF program only and does not change nor impact reporting and compliance requirements for the Coronavirus Relief Fund ("CRF") established by the CARES Act.

This guidance includes two parts:

Part 1: General Guidance

This section provides an orientation to recipients' compliance responsibilities and the U.S. Department of the Treasury's ("Treasury") expectations and recommends best practices where appropriate under the SLFRF Program.

A. Key Principles..... P. 3
B. Statutory Eligible Uses..... P. 3
C. Treasury's Rulemaking..... P. 4
D. Uniform Guidance (2 CFR Part 200)..... P. 6
E. Award Terms and Conditions..... P. 10

Part 2: Reporting Requirements

This section provides information on the reporting requirements for the SLFRF program.

A. Interim Report..... P. 13
B. Project and Expenditure Report..... P. 15
C. Recovery Plan Performance Report..... P. 23

Appendix 1: Expenditure Categories..... P. 31
Appendix 2: Evidenced-Based Intervention Additional Information..... P. 33

Part 1: General Guidance

This section provides an orientation on recipients' compliance responsibilities and Treasury's expectations and recommended best practices where appropriate under the SLFRF program.

Recipients under the SLFRF program are the eligible entities identified in sections 602 and 603 of the Social Security Act as added by section 9901 of the American Rescue Plan Act of 2021 (the "SLFRF statute") that receive a SLFRF award. Subrecipients under the SLFRF program are entities that receive a subaward from a recipient to carry out the purposes (program or project) of the SLFRF award on behalf of the recipient.

Recipients are accountable to Treasury for oversight of their subrecipients, including ensuring their subrecipients comply with the SLFRF statute, SLFRF Award Terms and Conditions, Treasury's Interim Final Rule, and reporting requirements, as applicable.

A. Key Principles

There are several guiding principles for developing your own effective compliance regimes:

- Recipients and subrecipients are the first line of defense, and responsible for ensuring the SLFRF award funds are not used for ineligible purposes, and there is no fraud, waste, and abuse associated with their SLFRF award;
- Many SLFRF-funded projects respond to the COVID-19 public health emergency and meet urgent community needs. Swift and effective implementation is vital, and recipients must balance facilitating simple and rapid program access widely across the community and maintaining a robust documentation and compliance regime;
- SLFRF-funded projects should advance shared interests and promote equitable delivery of government benefits and opportunities to underserved communities, as outlined in Executive Order 13985, On Advancing Racial Equity and Support for Underserved Communities Through the Federal Government; and
- Transparency and public accountability for SLFRF award funds and use of such funds are critical to upholding program integrity and trust in all levels of government, and SLFRF award funds should be managed consistent with Administration guidance per Memorandum M-21-20 and Memorandum M-20-21.

B. Statutory Eligible Uses

As a recipient of an SLFRF award, your organization has substantial discretion to use the award funds in the ways that best suit the needs of your constituents – as long as such use fits into one of the following four statutory categories:

1. To respond to the COVID-19 public health emergency or its negative economic impacts;
2. To respond to workers performing essential work during the COVID-19 public health emergency by providing premium pay to such eligible workers of the recipient, or by providing grants to eligible employers that have eligible workers who performed essential work;
3. For the provision of government services, to the extent of the reduction in revenue of such recipient due to the COVID–19 public health emergency, relative to revenues collected in the most recent full fiscal year of the recipient prior to the emergency; and
4. To make necessary investments in water, sewer, or broadband infrastructure.

Treasury adopted an Interim Final Rule to implement these eligible use categories and other restrictions on the use of funds under the SLFRF program.[1] It is the recipient's responsibility to ensure all SLFRF award funds are used in compliance with these requirements. In addition, recipients should be mindful of any additional compliance obligations that may apply – for example, additional restrictions imposed upon other sources of funds used in conjunction with SLFRF award funds, or statutes and regulations that may independently apply to water, broadband, and sewer infrastructure projects. Recipients should ensure they maintain proper documentation supporting determinations of costs and applicable compliance requirements, and how they have been satisfied as part of their award management, internal controls, and subrecipient oversight and management.

C. Treasury's Rule

Treasury's Interim Final Rule details recipients' compliance responsibilities and provides additional information on eligible and restricted uses of SLFRF award funds and reporting requirements. Your organization should review and comply with the information contained in Treasury's Interim Final Rule, and any subsequent final rule when building appropriate controls for SLFRF award funds.

1. **Eligible and Restricted Uses of SLFRF Funds.** As described in the SLFRF statute and summarized above, there are four enumerated eligible uses of SLFRF award funds. As a recipient of an award under the SLFRF program, your organization is responsible for complying with requirements for the use of funds. In addition to determining a given project's eligibility, recipients are also responsible for determining subrecipient's or beneficiaries' eligibility and must monitor use of SLFRF award funds.

   To help recipients build a greater understanding of eligible uses, Treasury's Interim Final Rule establishes a framework for determining whether a specific project would be eligible under the SLFRF program, including some helpful definitions. For example, Treasury's Interim Final Rule establishes:

   - A framework for determining whether a project "responds to" a "negative economic impact" caused by the COVID-19 public health emergency;
   - Definitions of "eligible employers", "essential work," "eligible workers", and "premium pay" for cases where premium pay is an eligible use;
   - A definition of "general revenue" and a formula for calculating revenue lost due to the COVID-19 public health emergency;
   - A framework for eligible water and sewer infrastructure projects that aligns eligible uses with projects that are eligible under the Environmental Protection Agency's Drinking Water and Clean Water State Revolving Funds; and
   - A framework for eligible broadband projects designed to provide service to unserved or underserved households, or businesses at speeds sufficient to enable users to generally meet household needs, including the ability to support the simultaneous use of work, education, and health applications, and also sufficiently robust to meet increasing household demands for bandwidth.

   Treasury's Interim Final Rule also provides more information on four important restrictions on use of SLFRF award funds: recipients may not deposit SLFRF funds into a pension fund; recipients that are States or territories may not use SLFRF funds to offset a reduction in net tax revenue caused by the recipient's change in law, regulation, or administrative

[1] Treasury's Interim Final Rule is effective as of May 17, 2021, and public comments are due July 16, 2021. This guidance may be clarified consistent with the final rule. https://www.govinfo.gov/content/pkg/FR-2021-05-17/pdf/2021-10283.pdf

interpretation; and, recipients may not use SLFRF funds as non-Federal match where prohibited. In addition, the Interim Final Rule clarifies certain uses of SLFRF funds outside the scope of eligible uses, including that recipients generally may not use SLFRF funds directly to service debt, satisfy a judgment or settlement, or contribute to a "rainy day" fund. Recipients should refer to Treasury's Interim Final Rule for more information on these restrictions.

2. **Eligible Costs Timeframe.** Your organization, as a recipient of an SLFRF award, may use SLFRF funds to cover eligible costs that your organization incurred during the period that begins on March 3, 2021 and ends on December 31, 2024, as long as the award funds for the obligations incurred by December 31, 2024 are expended by December 31, 2026. Costs for projects incurred by the recipient State, territorial, local, or Tribal government prior to March 3, 2021 are not eligible, as provided for in Treasury's Interim Final Rule.

   Recipients may use SLFRF award funds to provide assistance to households, businesses, and individuals within the eligible use categories described in Treasury's Interim Final Rule for costs that those households, businesses and individuals incurred prior to March 3, 2021. For example,

   a. Public Health/Negative Economic Impacts: Recipients may use SLFRF award funds to provide assistance to households – such as rent, mortgage, or utility assistance – for costs incurred by the household prior to March 3, 2021, provided that the recipient State, territorial, local or Tribal government did not incur the cost of providing such assistance prior to March 3, 2021.
   b. Premium Pay: Recipients may provide premium pay retrospectively for work performed at any time since the start of the COVID-19 public health emergency. Such premium pay must be "in addition to" wages and remuneration already received and the obligation to provide such pay must not have been incurred by the recipient prior to March 3, 2021.
   c. Revenue Loss: Treasury's Interim Final Rule gives recipients broad latitude to use funds for the provision of government services to the extent of reduction in revenue. While calculation of lost revenue begins with the recipient's revenue in the last full fiscal year prior to the COVID-19 public health emergency and includes the 12-month period ending December 31, 2020, use of funds for government services must be forward looking for costs incurred by the recipient after March 3, 2021.
   d. Investments in Water, Sewer, and Broadband: Recipients may use SLFRF award funds to make necessary investments in water, sewer, and broadband. Recipients may use SLFRF award funds to cover costs incurred for eligible projects planned or started prior to March 3, 2021, provided that the project costs covered by the SLFRF award funds were incurred after March 3, 2021.

   Any funds not obligated or expended for eligible uses by the timelines above must be returned to Treasury, including any unobligated or unexpended funds that have been provided to subrecipients and contractors. For the purposes of determining expenditure eligibility, Treasury's Interim Final Rule provides that "incurred" has the same meaning given to "financial obligation" in 2 CFR § 200.1.

3. **Reporting.** Generally, recipients must submit one initial interim report, quarterly or annual Project and Expenditure reports which include subaward reporting, and in some cases annual Recovery Plan reports. Treasury's Interim Final Rule and Part 2 of this guidance provide more detail around SLFRF reporting requirements.

Assistance Listing

The Assistance Listing for the Coronavirus State and Local Fiscal Recovery Funds (CSLFRF) was published May 28, 2021 on SAM.gov under Assistance Listing Number ("ALN"), formerly known as CFDA Number, **21.027**.

The assistance listing includes helpful information including program purpose, statutory authority, eligibility requirements, and compliance requirements for recipients. The ALN is the unique 5-digit number assigned to identify a federal assistance listing, and can be used to search for federal assistance program information, including funding opportunities, spending on USASpending.gov, or audit results through the Federal Audit Clearinghouse.

To expedite payments and meet statutory timelines Treasury issued initial payments under an existing ALN, 21.019, assigned to the CRF. If you have already received funds or captured the initial number in your records, please update your systems and reporting to reflect the new ALN 21.027 for the SLFRF program. **Recipients must use ALN 21.027 for all financial accounting, subawards, and associated program reporting requirements for the SLFRF awards.**

D. Uniform Administrative Requirements

The SLFRF awards are generally subject to the requirements set forth in the Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, 2 CFR Part 200 (the "Uniform Guidance"). In all instances, your organization should review the Uniform Guidance requirements applicable to your organization's use of SLFRF funds, and SLFRF-funded projects. Recipients should consider how and whether certain aspects of the Uniform Guidance apply.

The following sections provide a general summary of your organization's compliance responsibilities under applicable statutes and regulations, including the Uniform Guidance, as described in the 2020 OMB Compliance Supplement Part 3. Compliance Requirements (issued August 18, 2020). Note that the descriptions below are only general summaries and all recipients and subrecipients are advised to carefully review the Uniform Guidance requirements and any additional regulatory and statutory requirements applicable to the program.

1. **Allowable Activities.** Each recipient should review program requirements, including Treasury's Interim Final Rule and the recipient's Award Terms and Conditions, to determine and record eligible uses of SLFRF funds. Per 2 CFR 200.303, your organization must develop and implement effective internal controls to ensure that funding decisions under the SLFRF award constitute eligible uses of funds, and document determinations.

2. **Allowable Costs/Cost Principles.** As outlined in the Uniform Guidance at 2 CFR Part 200, Subpart E regarding Cost Principles, allowable costs are based on the premise that a recipient is responsible for the effective administration of Federal awards, application of sound management practices, and administration of Federal funds in a manner consistent with the program objectives and terms and conditions of the award. Recipients must implement robust internal controls and effective monitoring to ensure compliance with the Cost Principles, which are important for building trust and accountability.

SLFRF Funds may be, but are not required to be, used along with other funding sources for a given project. Note that SLFRF Funds may not be used for a non-Federal cost share or match where prohibited by other Federal programs, e.g., funds may not be used for the State share for Medicaid.[2]

Treasury's Interim Final Rule and guidance and the Uniform Guidance outline the types of costs that are allowable, including certain audit costs. For example, per 2 CFR 200.425, a reasonably proportionate share of the costs of audits required by the Single Audit Act Amendments of 1996 are allowable; however, costs for audits that were not performed, or not in accordance with 2 CFR Part 200, Subpart F are not allowable. Please see 2 CFR Part 200, Subpart E regarding the Cost Principles for more information.

a. Administrative costs: Recipients may use funds for administering the SLFRF program, including costs of consultants to support effective management and oversight, including consultation for ensuring compliance with legal, regulatory, and other requirements.[3] Further, costs must be reasonable and allocable as outlined in 2 CFR 200.404 and 2 CFR 200.405. Pursuant to the SLFRF Award Terms and Conditions, recipients are permitted to charge both direct and indirect costs to their SLFRF award as administrative costs. Direct costs are those that are identified specifically as costs of implementing the SLFRF program objectives, such as contract support, materials, and supplies for a project. Indirect costs are general overhead costs of an organization where a portion of such costs are allocable to the SLFRF award such as the cost of facilities or administrative functions like a director's office.[4][5] Each category of cost should be treated consistently in like circumstances as direct or indirect, and recipients may not charge the same administrative costs to both direct and indirect cost categories, or to other programs. If a recipient has a current Negotiated Indirect Costs Rate Agreement (NICRA) established with a Federal cognizant agency responsible for reviewing, negotiating, and approving cost allocation plans or indirect cost proposals, then the recipient may use its current NICRA. Alternatively, if the recipient does not have a NICRA, the recipient may elect to use the de minimis rate of 10 percent of the modified total direct costs pursuant to 2 CFR 200.414(f).

b. Salaries and Expenses: In general, certain employees' wages, salaries, and covered benefits are an eligible use of SLFRF award funds. Please see Treasury's Interim Final Rule for details.

3. **Cash Management.** SLFRF payments made to recipients are not subject to the requirements of the Cash Management Improvement Act and Treasury's implementing regulations at 31 CFR part 205 or 2 CFR 200.305(b)(8)-(9).

   As such, recipients can place funds in interest-bearing accounts, do not need to remit interest to Treasury, and are not limited to using that interest for eligible uses under the SLFRF award.

4. **Eligibility.** Under this program, recipients are responsible for ensuring funds are used for eligible purposes. Generally, recipients must develop and implement policies and procedures, and record retention, to determine and monitor implementation of criteria for

[2] See 42 CFR 433.51 and 45 CFR 75.306.
[3] Recipients also may use SLFRF funds directly for administrative costs to improve efficacy of programs that respond to the COVID-19 public health emergency. 31 CFR 35.6(b)(10).
[4] 2 CFR 200.413 Direct Costs.
[5] 2 CFR 200.414 Indirect Costs.

determining the eligibility of beneficiaries and/or subrecipients. Your organization, and if applicable, the subrecipient(s) administering a program on behalf of your organization, will need to maintain procedures for obtaining information evidencing a given beneficiary, subrecipient, or contractor's eligibility including a valid SAM.gov registration. Implementing risk-based due diligence for eligibility determinations is a best practice to augment your organization's existing controls.

5. **Equipment and Real Property Management.** Any purchase of equipment or real property with SLFRF funds must be consistent with the Uniform Guidance at 2 CFR Part 200, Subpart D. Equipment and real property acquired under this program must be used for the originally authorized purpose. Consistent with 2 CFR 200.311 and 2 CFR 200.313, any equipment or real property acquired using SLFRF funds shall vest in the non-Federal entity. Any acquisition and maintenance of equipment or real property must also be in compliance with relevant laws and regulations.

6. **Matching, Level of Effort, Earmarking.** There are no matching, level of effort, or earmarking compliance responsibilities associated with the SLFRF award. SLFRF funds may only be used for non-Federal match in other programs where costs are eligible under both SLFRF and the other program and use of such funds is not prohibited by the other program.

7. **Period of Performance.** Your organization should also develop and implement internal controls related to activities occurring outside the period of performance. For example, each recipient should articulate each project's policy on allowability of costs incurred prior to award or start of the period of performance. All funds remain subject to statutory requirements that they must be used for costs incurred by the recipient during the period that begins on March 3, 2021, and ends on December 31, 2024, and that award funds for the financial obligations incurred by December 31, 2024 must be expended by December 31, 2026. Any funds not used must be returned to Treasury.

8. **Procurement, Suspension & Debarment.** Recipients are responsible for ensuring that any procurement using SLFRF funds, or payments under procurement contracts using such funds are consistent with the procurement standards set forth in the Uniform Guidance at 2 CFR 200.317 through 2 CFR 200.327, as applicable. The Uniform Guidance establishes in 2 CFR 200.319 that all procurement transactions for property or services must be conducted in a manner providing full and open competition, consistent with standards outlined in 2 CFR 200.320, which allows for non-competitive procurements only in circumstances where at least one of the conditions below is true: the item is below the micro-purchase threshold; the item is only available from a single source; the public exigency or emergency will not permit a delay from publicizing a competitive solicitation; or after solicitation of a number of sources, competition is determined inadequate.[6] Recipients must have and use documented procurement procedures that are consistent with the standards outlined in 2 CFR 200.317 through 2 CFR 200.320. The Uniform Guidance requires an infrastructure for competitive bidding and contractor oversight, including maintaining written standards of conduct and prohibitions on dealing with suspended or debarred parties. Your organization must ensure adherence to all applicable local, State, and federal procurement laws and regulations.

9. **Program Income.** Generally, program income includes, but is not limited to, income from fees for services performed, the use or rental or real or personal property acquired under Federal awards and principal and interest on loans made with Federal award funds. Program income does not include interest earned on advances of Federal funds, rebates, credits, discounts, or interest on rebates, credits, or discounts. Recipients of SLFRF funds

[6] 2 CFR 200.320(c)(1)-(3) and (5)

should calculate, document, and record the organization's program income. Additional controls that your organization should implement include written policies that explicitly identify appropriate allocation methods, accounting standards and principles, compliance monitoring checks for program income calculations, and records.

The Uniform Guidance outlines the requirements that pertain to program income at 2 CFR 200.307. Treasury intends to provide additional guidance regarding program income and the application of 2 CFR 200.307(e)(1), including with respect to lending programs.

10. **Reporting.** All recipients of federal funds must complete financial, performance, and compliance reporting as required and outlined in Part 2 of this guidance. Expenditures may be reported on a cash or accrual basis, as long as the methodology is disclosed and consistently applied. Reporting must be consistent with the definition of expenditures pursuant to 2 CFR 200.1. Your organization should appropriately maintain accounting records for compiling and reporting accurate, compliant financial data, in accordance with appropriate accounting standards and principles.

    In addition, where appropriate, your organization needs to establish controls to ensure completion and timely submission of all mandatory performance and/or compliance reporting. See Part 2 of this guidance for a full overview of recipient reporting responsibilities.

11. **Subrecipient Monitoring.** SLFRF recipients that are pass-through entities as defined under 2 CFR 200.1 are required to manage and monitor their subrecipients to ensure compliance with requirements of the SLFRF award pursuant to 2 CFR 200.332 regarding requirements for pass-through entities.

    First, your organization must clearly identify to the subrecipient: (1) that the award is a subaward of SLFRF funds; (2) any and all compliance requirements for use of SLFRF funds; and (3) any and all reporting requirements for expenditures of SLFRF funds.

    Next, your organization will need to evaluate each subrecipient's risk of noncompliance based on a set of common factors. These risk assessments may include factors such as prior experience in managing Federal funds, previous audits, personnel, and policies or procedures for award execution and oversight. Ongoing monitoring of any given subrecipient should reflect its assessed risk and include monitoring, identification of deficiencies, and follow-up to ensure appropriate remediation.

    Accordingly, your organization should develop written policies and procedures for subrecipient monitoring and risk assessment and maintain records of all award agreements identifying or otherwise documenting subrecipients' compliance obligations.

12. **Special Tests and Provisions.** Treasury has set a deadline of July 16, 2021, for receipt of public comment on its Interim Final Rule and will adopt a final rule responding to these comments. In addition, Treasury may add clarifications to the implementing guidance.

Across each of the compliance requirements above, Treasury described some best practices for development of internal controls. The table below provides a brief description and example of each best practice.

Table 1: Internal controls best practices

Best Practice	Description	Example
Written policies and procedures	Formal documentation of recipient policies and procedures	Documented procedure for determining worker eligibility for premium pay
Written standards of conduct	Formal statement of mission, values, principles, and professional standards	Documented code of conduct / ethics for subcontractors
Risk-based due diligence	Pre-payment validations conducted according to an assessed level of risk	Enhanced eligibility review of subrecipient with imperfect performance history
Risk-based compliance monitoring	Ongoing validations conducted according to an assessed level of risk	Higher degree of monitoring for projects that have a higher risk of fraud, given program characteristics
Record maintenance and retention	Creation and storage of financial and non-financial records.	Storage of all subrecipient payment information.

E. Award Terms and Conditions

The Award Terms and Conditions of the SLFRF financial assistance agreement sets forth the compliance obligations for recipients pursuant to the SLFRF statute, the Uniform Guidance, and Treasury's Interim Final Rule. Recipients should ensure they remain in compliance with all Award Terms and Conditions. These obligations include the following items in addition to those described above:

1. **SAM.gov Requirements.** All eligible recipients are also required to have an active registration with the System for Award Management (SAM) (https://www.sam.gov). To ensure timely receipt of funding, Treasury has stated that Non-entitlement Units of Government (NEUs) who have not previously registered with SAM.gov may do so after receipt of the award, but before the submission of mandatory reporting.[7]

2. **Recordkeeping Requirements.** Generally, your organization must maintain records and financial documents for five years after all funds have been expended or returned to Treasury, as outlined in paragraph 4.c. of the Award Terms and Conditions. Treasury may request transfer of records of long-term value at the end of such period. Wherever practicable, such records should be collected, transmitted, and stored in open and machine-readable formats.

   Your organization must agree to provide or make available such records to Treasury upon request, and to any authorized oversight body, including but not limited to the Government Accountability Office ("GAO"), Treasury's Office of Inspector General ("OIG"), and the Pandemic Relief Accountability Committee ("PRAC").

3. **Single Audit Requirements.** Recipients and subrecipients that expend more than $750,000 in Federal awards during their fiscal year will be subject to an audit under the Single Audit Act and its implementing regulation at 2 CFR Part 200, Subpart F regarding audit requirements.[8] Recipients and subrecipients may also refer to the Office of

[7] See flexibility provided in https://www.whitehouse.gov/wp-content/uploads/2021/03/M_21_20.pdf.
[8] For-profit entities that receive SLFRF subawards are not subject to Single Audit requirements. However, they are subject to other audits as deemed necessary by authorized governmental entities, including Treasury, the GAO, the PRAC and the Treasury's OIG.

Management and Budget (OMB) Compliance Supplements for audits of federal funds and related guidance and the Federal Audit Clearinghouse to see examples and single audit submissions.

4. **Civil Rights Compliance**. Recipients of Federal financial assistance from the Treasury are required to meet legal requirements relating to nondiscrimination and nondiscriminatory use of Federal funds. Those requirements include ensuring that entities receiving Federal financial assistance from the Treasury do not deny benefits or services, or otherwise discriminate on the basis of race, color, national origin (including limited English proficiency), disability, age, or sex (including sexual orientation and gender identity), in accordance with the following authorities: Title VI of the Civil Rights Act of 1964 (Title VI) Public Law 88-352, 42 U.S.C. 2000d-1 et seq., and the Department's implementing regulations, 31 CFR part 22; Section 504 of the Rehabilitation Act of 1973 (Section 504), Public Law 93-112, as amended by Public Law 93-516, 29 U.S.C. 794; Title IX of the Education Amendments of 1972 (Title IX), 20 U.S.C. 1681 et seq., and the Department's implementing regulations, 31 CFR part 28; Age Discrimination Act of 1975, Public Law 94-135, 42 U.S.C. 6101 et seq., and the Department implementing regulations at 31 CFR part 23.

   In order to carry out its enforcement responsibilities under Title VI of the Civil Rights Act, Treasury will collect and review information from recipients to ascertain their compliance with the applicable requirements before and after providing financial assistance. Treasury's implementing regulations, 31 CFR part 22, and the Department of Justice (DOJ) regulations, Coordination of Non-discrimination in Federally Assisted Programs, 28 CFR part 42, provide for the collection of data and information from recipients (see 28 CFR 42.406). Treasury may request that recipients submit data for post-award compliance reviews, including information such as a narrative describing their Title VI compliance status.

Part 2: Reporting Guidance

There are three types of reporting requirements for the SLFRF program.

- **Interim Report:** Provide initial overview of status and uses of funding. This is a one-time report. **See Section A, page 13.**
- **Project and Expenditure Report:** Report on projects funded, expenditures, and contracts and subawards over $50,000, and other information. **See Section B, page 15.**
- **Recovery Plan Performance Report:** The Recovery Plan Performance Report (the "Recovery Plan") will provide information on the projects that large recipients are undertaking with program funding and how they plan to ensure program outcomes are achieved in an effective, efficient, and equitable manner. It will include key performance indicators identified by the recipient and some mandatory indicators identified by Treasury. The Recovery Plan will be posted on the website of the recipient as well as provided to Treasury. **See Section C, page 23.**

Table 2: Reporting requirements by recipient type

<table>
<tr><th>Recipient</th><th>Interim Report</th><th>Project and Expenditure Report</th><th>Recovery Plan Performance Report</th></tr>
<tr><td>States, U.S. territories, metropolitan cities and counties with a population that exceeds 250,000 residents</td><td rowspan="4">By August 31, 2021, with expenditures by category</td><td rowspan="3">By October 31, 2021, and then 30 days after the end of each quarter thereafter[9]</td><td>By August 31, 2021, and annually thereafter by July 31 [10]</td></tr>
<tr><td>Metropolitan cities and counties with a population below 250,000 residents which received more than $5 million in SLFRF funding</td><td rowspan="3">Not required</td></tr>
<tr><td>Tribal Governments</td></tr>
<tr><td>Metropolitan cities and counties with a population below 250,000 residents which received less than $5 million in SLFRF funding</td><td rowspan="2">By October 31, 2021, and then annually thereafter[11]</td></tr>
<tr><td>NEUs</td><td>Not required</td><td></td></tr>
</table>

The remainder of this document describes these reporting requirements. A users' guide will be provided with additional information on how and where to submit required reports.

[9] Interim Final Rule Page 111
[10] Interim Final Rule page 112
[11] Interim Final Rule Page 111

Comparison to reporting for the CRF

This guidance does not change the reporting or compliance requirements pertaining to the CRF. Reporting and compliance requirements for the SLFRF are separate from CRF reporting requirements. Changes from CRF to SLFRF include:

- **Project, Expenditure, and Subaward Reporting**: The SLFRF reporting requirements leverage the existing reporting regime used for CRF to foster continuity and provide many recipients with a familiar reporting mechanism. The data elements for the Project and Expenditure Report will largely mirror those used for CRF, with some minor exceptions noted in this guidance. The users' guide will describe how reporting for CRF funds will relate to reporting for the SLFRF.
- **Timing of Reports**: CRF reports were due within 10 days of each calendar quarter. SLFRF quarterly reporting will be due 30 days from quarter end.
- **Program and Performance Reporting**: The CRF reporting did not include any program or performance reporting. To build public awareness and accountability and allow Treasury to monitor compliance with eligible uses, some program and performance reporting is required.

A. Interim Report

States, U.S. territories, metropolitan cities, counties, and Tribal governments are required to submit a one-time interim report with expenditures[12] by Expenditure Category from the date of award to July 31, 2021. The recipient will be required to enter obligations[13] and expenditures and, for each, select the specific expenditure category from the available options. See Appendix 1 for Expenditure Categories (EC).

1. Required Programmatic Data

Recipients will also be required to provide the following information if they have or plan to have expenditures in the following Expenditure Categories.

a. Revenue replacement (EC 6.1[14]): Key inputs into the revenue replacement formula in the Interim Final Rule and estimated revenue loss due to the Covid-19 public health emergency calculated using the formula in the Interim Final Rule as of December 31, 2020.

- Base year general revenue (e.g., revenue in the last full fiscal year prior to the public health emergency)
- Fiscal year end date
- Growth adjustment used (either 4.1 percent or average annual general revenue growth over 3 years prior to pandemic)
- Actual general revenue as of the twelve months ended December 31, 2020
- Estimated revenue loss due to the Covid-19 public health emergency as of December 31, 2020
- An explanation of how revenue replacement funds were allocated to government services (Note: additional instructions and/or template to be provided in users' guide)

[12] For purposes of reporting in the SLFRF portal, an expenditure is the amount that has been incurred as a liability of the entity (the service has been rendered or the good has been delivered to the entity).
[13] For purposes of reporting in the SLFRF portal, an obligation is an order placed for property and services, contracts and subawards made, and similar transactions that require payment.
[14] See Appendix 1 for the full Expenditure Category (EC) list. References to Expenditure Categories are identified by "EC" followed by numbers from the table in Appendix 1.

In calculating general revenue and the other items discussed above, recipients should use audited data if it is available. When audited data is not available, recipients are not required to obtain audited data if substantially accurate figures can be produced on an unaudited basis. Recipients should use their own data sources to calculate general revenue, and do not need to rely on revenue data published by the Census Bureau. Treasury acknowledges that due to differences in timing, data sources, and definitions, recipients' self-reported general revenue figures may differ from those published by the Census Bureau. Recipients may provide data on a cash, accrual, or modified accrual basis, provided that recipients are consistent in their choice of methodology throughout the covered period and until reporting is no longer required. Recipients' reporting should align with their own financial reporting.

In calculating general revenue, recipients should exclude all intergovernmental transfers from the federal government. This includes, but is not limited to, federal transfers made via a State to a locality pursuant to the CRF or SLFRF. To the extent federal funds are passed through States or other entities or intermingled with other funds, recipients should attempt to identify and exclude the federal portion of those funds from the calculation of general revenue on a best-efforts basis.

Consistent with the broad latitude provided to recipients to use funds for government services to the extent of reduction in revenue, recipients will be required to submit a description of services provided. This description may be in narrative or in another form, and recipients are encouraged to report based on their existing budget processes and to minimize administrative burden. For example, a recipient with $100 in revenue replacement funds available could indicate that $50 were used for law enforcement operating expenses and $50 were used for pay-go building of sidewalk infrastructure. As discussed in the Interim Final Rule, these services can include a broad range of services but may not be used directly for pension deposits or debt service.

Reporting requirements will not require tracking the indirect effects of Fiscal Recovery Funds, apart from the restrictions on use of Fiscal Recovery Funds to offset a reduction in net tax revenue. In addition, recipients must indicate that Fiscal Recovery Funds were not used to make a deposit in a pension fund.

b. Distributions to NEUs - States and territories only (EC 7.4): Information on SLFRF distributions to eligible NEUs. Each State and territory will be asked to provide an update on distributions to individual NEUs, including whether the NEU has (1) received funding; (2) declined funding and requested a transfer to the State under Section 603(c)(4) of the Act; or (3) not taken action on its funding. States and territories should be prepared to report on their information, including the following:

- NEU name
- NEU DUNS number
- NEU Taxpayer Identification Number (TIN)
- NEU Recipient Number (a unique identification code for each NEU assigned by the State to the NEU as part of the request for funding)
- NEU contact information (e.g., address, point of contact name, point of contact email address, and point of contact phone number)
- NEU authorized representative name and email address
- Initial allocation and, if applicable, subsequent allocation to the NEU (before application of the 75 percent cap)
- Total NEU reference budget (as submitted by the NEU to the State as part of the request for funding)

- Amount of the initial and, if applicable, subsequent allocation above 75 percent of the NEU's reference budget which will be returned to Treasury
- Payment amount(s)
- Payment date(s)

For each eligible NEU that declined funding and requested a transfer to the State under Section 603(c)(4), the State must also attach a form signed by the NEU, as detailed in the Guidance on Distributions of Funds to Non-Entitlement Units of Local Government.

States with "weak" minor civil divisions (i.e., Illinois, Indiana, Kansas, Missouri, Nebraska, North Dakota, Ohio, and South Dakota) should also list any minor civil divisions that the State deemed ineligible.

B. Project and Expenditure Report

All recipients are required to submit Project and Expenditure Reports.

1. Quarterly Reporting

The following recipients are required to submit quarterly Project and Expenditure Reports:
- States, U.S. territories, and Tribal governments
- Metropolitan cities and counties that received more than $5 million in SLFRF funding

For these recipients, the initial quarterly Project and Expenditure Report will cover two calendar quarters from the date of award to September 30, 2021 and must be submitted to Treasury by October 31, 2021. The subsequent quarterly reports will cover one calendar quarter and must be submitted to Treasury within 30 calendar days after the end of each calendar quarter. Quarterly reports are not due concurrently with applicable annual reports. The table below summarizes the quarterly report timelines:

Report	Year	Quarter	Period Covered	Due Date
1	2021	2 and 3	Award Date – September 30	October 31, 2021
2	2021	4	October 1 – December 31	January 31, 2022
3	2022	1	January 1 – March 31	April 30, 2022
4	2022	2	April 1 – June 30	July 31, 2022
5	2022	3	July 1 – September 30	October 31, 2022
6	2022	4	October 1 – December 31	January 31, 2023
7	2023	1	January 1 – March 31	April 30, 2023
8	2023	2	April 1 – June 30	July 31, 2023
9	2023	3	July 1 – September 30	October 31, 2023
10	2023	4	October 1 – December 31	January 31, 2024
11	2024	1	January 1 – March 31	April 30, 2024
12	2024	2	April 1 – June 30	July 31, 2024
13	2024	3	July 1 – September 30	October 31, 2024
14	2024	4	October 1 – December 31	January 31, 2025
15	2025	1	January 1 – March 31	April 30, 2025
16	2025	2	April 1 – June 30	July 31, 2025
17	2025	3	July 1 – September 30	October 31, 2025
18	2025	4	October 1 – December 31	January 31, 2026
19	2026	1	January 1 – March 31	April 30, 2026
20	2026	2	April 1 – June 30	July 31, 2026

Report	Year	Quarter	Period Covered	Due Date
21	2026	3	July 1 – September 30	October 31, 2026
22	2026	4	October 1 – December 31	March 31, 2027

2. Annual Reporting

The following recipients are required to submit annual Project and Expenditure Reports:

- Metropolitan cities and counties that received less than $5 million in SLFRF funding.
- NEUs. To facilitate reporting, each NEU will need a NEU Recipient Number. This is a unique identification code for each NEU assigned by the State to the NEU as part of its request for funding.

For these recipients, the initial Project and Expenditure Report will cover from the date of award to September 30, 2021 and must be submitted to Treasury by October 31, 2021. The subsequent annual reports will cover one calendar year and must be submitted to Treasury by October 31. The table below summarizes the report timelines:

Report	Period Covered	Due Date
1	Award Date – September 30, 2021	October 31, 2021
2	October 1, 2021 – September 30, 2022	October 31, 2022
3	October 1, 2022 – September 30, 2023	October 31, 2023
4	October 1, 2023 – September 30, 2024	October 31, 2024
5	October 1, 2024 – September 30, 2025	October 31, 2025
6	October 1, 2025 – September 30, 2026	October 31, 2026
7	October 1, 2026 – December 31, 2026	March 31, 2027

3. Required Information

The following information will be required in Project and Expenditure Reports:

a. Projects: Provide information on all SLFRF funded projects. Projects are new or existing eligible government services or investments funded in whole or in part by SLFRF funding. For each project, the recipient will be required to enter the project name, identification number (created by the recipient), project expenditure category (see Appendix 1), description, and status of completion. Project descriptions must describe the project in sufficient detail to provide understanding of the major activities that will occur, and will be required to be between 50 and 250 words. Projects should be defined to include only closely related activities directed toward a common purpose. In particular, recipients should review the Required Programmatic Data described below and define their projects at a sufficient level of granularity to report these metrics for a reasonably specific activity or set of activities in each project.

   Note: For each project, the recipient will be asked to select the appropriate Expenditure Category based on the scope of the project (see Appendix 1). Projects should be scoped to align to a single Expenditure Category. For select Expenditure Categories, the recipient will also be asked to provide additional programmatic data (described further below).

b. Expenditures: Once a project is entered the recipient will be able to report on the project's obligations and expenditures. Recipients will be asked to report:
   - Current period obligation
   - Cumulative obligation
   - Current period expenditure
   - Cumulative expenditure

c. Project Status: Once a project is entered the recipient will be asked to report on project status each reporting period, in four categories:
   - Not Started
   - Completed less than 50 percent
   - Completed 50 percent or more
   - Completed

d. Project Demographic Distribution: Recognizing the disproportionate impact of the pandemic-related recession on low-income communities, recipients must report whether certain types of projects[15] are targeted to economically disadvantaged communities, as defined by HUD's Qualified Census Tract.[16] Recipients will be asked to identify whether or not the project is serving an economically disadvantaged community. To minimize the administrative burden on recipients while ensuring that this important aspect of program performance is tracked, recipients may assume that the funds for a project count as being targeted towards economically disadvantaged communities if the project funds are spent on:
   - A program or service is provided at a physical location in a Qualified Census Tract (for multi-site projects, if a majority of sites are within Qualified Census Tracts);
   - A program or service where the primary intended beneficiaries live within a Qualified Census Tract;
   - A program or service for which the eligibility criteria are such that the primary intended beneficiaries earn less than 60 percent of the median income for the relevant jurisdiction (e.g., State, county, metropolitan area, or other jurisdiction); or
   - A program or service for which the eligibility criteria are such that over 25 percent of intended beneficiaries are below the federal poverty line.

   Recipients may use reasonable estimates to determine if a project meets one of these criteria, including identifying the intended beneficiaries of a program or service in terms of income characteristics, geographic location, or otherwise estimating the beneficiaries of a program based on its eligibility criteria. Recipients do not need to track information on each individual beneficiary to make the determination of whether or not the project is serving an economically disadvantaged community. If a recipient is unable to measure economic characteristics of the primary intended beneficiaries of a program or service due to data limitations or for other reasons, that program or service may not be counted as targeted to economically disadvantaged communities. Treasury recognizes that in some circumstances, recipients may fund eligible programs or services that benefit economically disadvantaged communities but may lack adequate data to assess conclusively that such a program or service is targeted to economically disadvantaged communities based on the criteria described above.

e. Subawards: Each recipient shall also provide detailed obligation and expenditure information for any contracts and grants awarded, loans issued, transfers made to other government entities, and direct payments made by the recipient that are greater than or equal to $50,000.

[15] Specifically recipients must report this information for projects in the Expenditure Categories that are marked with "^" in the expenditure category listing in Appendix 1 of this guidance

[16] HUD defines as a QCT as having "50 percent of households with incomes below 60 percent of the Area Median Gross Income (AMGI) or have a poverty rate of 25 percent or more." To view median income area for their jurisdiction, recipients may visit the U.S. Census website on median incomes and select the geography for their jurisdiction and relevant unit of measurement (household or individual) for the project.

Recipients do not also need to submit separate monthly subaward reports to FSRS.gov as required pursuant to the 2 CFR Part 170, Appendix A award term regarding reporting subaward and executive compensation, which is included in the SLFRF Award Terms and Conditions. Treasury will submit this reporting on behalf of recipients using the $50,000 reporting threshold, timing, and data elements discussed in this guidance. If recipients choose to continue reporting to FSRS.gov in addition to reporting directly to Treasury on these funds, they may do so and will be asked to notify Treasury as part of their quarterly submission.

In general, recipients will be asked to provide the following information for each Contract, Grant, Loan, Transfer, or Direct Payment greater than or equal to $50,000:

- Subrecipient identifying and demographic information (e.g., DUNS number and location)
- Award number (e.g., Award number, Contract number, Loan number)
- Award date, type, amount, and description
- Award payment method (reimbursable or lump sum payment(s))
- For loans, expiration date (date when loan expected to be paid in full)
- Primary place of performance
- Related project name(s)
- Related project identification number(s) (created by the recipient)
- Period of performance start date
- Period of performance end date
- Quarterly obligation amount
- Quarterly expenditure amount
- Project(s)
- Additional programmatic performance indicators for select Expenditure Categories (see below)

Aggregate reporting is required for contracts, grants, transfers made to other government entities, loans, direct payments, and payments to individuals that are below $50,000. This information will be accounted for by expenditure category at the project level.

As required by the 2 CFR Part 170, Appendix A award term regarding reporting subaward and executive compensation, recipients must also report the names and total compensation of their five most highly compensated executives and their subrecipients' executives for the preceding completed fiscal year if (1) the recipient received 80 percent or more of its annual gross revenues from Federal procurement contracts (and subcontracts) and Federal financial assistance subject to the Transparency Act, as defined at 2 CFR 170.320 (and subawards), and received $25,000,000 or more in annual gross revenues from Federal procurement contracts (and subcontracts) and Federal financial assistance subject to the Transparency Act (and subawards), and (2) if the information is not otherwise public. In general, most SLFRF Recipients are governmental entities with executive salaries that are already disclosed, so no additional information must be reported. The recipient is responsible for the subrecipients' compliance with registering and maintaining an updated profile on SAM.gov.

f. Civil Rights Compliance: Treasury will request information on recipients' compliance with Title VI of the Civil Rights Act of 1964 on an annual basis. This information may include a narrative describing the recipient's compliance with Title VI, along with other questions and assurances.

g. Required Programmatic Data (other than infrastructure projects): For all projects listed under the following Expenditure Categories (see Appendix 1), the information listed must be provided in each report.

1. Payroll for Public Health and Safety Employees (EC 1.9):
   - Number of government FTEs responding to COVID-19 supported under this authority

2. Household Assistance (EC 2.1-2.5):
   - Brief description of structure and objectives of assistance program(s) (e.g., nutrition assistance for low-income households)
   - Number of individuals served (by program if recipient establishes multiple separate household assistance programs)
   - Brief description of recipient's approach to ensuring that aid to households responds to a negative economic impact of Covid-19, as described in the Interim Final Rule

3. Small Business Economic Assistance (EC 2.9):
   - Brief description of the structure and objectives of assistance program(s) (e.g., grants for additional costs related to Covid-19 mitigation)
   - Number of small businesses served (by program if recipient establishes multiple separate small businesses assistance programs)
   - Brief description of recipient's approach to ensuring that aid to small businesses responds to a negative economic impact of COVID-19, as described in the Interim Final Rule

4. Aid to Travel, Tourism, and Hospitality or Other Impacted Industries (EC 2.11-2.12):
   - If aid is provided to industries other than travel, tourism, and hospitality (EC 2.12), a description of pandemic impact on the industry and rationale for providing aid to the industry
   - Brief narrative description of how the assistance provided responds to negative economic impacts of the COVID-19 pandemic
   - For each subaward:
     - Sector of employer (Note: additional detail, including list of sectors to be provided in a users' guide)
     - Purpose of funds (e.g., payroll support, safety measure implementation)

5. Rehiring Public Sector Staff (EC 2.14):
   - Number of FTEs rehired by governments under this authority

6. Education Assistance (EC 3.1-3.5):
   - The National Center for Education Statistics ("NCES") School ID or NCES District ID. List the School District if all schools within the school district received some funds. If not all schools within the school district received funds, list the School ID of the schools that received funds. These can allow evaluators to link data from the NCES to look at school-level demographics and, eventually, student performance.[17]

[17] For more information on NCES identification numbers see https://nces.ed.gov/ccd/districtsearch/ (districts) and https://nces.ed.gov/ccd/schoolsearch/ (schools).

7. Premium Pay (both Public Sector EC 4.1 and Private Sector EC 4.2):
   - List of sectors designated as critical to the health and well-being of residents by the chief executive of the jurisdiction, if beyond those included in the Interim Final Rule (Note: a list of sectors will be provided in the forthcoming users' guide).
   - Number of workers to be served
   - Employer sector for all subawards to third-party employers (i.e., employers other than the State, local, or Tribal government) (Note: a list of sectors will be provided in the forthcoming users' guide).
   - For groups of workers (e.g., an operating unit, a classification of worker, etc.) or, to the extent applicable, individual workers, for whom premium pay would increase total pay above 150 percent of their residing State's average annual wage, or their residing county's[18] average annual wage, whichever is higher, on an annual basis:
     - A brief written narrative justification of how the premium pay or grant is responsive to workers performing essential work during the public health emergency. This could include a description of the essential workers' duties, health or financial risks faced due to COVID-19, and why the recipient government determined that the premium pay was responsive to workers performing essential work during the pandemic. This description should not include personally identifiable information; when addressing individual workers, recipients should be careful not to include this information. Recipients may consider describing the workers' occupations and duties in a general manner as necessary to protect privacy.

8. Revenue replacement (EC 6.1):
   Under the Interim Final Rule, recipients calculate revenue loss using data as of four discrete points during the program: December 31, 2020, December 31, 2021, December 31, 2022, and December 31, 2023. Revenue loss calculated as of December 31, 2020 will be reported in the Interim Report, as described above. For future calculation dates, revenue loss will be reported only in the Quarter 4 reports due January 31, 2022, January 31, 2023, and January 31, 2024. Reporting on revenue loss should include:
   - General revenue collected over the past 12 months as of the most recent calculation date, as outlined in the Interim Final Rule (for example, for the January 31, 2022 report, recipients should provide 12 month general revenue as of December 31, 2021);
   - Calculated revenue loss due to the Covid-19 public health emergency; and
   - An explanation of how the revenue replacement funds were allocated to government services (note: additional instructions and/or template to be provided in user guide).

   In calculating general revenue and the revenue loss due to the COVID-19 public health emergency, recipients should follow the same guidance as described above for the Interim Report.

h. Required Programmatic Data for Infrastructure Projects (EC 5): For all projects listed under the Water, Sewer, and Broadband Expenditure Categories (see Appendix 1), more detailed project-level information is required. Each project will be required to report expenditure data as described above, but will also report the following information:

[18] *County* means a county, parish, or other equivalent county division (as defined by the Census Bureau). See 31 CFR 35.3.

1. All infrastructure projects (EC 5):
   - Projected/actual construction start date (month/year)
   - Projected/actual initiation of operations date (month/year)
   - Location (for broadband, geospatial location data)
   - For projects over $10 million:
     a. A recipient may provide a certification that, for the relevant project, all laborers and mechanics employed by contractors and subcontractors in the performance of such project are paid wages at rates not less than those prevailing, as determined by the U.S. Secretary of Labor in accordance with subchapter IV of chapter 31 of title 40, United States Code (commonly known as the "Davis-Bacon Act"), for the corresponding classes of laborers and mechanics employed on projects of a character similar to the contract work in the civil subdivision of the State (or the District of Columbia) in which the work is to be performed, or by the appropriate State entity pursuant to a corollary State prevailing-wage-in-construction law (commonly known as "baby Davis-Bacon Acts"). If such certification is not provided, a recipient must provide a project employment and local impact report detailing:
        - The number of employees of contractors and sub-contractors working on the project;
        - The number of employees on the project hired directly and hired through a third party;
        - The wages and benefits of workers on the project by classification; and
        - Whether those wages are at rates less than those prevailing.[19]

        Recipients must maintain sufficient records to substantiate this information upon request.
     b. A recipient may provide a certification that a project includes a project labor agreement, meaning a pre-hire collective bargaining agreement consistent with section 8(f) of the National Labor Relations Act (29 U.S.C. 158(f)). If the recipient does not provide such certification, the recipient must provide a project workforce continuity plan, detailing:
        - How the recipient will ensure the project has ready access to a sufficient supply of appropriately skilled and unskilled labor to ensure high-quality construction throughout the life of the project;
        - How the recipient will minimize risks of labor disputes and disruptions that would jeopardize timeliness and cost-effectiveness of the project; and
        - How the recipient will provide a safe and healthy workplace that avoids delays and costs associated with workplace illnesses, injuries, and fatalities;
        - Whether workers on the project will receive wages and benefits that will secure an appropriately skilled workforce in the context of the local or regional labor market; and
        - Whether the project has completed a project labor agreement.
     c. Whether the project prioritizes local hires.
     d. Whether the project has a Community Benefit Agreement, with a description of any such agreement.

[19] As determined by the U.S. Secretary of Labor in accordance with subchapter IV of chapter 31 of title 40, United States Code (commonly known as the "Davis-Bacon Act"), for the corresponding classes of laborers and mechanics employed on projects of a character similar to the contract work in the civil subdivision of the State (or the District of Columbia) in which the work is to be performed.

2. Water and sewer projects (EC 5.1-5.15):
   - National Pollutant Discharge Elimination System (NPDES) Permit Number (if applicable; for projects aligned with the Clean Water State Revolving Fund)
   - Public Water System (PWS) ID number (if applicable; for projects aligned with the Drinking Water State Revolving Fund)

3. Broadband projects (EC 5.16-5.17):
   - Speeds/pricing tiers to be offered, including the speed/pricing of its affordability offering
   - Technology to be deployed
   - Miles of fiber
   - Cost per mile
   - Cost per passing
   - Number of households (broken out by households on Tribal lands and those not on Tribal lands) projected to have increased access to broadband meeting the minimum speed standards in areas that previously lacked access to service of at least 25 Mbps download and 3 Mbps upload
     - Number of households with access to minimum speed standard of reliable 100 Mbps symmetrical upload and download
     - Number of households with access to minimum speed standard of reliable 100 Mbps download and 20 Mbps upload
   - Number of institutions and businesses (broken out by institutions on Tribal lands and those not on Tribal lands) projected to have increased access to broadband meeting the minimum speed standards in areas that previously lacked access to service of at least 25 Mbps download and 3 Mbps upload, in each of the following categories: business, small business, elementary school, secondary school, higher education institution, library, healthcare facility, and public safety organization
     - Specify the number of each type of institution with access to the minimum speed standard of reliable 100 Mbps symmetrical upload and download; and
     - Specify the number of each type of institution with access to the minimum speed standard of reliable 100 Mbps download and 20 Mbps upload

i. Distributions to NEUs - States and territories only (EC 7.4): Information on SLFRF distributions to eligible NEUs. Each State and territory will be asked to provide an update on distributions to individual NEUs, including whether the NEU has (1) received funding; (2) declined funding and requested a transfer to the State under Section 603(c)(4) of the Act; or (3) not taken action on its funding. States and territories should be prepared to report on their information, including the following:
   - NEU name
   - NEU DUNS number
   - NEU Taxpayer Identification Number (TIN)
   - NEU Recipient Number (a unique identification code for each NEU assigned by the State to the NEU as part of the request for funding)
   - NEU contact information (e.g., address, point of contact name, point of contact email address, and point of contact phone number)
   - NEU authorized representative name and email address
   - Initial allocation and, if applicable, subsequent allocation to the NEU (before application of the 75 percent cap)
   - Total NEU reference budget (as submitted by the NEU to the State as part of the request for funding)
   - Amount of the initial and, if applicable, subsequent allocation above 75 percent of the NEU's reference budget which will be returned to Treasury
   - Payment amount(s)
   - Payment date(s)

For each eligible NEU that declined funding and requested a transfer to the State under Section 603(c)(4), the State must also attach a form signed by the NEU, as detailed in the Guidance on Distributions of Funds to Non-Entitlement Units of Local Government.

States with "weak" minor civil divisions (i.e., Illinois, Indiana, Kansas, Missouri, Nebraska, North Dakota, Ohio, and South Dakota) should also list any minor civil divisions that the State deemed ineligible.

j. NEU Documentation (NEUs only): Each NEU will also be asked to provide the following information with their first report submitted by October 31, 2021:
   - Copy of the signed award terms and conditions agreement (which was signed and submitted to the State as part of the request for funding)
   - Copy of the signed assurances of compliance with Title VI of the Civil Rights Act of 1964 (which was signed and submitted to the State as part of the request for funding)
   - Copy of actual budget documents validating the top-line budget total provided to the State as part of the request for funding

C. Recovery Plan Performance Report

States, territories, metropolitan cities, and counties with a population that exceeds 250,000 residents will also be required to publish and submit to Treasury a Recovery Plan performance report ("Recovery Plan"). Each Recovery Plan must be posted on the public-facing website of the recipient by the same date the recipient submits the report to Treasury. This reporting requirement includes uploading a link to the publicly available document report along with providing data in the Treasury reporting portal.

The Recovery Plan will provide the public and Treasury information on the projects recipients are undertaking with program funding and how they are planning to ensure program outcomes are achieved in an effective, efficient, and equitable manner. While this guidance outlines some minimum requirements for the Recovery Plan, each recipient is encouraged to add information to the plan they feel is appropriate to provide information to their constituents on efforts they are taking to respond to the pandemic and promote economic recovery. Each jurisdiction may determine the general form and content of the Recovery Plan, as long as it includes the minimum information determined by Treasury. Treasury will provide a recommended template but recipients may modify this template as appropriate for their jurisdiction. The Recovery Plan will include key performance indicators identified by the recipient and some mandatory indicators identified by Treasury.

The initial Recovery Plan will cover the period from the date of award to July 31, 2021 and must be submitted to Treasury by August 31, 2021. Thereafter, the Recovery Plan will cover a 12-month period and recipients will be required to submit the report to Treasury within 30 days after the end of the 12-month period (by July 31). The table below summarizes the report timelines:

Annual Report	Period Covered	Due Date
1	Award Date – July 31, 2021	August 31, 2021
2	July 1, 2021 – June 30, 2022	July 31, 2022
3	July 1, 2022 – June 30, 2023	July 31, 2023
4	July 1, 2023 – June 30, 2024	July 31, 2024
5	July 1, 2024 – June 30, 2025	July 31, 2025
6	July 1, 2025 – June 30, 2026	July 31, 2026
7	July 1, 2026 – December 31, 2026	March 31, 2027

The Recovery Plan will include, at a minimum, the following information:

1. Executive Summary
Provide a high-level overview of the jurisdiction's intended and actual uses of funding including, but not limited to: the jurisdiction's plan for use of funds to promote a response to the pandemic and economic recovery, key outcome goals, progress to date on those outcomes, and any noteworthy challenges or opportunities identified during the reporting period.

2. Uses of Funds
Describe in further detail your jurisdiction's intended and actual uses of the funds, such as how your jurisdiction's approach would help support a strong and equitable recovery from the COVID-19 pandemic and economic downturn. Describe any strategies employed to maximize programmatic impact and effective, efficient, and equitable outcomes. Given the broad eligible uses of funds and the specific needs of the jurisdiction, please also explain how the funds would support the communities, populations, or individuals in your jurisdiction. Your description should address how you are promoting each of the following, to the extent they apply:

a. Public Health (EC 1): As relevant, describe how funds are being used to respond to COVID-19 and the broader health impacts of COVID-19 and the COVID-19 public health emergency.
b. Negative Economic Impacts (EC 2): As relevant, describe how funds are being used to respond to negative economic impacts of the COVID-19 public health emergency, including to households and small businesses.
c. Services to Disproportionately Impacted Communities (EC 3): As relevant, describe how funds are being used to provide services to communities disproportionately impacted by the COVID-19 public health emergency.
d. Premium Pay (EC 4): As relevant, describe the approach, goals, and sectors or occupations served in any premium pay program. Describe how your approach prioritizes low-income workers.
e. Water, sewer, and broadband infrastructure (EC 5): Describe the approach, goals, and types of projects being pursued, if pursuing.
f. Revenue Replacement (EC 6): Describe the loss in revenue due to the COVID-19 public health emergency and how funds have been used to provide government services.

Where appropriate, recipients should also include information on your jurisdiction's use (or planned use) of other federal recovery funds including other programs under the American Rescue Plan such as the Emergency Rental Assistance, Housing Assistance, and so forth, to provide broader context on the overall approach for pandemic recovery.

3. Promoting equitable outcomes
Describe efforts to promote equitable outcomes, including how programs were designed with equity in mind. Please include in your description how your jurisdiction will consider and measure equity at the various stages of the program, including:

a. Goals: Are there particular historically underserved, marginalized, or adversely affected groups that you intend to serve within your jurisdiction?
b. Awareness: How equal and practical is the ability for residents or businesses to become aware of the services funded by the SLFRF?
c. Access and Distribution: Are there differences in levels of access to benefits and services across groups? Are there administrative requirements that result in disparities in ability to complete applications or meet eligibility criteria?

d. Outcomes: Are intended outcomes focused on closing gaps, reaching universal levels of service, or disaggregating progress by race, ethnicity, and other equity dimensions where relevant for the policy objective?

Treasury encourages uses of funds that promote strong, equitable growth, including racial equity. Please describe how your jurisdiction's planned or current use of funds prioritizes economic and racial equity as a goal, names specific targets intended to produce meaningful equity results at scale, and articulates the strategies to achieve those targets. In addition, please explain how your jurisdiction's overall equity strategy translates into the specific services or programs offered by your jurisdiction in the following Expenditure Categories:

a. Negative Economic Impacts (EC 2): assistance to households, small businesses, and non-profits to address impacts of the pandemic, which have been most severe among low-income populations. This includes assistance with food, housing, and other needs; employment programs for people with barriers to employment who faced negative economic impacts from the pandemic (such as residents of low-income neighborhoods, minorities, disconnected youth, the unemployed, formerly incarcerated people, veterans, and people with disabilities); and other strategies that provide disadvantaged groups with access to education, jobs, and opportunity.
b. Services to Disproportionately Impacted Communities (EC 3): services to address health disparities and the social determinants of health, build stronger neighborhoods and communities (e.g., affordable housing), address educational disparities (e.g., evidence-based tutoring, community schools, and academic, social-emotional, and mental health supports for high poverty schools), and promote healthy childhood environments (e.g., home visiting, child care).

The initial report must describe efforts to date and intended outcomes to promote equity. Each annual report thereafter must provide an update, using qualitative and quantitative data, on how the recipients' approach achieved or promoted equitable outcomes or progressed against equity goals during the performance period. Please also describe any constraints or challenges that impacted project success in terms of increasing equity. In particular, this section must describe the geographic and demographic distribution of funding, including whether it is targeted toward traditionally marginalized communities.

For the purposes of the SLFRF, equity is defined in the Executive Order 13985 On Advancing Racial Equity and Support for Underserved Communities Through the Federal Government, as issued on January 20, 2021.

4. Community Engagement

Please describe how your jurisdiction's planned or current use of funds incorporates written, oral, and other forms of input that capture diverse feedback from constituents, community-based organizations, and the communities themselves. Where relevant, this description must include how funds will build the capacity of community organizations to serve people with significant barriers to services, including people of color, people with low incomes, limited English proficient populations, and other traditionally underserved groups.

5. Labor Practices

Describe workforce practices on any infrastructure projects being pursued (EC 5). How are projects using strong labor standards to promote effective and efficient delivery of high-quality infrastructure projects while also supporting the economic recovery through strong employment opportunities for workers? For example, report whether any of the following practices are being utilized: project labor agreements, community benefits agreements, prevailing wage requirements, and local hiring.

6. Use of Evidence

The Recovery Plan should identify whether SLFRF funds are being used for evidence-based interventions[20] and/or if projects are being evaluated through rigorous program evaluations that are designed to build evidence. Recipients must briefly describe the goals of the project, and the evidence base for the interventions funded by the project. Recipients must specifically identify the dollar amount of the total project spending that is allocated towards evidence-based interventions for each project in the Public Health (EC 1), Negative Economic Impacts (EC 2), and Services to Disproportionately Impacted Communities (EC 3) Expenditure Categories.[21]

Recipients are exempt from reporting on evidence-based interventions in cases where a program evaluation is being conducted. Recipients are encouraged to use relevant evidence Clearinghouses, among other sources, to assess the level of evidence for their interventions and identify evidence-based models that could be applied in their jurisdiction; such evidence clearinghouses include the U.S. Department of Education's What Works Clearinghouse, the U.S. Department of Labor's CLEAR, and the Childcare & Early Education Research Connections and the Home Visiting Evidence of Effectiveness clearinghouses from Administration for Children and Families, as well as other clearinghouses relevant to particular projects conducted by the recipient. In such cases where a recipient is conducting a program evaluation in lieu of reporting the amount of spending on evidence-based interventions, they must describe the evaluation design including whether it is a randomized or quasi-experimental design; the key research questions being evaluated; whether the study has sufficient statistical power to disaggregate outcomes by demographics; and the timeframe for the completion of the evaluation (including a link to completed evaluation if relevant).[22] Once the evaluation has been completed, recipients must post the evaluation publicly and link to the completed evaluation in the Recovery Plan. Once an evaluation has been completed (or has sufficient interim findings to determine the efficacy of the intervention), recipients should determine whether the spending for the evaluated interventions should be counted towards the dollar amount categorized as evidence-based for the relevant project.

For all projects, recipients may be selected to participate in a national evaluation, which would study their project along with similar projects in other jurisdictions that are focused on the same set of outcomes. In such cases, recipients may be asked to share information and data that is needed for the national evaluation.

Recipients are encouraged to consider how a Learning Agenda, either narrowly focused on SLFRF or broadly focused on the recipient's broader policy agenda, could support their overarching evaluation efforts in order to create an evidence-building strategy for their jurisdiction.[23]

Appendix 2 contains additional information on evidence-based interventions for the purposes of the Recovery Plan.

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[20] As noted in Appendix 2, evidence-based refers to interventions with strong or moderate levels of evidence.

[21] Of note, recipients are only required to report the amount of the total funds that are allocated to evidence-based interventions in the areas of Public Health, Negative Economic Impacts, and Services to Disproportionately Impacted Communities that are marked by an asterisk in Appendix 1: Expenditure Categories.

[22] For more information on the required standards for program evaluation, see OMB M-20-12.

[23] For more information on learning agendas, please see OMB M-19-23

7. Table of Expenses by Expenditure Category

Please include a table listing the amount of funds used in each Expenditure Category (See Appendix 1). The table should include cumulative expenses to date within each category, and the additional amount spent within each category since the last annual Recovery Plan.

8. Project Inventory

List the name and provide a brief description of all SLFRF funded projects. Projects are new or existing eligible government services or investments funded in whole or in part by SLFRF funding. For each project, include the project name, funding amount, identification number (created by the recipient and used thereafter in the quarterly Program and Expenditure Report), project Expenditure Category (see Appendix 1), and a description of the project which includes an overview of the main activities of the project, the approximate timeline, primary delivery mechanisms and partners, if applicable, and intended outcomes. Include a link to the website of the project if available. This information will provide context and additional detail for the information reported quarterly in the Project and Expenditure Report.

For infrastructure investment projects (EC 5), project-level reporting will be more detailed, as described for the Project and Expenditure Report above. Projects in this area may be grouped by Expenditure Category if needed, with further detail (such as the specific project name and identification number) provided in the Project and Expenditure Report. For infrastructure projects, descriptions should note how the project contributes to addressing climate change.

9. Performance Report

The Recovery Plan must include key performance indicators for the major SLFRF funded projects undertaken by the recipient. The recipient has flexibility in terms of how this information is presented in the Recovery Plan, and may report key performance indicators for each project, or may group projects with substantially similar goals and the same outcome measures. In some cases, the recipient may choose to include some indicators for each individual project as well as crosscutting indicators.

Performance indicators should include both output and outcome measures. Output measures, such as number of students enrolled in an early learning program, provide valuable information about the early implementation stages of a project. Outcome measures, such as the percent of students reading on grade level, provide information about whether a project is achieving its overall goals. Recipients are encouraged to use logic models[24] to identify their output and outcome measures. While the initial report will focus heavily on early output goals, recipients must include the related outcome goal for each project and provide updated information on achieving these outcome goals in annual reports. In cases where recipients are conducting a program evaluation for a project (as described above), the outcome measures in the performance report should be aligned with those being evaluated in the program. To support their performance measurement and program improvement efforts, recipients are permitted to use funds to make improvements to data or technology infrastructure and data analytics, as well as program evaluations.

10. Required Performance Indicators and Programmatic Data

While recipients have discretion on the full suite of performance indicators to include, a number of mandatory performance indicators and programmatic data must be included. These are necessary to allow Treasury to conduct oversight as well as understand and aggregate program outcomes across recipients. This section provides an overview of the mandatory performance indicators and programmatic data. This information may be included in each recipient's Recovery Plan as they determine most appropriate, including combining with the

[24] A logic model is a tool that depicts the intended links between program investments and outcomes, specifically the relationships among the resources, activities, outputs, outcomes, and impact of a program.

section above, but this data will also need to be entered directly into the Treasury reporting portal. Below is a list of required data for each Expenditure Category:

a. Household Assistance (EC 2.2 & 2.5) and Housing Support (EC 3.10-3.12):
   - Number of people or households receiving eviction prevention services (including legal representation)
   - Number of affordable housing units preserved or developed

b. Negative Economic Impacts (EC 2):
   - Number of workers enrolled in sectoral job training programs
   - Number of workers completing sectoral job training programs
   - Number of people participating in summer youth employment programs

c. Education Assistance (EC 3.1-3.5):
   - Number of students participating in evidence-based tutoring programs[25]

d. Healthy Childhood Environments (EC 3.6-3.9):
   - Number of children served by childcare and early learning (pre-school/pre-K/ages 3-5)
   - Number of families served by home visiting

The initial report should include the key indicators above. Each annual report thereafter should include updated data for the performance period as well as prior period data, and a brief narrative adding any additional context to help the reader interpret the results and understand the any changes in performance indicators over time. To the extent possible, Treasury also encourages recipients to provide data disaggregated by race, ethnicity, gender, income, and other relevant factors.

11. Ineligible Activities: Tax Offset Provision (States and territories only)
The following information is required for Treasury to ensure SLFRF funding is not used for ineligible activities.

In each reporting year, States and territories will report certain items related to the Tax Offset Provision 31 CFR 35.8, as detailed below. As indicated in the Interim Final Rule, Treasury is seeking comment on reporting requirements related to the Tax Offset Provision, including ways to better rely on information already produced by States and territories and to minimize burden.

The terms "reporting year," "baseline," "covered change," "net reduction in total spending," and "tax revenue" are defined in the Interim Final Rule, 31 CFR 35.3. For purposes of calculating a net reduction in total spending, total spending for the fiscal year ending 2019 should be reported on an inflation-adjusted basis, consistent with the Interim Final Rule, 31 CFR 35.3. Similarly, for purposes of calculating baseline, tax revenue for the fiscal year 2019 should be reported on an inflation-adjusted basis, consistent with the Interim Final Rule, 31 CFR 35.3.

For purposes of reporting actual tax revenue and calculating tax revenue for the fiscal year ending 2019,[26] (a) if available, recipients should report information using audited financials and (b) recipients may provide data on a cash, accrual, or modified accrual basis, but must be consistent in their approach across all reporting periods. Similarly, for purposes of calculating

[25] For more information on evidence-based tutoring programs, refer to the U.S. Department of Education's 2021 ED COVID-19 Handbook (Volume 2), which summarizes research on evidence-based tutoring programs (see the bottom of page 20.
[26] Tax revenue for fiscal year ending 2019 is relevant for calculating the recipient's baseline.

a net reduction in total spending, recipients should report data using audited financials where available.

a. Revenue-reducing Covered Changes:
For each reporting year, a recipient must report the value of covered changes that the recipient predicts will have the effect of reducing tax revenue in a given reporting year (revenue-reducing covered changes), similar to the way it would in the ordinary course of its budgeting process. The value of these covered changes may be reported based on estimated values produced by a budget model, incorporating reasonable assumptions, that aligns with the recipient government's existing approach for measuring the effects of fiscal policies, and that measures relative to a current law baseline. The covered changes may also be reported based on actual values using a statistical methodology to isolate the change in year-over-year revenue attributable to the covered change(s), relative to the current law baseline prior to the change(s). Estimation approaches should not use dynamic methodologies that incorporate the projected effects of the policies on macroeconomic growth. In general and where possible, reported values should be produced by the agency of the recipient government responsible for estimating the costs and effects of fiscal policy changes. Recipients must maintain records regarding the identification and predicted effects of revenue-reducing covered changes.

b. Baseline Revenue:
Baseline has the meaning defined in the Interim Final Rule, 31 CFR 35.3.

Whether the revenue-reducing covered changes are in excess of the *de minimis*.
Recipients must determine whether the aggregate value of the revenue-reducing covered changes in the reporting year is less than one percent of baseline revenue.

c. Actual Tax Revenue:
Actual tax revenue means the actual tax revenue received by the recipient government in the reporting year. Tax revenue has the meaning defined in the Interim Final Rule, 31 CFR 35.3.

d. Reduction in Net Tax Revenue:
The reduction in net tax revenue is equal to baseline revenue minus actual tax revenue in each reporting year. If this value is zero or negative, there is no reduction in net tax revenue.

e. Any revenue-increasing covered changes:
A recipient must report the value of covered changes that have had or that the recipient predicts will have the effect of increasing tax revenue in a given reporting year (revenue-increasing covered changes), similar to the way it would in the ordinary course of its budgeting process. The value of these covered changes may be reported based on estimated values produced by a budget model, incorporating reasonable assumptions, that aligns with the recipient's existing approach for measuring the effects of fiscal policies, and that measures relative to a current law baseline. The covered changes may also be reported based on actual values using a statistical methodology to isolate the change in year-over-year revenue attributable to the covered change(s), relative to the current law baseline prior to the change(s). Estimation approaches should not use dynamic methodologies that incorporate the projected effects of the policies on macroeconomic growth. In general and where possible, reporting should be produced by the agency of the recipient responsible for estimating the costs and effects of fiscal policy changes.

Recipients should maintain records regarding revenue-reducing covered changes and estimates of such changes.

f. Net reduction in total spending, and tables of specific spending cuts:
Recipients must report on spending cuts. To calculate the amount of spending cuts that are available to offset a reduction in tax revenue, the recipient must first consider whether there has been a reduction in total net spending, excluding Fiscal Recovery Funds (net reduction in total spending). As in the Interim Final Rule, 35 CFR 35.3, net reduction in total spending is measured as the recipient government's total spending for a given reporting year excluding Fiscal Recovery Funds, subtracted from its total spending for its fiscal year ending in 2019, adjusted for inflation using the Bureau of Economic Analysis's Implicit Price Deflator for the gross domestic product of the United States. If that subtraction yields a positive value, there has been a net reduction; if it yields zero or a negative value, there has not been a net reduction. If there has been no net reduction in total spending, a recipient will have no spending cuts to offset a reduction in net tax revenue.

Next, a recipient must determine and aggregate the value of spending cuts in each "reporting unit," as defined below. For each reporting unit, the recipient must report (1) the amount of the reduction in spending in the reporting unit relative to its inflation-adjusted FY 2019 level, (2) the amount of any Fiscal Recovery Funds spent in the reporting unit, and (3) the amount by which the reduction in spending exceeds the Fiscal Recovery funds spent in the reporting unit. If a recipient has not spent amounts received from the Fiscal Recovery Funds in a reporting unit, the full amount of the reduction in spending counts as a covered spending cut and may be included in aggregate spending cuts. If the recipient has spent amounts received from the Fiscal Recovery Funds, such amounts generally would be deemed to have replaced the amount of spending cut, and only reductions in spending above the amount of Fiscal Recovery Funds spent on the reporting unit would be eligible to offset a reduction in net tax revenue. Only such amounts above the amount of Fiscal Recovery Funds spent on the reporting unit should be included in the aggregate of spending cuts.

To align with existing reporting and accounting, the Interim Final Rule considers the department, agency, or authority from which spending has been cut and whether the recipient government has spent amounts received from the Fiscal Recovery Funds on that same department, agency, or authority. Recipients may also choose to report at a more granular sub-department level. Recipients are encouraged to define and report spending in departments, sub-departments (e.g., bureaus), agencies, or authorities (each a "reporting unit") in a manner consistent with their existing budget process and should, to the extent possible, report using the same reporting unit in each reporting year. For example, if a State health department maintains separate budgets for different units (e.g., medical and public health units), those units may be reported and considered separately. Spending cuts must be reported relative to FY 2019 spending levels, adjusted for inflation, and excluding Fiscal Recovery Funds from reporting year spending levels.

Recipients should maintain records regarding spending cuts. As discussed in the Interim Final Rule, in order to help ensure governments use Fiscal Recovery Funds in a manner consistent with the prescribed eligible uses and do not use Fiscal Recovery Funds to indirectly offset a reduction in net tax revenue resulting from a covered change, Treasury will monitor changes in spending throughout the covered period. Evasions of the Tax Offset Provision may be subject to recoupment.

Appendix 1: Expenditure Categories

The Expenditure Categories (EC) listed below must be used to categorize each project as noted in Part 2 above. The term "Expenditure Category" refers to the detailed level (e.g., 1.1 COVID-10 Vaccination). When referred to as a category (e.g., EC 1) it includes all Expenditure Categories within that level.

1: Public Health	
1.1	COVID-19 Vaccination ^
1.2	COVID-19 Testing ^
1.3	COVID-19 Contact Tracing
1.4	Prevention in Congregate Settings (Nursing Homes, Prisons/Jails, Dense Work Sites, Schools, etc.)*
1.5	Personal Protective Equipment
1.6	Medical Expenses (including Alternative Care Facilities)
1.7	Capital Investments or Physical Plant Changes to Public Facilities that respond to the COVID-19 public health emergency
1.8	Other COVID-19 Public Health Expenses (including Communications, Enforcement, Isolation/Quarantine)
1.9	Payroll Costs for Public Health, Safety, and Other Public Sector Staff Responding to COVID-19
1.10	Mental Health Services*
1.11	Substance Use Services*
1.12	Other Public Health Services
2: Negative Economic Impacts	
2.1	Household Assistance: Food Programs* ^
2.2	Household Assistance: Rent, Mortgage, and Utility Aid* ^
2.3	Household Assistance: Cash Transfers* ^
2.4	Household Assistance: Internet Access Programs* ^
2.5	Household Assistance: Eviction Prevention* ^
2.6	Unemployment Benefits or Cash Assistance to Unemployed Workers*
2.7	Job Training Assistance (e.g., Sectoral job-training, Subsidized Employment, Employment Supports or Incentives)* ^
2.8	Contributions to UI Trust Funds
2.9	Small Business Economic Assistance (General)* ^
2.10	Aid to Nonprofit Organizations*
2.11	Aid to Tourism, Travel, or Hospitality
2.12	Aid to Other Impacted Industries
2.13	Other Economic Support* ^
2.14	Rehiring Public Sector Staff
3: Services to Disproportionately Impacted Communities	
3.1	Education Assistance: Early Learning* ^
3.2	Education Assistance: Aid to High-Poverty Districts ^
3.3	Education Assistance: Academic Services* ^
3.4	Education Assistance: Social, Emotional, and Mental Health Services* ^
3.5	Education Assistance: Other* ^
3.6	Healthy Childhood Environments: Child Care* ^
3.7	Healthy Childhood Environments: Home Visiting* ^
3.8	Healthy Childhood Environments: Services to Foster Youth or Families Involved in Child Welfare System* ^

3.9	Healthy Childhood Environments: Other* ^
3.10	Housing Support: Affordable Housing* ^
3.11	Housing Support: Services for Unhoused Persons* ^
3.12	Housing Support: Other Housing Assistance* ^
3.13	Social Determinants of Health: Other* ^
3.14	Social Determinants of Health: Community Health Workers or Benefits Navigators* ^
3.15	Social Determinants of Health: Lead Remediation ^
3.16	Social Determinants of Health: Community Violence Interventions* ^
4: Premium Pay	
4.1	Public Sector Employees
4.2	Private Sector: Grants to Other Employers
5: Infrastructure[27]	
5.1	Clean Water: Centralized Wastewater Treatment
5.2	Clean Water: Centralized Wastewater Collection and Conveyance
5.3	Clean Water: Decentralized Wastewater
5.4	Clean Water: Combined Sewer Overflows
5.5	Clean Water: Other Sewer Infrastructure
5.6	Clean Water: Stormwater
5.7	Clean Water: Energy Conservation
5.8	Clean Water: Water Conservation
5.9	Clean Water: Nonpoint Source
5.10	Drinking water: Treatment
5.11	Drinking water: Transmission & Distribution
5.12	Drinking water: Transmission & Distribution: Lead Remediation
5.13	Drinking water: Source
5.14	Drinking water: Storage
5.15	Drinking water: Other water infrastructure
5.16	Broadband: "Last Mile" projects
5.17	Broadband: Other projects
6: Revenue Replacement	
6.1	Provision of Government Services
7: Administrative	
7.1	Administrative Expenses
7.2	Evaluation and Data Analysis
7.3	Transfers to Other Units of Government
7.4	Transfers to Non-entitlement Units (States and territories only)

*Denotes areas where recipients must identify the amount of the total funds that are allocated to evidence-based interventions (see Use of Evidence section above for details)

^Denotes areas where recipients must report on whether projects are primarily serving disadvantaged communities (see Project Demographic Distribution section above for details)

[27] Definitions for water and sewer Expenditure Categories can be found in the EPA's handbooks. For "clean water" expenditure category definitions, please see: https://www.epa.gov/sites/production/files/2018-03/documents/cwdefinitions.pdf. For "drinking water" expenditure category definitions, please see: https://www.epa.gov/dwsrf/drinking-water-state-revolving-fund-national-information-management-system-reports.

Appendix 2: Evidenced-Based Intervention Additional Information

What is evidence-based?
For the purposes of the SLFRF, evidence-based refers to interventions with strong or moderate evidence as defined below:

Strong evidence means the evidence base that can support causal conclusions for the specific program proposed by the applicant with the highest level of confidence. This consists of one or more well-designed and well-implemented experimental studies conducted on the proposed program with positive findings on one or more intended outcomes.

Moderate evidence means that there is a reasonably developed evidence base that can support causal conclusions. The evidence base consists of one or more quasi-experimental studies with positive findings on one or more intended outcomes OR two or more non-experimental studies with positive findings on one or more intended outcomes. Examples of research that meet the standards include: well-designed and well-implemented quasi-experimental studies that compare outcomes between the group receiving the intervention and a matched comparison group (i.e., a similar population that does not receive the intervention).

Preliminary evidence means that the evidence base can support conclusions about the program's contribution to observed outcomes. The evidence base consists of at least one non-experimental study. A study that demonstrates improvement in program beneficiaries over time on one or more intended outcomes OR an implementation (process evaluation) study used to learn and improve program operations would constitute preliminary evidence. Examples of research that meet the standards include: (1) outcome studies that track program beneficiaries through a service pipeline and measure beneficiaries' responses at the end of the program; and (2) pre- and post-test research that determines whether beneficiaries have improved on an intended outcome.

Revision Log

Version	Date Published	Summary of changes
1.0	June 17, 2021	Initial publication
1.1	June 24, 2021	• Pg. 12, removed references to "summary" level with respect to reporting by Expenditure Categories in the Interim Report to avoid confusion. • Pg. 13, revised the coverage period end date for the Interim Report from June 30, 2021 to July 31, 2021 to align with the IFR. • Pg. 13, removed references to "summary" level with respect to reporting by Expenditure Categories in the Interim Report to avoid confusion. • Pg. 31, removed references to "summary level" with respect to Expenditure Categories in Appendix 1 to avoid confusion.


THE DEPARTMENT OF THE TREASURY
1789

ATTACHMENT D

SCOPE OF WORK

The Board of Commissioners is directing up to $350,000 to residential and commercial utility assistance for residents, small businesses, and nonprofits of Clallam County who are utility customers of Clallam County PUD ("CCPUD") using federal ARPA funding. These funds must be fully distributed by December 31, 2022. The intent of this grant is to provide utility assistance to Clallam County residents, small businesses, and nonprofits who have been severely adversely impacted financially by the COVID-19 public health emergency due to job loss, layoff, reduction of work hours, reduced revenues or other negative economic impacts or circumstances resulting from the COVID-19 emergency that need utility payment assistance to avoid utility disconnect, and who meet the eligibility criteria outlined below.

CCPUD will be responsible for overseeing the program based upon the eligibility criteria, funding uses and process and deadline for distribution shown below.

1. Eligible Recipients

Individuals seeking ARPA funding through this program must:

- Be a Clallam County resident, small business, or nonprofit;
- Be a Clallam PUD residential or commercial utility account holder in either an active or inactive customer status that has a currently past due account balance at the time of application;
- For residents classified as having low to moderate household income based on household size in accordance with HUD Income Limits for Clallam County; OR for residents not classified as low to moderate income who have incurred a financial hardship due to the COVID public health emergency, such as a job loss, reduced work hours, lay off, or experienced food or housing insecurity, illness or other circumstance leading to a significant reduction in household income;
- For small businesses and nonprofits, have incurred a financial hardship due to the COVID public health emergency, resulting in a significant reduction in revenue, business disruption, and/or increased operating costs;
- Consent to disclosure and release by Clallam PUD to Clallam County of all information gathered during the application process and details of award granted under this program;
- Grant limitations: one utility assistance grant will be awarded per Household, Small Business, or Nonprofit;

2. Program Funding and Award Amount

The County shall make $350,000 of ARPA funds available to the program that will be paid to CCPUD following receipt and approval of monthly A-19 equivalent reimbursement requests submitted by CCPUD detailing the utility assistance grants to be disbursed by CCPUD based on eligible applications received, reviewed and certified by the Subrecipient as meeting the eligibility requirements herein until such ARPA funds are depleted. The maximum amount of utility assistance grant is $4,000 for residential utility account holders and $10,000 for commercial utility account holders.

Eligible recipients will be awarded an utility assistance grant in the form of a credit applied to their utilities account with CCPUD under one application or disconnect risk event. Utility assistance grants may only be applied to past due balances existing as of March 1, 2020 or later, and will be subject to reduction on a dollar-for-dollar basis for the total amount of any pending assistance from other sources.

All funds are to be disbursed no later than December 31, 2022.

3. **Application, Review and Distribution Process:**

a. Solicitation—CCPUD will promote this utility assistance program on its website, through OlyCAP or other local agencies, and through social or other media.
b. Application Submission--Applicants can apply by using the "American Relief Plan Assistance Program Application" form available on CCPUD's website and submit that form by mail, at one of CCPUD's drop boxes, email or fax, or alternatively by calling CCPUD's Customer Service center at 360-452-9771, extension 2. As part of the application form, all Applicants are required to self-certify, under penalty of perjury, as to the following:
    1. That the household income and household size indicated in the Application is accurate;
    2. Because of the loss of income, increase in expense or other financial hardship as indicated within the application, the household, business, or non-profit organization cannot pay the utilities without jeopardizing the Applicant's ability to pay for rent, food, medical and related expenses, health insurance premiums, child care, job-related transportation expenses or other organization operating costs vital to its continued operations;
    3. For residents not qualified as low to moderate income, businesses and nonprofits, the non-payment of utilities due is caused by a financial impact from the COVID-19 public health emergency;
    4. The household, business or non-profit organization has paid partial utilities, to the extent possible, considering the financial hardships incurred; and
    5. The information provided in the application is a true and accurate statement of the financial hardship the household, business or non-profit organization has experienced related to the COVID-19 public health emergency.

c. Review Process--Applications will be reviewed by CCPUD's Customer Service Department. The Customer Service Department will review the application, gather any additional documentation as needed, and make a determination whether the applicant is eligible for ARPA Act Funding.
d. Award and Disbursement—Based on review of the application, the Customer Service Department will determine the amount of the award based on the need up to the maximum allowed award. Awards will be disbursed via direct bill assistance handled by transactions created from the Customer Service Department, with award payments applied as credits to the Applicant's utility account.
e. If CCPUD believes an applicant is eligible for additional assistance from another agency above that available under this utility assistance program, CCPUD will provide the necessary referral of that applicant as applicable.

4. Reporting

CCPUD shall submit a monthly report on applications received, and provide an A-19 equivalent report and signed certification detailing funds disbursed to each applicant outlining the applicant account number, applicant's city, type of award (residential or commercial utility assistance), brief description of applicant's COVID-19 related financial hardship (i.e. job loss, reduction in work hours, layoff, significant decrease in revenue, etc), amount awarded, and award disbursement date.

CCPUD shall maintain all documentation regarding the disbursement of grant funds under this program through the contract period and will provide those materials to Clallam County electronically for future audit or other use.

ATTACHMENT E

COMPENSATION

In order to maximize the amount of utility assistance available to eligible residents financially impacted by the COVID-19 public health emergency, CCPUD has agreed to waive any compensation under this agreement to cover its administrative costs.

CLALLAM COUNTY PUD #1

Bringing Energy To Life™

AMERICAN RESCUE PLAN UTILITY ARREARAGE ASSISTANCE APPLICATION

Office Use Only
Approved Initials:
Grant Amount:
Date:

APPLICATION TYPE: ☐ RESIDENTIAL ☐ COMMERCIAL ☐ NON-PROFIT

CUSTOMER INFORMATION

LAST NAME:	FIRST NAME:	PHONE #:
SERVICE ADDRESS:	CITY:	PUD ACCOUNT #:
# OF PEOPLE IN HOUSEHOLD: *(For residential use only)*	ANNUAL GROSS HOUSEHOLD INCOME: $ *(For residential use only)*	

BRIEF DESCRIPTION OF COVID-19 RELATED FINANCIAL HARDSHIP (i.e. job loss, reduction in work hours, layoff, significant decrease in revenue, increase in operating expenses, etc.):

ELIGIBILITY CRITERIA- *Check all boxes that apply to you:*

- ☐ Clallam County resident, small business, or nonprofit;
- ☐ Clallam PUD residential or commercial utility account holder in either an active or inactive customer status that has a currently past due account balance at the time of application;
- ☐ Resident classified as having low to moderate household income based on household size in accordance with HUD Income Limits for Clallam County (as defined on the back of this document); **OR** be a resident not classified as low to moderate income who has incurred a financial hardship due to the COVID public health emergency, such as a job loss, reduced work hours, lay off, or experienced food or housing insecurity, illness or other circumstance leading to a significant reduction in household income;
- ☐ Small business or nonprofit that has incurred a financial hardship due to the COVID public health emergency, resulting in a significant reduction in revenue, business disruption, and/or increased operating costs.

CERTIFICATION OF FINANCIAL HARDSHIP *(If you sign this form, all of these statements must be true)*

I SELF-CERTIFY, UNDER PENALTY OF PERFURY, AS TO THE FOLLOWING:

i. That the household income and household size indicated in the Application is accurate (applies to residential customers only);
ii. Because of the loss of income, increase in expense or other financial hardship as indicated within the application, the household, business, or non-profit organization cannot pay the utilities without jeopardizing the Applicant's ability to pay for rent, food, medical and related expenses, health insurance premiums, child care, job-related transportation expenses or other organization operating costs vital to its continued operations;
iii. For residents not qualified as low to moderate income, businesses and nonprofits, the non-payment of utilities due is caused by a financial impact from the COVID-19 public health emergency;
iv. The household, business or non-profit organization has paid partial utilities, to the extent possible, considering the financial hardships incurred; and
v. The information provided in the application is a true and accurate statement of the financial hardship the household, business or non-profit organization has experienced related to the COVID-19 public health emergency.

READ BEFORE SIGNING:

This document is a formal application for utility debt relief through federal stimulus funding ("American Rescue Plan Act") for the limited purposes identified in the Interagency Agreements between the U.S. Department of the Treasury, Clallam County, and Public Utility District No. 1 of Clallam County. If it is determined during the course of any subsequent audit by the PUD, Clallam County or the United States Government, that the utility customer was not entitled to any American Rescue Plan Act (ARPA) funds that they received either in error or by false attestation, the customer will promptly reimburse the PUD for such payments upon request or have the amount added to their utility account balance. I give consent to Clallam PUD to Clallam County to disclose all information gathered during the application process and details of award granted under this program. Grant limitations: one utility assistance grant will be awarded per Household, Small Business, or Nonprofit. Funding will be capped at the past due amounts since March 1, 2020 with a total cap of $4,000 for residential and $10,000 for commercial. Any pending assistance from other sources will be deducted from the ARPA grant.

I SWEAR UNDER PENALTY OF PURJURY UNDER THE LAWS OF THE STATE OF WASHINGTON THAT THE FORGOING IS TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE AND BELIEF. SIGNED AND ATTESTED AS TRUE, as of the date set forth below:

SIGNATURE:	**DATE:**
PRINTED NAME:	

FY 2021 Income Limits Documentation System

FY 2021 Income Limits Summary

Selecting any of the buttons labeled "Explanation" will display detailed calculation steps for each of the various parameters.

FY 2021 Income Limit Area	Median Family Income Explanation	FY 2021 Income Limit Category	Persons in Family 1	2	3	4	5	6	7	8
Clallam County, WA	$76,400	Very Low (50%) Income Limits ($) Explanation	24,750	28,250	31,800	**35,300**	38,150	40,950	43,800	46,600
		Extremely Low Income Limits ($)* Explanation	14,850	17,420	21,960	**26,500**	31,040	35,580	40,120	44,660
		Low (80%) Income Limits ($) Explanation	39,550	45,200	50,850	**56,500**	61,050	65,550	70,100	74,600

29
7/27/21

AGENDA ITEM SUMMARY

(Must be submitted NLT 3PM Wednesday for next week agenda)

Department: Human Resources

WORK SESSION ☒ **Meeting Date: 7/26/2021**

REGULAR AGENDA ☒ **Meeting Date: 7/27/2021**

Required originals approved and attached? ☒
Will be provided on: 7/27/2021

Item summary:

☐ Call for Hearing

☒ Contract/Agreement/MOU - Contract # 461.21.14

☐ Resolution

☐ Proclamation

☐ Budget Item

☐ Draft Ordinance

☐ Final Ordinance

☒ Other Letter of Understanding – 1619-CS

Documents exempt from public disclosure attached: ☐

Executive summary:
In accordance with Collective Bargaining protocols and the 6-30-21 expiration of the 2020-2021 Contract Extension Agreements from the original 2018-2020 Colllective Bargaining Agreements (CBA), staff has completed negotiations with the bargaining unit of 1619 CS (Correction Sergeants) and have ratified a Letter of Understanding commencing retroactive to July 1, 2021 and expiring on June 30, 2024.

Budgetary impact: (Is there a monetary impact? If so, are funds for this already allocated or is a budget change necessary? If this is a contract and a budget change is necessary, the budget change form must be submitted with the item at work session and for the regular agenda) **If a budget action is required, has it been submitted and a copy attached?** ☐
2021 budgetary impacts will be discussed at the worksession.

Recommended action: (Does the Board need to act? If so, what is the department's recommendation?)
Approve the ratified proposed letter of understanding as negotiated and presented.

County Official signature & print name: Tom Reyes

Name of Employee/Stakeholder attending meeting: Tom Reyes – Rich Sill

Relevant Departments: All Departments

Date submitted: 7/21/2021

461.21.16

Letter of Understanding
Between AFSCME 1619-CS (Correction Sergeants) and Clallam County

AFSCME 1619-CS (Union) and Clallam County (Employer) agree to the following language changes to the contract extension effective July 01, 2021 through June 30, 2024:

Wage progression for the following individuals will occur as noted. Anniversary dates are based on dates of hire/promotion as a Clallam County Corrections Sergeant. Rates are based on the Appendix A Wage Schedule as adjusted contractual annual cost-of-living increases):

Sandra Waterhouse	Wage
7/1/21	$5979.66 (Year 3)
1st Anniv. Date	$6313.02 (Year 6)
2nd Anniv. Date	$6529.78 (Year 11)
3rd Anniv. Date	$6749.54 (Year 16)

Alicia Newhouse	Wage
Date of Hire	$5830.17 (Year 2)
1st Anniv. Date	$5979.66 (Year 3)
2nd Anniv. Date	$6313.02 (Year 6)
3rd Anniv. Date	$6529.78 (Year 11)
4th Anniv. Date	$6749.54 (Year 16)

All employees hired into the bargaining unit after the date of ratification of the 2021 – 2024 collective bargaining agreement hall be placed on the Appendix A wage schedule based on Article 13.2 – Step Placement.

Date Signed: _____

TEAMSTERS LOCAL UNION NO. 589

_____

Joshua Marburger, AFSCME Representative

Date Signed: _____

CLALLAM COUNTY

BOARD OF COMMISSIONERS

_____

Mark Ozias , Chair

461.21.16

Letter of Understanding
Between AFSCME 1619-CS (Correction Sergeants) and Clallam County

Randy Johnson

Bill Peach

APPROVED AS TO FORM:

ATTEST:

Matthew Lynch, Employment Council

Loni Gores, Clerk of the Board

2h
7/27/21

AGENDA ITEM SUMMARY

(Must be submitted NLT 3PM Wednesday for next week agenda)

Department: Human Resources

WORK SESSION ☒ **Meeting Date: 7/26/2021**

REGULAR AGENDA ☒ **Meeting Date: 7/27/2021**

Required originals approved and attached? ☒ **Not Signed**
Will be provided on: 7/27/2021

Item summary:

☐ Call for Hearing
☒ Contract/Agreement/MOU - Contract # 461.21.12
☐ Resolution
☐ Proclamation
☐ Budget Item
☐ Draft Ordinance
☐ Final Ordinance
☐ Other

Documents exempt from public disclosure attached: ☐

Executive summary:
In accordance with Collective Bargaining protocols and the 6-30-21 expiration of the 2020-2021 Contract Extension Agreements from the original 2018-2020 Colllective Bargaining Agreements (CBA), staff has completed negotiations with the bargaining unit of 1619 S (Patrol Sergeants) and have ratified a three-year contract extension agreement commencing retroactive to July 1, 2021 and expiring on June 30, 2024.

Budgetary impact: (Is there a monetary impact? If so, are funds for this already allocated or is a budget change necessary? If this is a contract and a budget change is necessary, the budget change form must be submitted with the item at work session and for the regular agenda) **If a budget action is required, has it been submitted and a copy attached?** ☐
2021 budgetary impacts will be discussed at the worksession.

Recommended action: (Does the Board need to act? If so, what is the department's recommendation?)
Approve the ratified proposed contract extension agreements as negotiated and presented.

County Official signature & print name: Tom Reyes

Name of Employee/Stakeholder attending meeting: Tom Reyes – Rich Sill

Relevant Departments: All Departments

Date submitted: 7/20/2021

461.21.12

Agreement
By and Between
Clallam County

And

The Washington State Council of
County and City Employees, Local 1619-S
For the Period

July 1, 2021 – June 30, 2024

Contract Extension Agreement

Patrol Sergeant

Clallam County/AFSCME 1619-S
Contract Extension Agreement
July 1, 2021 – June 30, 2024

Clallam County ("the County") and AFSCME 1619-S ("the Union") have, by mutual agreement, modified the collective bargaining agreement extension expiring June 30, 2021, as follows:

Article 1 – Term of Agreement. Revise as follows:

> This AGREEMENT shall be effective as of July 1, 2021 and shall continue in full force and effect through June 30, 2024.
>
> This AGREEMENT shall supersede previous agreements and MOU's signed between the County and the Union on the Articles below regarding wages and conditions of employment. This agreement shall take effect on July 1, 2021 or the first of the month following ratification and signature by both parties, whichever is later.

Article 11.2 – Overtime

Wages shall be paid at the overtime rate as required by the Fair Labor Standards Act and Washington law. As a general rule, any work performed in excess of forty (40) hours per week shall be paid at the rate of time and one half (1-1/2) the regular rate of pay, or paid in the form of compensatory time off in accordance with the compensatory time provisions of this article. All overtime shall be authorized by the employee's supervisor and approved by the Sheriff's designee.

Notwithstanding the foregoing, hours worked in responding to emergency call-outs from an off-duty status shall be paid at the overtime rate of pay; any deviation from a deputy's regular and scheduled shift hours directed by a supervisor shall be paid at the overtime rate; and, all self-initiated time worked related to police community caretaker, public safety and priority enforcement actions shall be paid at the overtime rate.

2080 hours is to be used for purposes of calculating overtime.

No Further Changes to Article 11

Article 12.9 – Health and Welfare Coverage, Paragraph A, revise as follows:

A. During the life of this Agreement, the County will provide health care insurance for employees and their dependents who meet hours of eligibility as specified in Article 2 and in the Teamster Trust. Employees shall be eligible for benefits under this Article 12 during the month following any month in which the sum of the employee's hours worked, paid time off and authorized time off is eighty (80) hours or more, and coverage commences the first month following the first payroll deduction of the employee paid amount of premium and for which eligibility is established by this Agreement and the WTWT subscription

agreement. Lump sum payments made upon termination of employment are not payments which result in eligibility in the next month.

During the life of this Agreement, the County shall provide the Teamster HMO Plan or the Teamsters Medical Benefits described in pertinent documents of the Washington Teamster Trust, as specified below:

TEAMSTER TRUST MEDICAL BENEFIT PLAN:

- Teamsters Medical Plan Z
- Washington Teamsters Dental Plan B
- Teamsters Vision Care Trust
- Teamsters Plan A Life and AD&D

Effective July 1, 2021, the County's medical contribution cap shall be one thousand three hundred forty-four dollars and twenty cents ($1344.20). Effective January 1, 2022, the County's medical contribution cap will increase an additional fifty dollars ($50.00) to create a new employer cap of one thousand three hundred ninety-four dollars and twenty cents ($1394.20). Effective January 1, 2023, the County's medical contribution cap will increase an additional fifty dollars ($50.00) to create a new employer cap of one thousand four hundred forty-four dollars and twenty cents ($1444.20). Effective January 1, 2024, the County's medical contribution cap will increase an additional fifty dollars ($50.00) to create a new employer cap of one thousand four hundred ninety-four dollars and twenty cents ($1494.20). Any increases to the cost of the benefit plans above the new caps shall be shared equally (50/50) by the County and employees. Employees will pay the balance through the County's reduction of the amount of contribution specified in section (F) of this Article relating to Health Reimbursement Account.

The bargaining unit may reopen this Article periodically to change the specified Teamster medical benefit plans provided to the group to different selection of plans, provided that the change occurs at a time and in a manner which is permissible under Teamster Trust guidelines and the County's participation agreement, provided that, if the cost of such selection exceeds the cost of the plans identified above, 100% of such excess cost shall be paid by the employee. In the course of such bargaining, the parties may also bargain concerning the increase or reduction in the amount of contribution made by the County to the employees' HRA accounts in order to equalize the health and welfare benefits provided and related costs assumed by the County for bargaining unit employees.

G. COVID Leave (New). Effective July 1, 2021, regular full-time employees (defined as thirty-seven and one-half (37.5) hours/week or more) shall be eligible for up to an additional eighty (80) hours of paid sick leave during the 2021 calendar year for absences caused by COVID-related illness or mandatory quarantine because of COVID infection or exposure. This is a contingent benefit and shall have no cash out value should the benefit not be utilized by an

employee, nor shall there be carryover of unused COVID leave into the next calendar year. This benefit is retroactive to January 1, 2021and requires that a physician or the Clallam County Health Officer provide verification to Human Resources.

H. COVID Vaccine Benefit (New). Each full-time employee (defined as thirty-seven and one-half (37.5) hours/week or more) who presents proof of completed COVID vaccination treatment to the Human Resources Department (through presentation of a vaccine record from an accredited state agency or health care provider) shall receive sixteen (16) hours of floating holiday in the calendar year in which the employee completed vaccine treatment. This is a one-time benefit and shall have no cash out value nor shall there be carryover of unused hours into the next calendar year.

Article 13.1 – Wages, revise first paragraph as follows:

The attached Appendix A wage scale will become effective July 1, 2021. Effective January 1, 2022, provide a cost of living increase to the Appendix A wage scale of two and one-half percent (2.50%). Effective January 1, 20231, provide an additional cost of living increase to the Appendix A wage scale of two and one-half percent (2.50%). Effective January 1, 2024, provide an additional cost of living increase to the Appendix A wage scale of two and one-half percent (2.50%).

Longevity steps occur after completion of 5, 10, and 15 years (based on time as a Clallam County Patrol Sergeant) as follows:

- 5 Years – Additional three percent (3%) based on step three (3)
- 10 Years – Additional four percent (4%) based on step three (3)
- 15 Years – Additional five percent (5%) based on step three (3)

Article 13.6 - Section 401(a) Plan Match. Effective July 1, 2021, the County shall match into a 401 (a) Plan elected by the employee two and a half percent (2.5%) of base salary provided the employee contributed a like amount into an IRC 457 or 401(a) match and save plan.

Article 13.12 (New) – Accreditation Pay:

To recognize the high standards met, and the efforts involved in the accreditation process, as of July 1, 2021 each employee covered under this Agreement shall receive an additional one percent (1%) monthly accreditation premium pay calculated from the employee's base salary. In the event management does not seek accreditation renewal, or fails the accreditation process, the premium pay shall end on the expiration date of the existing accreditation certification. Accreditation premium pay shall remain in place so long as any portion of the Sheriff's Office (patrol or jail) is accredited. Any eligible employee receiving an evaluation having an overall rating less than satisfactory/meets standards/meets expectations shall have accreditation pay

suspended until such time as an overall satisfactory/meets standards/meets expectations (or higher) evaluation is received.

No Further Changes to Article 13

Date Signed

By Union: _____

THE WASHINGTON STATE COUNCIL OF COUNTY AND CITY EMPLOYEES, LOCAL 1619-CS

_____

John Keegan, President

_____

Joshua Marburger, AFSCME Representative

_____

APPROVED AS TO FORM:

_____

Matthew Lynch, Employment Counsel

_____

Bill Benedict, Clallam County Sheriff

*Date Signed:*_____

Date Signed:

By County: _____

CLALLAM COUNTY BOARD OF COMMISSIONERS

_____

Mark Ozias, Chair

_____

Bill Peach

_____

Randy Johnson

_____

ATTEST:

_____

Loni Gores
Clerk of the Board

APPENDIX A

7-1-21 AFSCME - 1619S
PAY SCHEDULE

	Year	HOURLY	MONTHLY (40 HOURS)
Year (Step 1)	1	40.967	7100.84
Year (Step 2)	2	42.045	7287.71
Year (Step 3)-Top Step	3	43.123	7474.57
After 5 Years	6	44.417	7698.81
After 10 Years	11	44.848	7773.55
After 15 Years (as a Sergeant)	16	45.280	7848.30

Longevity steps occur after completion of 5, 10, 15 years (based on time as Clallam County Patrol Sergeant) as follows:

- After 5 years - Additional three percent (3%) based on step three (3)
- After 10 years - Additional four percent (4%) based on step three (3)
- After 15 years - Additional five percent (5%) based on step three (3)

AGENDA ITEM SUMMARY

(Must be submitted NLT 3PM Wednesday for next week agenda)

2i 7/27/21

Department: Human Resources

WORK SESSION ☒ **Meeting Date: 7/26/2021**

REGULAR AGENDA ☒ **Meeting Date: 7/27/2021**

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☐ Resolution
☐ Proclamation
☐ Budget Item
☐ Draft Ordinance
☐ Final Ordinance
☐ Other

Documents exempt from public disclosure attached: ☐

Executive summary:
In accordance with Collective Bargaining protocols and the 6-30-21 expiration of the 2020-2021 Contract Extension Agreements from the original 2018-2020 Colllective Bargaining Agreements (CBA), staff has completed negotiations with the bargaining unit of 1619 CS (Correction Sergeants) and have ratified a three-year contract extension agreement commencing retroactive to July 1, 2021 and expiring on June 30, 2024.

Budgetary impact: (Is there a monetary impact? If so, are funds for this already allocated or is a budget change necessary? If this is a contract and a budget change is necessary, the budget change form must be submitted with the item at work session and for the regular agenda) **If a budget action is required, has it been submitted and a copy attached?** ☐
2021 budgetary impacts will be discussed at the worksession.

Recommended action: (Does the Board need to act? If so, what is the department's recommendation?)
Approve the ratified proposed contract extension agreements as negotiated and presented.

County Official signature & print name: Tom Reyes

Name of Employee/Stakeholder attending meeting: Tom Reyes – Rich Sill

Relevant Departments: All Departments

Date submitted: 7/20/2021

461.21.14

Agreement
By and Between
Clallam County

And

The Washington State Council of
County and City Employees, Local 1619-CS
For the Period

July 1, 2021 – June 30, 2024

Contract Extension Agreement

<u>Corrections Sergeants</u>

Clallam County/AFSCME 1619-CS
Contract Extension Agreement
July 1, 2021 – June 30, 2024

Clallam County ("the County") and AFSCME 1619-CS ("the Union") have, by mutual agreement, modified the collective bargaining agreement extension expiring June 30, 2021, as follows:

Article 1 – Term of Agreement. Revise as follows:

This AGREEMENT shall be effective as of July 1, 2021 and shall continue in full force and effect through June 30, 2024.

This AGREEMENT shall supersede previous agreements and MOU's signed between the County and the Union on the Articles below regarding wages and conditions of employment. This agreement shall take effect on July 1, 2021 or the first of the month following ratification and signature by both parties, whichever is later.

Article 11.6 - Flex-Time.

With the mutual agreement of an employee and his/her immediate supervisor, an employee who works overtime may adjust scheduled shift hours remaining within the workweek or the following workweek and not receive overtime payments for the hours worked beyond the regular shift. The adjustment of shifts due to flextime will not obligate the employer to additional compensation in any form.

Article 12.10 - Health and Welfare Coverages.

A. During the life of this Agreement, the County will provide Health Care Insurance for employees and their dependents who meet hours of eligibility as specified in Article 2 and in the Teamster Trust.

The bargaining unit may reopen this Article periodically to change the specified Teamster medical benefit plans provided to the group to different selection of plans, provided that the change occurs at a time and in a manner which is permissible under Teamster Trust guidelines and the County's participation agreement, provided that, if the cost of such selection exceeds County contribution identified below, 100% of such excess cost shall be paid by the employee. Both parties reserve the right to reopen this Article 12.10 concerning the cost of insurance benefits, plan design, and the employee and County share of the cost of insurance benefits. If reopened, the parties will schedule bargaining during the months of November and December. Bargaining will occur between the County and AFSCME units M&P, CD and CS as a coalition. The parties shall exchange proposals and data in advance and shall not be required to meet for more than one day of bargaining. The result of negotiations will be either an agreement reached by the parties in bargaining or the agreement reflected in this Article with respect to costs. The bargaining unit may reopen this Article periodically to change the medical benefit plans. The change must be permissible with the Teamster Trust guidelines and the trust subscription agreement provided that, if the cost of such selection exceeds the County's

contribution identified below, 100% of such excess cost shall be paid by the employee.

If the bargaining unit elects a change in insurance plans, the change shall become effective prospectively and only in accordance with and as permitted by Teamster trust guidelines. If the cost of benefits elected by the bargaining unit is less than the cap, extra dollars shall be paid into the employees' HRA account

The bargaining unit has elected for 2021:

Teamster Medical Plan Z

Teamster Dental Plan B

Teamster Vision Plan EXT

Teamster Life Insurance (30k)

Effective July 1, 2021, the County shall contribute up to one thousand one hundred seventy eight dollars and sixty-five cents ($1,178.65) as an employer cap towards the medical plans identified above, and the employee shall contribute one hundred sixty five dollars and sixty-four cents ($165.64) creating a total contribution to the medical plans of one thousand three hundred forty-four dollars and twenty cents ($1,344.20). Effective January 1, 2022, the new employer cap shall increase by fifty dollars ($50.00), to one thousand two hundred twenty-eight dollars and sixty-five cents ($1,228.65). Effective January 1, 2023 the new employer cap shall increase by fifty dollars ($50.00), to one thousand two hundred seventy eight dollars and sixty-five cents ($1,278.65). Effective January 1, 2024, the new employer cap shall increase by fifty dollars ($50.00) to one thousand three hundred twenty-eight dollars and sixty-five cents ($1,328.65. If the County's contribution exceeds the cost of the above plans, the difference shall be placed into a HRA account to be established by the County. This account will be owned by the employee.

HRA contributions will be made on a monthly basis beginning July 1, 2018.

Note: Effective July 1, 2020, the County will contribute an additional one hundred seventy-five dollars ($175.00) to either the HRA VEBA or into the medical plan, based on the bargaining unit's determination.

In subsequent years for the life of the Agreement, the employee and County will share equally (50/50) in the premium amount in excess of the cap. . Increases for which the employee is responsible will first result in a reduction of the HRA contribution to cover such cost.

The Union and the Employer agree that monthly contributions to the Teamsters Trust shall be distributed as follows: the Dental Plan, the Vision Plan, and then the Medical Plan.

No changes to the rest of Article 12.10.

Article 12.17 (New) - COVID Leave.

Effective July 1, 2021, regular full-time employees (defined as thirty-seven and one-half (37.5) hours/week or more) shall be eligible for up to an additional eighty (80) hours of paid sick leave during the 2021 calendar year for absences caused by COVID-related illness or mandatory quarantine because of COVID infection or exposure. This is a contingent benefit and shall have no cash out value should the benefit not be utilized by an employee, nor shall there be carryover of unused COVID leave into the next calendar year. This benefit is retroactive to January 1, 2021and requires that a physician or the Clallam County Health Officer provide verification to Human Resources.

Article 12.18 (New) - COVID Vaccine Benefit.

Each full-time employee (defined as thirty-seven and one-half (37.5) hours/week or more) who presents proof of completed COVID vaccination treatment to the Human Resources Department (through presentation of a vaccine record from an accredited state agency or health care provider) shall receive sixteen (16) hours of floating holiday in the calendar year in which the employee completed vaccine treatment. This is a one-time benefit and shall have no cash out value nor shall there be carryover of unused hours into the next calendar year.

Article 13.1 - Wages.

The attached Appendix A wage scale reflects the wage scale for Corrections Sergeants with base wages in effect on July 1, 2021, which shall continue during 2021 and be subject to adjustment as hereinafter specified.

Effective January 1, 2022, provide a cost of living increase to the Appendix A wage scale reflected of two and one-half percent (2.50%). Effective January 1, 2023, provide an additional cost of living increase to the Appendix A wage scale of two and one-half percent (2.50%). Effective January 1, 2024, provide an additional cost of living increase to the Appendix A wage scale of two and one-half percent (2.50%).

Article 13.4 - Out of Class Differential.

Corrections Sergeants may be assigned as acting managers. A Sergeant who is assigned as acting manager shall be paid a differential of five percent (5%) of the Sergeant's base wage per hour for out-of-class assignments of one full shift or more.

Article 13.6 - Longevity.

Longevity pay is embedded within the Appendix A wage schedule after the completion of five (5), ten (10) and fifteen (15) years of employment as a Clallam County Corrections Sergeant, and

is based on the percentage of longevity pay contained in the 1619-S collective bargaining agreement at the appropriate year.

Article 13.9 (New) - Accreditation Pay

To recognize the high standards met, and the efforts involved in the accreditation process, as of July 1, 2021 each employee covered under this Agreement shall receive an additional one percent (1%) monthly accreditation premium pay calculated from the employee's base salary. In the event management does not seek accreditation renewal, or fails the accreditation process, the premium pay shall end on the expiration date of the existing accreditation certification. Accreditation premium pay shall remain in place so long as any portion of the Sheriff's Office (patrol or jail) is accredited. Any eligible employee receiving an evaluation having an overall rating less than satisfactory/meets standards/meets expectations shall have accreditation pay suspended until such time as an overall satisfactory/meets standards/meets expectations (or higher) evaluation is received.

Date Signed	Date Signed:
By Union: _____	By County: _____
THE WASHINGTON STATE COUNCIL OF COUNTY AND CITY EMPLOYEES, LOCAL 1619-CS	CLALLAM COUNTY BOARD OF COMMISSIONERS
_____	_____
Darrell Bryant, President	Mark Ozias, Chair
_____	_____
Joshua Marburger, AFSCME Representative	Bill Peach
_____	_____

Clallam County/AFSCME 1619-CS
Contract Extension Agreement
July 1, 2021 – June 30, 2024

APPROVED AS TO FORM:

Randy Johnson

Matthew Lynch, Employment Counsel

ATTEST:

Bill Benedict, Clallam County Sheriff

Loni Gores
Clerk of the Board

Date Signed:_____

APPENDIX A

7-1-21 AFSCME - 1619CS
PAY SCHEDULE

	Year	HOURLY	MONTHLY (40 HOURS)
Year (Step 1)	**1**	32.774	5680.67
Year (Step 2)	**2**	33.636	5830.17
Year (Step 3)-Top Step	**3**	34.499	5979.66
After 5 Years	**6**	36.422	6313.02
After 10 Years	**11**	37.673	6529.78
After 15 Years (as Corrections Sergeant)	**16**	38.940	6749.54

Longevity steps occur **after completion of 5, 10, 15 years** (based on time as Clallam County Corrections Sergeant) as follows:

Steps 1-5	80% of same year Patrol Sergeant
Steps 6-10	82% of same year Patrol Sergeant
Steps 11-15	84% of same year Patrol Sergeant
Steps 16+	86% of same year Patrol Sergeant

3A
7/27/21

AGENDA ITEM SUMMARY

(Must be submitted NLT 3PM Wednesday for next week agenda)

Department: DCD

WORK SESSION ☒ **Meeting Date: 6.14.2021**

REGULAR AGENDA ☒ **Meeting Date:** ~~6.22.2021~~ 7/27/21

Required originals approved and attached? ☒
Will be provided on: Thursday

Item summary:

- ☐ Call for Hearing
- ☐ Contract/Agreement/MOU - Contract #
- ☐ Resolution
- ☐ Proclamation
- ☐ Budget Item
- ☐ Draft Ordinance
- ☐ Final Ordinance
- ☒ Other: Call for bid

Documents exempt from public disclosure attached: ☐

Executive summary: Bid opening
Phase I of the Lower Dungeness Floodplain Restoration Project is ready to go to bid. The project will be constructed in two phases. Phase 1 of the project builds the setback levee and road realignment embankment. It includes installation of a new culvert in a tributary to Meadowbrook Creek, building a portion of the levee embankment, and building the relocated section of Towne Road.

The project is paid for with funding from Floodplains by Design and Puget Sound Acquisition and Restoration programs.

Budgetary impact: (Is there a monetary impact? If so, are funds for this already allocated or is a budget change necessary? If this is a contract and a budget change is necessary, the budget change form must be submitted with the item at work session and for the regular agenda) **If a budget action is required, has it been submitted and a copy attached?** ☐ **No monetary impact**

Recommended action: (Does the Board need to act? If so, what is the department's recommendation?)
~~Please issue the call for bid.~~
Bid opening

County Official signature & print name: [signature]

Name of Employee/Stakeholder attending meeting: Cathy Lear

Relevant Departments: DCD, Public Works/Roads

Date submitted: 6.9.2021

* Work Session Meeting - Submit 1 single sided/not stapled copy
** Regular Meeting – Submit 1 single sided/not stapled copy and originals (1 or 3 copies)

Questions? Call Loni Gores, Clerk of the Board, ext 2256

39
6/22/21

NOTICE OF INVITATION FOR BIDS

SEALED BIDS will be received by the Board of Clallam County Commissioners at 223 East Fourth Street, Room 150, Port Angeles, Washington until 10:00 a.m., Tuesday, **JULY 20TH, 2021,** at which time they will be publicly opened and read aloud for:

The work includes roadway excavation and embankment of the Lower Dungeness River Floodplain Restoration & Levee/Road Realignment – Phase 1 Earthwork.

Complete plans and specifications may be obtained from the Clallam County web site at www.clallam.net. Questions regarding this project may be directed to Dave Cline at 206.695.6885.

The sealed bids must be clearly marked on the outside of the envelope, **" LOWER DUNGENESS RIVER FLOODPLAIN RESTORATION & LEVEE/ROAD REALIGNMENT PROJECT– PHASE 1 EARTHWORK "**. Address bid proposal to: Board of Clallam County Commissioners, 223 E. 4th St., Ste. 4, Port Angeles, WA 98362 or hand-deliver to 223 E. 4th St., Room 150, Port Angeles, Washington. Bid documents delivered to other offices and received late by the Commissioners' Office will not be considered nor will bids received by facsimile or e-mail.

Clallam County will determine the lowest responsible bidder in accordance with the terms of Clallam County Code Section 3.12.070 and reserves the right to reject any and all bids and to waive informalities in the process or to accept the bid which in its estimation best serves the interests of Clallam County.

Clallam County in accordance with Title VI of the Civil Rights Act of 1964, 78 Stat. 252, 42 USC 2000d to 2000d-4 and Title 49, Code of Federal Regulations, Department of Transportation, Subtitle A, Office of the Secretary, Part 21, Nondiscrimination in Federally-Assisted Programs of the Department of Transportation issued pursuant to such Act, hereby notifies all bidders that it will affirmatively ensure that in any contract entered into pursuant to this advertisement, disadvantaged business enterprises as defined at 49 CFR Part 26 will be afforded full opportunity to submit bids in response to this invitation and will not be discriminated against on the grounds of race, color, national origin, or sex in consideration for an award.

The attached contract plans, these contract provisions and the Standard Specifications for the above-described project are hereby

APPROVED THIS 22 DAY OF June, 2021

BOARD OF CLALLAM COUNTY COMMISSIONERS

Mark Ozias, Chair

ATTEST:

L. Gores

Lori Gores, CMC, Clerk of the Board

CLERK OF THE BOARD CLALLAM COUNTY COMMISSIONERS PORT ANGELES, WA

Please Publish: Peninsula Daily News/Seattle Daily Journal - June 25, July 2, July 9, 2021
Please Bill: Clallam County Public Works

H1
7/27/21

AGENDA ITEM SUMMARY

(Must be submitted NLT 3PM Wednesday for next week agenda)

Department: BOCC

WORK SESSION ☐ **Meeting Date:**

REGULAR AGENDA ☒ **Meeting Date: 7/27/21**

Required originals approved and attached? ☐
Will be provided on:

Item summary:

☐ Call for Hearing
☐ Contract/Agreement/MOU - Contract #
☒ Resolution
☐ Proclamation
☐ Budget Item
☐ Draft Ordinance
☐ Final Ordinance
☐ Other - Notice

Documents exempt from public disclosure attached: ☐

Executive summary:
Board of Clallam County Commissioner will consider adopting by Resolution the attached debatable emergencies on July 27, 2021.
Debatable emergency – Public emergency other than a non-debatable emergency which could not reasonably have been foreseen at the time of making the budget, requiring the expenditure of money not provided for in the budget.

Budgetary impact: (Is there a monetary impact? If so, are funds for this already allocated or is a budget change necessary? If this is a contract and a budget change is necessary, the budget change form must be submitted with the item at work session and for the regular agenda) **If a budget action is required, has it been submitted and a copy attached?** ☐
HHS Operations – $42,950
Non Departmental - $11,000
Non Departmental – Veterans Relief – $25,406
Human Resources – Workers compensation Claims – $135,000
Parks and Facilities – REET - $250,000
Parks and Facilities – REET - $10,400
Parks and Facilities – $8,723

Recommended action: (Does the Board need to act? If so, what is the department's recommendation?)
Approve the attached Resolution - debatable emergencies.

County Official signature & print name: Morgann Halencak, Deputy Clerk

Name of Employee/Stakeholder attending meeting: Board of Commissioners

Relevant Departments: All Departments

Date submitted: July 2, 2021

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* Work Session Meeting - Submit 1 single sided/not stapled copy
** Regular Meeting – Submit 1 single sided/not stapled copy and originals (1 or 3 copies)

Budget Debatables 07-27-21
Revised: 3-04-2019

Questions? Call Loni Gores, Clerk of the Board, ext 2256

BUDGET RESOLUTION _____, 2021

ADOPTING BUDGET EMERGENCIES FOR THE DEPARTMENTS/FUNDS LISTED BELOW

THE BOARD OF CLALLAM COUNTY COMMISSIONERS finds as follows:

1. Pursuant to RCW 36.40.140, after a public hearing on July 27, 2021 the following constitute public emergencies, which could not reasonably have been foreseen at the time of budget preparation:

   HHS Operations – Additional funding received from the Olympic Community of Health for costs associated with COVID-19/$42,950
   Non Departmental – Additional funding for professional services for broadband projects/$11,000
   Non Departmental – Additional funding for salary and benefits for additional hours of Veterans Program Coordinator/$25,406
   Human Resources – Workers compensation Claims – Additional funding for Workers Compensation Medical and Lost Time Compensation claims for 2021/$135,000
   Parks and Facilities – REET
   - Additional funding for Jail Control Board project/$250,000
   - Additional funding for purchase and installation of exhaust system for Sheriff's Office property and evidence storage room/$10,400

   Parks and Facilities – Additional funding for expenses related to COVID-19 for goods and services expenditures incurred in June, 2021 expected to be reimbursed through FEMA/$8,723

2. The Budget Director has reviewed the accounting method for the debatable emergencies and approved it by numbering and initialing the attached *Budget Change Forms*.

NOW, THEREFORE, BE IT RESOLVED by the Clallam County Commissioners, in consideration of the above findings of fact:

1. The amount of money required to meet the public emergencies listed above is authorized for expenditure provided that no expenditure is made or liability incurred pursuant to the resolution under RCW 36.40.150 until a period of five days, exclusive of the date this resolution is signed, have elapsed.
2. The Treasurer is authorized and requested to make any necessary transfer of funds in order to affect the Board's intent.

PASSED AND ADOPTED this twenty-seventh day of July 2021

BOARD OF CLALLAM COUNTY COMMISSIONERS

_____
Mark Ozias, Chair

_____
Randy Johnson

ATTEST:

_____
Loni Gores, Clerk of the Board

_____
Bill Peach

c: Budget Director, Treasurer, Affected Department

DRAFT

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CLALLAM CO. FINANCE
JUN 29 2021

CLALLAM COUNTY BUDGET CHANGE FORM

6/29/2021

Date Submitted: 6-25-21 **Budget Hearing/Meeting Date:** 7-27-21

__ **Supplemental Appropriation** – increased expenditures due to unanticipated federal, state, or local funds

_X_ **Debatable Emergency** – public emergency other than a non-debatable emergency which could not reasonably have been foreseen at the time of making the budget, requiring the expenditure of money not provided for in the budget.

__ **Non-debatable Emergency** – for the relief of a stricken community requiring immediate address; to meet mandatory expenditures required by law

__ **Budget Revision** – transfers or reallocations between departments within the same fund, or anytime a reallocation within the same budget would authorize a new permanent position or a new capital purchase

__ **Budget Reduction** – a reduction in revenues and/or expenditures

Budget Number xxxxx.xxx.	11301.511	**Budget Name**	HHS Operations

REVENUE/SOURCE

BUDGET NUMBER xxxxx.xxx.	DEPT NAME	BARS NUMBER xxxxx.xx.xxxx	ACCOUNT DESCRIPTION	AMOUNT
11301.511	HHS Operations	50800.00.0000	Ending Fund Balance	42,950
Total				42,950

EXPENDITURES

BUDGET NUMBER xxxxx.xxx.	DEPT NAME	BARS NUMBER xxxxx.xx.xxxx	ACCOUNT DESCRIPTION	AMOUNT
11301.511	HHS Operations	56230.41.0020	Professional Services	42,950
Total				42,950

Revenue/Source and Expenditure totals must agree.

REASON FOR BUDGET ACTION:

Funding was received from the Olympic Community of Health to assist with costs associated with Covid-19. The payment was received in 2020. The funds were partially expended in 2020 and the remainder will be expended in 2021.

County Official Approval: _____

(Obtain Budget Office Approval Prior to Submission to Clerk of the Board)

91

Revised: J:\UsersPvt\Ky-dc\2019\Q3 2019 Budget Changes\OCH Olympic Community of Health Carrover 2021.docx

CLALLAM COUNTY BUDGET CHANGE FORM

Date Submitted: 7/02/2021 ✓ **Budget Hearing/Meeting Date:** 7/27/2021 ✓

__ **Supplemental Appropriation** – increased expenditures due to unanticipated federal, state, or local funds

X ✓ **Debatable Emergency** – public emergency other than a non-debatable emergency which could not reasonably have been foreseen at the time of making the budget, requiring the expenditure of money not provided for in the budget.

__ **Non-debatable Emergency** – for the relief of a stricken community requiring immediate address; to meet mandatory expenditures required by law

__ **Budget Revision** – transfers or reallocations between departments within the same fund, or anytime a reallocation within the same budget would authorize a new permanent position or a new capital purchase

__ **Budget Reduction** – a reduction in revenues and/or expenditures

Budget Number xxxxx.xxx.	00100.291 ✓	**Budget Name**	NonDepartmental ✓

REVENUE/SOURCE

BUDGET NUMBER xxxxx.xxx.	DEPT NAME	BARS NUMBER xxxxx.xx.xxxx	ACCOUNT DESCRIPTION	AMOUNT
00100.293 ✓	General Fund Reserves ✓	50800.00.0000 ✓	Ending Fund Balance	11,000
Total				11,000 ✓

EXPENDITURES

BUDGET NUMBER xxxxx.xxx.	DEPT NAME	BARS NUMBER xxxxx.xx.xxxx	ACCOUNT DESCRIPTION	AMOUNT
00100.291 ✓	NonDepartmental ✓	51420.41.0020 ✓	Professional Services	11,000
Total				11,000 ✓

Revenue/Source and Expenditure totals must agree.

REASON FOR BUDGET ACTION:

Funding in the amount of $11,000 for our new contract with Petrichor Broadband, LLC. Petrichor services will identify viable broadband projects; develop & define details of these projects; identify funding sources & timelines.

County Official Approval: _____
(Obtain Budget Office Approval Prior to Submission to Clerk of the Board)

RS

92

CLALLAM COUNTY BUDGET CHANGE FORM

Date Submitted: 6/28/2021 **Budget Hearing/Meeting Date:** 7/27/2021

__ **Supplemental Appropriation** – increased expenditures due to unanticipated federal, state, or local funds

X **Debatable Emergency** – public emergency other than a non-debatable emergency which could not reasonably have been foreseen at the time of making the budget, requiring the expenditure of money not provided for in the budget.

__ **Non-debatable Emergency** – for the relief of a stricken community requiring immediate address; to meet mandatory expenditures required by law

__ **Budget Revision** – transfers or reallocations between departments within the same fund, or anytime a reallocation within the same budget would authorize a new permanent position or a new capital purchase

__ **Budget Reduction** – a reduction in revenues and/or expenditures

Budget Number xxxxx.xxx.	19914.291	**Budget Name**	NonDept – Veterans Relief

REVENUE/SOURCE

BUDGET NUMBER xxxxx.xxx.	DEPT NAME	BARS NUMBER xxxxx.xx.xxxx	ACCOUNT DESCRIPTION	AMOUNT
19914.291	NonDept – Veterans Relief	50800.00.0000	Ending Fund Balance	25,406
Total				25,406

EXPENDITURES

BUDGET NUMBER xxxxx.xxx.	DEPT NAME	BARS NUMBER xxxxx.xx.xxxx	ACCOUNT DESCRIPTION	AMOUNT
19914.291	NonDept – Veterans Relief	56520.10.0010	Regular Time	20,617
19914.291	NonDept – Veterans Relief	56520.20.0020	Benefits	4,789
Total				25,406

Revenue/Source and Expenditure totals must agree.

REASON FOR BUDGET ACTION:

Additional funding in order to increase the Veterans Program Coordinator's hours from 20 hours per week to 32 hours per week.

County Official Approval: _____

(Obtain Budget Office Approval Prior to Submission to Clerk of the Board)

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CLALLAM CO. FINANCE
JUN 18 2021

CLALLAM COUNTY BUDGET CHANGE FORM

Date Submitted: 6/17/2021 **Budget Hearing/Meeting Date:** 7/27/2021

__ **Supplemental Appropriation** – increased expenditures due to unanticipated federal, state, or local funds

X **Debatable Emergency** – public emergency other than a non-debatable emergency which could not reasonably have been foreseen at the time of making the budget, requiring the expenditure of money not provided for in the budget.

__ **Non-debatable Emergency** – for the relief of a stricken community requiring immediate address; to meet mandatory expenditures required by law

__ **Budget Revision** – transfers or reallocations between departments within the same fund, or anytime a reallocation within the same budget would authorize a new permanent position or a new capital purchase

__ **Budget Reduction** – a reduction in revenues and/or expenditures

Budget Number xxxxx.xxx.	50501.461	**Budget Name**	HR – Workers Compensation Claims

REVENUE/SOURCE

BUDGET NUMBER xxxxx.xxx.	DEPT NAME	BARS NUMBER xxxxx.xx.xxxx	ACCOUNT DESCRIPTION	AMOUNT
50501.461	HR – Workers Compensation Claims	50800.00.0000	Ending Fund Balance	135,000
Total				135,000

EXPENDITURES

BUDGET NUMBER xxxxx.xxx.	DEPT NAME	BARS NUMBER xxxxx.xx.xxxx	ACCOUNT DESCRIPTION	AMOUNT
50501.461	HR – Workers Compensation Claims	51768.41.1002	Lost Time Compensation	35,000
50501.461	HR – Workers Compensation Claims	51768.41.1003	Medical Payments	100,000
Total				135,000

Revenue/Source and Expenditure totals must agree.

REASON FOR BUDGET ACTION:

The monies budgeted for the Workers Compensation Medical and Lost Time Compensation was not adequate to cover the claims for 2021.

County Official Approval: _____
(Obtain Budget Office Approval Prior to Submission to Clerk of the Board)

RECEIVED
CLALLAM CO. FINANCE
JUL 01 2021

CLALLAM COUNTY BUDGET CHANGE FORM

Date Submitted: July 1, 2021 ✓ **Budget Hearing/Meeting Date:** July 27, 2021 ✓

— **Supplemental Appropriation** – increased expenditures due to unanticipated federal, state, or local funds

X ✓ **Debatable Emergency** – public emergency other than a non-debatable emergency which could not reasonably have been foreseen at the time of making the budget, requiring the expenditure of money not provided for in the budget.

— **Non-debatable Emergency** – for the relief of a stricken community requiring immediate address; to meet mandatory expenditures required by law

— **Budget Revision** – transfers or reallocations between departments within the same fund, or anytime a reallocation within the same budget would authorize a new permanent position or a new capital purchase

— **Budget Reduction** – a reduction in revenues and/or expenditures

Budget Number xxxxx.xxx.	30101.911. ✓	**Budget Name**	Parks and Facilities - REET ✓

REVENUE/SOURCE

BUDGET NUMBER xxxxx.xxx.	DEPT NAME	BARS NUMBER xxxxx.xx.xxxx	ACCOUNT DESCRIPTION	AMOUNT
30101.911. ✓	Parks & Facilities - REET ✓	50800.00.0000 ✓	Ending Fund Balance	$250,000
Total				$250,000 ✓

EXPENDITURES

BUDGET NUMBER xxxxx.xxx.	DEPT NAME	BARS NUMBER xxxxx.xx.xxxx	ACCOUNT DESCRIPTION	AMOUNT
30101.911. ✓	Parks & Facilities - REET ✓	59419.63.2035 ✓	Jail Control Board	$250,000
Total				$250,000 ✓

Revenue/Source and Expenditure totals must agree.

REASON FOR BUDGET ACTION:

Bids for the Jail Control Panel Improvement Project were opened publicly on 05.25.2021 and both of the Bids received were above the Engineer's estimate. Given the nature of the improvement, it is at the request of the Sheriff's Department and the recommendation of the Parks, Fair & Facilities Department to accept the Low Bidder and follow the Engineer's recommendation to move forward with the project as designed and not remove elements to reduce the cost. In order to do this, it is necessary to increase the approved amount by $250,000 as detailed above.

County Official Approval: _____ 06/30/2021

(Obtain Budget Office Approval Prior to Submission to Clerk of the Board)

Revised: J:\Admin\Administrative Specialist IV\Budgets\2021\2021 Debatable Emergencies\Jail Control Room Debatable Emergency July 2021.docx

RECEIVED
CLALLAM CO. FINANCE
JUL 01 2021

CLALLAM COUNTY BUDGET CHANGE FORM

Date Submitted: July 1, 2021 ✓ **Budget Hearing/Meeting Date:** July 27, 2021 ✓

__ **Supplemental Appropriation** – increased expenditures due to unanticipated federal, state, or local funds

X ✓ **Debatable Emergency** – public emergency other than a non-debatable emergency which could not reasonably have been foreseen at the time of making the budget, requiring the expenditure of money not provided for in the budget.

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__ **Budget Reduction** – a reduction in revenues and/or expenditures

Budget Number xxxxx.xxx.	30101.911.	**Budget Name**	Parks and Facilities - REET

REVENUE/SOURCE

BUDGET NUMBER xxxxx.xxx.	DEPT NAME	BARS NUMBER xxxxx.xx.xxxx	ACCOUNT DESCRIPTION	AMOUNT
30101.911. ✓	Parks & Facilities - REET ✓	50800.00.0000 ✓	Ending Fund Balance	$10,400
Total				$10,400 ✓

EXPENDITURES

BUDGET NUMBER xxxxx.xxx.	DEPT NAME	BARS NUMBER xxxxx.xx.xxxx	ACCOUNT DESCRIPTION	AMOUNT
30101.911. ✓	Parks & Facilities - REET ✓	59419.64.2110 ✓	Jail Exhaust Fan	$10,400
Total				$10,400 ✓

Revenue/Source and Expenditure totals must agree.

REASON FOR BUDGET ACTION:

For the purchase and installation of an exhaust system in the Sheriff's Office property and evidence storage room that is not connected to the courthouse ventilation system to meet Washington Association of Sheriffs and Police Chiefs (WASPC) Accreditation requirements.

County Official Approval: _____ 07/01/2021
(Obtain Budget Office Approval Prior to Submission to Clerk of the Board)

Revised: J:\Admin\Administrative Specialist IV\Budgets\2021\2021 Debatable Emergencies\Jail Exhaust Fan Debatable Emergency July 2021.docx

CLALLAM COUNTY BUDGET CHANGE FORM

RECEIVED
CLALLAM CO. FINANCE
JUL 01 2021

Date Submitted: July 1, 2021 ✓ **Budget Hearing/Meeting Date:** July 27, 2021 ✓

— **Supplemental Appropriation** – increased expenditures due to unanticipated federal, state, or local funds

X ✓ **Debatable Emergency** – public emergency other than a non-debatable emergency which could not reasonably have been foreseen at the time of making the budget, requiring the expenditure of money not provided for in the budget.

— **Non-debatable Emergency** – for the relief of a stricken community requiring immediate address; to meet mandatory expenditures required by law

— **Budget Revision** – transfers or reallocations between departments within the same fund, or anytime a reallocation within the same budget would authorize a new permanent position or a new capital purchase

— **Budget Reduction** – a reduction in revenues and/or expenditures

Budget Number xxxxx.xxx.	00100.911. ✓	**Budget Name**	Parks & Facilities ✓

REVENUE/SOURCE

BUDGET NUMBER xxxxx.xxx.	DEPT NAME	BARS NUMBER xxxxx.xx.xxxx	ACCOUNT DESCRIPTION	AMOUNT
00100.293 ✓	General Reserves ✓	50800.00.0000 ✓	Ending Fund Balance	$8,723
Total				$8,723 ✓

EXPENDITURES

BUDGET NUMBER xxxxx.xxx.	DEPT NAME	BARS NUMBER xxxxx.xx.xxxx	ACCOUNT DESCRIPTION	AMOUNT
00100.911. ✓	Parks & Facilities ✓	57680.31.0035 ✓	Cleaning and Sanitation Supplies	$763
00100.911. ✓	Parks & Facilities ✓	57680.41.1030 ✓	Personnel Services	$7,960
Total				$8,723 ✓

Revenue/Source and Expenditure totals must agree.

REASON FOR BUDGET ACTION:

To pay for additional expenses related to the Covid 19 virus event in Clallam County that were paid from the Parks and Facilities budget in 2021. This is to cover the goods and services expenditures incurred in ~~July~~ June 2021, and are expected to be reimbursed through FEMA reimbursements.

County Official Approval: _____ 06/30/2021
(Obtain Budget Office Approval Prior to Submission to Clerk of the Board)

4a
7/27/21

AGENDA ITEM SUMMARY

(Must be submitted NLT 3PM Wednesday for next week agenda)

Department: BOCC

WORK SESSION ☒ **Meeting Date: 07-19-21**

REGULAR AGENDA ☒ **Meeting Date: 07-27-21**

Item summary:

☐ Call for Hearing ☐ Contract/Agreement/MOU - Contract #

☒ Resolution ☐ Proclamation ☐ Budget Item

☐ Draft Ordinance ☐ Final Ordinance ☐ Other

Documents exempt from public disclosure attached: ☐

Executive summary:

A vacancy exists on the Park and Recreation Advisory Board due to an expired term. A notice of the vacancy was issued to the press in May 2021 soliciting applications from interested citizens and the current member with an expiring term was notified. The current member advised staff they are interested in continuing their service and asked to be considered for another term.

The Director of Parks, Fair, and Facilities endorses the reappointment of Candace Kathol to the Park and Recreation Advisory Board.

Budgetary impact: (Is there a monetary impact? If so, are funds for this already allocated or is a budget change necessary? If this is a contract and a budget change is necessary, the budget change form must be submitted with the item at work session and for the regular agenda) **If a budget action is required, has it been submitted and a copy attached?** ☐

None

Recommended action: (Does the Board need to act? If so, what is the department's recommendation?)

Approve and sign resolution appointing Candace Kathol to the Park and Recreation Advisory Board.

County Official signature & print name: Morgann Halencak, Deputy Clerk

Name of Employee/Stakeholder attending meeting: BOCC

Relevant Departments: BOCC

Date submitted: 07-14-21

RESOLUTION _____, 2021

REAPPOINTING A MEMBER TO THE
PARK AND RECREATION ADVISORY BOARD

THE BOARD OF CLALLAM COUNTY COMMISSIONERS finds as follows:

1. A vacancy exists on the Park and Recreation Advisory Board due to an expired term.

2. A notice of the vacancy was issued to the press in May 2021 soliciting applications from interested citizens and the current member with an expiring term was notified.

3. The current member advised staff they are interested in continuing their service and asked to be considered for another term.

4. The Director of Parks, Fair, and Facilities endorses the reappointment of Candace Kathol to the Park and Recreation Advisory Board.

NOW, THEREFORE, BE IT RESOLVED by the Board of Clallam County Commissioners, in consideration of the above findings of fact:

1. **Candace Kathol** is reappointed to a term expiring June 30, 2027.

PASSED AND ADOPTED this twenty-seventh day of July 2021

BOARD OF CLALLAM COUNTY COMMISSIONERS

_____
Mark Ozias, Chair

_____
Randy Johnson

_____
Bill Peach

ATTEST:

_____
Loni Gores, Clerk of the Board

c: A22.170
Appointee
Parks

DRAFT

4b
7/27/21

AGENDA ITEM SUMMARY

(Must be submitted NLT 3PM Wednesday for next week agenda)

Department: BOCC

WORK SESSION ☒ **Meeting Date: 07-19-21**

REGULAR AGENDA ☒ **Meeting Date: 07-27-21**

Item summary:

☐ Call for Hearing ☐ Contract/Agreement/MOU - Contract #

☒ Resolution ☐ Proclamation ☐ Budget Item

☐ Draft Ordinance ☐ Final Ordinance ☐ Other

Documents exempt from public disclosure attached: ☐

Executive summary:

Vacancies exist on the Homelessness Task Force due to the creation of new positions and the expiration of terms. A press release was issued during the month of May 2021 soliciting applications from interested citizens. Three applications were received.

The Health and Human Services Department and the Task Force recommend the appointments of Rachel Anderson, Jim Weatherly and Paul Cunningham to the Homelessness Task Force.

Budgetary impact: (Is there a monetary impact? If so, are funds for this already allocated or is a budget change necessary? If this is a contract and a budget change is necessary, the budget change form must be submitted with the item at work session and for the regular agenda) **If a budget action is required, has it been submitted and a copy attached?** ☐

None

Recommended action: (Does the Board need to act? If so, what is the department's recommendation?)

Approve and sign resolution appointing Rachel Anderson, Jim Weatherly and Paul Cunningham to the Homlessness Task Force.

County Official signature & print name: Morgann Halencak, Deputy Clerk

Name of Employee/Stakeholder attending meeting: BOCC

Relevant Departments: BOCC

Date submitted: 06-14-21

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* Work Session Meeting - Submit 1 single sided/not stapled copy Appointing Rachel Anderson, Jim Weatherly & Paul Cunningham 07-27-21

** Regular Meeting – Submit 1 single sided/not stapled copy and originals (1 or 3 copies)

Revised: 3-04-2019

Questions? Call Loni Gores, Clerk of the Board, ext 2256

RESOLUTION _____, 2021

APPOINTING MEMBERS TO THE HOMELESSNESS TASK FORCE

THE BOARD OF CLALLAM COUNTY COMMISSIONERS finds as follows:

1. Vacancies exist on the Homelessness Task Force due to the creation of new positions and the expiration of terms.

2. A press release was issued during the month of May 2021 soliciting applications from interested citizens. Three applications were received.

3. The Health and Human Services Department and the Task Force recommend the appointments of Rachel Anderson, Jim Weatherly and Paul Cunningham to the Homelessness Task Force.

NOW, THEREFORE, BE IT RESOLVED by the Board of Clallam County Commissioners, in consideration of the above findings of fact:

1. **Rachel Anderson** is appointed as the representative for City Government - Sequim for a term expiring December 31, 2023.

2. **Jim Weatherly** is appointed as the representative for Department of Social and Health Services for a term expiring December 31, 2023.

3. **Paul Cunningham** is appointed as the representative for Healthcare Providers for a term expiring December 31, 2022.

PASSED AND ADOPTED this twenty-seventh day of July, 2021

BOARD OF CLALLAM COUNTY COMMISSIONERS

_____
Mark Ozias, Chair

_____
Randy Johnson

_____
Bill Peach

ATTEST:

_____
Loni Gores, Clerk of the Board

c: A22.50
Appointee(s)
HHS

DRAFT

59
7/27/21

AGENDA ITEM SUMMARY

(Must be submitted NLT 3PM Wednesday for next week agenda)

Department: BOCC

WORK SESSION ☐ **Meeting Date:**

REGULAR AGENDA ☒ **Meeting Date: 07/27/21**

Required originals approved and attached? ☐
Will be provided on:

Item summary:

☐ Call for Hearing
☐ Contract/Agreement/MOU - Contract #
☒ Resolution
☐ Proclamation
☐ Budget Item
☐ Draft Ordinance
☐ Final Ordinance
☐ Other - Notice

Documents exempt from public disclosure attached: ☐

Executive summary:
Board of Clallam County Commissioner will consider adopting by Resolution the attached budget revisions on July 27, 2021.
Budget revisions – Transfer or reallocations between departments within the same fund, or anytime a reallocation within the same budget would authorize a new permanent position or a new capital purchase.

Budgetary impact: (Is there a monetary impact? If so, are funds for this already allocated or is a budget change necessary? If this is a contract and a budget change is necessary, the budget change form must be submitted with the item at work session and for the regular agenda) **If a budget action is required, has it been submitted and a copy attached?** ☐

Public Works – Roads – $73,414

Recommended action: (Does the Board need to act? If so, what is the department's recommendation?)
Approve the attached Resolution – Budget revisions.

County Official signature & print name: Morgann Halencak

Name of Employee/Stakeholder attending meeting: Board of Commissioners

Relevant Departments: All Departments

Date submitted: July 6, 2021

* Work Session Meeting - Submit 1 single sided/not stapled copy
** Regular Meeting – Submit 1 single sided/not stapled copy and originals (1 or 3 copies)

Budget Revisions 07-27-21
Revised: 3-04-2019

Questions? Call Loni Gores, Clerk of the Board, ext 2256

BUDGET RESOLUTION _____, 2021

ADOPTING A BUDGET REVISION FOR THE DEPARTMENT/FUND LISTED BELOW

THE BOARD OF CLALLAM COUNTY COMMISSIONERS finds as follows:

1. Pursuant to RCW 36.40.100, the following facts create a need for the budget revision shown below:

   Public Works – Roads – Transferring funds to pay for payroll and benefits for Trail Maintenance Coordinator position/$73,414

2. The Budget Director has verified the accounting method for the budget revision listed and approved them by numbering and initialing the attached Budget Change Form.

NOW, THEREFORE, THE BOARD OF CLALLAM COUNTY COMMISSIONERS hereby adopts the revision within the fund, department, or program budget shown above, and authorizes and directs the Treasurer to make the necessary transfer of funds in order to affect the Board's intent.

PASSED AND ADOPTED this twenty-seventh day of July 2021

BOARD OF CLALLAM COUNTY COMMISSIONERS

_____
Mark Ozias, Chair

ATTEST: _____
Randy Johnson

_____ _____
Loni Gores, CMC, Clerk of the Board Bill Peach

c: Budget Director
Treasurer
Affected Department(s)

DRAFT

RECEIVED
CLALLAM CO. FINANCE
JUN 14 2021

CLALLAM COUNTY BUDGET CHANGE FORM

Date Submitted: 06/14/21 ✓ **Budget Hearing/Meeting Date:** 07/27/21 ✓

__ **Supplemental Appropriation** – increased expenditures due to unanticipated federal, state, or local funds

__ **Debatable Emergency** – public emergency other than a non-debatable emergency which could not reasonably have been foreseen at the time of making the budget, requiring the expenditure of money not provided for in the budget.

__ **Non-debatable Emergency** – for the relief of a stricken community requiring immediate address; to meet mandatory expenditures required by law

_x_ ✓ **Budget Revision** – transfers or reallocations between departments within the same fund, or anytime a reallocation within the same budget would authorize a new permanent position or a new capital purchase

__ **Budget Reduction** – a reduction in revenues and/or expenditures

Budget Number xxxxx.xxx.	10101.611 ✓	**Budget Name**	Public Works – Roads ✓

REVENUE/SOURCE

BUDGET NUMBER xxxxx.xxx.	DEPT NAME	BARS NUMBER xxxxx.xx.xxxx	ACCOUNT DESCRIPTION	AMOUNT
10101.611 ✓	PW – Roads ✓	54260.41.7777	PW Other Services & Charges	$73,414 ✓
Total				$73,414 ✓

EXPENDITURES

BUDGET NUMBER xxxxx.xxx.	DEPT NAME	BARS NUMBER xxxxx.xx.xxxx	ACCOUNT DESCRIPTION	AMOUNT
10101.611 ✓	PW – Roads ✓	54260.10.0010 ✓	Regular Time	$48,116
10101.611 ✓	PW – Roads ✓	54260.20.0020 ✓	Benefits	$25,298
Total				$73,414 ✓

Revenue/Source and Expenditure totals must agree.

REASON FOR BUDGET ACTION:

The Trail Maintenance Coordinator position is evolving from being an Express Personnel contractor to a regular payroll position. The position is being advertised and will close on 06/17/21.

County Official Approval: Joseph E. Donnie

(Obtain Budget Office Approval Prior to Submission to Clerk of the Board)

80

Revised: C:\Users\hsteeby\Desktop\BUDGET CHANGE\trail maintenance worker.docx

5b
7/27/21

AGENDA ITEM SUMMARY

(Must be submitted NLT 3PM Wednesday for next week agenda)

Department: BOCC

WORK SESSION ☐ **Meeting Date:**

REGULAR AGENDA ☒ **Meeting Date: 07/27/21**

Required originals approved and attached? ☐
Will be provided on:

Item summary:

☐ Call for Hearing
☐ Contract/Agreement/MOU - Contract #
☒ Resolution
☐ Proclamation
☐ Budget Item
☐ Draft Ordinance
☐ Final Ordinance
☐ Other - Notice

Documents exempt from public disclosure attached: ☐

Executive summary:
Board of Clallam County Commissioner will consider adopting by Resolution the attached supplemental appropriations on July 27, 2021
Supplemental appropriations – increased expenditures due to unanticipated federal, state, and local funds.

Budgetary impact: (Is there a monetary impact? If so, are funds for this already allocated or is a budget change necessary? If this is a contract and a budget change is necessary, the budget change form must be submitted with the item at work session and for the regular agenda) **If a budget action is required, has it been submitted and a copy attached?** ☐
Health and Human Services – Homeless Task Force – $30,000
Health and Human Services – Operations - $853,065
Health and Human Services – Operations - $90,289
Health and Human Services – Operations - $402,894
Health and Human Services - Administration - $44,586
Health and Human Services – Environmental Health - $86,000
Health and Human Services – Environmental Health - $108,647
Health and Human Services – Environmental Health - $65,593
Auditor - $124,000

Recommended action: (Does the Board need to act? If so, what is the department's recommendation?)
Approve the attached Resolution - supplemental appropriations.

County Official signature & print name: Morgann Halencak, Deputy Clerk

Name of Employee/Stakeholder attending meeting: Board of Commissioners

Relevant Departments: All Departments

Date submitted: July 2, 2021

* Work Session Meeting - Submit 1 single sided/not stapled copy
** Regular Meeting – Submit 1 single sided/not stapled copy and originals (1 or 3 copies)

Budget Supplementals 07-27-21
Revised: 3-04-2019

Questions? Call Loni Gores, Clerk of the Board, ext 2256

BUDGET RESOLUTION _____, 2021

ADOPTING A SUPPLEMENTAL BUDGET FOR DEPARTMENTS/FUNDS LISTED BELOW

THE BOARD OF CLALLAM COUNTY COMMISSIONERS finds as follows:

1. Pursuant to RCW 36.40.100, in open, public meeting, after proper notice, the following facts create a need for the Supplemental Budget Appropriations listed below:

   Health and Human Services – Homeless Task Force – Additional funding from Department of Commerce for needs assessment for homes services/$30,000
   Health and Human Services – Operations
   - Funding from Department of Health Local Health Jurisdiction CARES contract for salaries and wages of employees reassigned to COVID-19 pandemic activities/$853,065
   - Funding from Department of Health Local Health Jurisdiction CARES contract for salaries and wages of employees performing contract tracing for COVID-19 pandemic/$90,289
   - Funding from Department of Commerce to build an addition at Serenity House to house and provide services/$402,894

   Health and Human Services - Administration – Funding from Department of Health Consolidated Contract for services related to COVID-19 response activities/$44,586
   Health and Human Services – Environmental Health
   - Funding from Department of Health to provide services in the onsite septic system program/$86,000
   - Funding from Department of Health Local Health Jurisdiction CARES contract for salaries and wages of employees reassigned to COVID-19 pandemic activities/$108,647
   - Funding from Department of Ecology for Pollution Identification and Control Project/$65,593

   Auditor – Additional funding for unbudgeted February Election/$124,000

2. The Budget Director has verified the accounting method for the supplemental appropriations and approved it by numbering and initialing the attached *Budget Change Forms*.

NOW, THEREFORE, THE BOARD OF CLALLAM COUNTY COMMISSIONERS hereby adopts the Supplemental Budget Appropriations for unanticipated state or federal funds shown above, and authorizes and directs the Treasurer to make the necessary transfer of funds in order to affect the Board's intent.

PASSED AND ADOPTED this twenty-seventh day of July 2021

BOARD OF CLALLAM COUNTY COMMISSIONERS

_____
Mark Ozias, Chair

_____
Randy Johnson

_____
Bill Peach

ATTEST:

_____
Loni Gores, Clerk of the Board

c: Budget Director
Treasurer
Affected Department(s)

DRAFT

RECEIVED
CLALLAM CO. FINANCE
JUN 18 2021

CLALLAM COUNTY BUDGET CHANGE FORM

Date Submitted: 6-17-21 **Budget Hearing/Meeting Date:** 7-27-21 ✓

_X_✓ **Supplemental Appropriation** – increased expenditures due to unanticipated federal, state, or local funds

__ **Debatable Emergency** – public emergency other than a non-debatable emergency which could not reasonably have been foreseen at the time of making the budget, requiring the expenditure of money not provided for in the budget.

__ **Non-debatable Emergency** – for the relief of a stricken community requiring immediate address; to meet mandatory expenditures required by law

__ **Budget Revision** – transfers or reallocations between departments within the same fund, or anytime a reallocation within the same budget would authorize a new permanent position or a new capital purchase

__ **Budget Reduction** – a reduction in revenues and/or expenditures

Budget Number xxxxx.xxx.	11322.511 ✓	**Budget Name**	HHS – Homeless Task Force ✓

REVENUE/SOURCE

BUDGET NUMBER xxxxx.xxx.	DEPT NAME	BARS NUMBER xxxxx.xx.xxxx	ACCOUNT DESCRIPTION	AMOUNT
11322.511 ✓	HHS - Homeless Task Force ✓	33404.20.0210 ✓	Dept of Commerce Needs Assessment	30,000
Total				30,000 ✓

EXPENDITURES

BUDGET NUMBER xxxxx.xxx.	DEPT NAME	BARS NUMBER xxxxx.xx.xxxx	ACCOUNT DESCRIPTION	AMOUNT
11322.511 ✓	HHS – Homeless Task Force ✓	56540.41.0156 ✓	Needs Assessment	24,641
11322.511 ✓	HHS – Homeless Task Force ✓	50800.00.0000 ✓	Ending Fund Balance	5,359
Total				30,000 ✓

Revenue/Source and Expenditure totals must agree.

REASON FOR BUDGET ACTION:

Additional funding is being added from a contract with the Department of Commerce to provide a needs assessment for homeless services.

County Official Approval: _____
(Obtain Budget Office Approval Prior to Submission to Clerk of the Board)

89

RECEIVED
CLALLAM CO. FINANCE
JUN 18 2021

CLALLAM COUNTY BUDGET CHANGE FORM

Date Submitted: 6-17-21 **Budget Hearing/Meeting Date:** 7-27-21

_X_ **Supplemental Appropriation** – increased expenditures due to unanticipated federal, state, or local funds

__ **Debatable Emergency** – public emergency other than a non-debatable emergency which could not reasonably have been foreseen at the time of making the budget, requiring the expenditure of money not provided for in the budget.

__ **Non-debatable Emergency** – for the relief of a stricken community requiring immediate address; to meet mandatory expenditures required by law

__ **Budget Revision** – transfers or reallocations between departments within the same fund, or anytime a reallocation within the same budget would authorize a new permanent position or a new capital purchase

__ **Budget Reduction** – a reduction in revenues and/or expenditures

Budget Number xxxxx.xxx.	11301.511	**Budget Name**	HHS Operations

REVENUE/SOURCE

BUDGET NUMBER xxxxx.xxx.	DEPT NAME	BARS NUMBER xxxxx.xx.xxxx	ACCOUNT DESCRIPTION	AMOUNT
11301.511	HHS Operations	33321.01.9010	DOH COVID-19 LHJ Local CARES	853,065
Total				853,065

EXPENDITURES

BUDGET NUMBER xxxxx.xxx.	DEPT NAME	BARS NUMBER xxxxx.xx.xxxx	ACCOUNT DESCRIPTION	AMOUNT
11301.511	HHS Operations	50800.00.0000	Ending Fund Balance	853,065
Total				853,065

Revenue/Source and Expenditure totals must agree.

REASON FOR BUDGET ACTION:

Funding is received from the Department of Health's Local Health Jurisdiction CARES contract to pay for salaries and wages of employees who are reassigned to Covid-19 pandemic activities.

County Official Approval: _____
(Obtain Budget Office Approval Prior to Submission to Clerk of the Board)

88

Revised: J:\UsersPvt\Ky-dc\2019\Q3 2019 Budget Changes\HHS OPS CARES Supplemental 2021.docx

CLALLAM COUNTY BUDGET CHANGE FORM

RECEIVED
CLALLAM CO. FINANCE
JUN 18 2021

Date Submitted: 6-17-21 **Budget Hearing/Meeting Date:** 7-27-21

_X_ **Supplemental Appropriation** – increased expenditures due to unanticipated federal, state, or local funds

__ **Debatable Emergency** – public emergency other than a non-debatable emergency which could not reasonably have been foreseen at the time of making the budget, requiring the expenditure of money not provided for in the budget.

__ **Non-debatable Emergency** – for the relief of a stricken community requiring immediate address; to meet mandatory expenditures required by law

__ **Budget Revision** – transfers or reallocations between departments within the same fund, or anytime a reallocation within the same budget would authorize a new permanent position or a new capital purchase

__ **Budget Reduction** – a reduction in revenues and/or expenditures

Budget Number xxxxx.xxx.	11301.511	**Budget Name**	HHS Operations

REVENUE/SOURCE

BUDGET NUMBER xxxxx.xxx.	DEPT NAME	BARS NUMBER xxxxx.xx.xxxx	ACCOUNT DESCRIPTION	AMOUNT
11301.511	HHS Operations	33393.32.3000	DOH ELC COVID-19	90,289
Total				90,289

EXPENDITURES

BUDGET NUMBER xxxxx.xxx.	DEPT NAME	BARS NUMBER xxxxx.xx.xxxx	ACCOUNT DESCRIPTION	AMOUNT
11301.511	HHS Operations	56210.10.0500	Overtime	5,000
11301.511	HHS Operations	50800.00.0000	Ending Fund Balance	85,289
Total				90,289

Revenue/Source and Expenditure totals must agree.

REASON FOR BUDGET ACTION:

Funding is received from the Department of Health's Local Health Jurisdiction CARES contract to pay for salaries and wages of employees who are performing contact tracing for the Covid-19 pandemic.

County Official Approval: _____
(Obtain Budget Office Approval Prior to Submission to Clerk of the Board)

Revised: J:\UsersPvt\Ky-dc\2019\Q3 2019 Budget Changes\HHS OPS ELC Contact Tracing CARES Supplemental 2021.docx

RECEIVED
CLALLAM CO. FINANCE
JUN 18 2021

CLALLAM COUNTY BUDGET CHANGE FORM

Date Submitted: 6-17-21 **Budget Hearing/Meeting Date:** 7-27-21 ✓

_X_ ✓ **Supplemental Appropriation** – increased expenditures due to unanticipated federal, state, or local funds

__ **Debatable Emergency** – public emergency other than a non-debatable emergency which could not reasonably have been foreseen at the time of making the budget, requiring the expenditure of money not provided for in the budget.

__ **Non-debatable Emergency** – for the relief of a stricken community requiring immediate address; to meet mandatory expenditures required by law

__ **Budget Revision** – transfers or reallocations between departments within the same fund, or anytime a reallocation within the same budget would authorize a new permanent position or a new capital purchase

__ **Budget Reduction** – a reduction in revenues and/or expenditures

Budget Number xxxxx.xxx.	11301.511 ✓	**Budget Name**	HHS Operations ✓

REVENUE/SOURCE

BUDGET NUMBER xxxxx.xxx.	DEPT NAME	BARS NUMBER xxxxx.xx.xxxx	ACCOUNT DESCRIPTION	AMOUNT
11301.511 ✓	HHS Operations ✓	33404.20.0220 ✓	Dept of Commerce Shelter Program Grant	402,894
Total				402,894 ✓

EXPENDITURES

BUDGET NUMBER xxxxx.xxx.	DEPT NAME	BARS NUMBER xxxxx.xx.xxxx	ACCOUNT DESCRIPTION	AMOUNT
11301.511 ✓	HHS Operations ✓	56230.41.0020 ✓	Professional Services	402,894
Total				402,894 ✓

Revenue/Source and Expenditure totals must agree.

REASON FOR BUDGET ACTION:

Department of Commerce grant adds funding of $402,894 to build an addition at Serenity House to house and provide services to the homeless population.

County Official Approval: _____
(Obtain Budget Office Approval Prior to Submission to Clerk of the Board)

RECEIVED
CLALLAM CO. FINANCE
JUN 18 2021

CLALLAM COUNTY BUDGET CHANGE FORM

Date Submitted: 6-17-21 **Budget Hearing/Meeting Date:** 7-27-21 ✓

_X_✓ **Supplemental Appropriation** – increased expenditures due to unanticipated federal, state, or local funds

__ **Debatable Emergency** – public emergency other than a non-debatable emergency which could not reasonably have been foreseen at the time of making the budget, requiring the expenditure of money not provided for in the budget.

__ **Non-debatable Emergency** – for the relief of a stricken community requiring immediate address; to meet mandatory expenditures required by law

__ **Budget Revision** – transfers or reallocations between departments within the same fund, or anytime a reallocation within the same budget would authorize a new permanent position or a new capital purchase

__ **Budget Reduction** – a reduction in revenues and/or expenditures

Budget Number xxxxx.xxx.	00100.513 ✓	**Budget Name**	HHS Administration

REVENUE/SOURCE

BUDGET NUMBER xxxxx.xxx.	DEPT NAME	BARS NUMBER xxxxx.xx.xxxx	ACCOUNT DESCRIPTION	AMOUNT
00100.513 ✓	HHS Administration ✓	33321.01.9010 ✓	DOH COVID-19 LHJ Local CARES	44,586
Total				44,586 ✓

EXPENDITURES

BUDGET NUMBER xxxxx.xxx.	DEPT NAME	BARS NUMBER xxxxx.xx.xxxx	ACCOUNT DESCRIPTION	AMOUNT
00100.513 ✓	HHS Administration ✓	56210.10.0500 ✓	Overtime	5,000
~~00100.513~~ 00100.293	~~HHS Administration~~ General Fund	50800.00.0000 ✓ Reserves	Ending Fund Balance	39,586
Total				44,586 ✓

Revenue/Source and Expenditure totals must agree.

REASON FOR BUDGET ACTION:

Additional revenue was received from the Department of Health Consolidated Contract for services related to providing Covid-19 response activities.

County Official Approval: _____
(Obtain Budget Office Approval Prior to Submission to Clerk of the Board)

86

RECEIVED
CLALLAM CO. FINANCE
JUN 18 2021

CLALLAM COUNTY BUDGET CHANGE FORM

Date Submitted: 6-17-21 **Budget Hearing/Meeting Date:** 7-27-21

_X_ **Supplemental Appropriation** – increased expenditures due to unanticipated federal, state, or local funds

__ **Debatable Emergency** – public emergency other than a non-debatable emergency which could not reasonably have been foreseen at the time of making the budget, requiring the expenditure of money not provided for in the budget.

__ **Non-debatable Emergency** – for the relief of a stricken community requiring immediate address; to meet mandatory expenditures required by law

__ **Budget Revision** – transfers or reallocations between departments within the same fund, or anytime a reallocation within the same budget would authorize a new permanent position or a new capital purchase

__ **Budget Reduction** – a reduction in revenues and/or expenditures

Budget Number xxxxx.xxx.	00100.511	**Budget Name**	HHS Environmental Health

REVENUE/SOURCE

BUDGET NUMBER xxxxx.xxx.	DEPT NAME	BARS NUMBER xxxxx.xx.xxxx	ACCOUNT DESCRIPTION	AMOUNT
00100.511	HHS Environmental Health	33366.12.3160	EPA NTA OSS MRA Phase 2	86,000
Total				86,000

EXPENDITURES

BUDGET NUMBER xxxxx.xxx.	DEPT NAME	BARS NUMBER xxxxx.xx.xxxx	ACCOUNT DESCRIPTION	AMOUNT
00100.511	HHS Env Health	56254.31.0010	Office Supplies	2,350
00100.511	HHS Env Health	56254.41.0020	Professional Services	300
00100.511	HHS Env Health	56254.42.0020	Postage	2,500
00100.511	HHS Env Health	56254.43.0010	Travel Business	250
00100.511	HHS Env Health	56254.43.0020	Travel Training	2,250
00100.511	HHS Env Health	56254.41.4410	Advertising	8,100
00100.511	HHS Env ~~ehalth~~	56254.45.0010	Building/Office Rental	1,875
00100.511	HHS Env Health	56254.49.0060	Registration - Septic	400
00100.511	HHS Env Health	56254.49.0150	Homeowner Incentives	6,700
00100.511	HHS Env Health	56254.49.0030	Printing and Binding	250
00100.293	General Fund Reserves	50800.00.0000	Ending Fund Balance	61,025
Total				86,000

Revenue/Source and Expenditure totals must agree.

REASON FOR BUDGET ACTION:

Funding is being received from the Department of Health to provide services in the onsite septic system program.

County Official Approval: _____
(Obtain Budget Office Approval Prior to Submission to Clerk of the Board)

Revised: J:\UsersPvt\Ky-dc\2019\Q3 2019 Budget Changes\DOH NTA OSS MRA Phase 2 Supplemental 2021.docx

RECEIVED
CLALLAM CO. FINANCE
JUN 18 2021

CLALLAM COUNTY BUDGET CHANGE FORM

Date Submitted: 6-17-21 **Budget Hearing/Meeting Date:** 7-27-21

_X_ **Supplemental Appropriation** – increased expenditures due to unanticipated federal, state, or local funds

__ **Debatable Emergency** – public emergency other than a non-debatable emergency which could not reasonably have been foreseen at the time of making the budget, requiring the expenditure of money not provided for in the budget.

__ **Non-debatable Emergency** – for the relief of a stricken community requiring immediate address; to meet mandatory expenditures required by law

__ **Budget Revision** – transfers or reallocations between departments within the same fund, or anytime a reallocation within the same budget would authorize a new permanent position or a new capital purchase

__ **Budget Reduction** – a reduction in revenues and/or expenditures

Budget Number xxxxx.xxx.	00100.511	Budget Name	HHS Environmental Health

REVENUE/SOURCE

BUDGET NUMBER xxxxx.xxx.	DEPT NAME	BARS NUMBER xxxxx.xx.xxxx	ACCOUNT DESCRIPTION	AMOUNT
00100.511	HHS Environmental Health	33321.01.9010	DOH COVID-19 LHJ Local CARES	108,647
Total				108,647

EXPENDITURES

BUDGET NUMBER xxxxx.xxx.	DEPT NAME	BARS NUMBER xxxxx.xx.xxxx	ACCOUNT DESCRIPTION	AMOUNT
00100.293	General Fund Reserves	50800.00.0000	Ending Fund Balance	108,647
Total				108,647

Revenue/Source and Expenditure totals must agree.

REASON FOR BUDGET ACTION:

Funding is received from the Department of Health's Local Health Jurisdiction CARES contract to pay for salaries and wages of employees who are reassigned to Covid-19 pandemic activities.

County Official Approval: _____
(Obtain Budget Office Approval Prior to Submission to Clerk of the Board)

Revised: J:\UsersPvt\Ky-dc\2019\Q3 2019 Budget Changes\EH CARES Supplemental 2021.docx

RECEIVED
CLALLAM CO. FINANCE
JUN 18 2021

CLALLAM COUNTY BUDGET CHANGE FORM

Date Submitted: 6-17-21 **Budget Hearing/Meeting Date:** 7-27-21

_X_ **Supplemental Appropriation** – increased expenditures due to unanticipated federal, state, or local funds

__ **Debatable Emergency** – public emergency other than a non-debatable emergency which could not reasonably have been foreseen at the time of making the budget, requiring the expenditure of money not provided for in the budget.

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__ **Budget Reduction** – a reduction in revenues and/or expenditures

Budget Number xxxxx.xxx.	00100.511	**Budget Name**	HHS Environmental Health

REVENUE/SOURCE

BUDGET NUMBER xxxxx.xxx.	DEPT NAME	BARS NUMBER xxxxx.xx.xxxx	ACCOUNT DESCRIPTION	AMOUNT
00100.511	HHS Env Health	33403.10.1020	DOE Watershed PIC Project	65,593
Total				65,593

EXPENDITURES

BUDGET NUMBER xxxxx.xxx.	DEPT NAME	BARS NUMBER xxxxx.xx.xxxx	ACCOUNT DESCRIPTION	AMOUNT
00100.511	HHS Env Health	56260.31.0010	Office Supplies	2,060
00100.511	HHS Env Health	56260.31.0020	Operating Supplies	100
00100.511	HHS Env Health	56260.41.0020	Professional Services	31,760
00100.511	HHS Env Health	56260.42.0020	Postage	450
00100.511	HHS Env Health	56260.43.0010	Travel Business	100
00100.511	HHS Env Health	56260.43.0020	Travel Training	860
00100.511	HHS Env Health	56252.31.0075	Laboratory Supplies	9,850
00100.511	HHS Env Health	56260.45.0010	Building Office Rental	200
~~00100.511~~	~~HHS Env Health~~	50800.00.0000	Ending Fund Balance	20,213
00100.293	General Fund	Reserves		
Total				65,593

Revenue/Source and Expenditure totals must agree.

REASON FOR BUDGET ACTION:

Additional funding is being received from the Department of Ecology for the PIC , Pollution Identification and Control, Project.

County Official Approval: _____
(Obtain Budget Office Approval Prior to Submission to Clerk of the Board)

RECEIVED
CLALLAM CO. FINANCE
JUL 06 2021

CLALLAM COUNTY BUDGET CHANGE FORM

7/6/2021

Date Submitted: ~~7/2/2021~~ **Budget Hearing/Meeting Date:** 7/27/2021

x__ **Supplemental Appropriation** – increased expenditures due to unanticipated federal, state, or local funds
__ **Debatable Emergency** – public emergency other than a non-debatable emergency which could not reasonably have been foreseen at the time of making the budget, requiring the expenditure of money not provided for in the budget.
__ **Non-debatable Emergency** – for the relief of a stricken community requiring immediate address; to meet mandatory expenditures required by law
__ **Budget Revision** – transfers or reallocations between departments within the same fund, or anytime a reallocation within the same budget would authorize a new permanent position or a new capital purchase
__ **Budget Reduction** – a reduction in revenues and/or expenditures

Budget Number xxxxx.xxx.	00100.221 ✓	**Budget Name**	Auditor ✓

REVENUE/SOURCE

BUDGET NUMBER xxxxx.xxx.	DEPT NAME	BARS NUMBER xxxxx.xx.xxxx	ACCOUNT DESCRIPTION	AMOUNT
~~00100.211~~	Auditor ✓	34145.00.0000	Election Services	124,000
00100.221				
Total				124,000 ✓

EXPENDITURES

BUDGET NUMBER xxxxx.xxx.	DEPT NAME	BARS NUMBER xxxxx.xx.xxxx	ACCOUNT DESCRIPTION	AMOUNT
00100.221 ✓	Auditor ✓	51440.10.~~0060~~ 0600 ✓	Extra Help	7,500
		51440.20.0020 ✓	Benefits	1,500
		51440.31.0010 ✓	Office Supplies	210
		51440.41.4410 ✓	Advertising	250
		51440.42.0010 ✓	Telephone	450
		51440.42.0020 ✓	Postage	4,400
		51440.43.0010 ✓	Travel – Business	1,500
		51440.48.0040 ✓	Equipment Repair and Maintenance	7,800
		51440.49.0030 ✓	Printing and Binding	28,150
00100.293 ✓	General Fund Reserves ✓	50800.00.0000 ✓	Ending Fund Balance	72,240
Total				124,000 ✓

Revenue/Source and Expenditure totals must agree.

REASON FOR BUDGET ACTION:
Unbudgeted February Election

County Official Approval: _____
(Obtain Budget Office Approval Prior to Submission to Clerk of the Board)

96

Revised: J:\AUDITORS\Accounting\21 Budget\budget changes\February election.docx

6a
7/27/21

AGENDA ITEM SUMMARY

(Must be submitted NLT 3PM Wednesday for next week agenda)

Department: Public Works/HHS-EH

WORK SESSION ☒ **Meeting Date: 7/19/2021**

REGULAR AGENDA ☒ **Meeting Date: 7/27/2021**

Required originals approved and attached? ☐
Will be provided on:

Item summary:

☐ Call for Hearing
☐ Contract/Agreement/MOU - Contract #
☒ Resolution
☐ Proclamation
☐ Budget Item
☐ Draft Ordinance
☐ Final Ordinance
☐ Other

Documents exempt from public disclosure attached: ☐

Executive summary:
Clallam County Public Works in coordination with the cities of Forks, Port Angeles, Sequim, and the Solid Waste Advisory Committee completed a review and update of the Clallam County Solid Waste Management Plan (SWMP), required every five years. The final draft is the 2021 Clallam County Solid Waste Management Plan. The cities of Forks, Port Angeles, and Sequim have passed resolutions supporting the SWMP.

Budgetary impact: (Is there a monetary impact? If so, are funds for this already allocated or is a budget change necessary? If this is a contract and a budget change is necessary, the budget change form must be submitted with the item at work session and for the regular agenda) **If a budget action is required, has it been submitted and a copy attached?** ☐
None

Recommended action: (Does the Board need to act? If so, what is the department's recommendation?)
Please sign the resolution to adopt the Clallam County Solid Waste Management Plan.

County Official signature & print name: R Tyler, Ross Tyler P.E

Name of Employee/Stakeholder attending meeting: Jen Clarkson, Meggan Vecker

Relevant Departments: Public Works, HHS-EH

Date submitted: 7/14/2021

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* Work Session Meeting - Submit 1 single sided/not stapled copy
** Regular Meeting – Submit 1 single sided/not stapled copy and originals (1 or 3 copies)

Questions? Call Loni Gores, Clerk of the Board, ext 2256

RESOLUTION _____, 2021

ADOPTING THE 2021 SOLID WASTE MANAGEMENT PLAN

THE BOARD OF CLALLAM COUNTY COMMISSIONERS finds as follows:

1. The Washington State Legislature, pursuant to the provisions of Chapter 70A.205 Revised Code of Washington (RCW), enacted legislation to establish a comprehensive statewide program for solid waste handling and solid waste recovery and/or recycling which will prevent land, air, and water pollution and conserve the natural, economic, and energy resources of this state.

2. Pursuant to the provisions of Chapter 70A.205 RCW, each County within the state, in cooperation with the various cities located within such County, shall prepare a coordinated, comprehensive solid waste management plan.

3. Pursuant to the provisions of Chapter 70A.205 RCW and the Regional Solid Waste Export and Transfer System Interlocal Agreement between the cities of Port Angeles and Sequim and the County, the following governmental entities have agreed among themselves by actions of the governing authorities of the respective parties that there should be only one solid waste management plan to encompass the entirety of Clallam County:

   City of Port Angeles, a municipal corporation
   City of Sequim, a municipal corporation
   City of Forks, a municipal corporation.

4. Pursuant to Chapter 70A.205 RCW the Clallam County Solid Waste Advisory Committee and Solid Waste Staff have revised the Clallam County Solid Waste Management Plan.

NOW, THEREFORE, BE IT RESOLVED by the Board of Clallam County Commissioners, in consideration of the above findings of fact:

1. Adopts the 2021 Update of the Clallam County Solid Waste Management Plan for the management of solid waste in Clallam County.

PASSED AND ADOPTED this _____ day of _____ 2021.

BOARD OF CLALLAM COUNTY COMMISSIONERS

_____
Mark Ozias, Chair

_____
Randy Johnson

_____
Bill Peach

ATTEST:

_____
Loni Gores, CMC, Clerk of the Board

66
7/27/21

AGENDA ITEM SUMMARY

(Must be submitted NLT 3PM Wednesday for next week agenda)

Department: Public Works/Road

WORK SESSION ☒ **Meeting Date: 07/19/2021**

REGULAR AGENDA ☒ **Meeting Date: 07/27/2021**

Required originals approved and attached? ☒
Will be provided on:

Item summary:

- ☐ Call for Hearing
- ☒ Resolution
- ☐ Draft Ordinance
- ☐ Contract/Agreement/MOU - Contract #
- ☐ Proclamation
- ☐ Final Ordinance
- ☐ Budget Item
- ☐ Other

Documents exempt from public disclosure attached: ☐

Executive summary:

In 1993, due to changes in the regulations regarding the disposal of septage waste, the City of Sequim, and the County entered into the attached interlocal agreement (ILA) that would provide for a lower cost alternative to hauling septage waste out of the County for disposal. The evolution of other disposal options soon rendered this ILA moot and it was never used. The City of Sequim is seeking County concurrence to terminate this agreement per paragraph 8 sub (a) "This agreement shall terminate...by mutual agreement of the City and the County." The City has proposed a joint resolution for consideration by the County (attached).

Budgetary impact: (Is there a monetary impact? If so, are funds for this already allocated or is a budget change necessary? If this is a contract and a budget change is necessary, the budget change form must be submitted with the item at work session and for the regular agenda) **If a budget action is required, has it been submitted and a copy attached?** ☐

None

Recommended action: (Does the Board need to act? If so, what is the department's recommendation?)

That the Board reviews, approves and signs this resolution terminating this interlocal agreement.

County Official signature & print name: R Tyler, Ross Tyler

Name of Employee/Stakeholder attending meeting: Ross Tyler

Relevant Departments: Public Works/Road Dept.

Date submitted: 07/14/2021

CITY OF
SEQUIM

152 W. Cedar Street, Sequim, WA 98382
PH (360) 683-1139 FAX (360) 681-3448

June 22, 2021

Board of Clallam County Commissioners
Attn: Loni Gores, Clerk of the Board
223 East 4th Street
Port Angeles WA 98362

By email transmission only to: agores@co.clallam.wa.us

Re: Interlocal Agreement for Septage Treatment and Disposal (1993)

Dear Ms. Gores:

As you know, the utilities managers and the attorneys for the City of Sequim and the Board of County Commissioners are in agreement that a never-utilized 1993 Interlocal Agreement between the two agencies regarding septage treatment and disposal is obsolete and should be terminated.

Enclosed is a proposed joint resolution that we suggest be presented to the Board and the City Council to formally terminate this ILA. Please have the civil deputy look it over to see if it meets the County's needs. We are happy to revise it, if necessary. If no changes are needed, please present it to the Board at your earliest opportunity and send it back to us so we can do the same with the City Council.

I look forward to hearing back from you.

Sincerely,

Erika Hamerquist

Erika Hamerquist
Paralegal

Enc: as stated

JOINT RESOLUTION OF
THE CITY OF SEQUIM AND
THE CLALLAM COUNTY BOARD OF COMMISSIONERS

IN THE MATTER OF THE TERMINATION OF A 1993 INTERLOCAL AGREEMENT REGARDING SEPTAGE TREATMENT AND DISPOSAL		Clallam County Board of Commissioners Resolution No. _____ Sequim City Council Resolution No. _____

WHEREAS, in 1993 the City of Sequim and Clallam County entered into an Interlocal Agreement (ILA) in which the County proposed to pay to modify the City's sewer treatment facility so that residential systems outside Sequim's city limits but within the boundaries of the Sequim School District could utilize that facility for treatment and disposal of septage; and

WHEREAS, no such modifications to the City's treatment facility ever occurred; and

WHEREAS, in the intervening decades the City and County have entered other agreements regarding septage outside city limits that remain in effect; and

WHEREAS, the terms of the 1993 ILA state that it can only be terminated by mutual agreement of the City and County; and

WHEREAS, if the 1993 ILA is not being utilized or intended to be utilized, it is good governance to terminate it; and

WHEREAS, the City and the County mutually agree that the 1993 ILA should be terminated;

NOW, THEREFORE, the governing bodies of the City of Sequim and Clallam County RESOLVE AS FOLLOWS: The attached Interlocal Agreement signed on December 2, 1993 is TERMINATED BY MUTUAL AGREEMENT OF THE PARTIES, effective upon the last date of adoption below.

CLALLAM COUNTY BOARD OF COMMISSIONERS

ADOPTED at the regular meeting of the Board of County Commissioners on the _____ day of _____, 2021.

Approved as to form: Elizabeth Stanley Elizabeth Stanley, Civil Deputy Prosecutor ATTEST: Loni Gores, Clerk of the Board	_____ COMMISSIONER MARK OZIAS _____ COMMISSIONER RANDY JOHNSON _____ COMMISSIONER BILL PEACH

CITY COUNCIL OF SEQUIM, WASHINGTON

ADOPTED at the regular meeting of the Sequim City Council on the ____ day of _____, 2021.

_____
MAYOR WILLIAM ARMACOST, as authorized by the City Council

Approved as to form:

_____
Kristina Nelson-Gross, City Attorney

ATTEST:

_____
Sara McMillon, City Clerk

INTERLOCAL AGREEMENT

THIS AGREEMENT is entered into and between CLALLAM COUNTY, a political subdivision of the State of Washington, hereinafter referred to as the County, and THE CITY OF SEQUIM, a municipal corporation, hereinafter referred to as City.

WHEREAS, the County is faced with a public emergency regarding treatment of septage within Clallam County;

WHEREAS, the citizens of the County are desirous of reducing costs and increasing disposal options for septage;

WHEREAS, the City owns and operates a sewer treatment facility which could be modified to handle and treat septage; and

WHEREAS, the City and County would like to work cooperatively to address the public health emergency.

NOW, THEREFORE, the County and City make the following agreement:

1. Septage from residential systems within the boundaries of the Sequim School District shall be accepted and treated at the Sequim Sewer Treatment facilities if modified to accommodate septage disposal.

2. The cost of any modifications necessary to the Sequim sewer treatment facility shall be born entirely by the County. Planning, engineering, financing, permitting and any other matter necessary to plan and construct septage disposal facilities shall be the financial and logistical responsibility of the County; the City shall have final approval of plans and designs and oversee any modification needed to the treatment facilities.

3. By execution of this agreement, the city authorizes the county, its officers, employees and agents to have access to city property and facilities in order to facilitate the County's responsibilities under paragraph (2) above. To the greatest extent possible, the County shall give the City prior oral notification of its intention to access City property or facilities.

4. Upon completion of the modification to the City property to handle septage disposal, maintenance, operation and replacement shall be the responsibility of the City and the County shall have no financial responsibility, provided however that this agreement shall not be deemed to modify the responsibility of either party under any federal or state law relating to haz-

ardous waste.

5. Nothing herein shall be deemed to inhibit the cities ability to freely use any enhancement constructed for the disposal of septage from any source.

6. The parties understand and agree that a reasonable fee will be charged for the use of the septage processing and septage disposal system, and that such fee and the manner of collection of any such fee will be initially established and modified from time to time at the discretion of the City with input from a County representative. Fees to be retained by the City of Sequim.

7. The County and the City covenant that it is the intent of both parties and the intent of this agreement to comply with all Federal and State laws, regulations and court orders. With the intent of effectuating that understanding, notwithstanding any other provision in this contract, the City of Sequim reserves the right to unilaterally rescind this agreement if, and only if, such rescission is necessary to the City's compliance with any such Federal or State laws, regulations or court orders.

8. Except as provided in paragraph (7) hereinabove, This agreement shall terminate only under the following circumstances:

a. By mutual agreement of the City and County.

CITY OF SEQUIM

By: Edward Beggs
Mayor

Date: 12/2/93

ATTEST:

Lorna L. Muirhead
City Clerk

Approved as to Form

City Attorney

CLALLAM COUNTY

By: Dave Lauver
Chair, Board of County Commissioners

Date: December 2, 1993

ATTEST:

Karen Flores
Clerk of the Board

Approved as to Form

Deputy Prosecuting Attorney