



## Regular Council Meeting Agenda

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281 James D. Nabors Drive  
Council Chambers of Municipal Complex  
Monday, February 21, 2022 --- Meeting at 5:30 p.m.

Call to Order: Council President

Opening Prayer: Councilman Eric Brown

Pledge of Allegiance: Councilman Chris Brown

Roll Call:

Approval of Minutes: February 7, 2022 Regular Meeting

Approval of Agenda:

Reports from Standing Committees:

- Finance Committee: Colvin
- Public Safety Committee: Eric Brown
- Utilities Committee: Keel
- Parks and Recreation: Chris Brown
- Public Works Committee: Hardy
- Buildings and Properties: Tapley

Reports from Special Committees: None

Public Hearing: Rezone Multiple Properties

1. Arthur Day
2. Habitat for Humanity
3. Stonebridge Development Group

Report on Status of City Finances: January 2022

Proclamation: None

Unfinished Business: None

New Business:

1. Resolution 22-38: A Resolution to Award Bid 22-01, Project Clean Water, Project No. CS010329-04, to REV Construction, Inc. of Tuscaloosa for an Amount not to Exceed \$14,879,200
2. Resolution 22-39: A Resolution to Set a Public Hearing to Adopt the Most Recent Building and Fire Codes
3. Resolution 22-40: A Resolution to Authorize the Mayor to Execute a Master Agreement with TTL for Environmental Compliance Services
4. Resolution 22-41: A Resolution to Authorize the Mayor to Execute a Non-Participant Contract with Electric Cities of Georgia, Inc. for Various Safety Training Services

5. Resolution 22-42: A Resolution to Set a Public Hearing for Monday, March 21, 2022, to Rezone Multiple Parcels Approved by the Planning Commission on February 15, 2022
6. Resolution 22-43: A Resolution to Authorize the Mayor to Expend Recovery Act Funds Based on the Coronavirus State and Local Fiscal Recovery Funds: Final Rule

Executive Session:

Public Comments (3 minutes per speaker):

Comments from the Mayor:

Comments from the Finance Director:

Comments from the City Clerk:

Comments from the Council:

Adjournment:



## City Council Public Hearing

281 James D. Nabors Drive  
Council Chambers

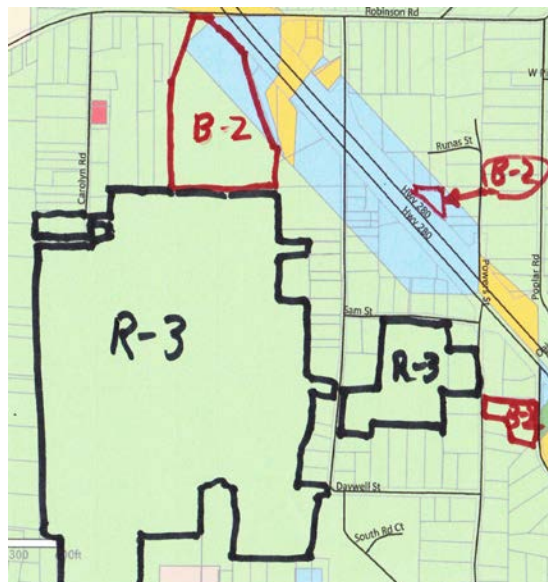
Monday, February 21, 2022 --- Meeting at 5:30 p.m.

The City Council of the City of Alexander City, Alabama, will have a public hearing on Monday, February 21, 2022, to hear public comments concerning the below described property:

- A. Name of the Petitioner: Arthur Day
- B. The proposed rezoning ordinance may be inspected in the City Clerk's Office located in the Municipal Complex at 281 James D. Nabors Drive
- C. & D. General Description: Hwy 280 and Robinson Road
  - 1) **62-05-09-29-3-001-041.000** SEE EXHIBIT "A"  
from B-1 (Neighborhood Business)/R-2 (Medium Density Residential) to B-2 (General Business)
  - 2) **62-05-09-32-2-002-009.000** SEE EXHIBIT "A"  
from R-2 (Medium Density Residential) to R-3 (High Density Residential)
  - 3) **62-05-09-32-2-001-014.000** SEE EXHIBIT "A"  
from R-2 (Medium Density Residential) to R-3 (High Density Residential)
  - 4) **62-05-09-32-1-002-002.000** SEE EXHIBIT "A"  
from R-2 (Medium Density Residential) to R-3 (High Density Residential)
  - 5) **62-05-09-32-1-002-025.000** SEE EXHIBIT "A"  
from R-2 (Medium Density Residential) to B-2 (General Business)
  - 6) **62-05-09-32-2-001-001.001** SEE EXHIBIT "A"  
from B-1 (Neighborhood Business) to B-2 (General Business)
- E. Monday, February 21, 2022 at 5:30 p.m. in the Council Chambers

The meeting will be accessible to all persons. If you or someone attending have a disability which may require special services, materials or assistance or need further information please contact Jan Jones with the Alexander City Zoning Department at (256) 329-8426.

The meeting will be held in compliance with the Open Meetings Act.





## City Council Public Hearing

281 James D. Nabors Drive  
Council Chambers

Monday, February 21, 2022 --- Meeting at 5:30 p.m.

The City Council of the City of Alexander City, Alabama, will have a public hearing on Monday, February 21, 2022, to hear public comments concerning the below described property:

- A. Name of the Petitioner: Habitat for Humanity
- B. The proposed rezoning ordinance may be inspected in the City Clerk’s Office located in the Municipal Complex at 281 James D. Nabors Drive
- C. General Description: 1201 Maple Street

Parcels: 62-05-08-34-4-001-062.004

- D. B-2 (General Business) to R-2 (Medium Density Residential)
- E. Monday, February 21, 2022 at 5:30 p.m. in the Council Chambers

The meeting will be accessible to all persons. If you or someone attending have a disability which may require special services, materials or assistance or need further information please contact Jan Jones with the Alexander City Zoning Department at (256) 329-8426.

The meeting will be held in compliance with the Open Meetings Act.





## City Council Public Hearing

281 James D. Nabors Drive  
Council Chambers

Monday, February 21, 2022 --- Meeting at 5:30 p.m.

The City Council of the City of Alexander City, Alabama, will have a public hearing on Monday, February 21, 2022, to hear public comments concerning the below described property:

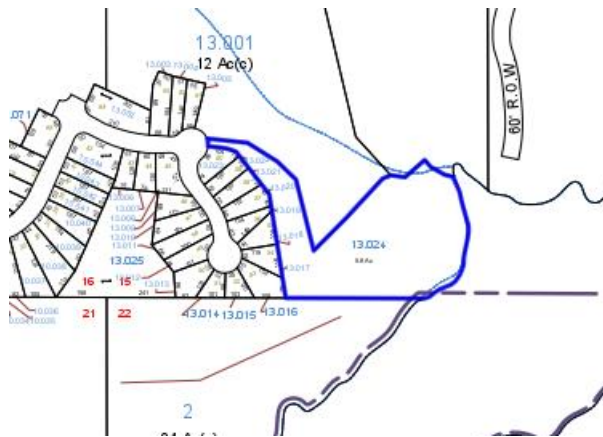
- A. Name of the Petitioner: Stonebridge Development Group
- B. The proposed rezoning ordinance may be inspected in the City Clerk’s Office located in the Municipal Complex at 281 James D. Nabors Drive
- C. General Description: 3999 Hwy 63 S.

Parcels: 62-12-05-15-0-000-013.024

- D. PD (Planned Development) to B-2 (General Business)
- E. Monday, February 21, 2022 at 5:30 p.m. in the Council Chambers

The meeting will be accessible to all persons. If you or someone attending have a disability which may require special services, materials or assistance or need further information please contact Jan Jones with the Alexander City Zoning Department at (256) 329-8426.

The meeting will be held in compliance with the Open Meetings Act.



**RESOLUTION NO. 22-38**

**A Resolution to Award Bid 22-01, Project Clean Water, Project No. CS010329-04, to REV Construction, Inc. of Tuscaloosa for an Amount not the Exceed \$14,879,200**

**WHEREAS**, Bid 22-01, Project Clean Water was opened and read aloud on Thursday, February 10, 2022, by the Alexander City Clerk's Office, at the Municipal Complex; and

**WHEREAS**, the following are the bids that were received:

- Norris Brothers Excavating,
- REV Construction, Inc., and
- L&K Contracting Co., Inc;

**WHEREAS**, it was determined by Jacobs and the City staff that Rev Construction, Inc. of Tuscaloosa, Alabama, submitted the lowest responsible and responsive bid; and

**WHEREAS**, a 4.3% (\$650,000) variance is included in said bid to be used if needed for any unforeseen needed work and/or change orders as necessary; and

**WHEREAS**, funding for said bid is partially provided by the SRF loan, which the application was approved by City Council on November 15, 2021, Resolution 22-18; and

**THEREFORE, BE IT RESOLVED** by the City Council of the City of Alexander City, Alabama, be and hereby awards Bid 22-01, Project Clean Water, Project No. CS010329-04 to REV Construction, Inc of Tuscaloosa, Alabama for an amount not to exceed \$14,879,200; and

**FURTHER, BE IT RESOLVED** the Mayor is hereby authorized to sign any and all contracts / documents pertaining to Bid 22-02 and any change orders up to \$14,879,200.

**ADOPTED AND APPROVED** this 21<sup>st</sup> of February 2022.

**ATTEST:**

\_\_\_\_\_  
Amanda F. Thomas, City Clerk

\_\_\_\_\_  
Audrey "Buffy" Colvin, Council President

\_\_\_\_\_  
Curtis "Woody" Baird, Mayor

Resolution: 22-38

**CERTIFICATION OF CITY CLERK**

The undersigned, as City Clerk of the City of Alexander City, Alabama, hereby certifies that the foregoing is a true, correct and complete copy of **Resolution No. 22-38** which was adopted by the City Council on this 21<sup>st</sup> of February 2022.

**WITNESS MY SIGNATURE**, as City Clerk of the City Alexander City, Alabama, under the seal thereof, this 21<sup>st</sup> of February 2022.

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City Clerk of the  
City of Alexander City, Alabama

S E A L

Yeas: \_\_\_\_\_

Nays: \_\_\_\_\_



February 15, 2022

Attention: Mayor Woody Baird  
City of Alexander City, Alabama  
281 James D. Nabors Drive  
Alexander City, Alabama 35010

**Subject: Bid 22-01 – Project Clean Water**

Dear Mr. Baird,

The City of Alexander City opened sealed bids by Alabama-licensed, General Contractors interested in the construction of Bid 22-01 – Project Clean Water. The following firms submitted sealed proposals that were opened and publicly read aloud by the City Clerk at 2:00 PM on February 10, 2022, at the Alexander City, AL City Complex in the order that they were received:

- Norris Brothers Excavating
- Rev Construction, Inc.
- L&K Contracting Company, Inc.

All bids received and opened had indication of the Alabama General Contractor's license number on the outside of the envelope. A bid tabulation is provided as Attachment A to this memorandum that summarizes and compares the proposals for specific line items included in Bid 22-01 – Project Clean Water.

Jacobs has completed a review of the three referenced bids which ranged from \$9,241,102 to \$16,024,345. The Engineer's Estimate for the project included in the bid was \$13,169,300.

The apparent low bidder for the project based on three bids received is Norris Brothers Excavating with a bid of \$9,241,102. However, while Norris Brothers Excavating submitted the Proposal, they did not submit the correct Proposal per Addendum No. 1, nor acknowledge the addendum with their bid as required in the Instructions to Bidders for a complete, responsive bid. Documentation of employment verification was not provided. Therefore, Norris Brothers Excavating is considered not responsive due to failure to submit documentation as specified in the Invitation to Bid. Also, after review of the three bids and discussion with Norris Brothers Excavating, Jacobs also deems their bid not responsible based on the lack of expertise necessary to complete the project as designed per the bid documents. Jacobs also contacted references for Norris Brothers Excavating, and references did not speak highly of Norris Brothers Excavating and their ability to meet proposed schedule or budget. Therefore, Norris Brothers Excavating is also considered not responsible.

The next apparent low bidder is Rev Construction, Inc., with a bid of \$14,879,200. Rev Construction, Inc. submitted all forms and required documentation with their bid as required by the Invitation to Bid. Jacobs spoke with a representative of Rev Construction, Inc. following the bid opening and the representative confirmed that the bid provided by Rev Construction, Inc. was still supported.

Rev Construction, Inc. recently worked with Jacobs on two projects listed in their references. Jacobs has been pleased with their work and ability to meet project schedule and budget. Jacobs also



contacted five of the other references listed in their bid package which all provided good reviews for Rev Construction, Inc.

Based on the above evaluation, Jacobs recommends that the City award Bid 22-01 – Project Clean Water to Rev Construction, Inc., as the lowest responsive and responsible bidder for the total proposed contract amount of \$14,879,200.

Please contact me with any questions or clarifications on this recommendation at [alexandra.houston@jacobs.com](mailto:alexandra.houston@jacobs.com), or at 806-584-1949.

Sincerely,

A handwritten signature in blue ink that reads "Alexandra Houston". The signature is written in a cursive style with a long horizontal flourish extending to the right.

Alex Houston, PE  
Project Manager

Copy: Gerard Brewer/City of Alexander City  
John McWhorter/City of Alexander City  
Lynn Miller/City of Alexander City  
Dana Raughton/ Project Manager, Jacobs

**\*\*\*BID TABULATION\*\*\***


**Bid 22-01 – Project Clean Water**

**City of Alexander City, Alabama**

Bid Date: February 10, 2022 at 2:00 PM

<b>Company</b>	<b>AL License #</b>	<b>Total Base Bid Amount</b>
<b>Norris Brothers Excavating</b> 22 Northside Lane Crossville, TN 38571	<b>#49033</b> Expires 4/30/22	<b>\$9,241,102</b>
<b>Rev Construction, Inc.</b> 5801 Grover Burchfield Dr. Tuscaloosa, AL 35401	<b>#40131</b> Expires 5/31/22	<b>\$14,879,200</b>
<b>L&amp;K Contracting Company, Inc.</b> 2932 Ross Clark Circle PO Box 175 Dothan, AL 36301	<b>#21631</b> Expires 3/31/22	<b>\$16,024,345</b>

I certify that this is a true and correct tabulation of the bids received for this project.



Alex Houston, PE

**BID PROPOSAL**

**Project Clean Water**

**Norris Brothers Excavating**

**Rev Construction**

**L&K**

No.	Item	Unit	Norris Brothers Excavating			Rev Construction			L&K		
			Quantity	Unit Price	Total Item Price	Quantity	Unit Price	Total Item Price	Quantity	Unit Price	Total Item Price
1	Mobilization/Demobilization	LS	-	\$800,000	\$800,000	-	\$720,000	\$720,000	-	\$650,000	\$650,000
2	<b>Gravely Sewer Main</b>										
	a. 12-inch Ductile Iron Pipe Direct Bury	LF	1,300	\$145	\$188,500	1,300	\$160	\$208,000	1,300	\$145	\$188,500
	b. 20-inch Ductile Iron Pipe Direct Bury	LF	1,000	\$255	\$255,000	1,000	\$280	\$280,000	1,000	\$300	\$300,000
	c. Manholes	EA	10	\$6,000	\$60,000	10	\$8,000	\$80,000	10	\$10,750	\$107,500
3	<b>Force Main</b>										
	a. 10-inch HDPE Direct Bury	LF	17,300	\$80	\$1,384,000	18,190	\$75	\$1,364,250	18,190	\$60	\$1,091,400
	b. 10-inch HDPE Fittings	EA	110	\$500	\$55,000	110	\$500	\$55,000	110	\$850	\$93,500
	c. 20-inch HDPE Direct Bury Casing	LF	270	\$380	\$102,600	270	\$135	\$36,450	270	\$293	\$79,110
	d. 10-inch HDPE Horizontal Directional Drill and Associated Workshafts	LF	15,550	\$120	\$1,866,000	14,580	\$250	\$3,645,000	14,580	\$336	\$4,898,880
	e. 20-inch HDPE Horizontal Directional Drill Casing with 10-inch HDPE Carrier and Associated Workshafts	LF	1,250	\$440	\$550,000	1,300	\$800	\$1,040,000	1,300	\$1,100	\$1,430,000
	f. 24-inch Steel Cased Undercrossing with 10-inch HDPE Carrier and Associated Workshafts	LF	1,000	\$445	\$445,000	1,100	\$715	\$786,500	1,100	\$369	\$405,900
	g. Combustion Air Release Valve Assemblies and Manholes	EA	18	\$4,000	\$72,000	18	\$19,000	\$342,000	18	\$18,250	\$328,500
	h. Hot Tap of 30-inch Main and Associated Dishouse Manhole on Existing 30-inch RCP Sewer	LS	-	\$36,000	\$36,000	-	-	\$13,000	-	-	\$15,950
	i. 16-inch Steel Casing with Cement Coating with 10-inch HDPE Carrier pipe	EA	-	-	-	170	\$200	\$34,000	170	\$269	\$45,730
4	<b>Pump Station 1</b>										
	a. Site Preparation and Improvements	LS	-	-	\$25,000	-	-	\$125,000	-	-	\$378,000
	b. Cast-in-Place Wet Well and Valve Vault	LS	-	-	\$280,000	-	-	\$960,000	-	-	\$800,000
	c. Cast-in-Place 8' by 8' Bypass Box	LS	-	-	\$50,000	-	-	\$100,000	-	-	\$116,000
	d. Submersible Pumps and Associated Components	LS	-	-	\$180,000	-	-	\$195,000	-	-	\$208,000
	e. Diesel Fueled Self Priming Pump and Associated Components	LS	-	-	\$80,000	-	-	\$80,000	-	-	\$122,500
	f. Mechanical Piping and Valves	LS	-	-	\$30,000	-	-	\$205,000	-	-	\$214,500
	g. Electrical Building and Associated Equipment	LS	-	-	\$280,000	-	-	\$250,000	-	-	\$316,500
	h. Instrumentation and Controls	LS	-	-	\$145,000	-	-	\$125,000	-	-	\$145,500
	i. Gravel Driveway and Surfacing	LS	-	-	\$20,000	-	-	\$60,000	-	-	\$14,100
	j. Fencing	LS	-	-	\$20,000	-	-	\$15,000	-	-	\$17,625
	k. Area Lighting	LS	-	-	\$5,000	-	-	\$20,000	-	-	\$10,500
l. Flow Meter and Vault	LS	-	-	\$40,000	-	-	\$30,000	-	-	\$50,900	
5	<b>Pump Station 2</b>										
	a. Site Preparation and Improvements	LS	-	-	\$30,000	-	-	\$125,000	-	-	\$230,000
	b. Cast-in-Place Wet Well and Valve Vault	LS	-	-	\$280,000	-	-	\$990,000	-	-	\$816,000
	c. Cast-in-Place 8' by 8' Bypass Box	LS	-	-	\$60,000	-	-	\$100,000	-	-	\$116,000
	d. Submersible Pumps and Associated Components	LS	-	-	\$175,000	-	-	\$260,000	-	-	\$253,000
	e. Diesel Fueled Self Priming Pump and Associated Components	LS	-	-	\$80,000	-	-	\$85,000	-	-	\$127,000
	f. Mechanical Piping and Valves	LS	-	-	\$30,000	-	-	\$265,000	-	-	\$265,450
	g. Electrical Building and Associated Equipment	LS	-	-	\$280,000	-	-	\$250,000	-	-	\$316,500
	h. Instrumentation and Controls	LS	-	-	\$150,000	-	-	\$125,000	-	-	\$146,000
	i. Gravel Driveway and Surfacing	LS	-	-	\$25,000	-	-	\$40,000	-	-	\$25,000
	j. Fencing	LS	-	-	\$25,000	-	-	\$30,000	-	-	\$35,000
	k. Area Lighting	LS	-	-	\$5,000	-	-	\$20,000	-	-	\$10,500
l. Flow Meter and Vault	LS	-	-	\$40,000	-	-	\$30,000	-	-	\$51,000	
m. Activated Carbon Odor Control System	LS	-	-	\$122,000	-	-	\$120,000	-	-	\$185,000	
6	Demolition of Existing Pump Station, Package Treatment System, Septic System	LS	-	-	\$50,000	-	-	\$75,000	-	-	\$53,000
7	Monolithic Lining of Manholes and Wet Wells	LS	-	-	\$40,000	-	-	\$280,000	-	-	\$308,200
8	<b>Site Restoration</b>										
	a. Grass Restoration	LS	-	-	\$1	-	-	\$175,000	-	-	\$70,000
	b. Asphalt Pavement and Driveway Restoration	LS	-	-	\$1	-	-	\$80,000	-	-	\$35,000
9	<b>Erosion &amp; Sedimentation Control</b>										
	a. NOI and CBMPP	LS	-	-	\$80,000	-	-	\$80,000	-	-	\$13,100
	b. Installation, Maintenance, Monitoring, and Removal of BMPs	LS	-	-	\$20,000	-	-	\$150,000	-	-	\$160,000
10	Traffic Control Plan / Maintenance / Protection	LS	-	-	\$50,000	-	-	\$50,000	-	-	\$36,000

**BID PROPOSAL**  
**Project Clean Water**

**Norris Brothers Excavating**

**Rev Construction**

**L&K**

No.	Item	Unit	Norris Brothers Excavating			Rev Construction			L&K		
			Quantity	Unit Price	Total Item Price	Quantity	Unit Price	Total Item Price	Quantity	Unit Price	Total Item Price
11	Sanitary Sewer Flow Bypass Pumping/Flow Control	LS	-	-	\$25,000	-	-	\$50,000	-	-	\$56,000
12	Dewatering	LS	-	-	\$55,000	-	-	\$80,000	-	-	\$37,500
13	Tree and Shrub Restoration Allowance	ALLOW	-	-	\$50,000	-	-	\$50,000	-	-	\$50,000
14	Unanticipated Rock Excavation Allowance	ALLOW	-	-	\$100,000	-	-	\$100,000	-	-	\$100,000
15	Owner's General Allowance	ALLOW	-	-	\$500,000	-	-	\$500,000	-	-	\$500,000
<b>SUM OF BID ITEMS AND ALLOWANCE ITEMS</b>					<b>\$9,241,102</b>		<b>\$14,879,200</b>		<b>\$16,024,345</b>		

**RESOLUTION NO. 22-39**

**A Resolution to Set a Public Hearing to Adopt the Most Recent Building and Fire Codes**

**BE IT RESOLVED**, the City Council of Alexander City, Alabama hereby sets a public hearing during the regularly scheduled Council meeting scheduled for Monday, March 21, 2022, at 5:30 p.m. to hear public comments regarding the adoption of the following codes:

1. 2021 International Building Code,
2. 2021 International Residential Code for One-and Two-Family Dwellings,
3. 2021 International Fire Code, NFPA 1, and all referenced codes,
4. 2021 International Wildland Urban Interface Code,
5. 2021 International Energy Conservation Code,
6. 2021 International Mechanical Code,
7. 2021 International Plumbing Code,
8. 2021 International Fuel Gas Code,
9. 2021 International Private Sewage Disposal Code,
10. 2021 International Existing Building Code,
11. 2021 International Swimming Pool and Spa Code,
12. 2021 International Property Maintenance Code,
13. 2021 International Zoning Code,
14. 2021 ICC Performance Code for Buildings and Facilities,
15. 2021 International Green Construction Code,
16. 2020 National Electric Code (NEC).

The City Clerk is hereby instructed to follow Section 11-45-8, Code of Alabama 1975, for publication and inspection requirements.

**ADOPTED AND APPROVED** this 21<sup>st</sup> of February 2022.

**ATTEST:**

\_\_\_\_\_  
Amanda F. Thomas, City Clerk

\_\_\_\_\_  
Audrey "Buffy" Colvin, Council President

\_\_\_\_\_  
Curtis "Woody" Baird, Mayor

Resolution: 22-39

**CERTIFICATION OF CITY CLERK**

The undersigned, as City Clerk of the City of Alexander City, Alabama, hereby certifies that the foregoing is a true, correct and complete copy of **Resolution No. 22-39** which was adopted by the City Council on this 21<sup>st</sup> of February 2022.

**WITNESS MY SIGNATURE**, as City Clerk of the City Alexander City, Alabama, under the seal thereof, this 21<sup>st</sup> of February 2022.

\_\_\_\_\_  
City Clerk of the  
City of Alexander City, Alabama

S E A L

Yeas: \_\_\_\_\_

Nays: \_\_\_\_\_

**RESOLUTION NO. 22-40**

**A Resolution to Authorize the Mayor to Execute a Master Agreement with TTL for Environmental Compliance Services**

**WHEREAS**, the T.C. Russell Field operates an aircraft fueling service; and

**WHEREAS**, the facility is desired to have assistance with environmental compliance because the facility is subject to regulation under the follow:

1. Clean Water Act, for discharges of wastewater and stormwater;
2. Emergency Planning and Community Right-to-Know Act (EPCRA) for reporting involving hazardous substances;
3. Oil Pollution Act, for storage of petroleum products; and

**WHEREAS**, TTL will submit National Pollutant Discharge Elimination System (NPDES) Discharge Monitoring Reports, NPDES permit renewals, Tier II reports, Spill Prevention, Control, and Countermeasure (SPCC) Plan on the City's behalf; and

**WHEREAS**, funding for said agreement is included in the FY 2022 Operational Budget for the airport; and

**THEREFORE, BE IT RESOLVED** by the City Council of the City of Alexander City, Alabama, be and hereby authorizes the Mayor to execute a master agreement with TTL for Environmental Compliance Services.

**ADOPTED AND APPROVED** this 21<sup>st</sup> of February 2022.

**ATTEST:**

\_\_\_\_\_  
Amanda F. Thomas, City Clerk

\_\_\_\_\_  
Audrey "Buffy" Colvin, Council President

\_\_\_\_\_  
Curtis "Woody" Baird, Mayor

**CERTIFICATION OF CITY CLERK**

Resolution: 22-40

The undersigned, as City Clerk of the City of Alexander City, Alabama, hereby certifies that the foregoing is a true, correct and complete copy of **Resolution No. 22-40** which was adopted by the City Council on this 21<sup>st</sup> of February 2022.

**WITNESS MY SIGNATURE**, as City Clerk of the City Alexander City, Alabama, under the seal thereof, this 21<sup>st</sup> of February 2022.

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City Clerk of the  
City of Alexander City, Alabama

S E A L

Yeas: \_\_\_\_\_

Nays: \_\_\_\_\_





2743-B Gunter Park Drive West  
Montgomery, AL 36109  
334.244.0766  
[www.TTLUSA.com](http://www.TTLUSA.com)

February 9, 2022

Mr. Jackson Hatton  
T. C. Russell Field  
965 T. C. Russell Drive  
Alexander City, Alabama 35010

**Re: *Proposal for 2022 Environmental Compliance Services  
T. C. Russell Field  
Alexander City, Alabama  
TTL Proposal No. P00220200461.00***

Dear Mr. Hatton:

TTL, Inc. (TTL) is pleased to submit this proposal for environmental compliance services for the T. C. Russell Field facility in Alexander City, Alabama. Included herein is a brief project background, proposed scope of services, fee estimate, schedule, and authorization requirements.

## **PROJECT BACKGROUND**

The T. C. Russell Field facility is a municipal airport that operates an aircraft fueling service. We understand T. C. Russell Field desires continued assistance with environmental compliance for their facility in Alexander City, Alabama. It is our understanding that this facility is subject to regulation under:

- Clean Water Act, for discharges of wastewater and stormwater;
- Emergency Planning and Community Right-to-Know Act (EPCRA), for reporting involving hazardous substances;
- Oil Pollution Act, for storage of petroleum products.

## **SCOPE OF SERVICES**

National Pollutant Discharge Elimination System (NPDES) Discharge Monitoring Reports (DMRs) – According to the facility's NPDES permit, DMRs are required to be submitted to the Alabama Department of Environmental Management (ADEM) semi-annually. Using laboratory reports provided by T. C. Russell Field, TTL will complete the DMRs in the Alabama Environmental Permitting and Compliance System (AEPACS).

NPDES Permit Renewal – The facility's general industry permit will expire September 30, 2022. In accordance with the NPDES permit requirements, a renewal application is due to the ADEM at least 90 days prior to the expiration date (no later than July 2, 2022). TTL will prepare the online Notice of

Intent (NOI) for the NPDES General Permit for electronic submittal through AEPACS. If needed, TTL will prepare a Delegation of Signatory Authority Form and provide instructional assistance with the electronic submittal to the facility's responsible official or duly authorized representative.

Tier II Reporting - In accordance with the EPCRA, an Emergency and Hazardous Chemical Inventory Form (Tier II Report) must be submitted annually to the local environmental planning committee (LEPC), the State Emergency Response Commission (SERC), and the local fire department. The report for the previous year must be received by March 1<sup>st</sup> of each year. TTL will prepare the Tier II Report on behalf of the T. C. Russell Field for submittal to the ADEM and other applicable entities.

Spill Prevention, Control, and Countermeasure (SPCC) Plan - Facilities that store greater than 1,320 gallons of petroleum products are required to develop and maintain a SPCC Plan. These plans must be reviewed, updated, and recertified every five years. Based on information in our files, the facility's SPCC Plan was last updated in 2015. TTL proposes to update the SPCC Plan in accordance with Part 112 of Title 40 of the Code of Federal Regulations.

## FEE ESTIMATE

TTL estimates that the above-described scope of services can be performed for the lump sum fees listed below:

NPDES DMRs	\$ 500 per reporting period
NPDES Permit Renewal	\$ 2,000
Tier II Reporting	\$ 600
SPCC Plan Update	\$ 2,500

Please note that TTL's NPDES Permit Renewal cost estimate does not include the \$1,385 fee due to the ADEM at the time of submittal of the permit renewal application. In addition, this proposal does not include additional permit modifications, update of other facility plans, permit or system applications or reporting, written responses to ADEM inspections or correspondence, or additional consulting services other than those specified above.

## SCHEDULE

TTL is prepared to initiate services in 2022 upon receipt of authorization. Specific due dates for the above-described scope of services are listed below:

NPDES DMRs	January 28 <sup>th</sup> and July 28 <sup>th</sup>
Tier II Reporting	March 1 <sup>st</sup>
NPDES Permit Renewal	July 2 <sup>nd</sup>
SPCC Plan Update	July 2 <sup>nd</sup>

## AUTHORIZATION

A copy of TTL's Professional Services Agreement (PSA) is submitted for your review and consideration. Please note that the terms and conditions contained in the PSA are an integral part of this proposed agreement and will govern our services on this project. If this proposal meets with your approval, please execute the PSA and return the entire proposal to our office. Our receipt of an executed PSA will serve as our formal authorization to proceed with the scope of work.

We greatly appreciate the opportunity to submit this proposal. Please do not hesitate to contact us should you have any questions.

Sincerely,

**TTL, Inc.**



Jacob Trull, E.I.  
Project Professional



Sheryle G. Reeves, P.E.  
Vice President/Principal Engineer

Attachment: *Professional Services Agreement*





## PROFESSIONAL SERVICES AGREEMENT

TTL PROJECT NO.: P22-02-00461.00 PROJECT NAME: T.C. Russell Field 2022 Environmental Compliance

This Agreement made and entered into on \_\_\_\_\_ by and between TTL, Inc., hereinafter called "Consultant" and City of Alexander City \_\_\_\_\_ hereinafter called "Client", is for the services described under this Agreement.

- SCOPE OF SERVICES:** Consultant's services are described in the Scope of Services (Services) section of the Proposal, which is attached to and made a part of this Agreement. Portions of the Services may be subcontracted. Consultant's Services do not include the investigation or detection of, nor do recommendations in Consultant's reports address the presence or prevention of biological pollutants (e.g., mold, fungi, bacteria, viruses, or their byproducts) or occupant safety issues, such as vulnerability to natural disasters, terrorism, or violence, unless specifically addressed in Consultant's proposal. Consultant's findings, opinions, and recommendations are based solely upon data and information obtained by and furnished to Consultant at the time of the Services.
- ACCEPTANCE:** Client agrees that execution of this Agreement is a material element of the consideration Consultant requires to execute the Services, and if Services are initiated by Consultant prior to execution of this Agreement as an accommodation for Client at Client's request, both parties shall consider that commencement of Services constitutes formal acceptance of all terms and conditions of this Agreement. Additional terms and conditions may be added or changed only by written amendment to this Agreement signed by both parties. In the event Client uses a purchase order or other form to administer this Agreement, the use of such form shall be for convenience purposes only and both parties agree that this Agreement takes precedence over any additional or conflicting terms provided in other documents. This Agreement shall not be assigned by either party without prior written consent of the other party.
- CHANGE ORDERS:** Client may request changes to the Services by altering or adding to the Services to be performed. If Client so requests, Consultant will return to Client a statement (or supplemental proposal) of the change setting forth an adjustment to the Services and fees for the requested changes. Similarly, if project conditions change materially from those observed at the site or described to Consultant at the time of proposal, Consultant is entitled to a change order equitably adjusting its Services and fee. Following Client's review and concurrence with the change order request, Client shall provide written acceptance.
- COMPENSATION:** Client shall compensate Consultant for the Services performed at the fees stated in the Proposal. Fee schedules provided shall be valid for the calendar year in which they are issued. Consultant may invoice Client at least monthly and payment is due upon receipt of invoice. Client shall notify Consultant in writing within 15 days of the date of the invoice if Client objects to any portion of the charges on the invoice, and shall promptly pay the undisputed portion. Client shall pay a finance fee of 1.5% per month, but not exceeding the maximum rate allowed by law, for all unpaid amounts 30 days or older. Client agrees to pay all collection-related costs that Consultant incurs, including attorney's fees. Consultant may suspend or terminate Services for lack of timely payment without liability to Client in connection with such suspension or termination.

For some projects and, prior to provision of services, the Consultant may require the Client to make an initial retainer payment. As it pertains to this Agreement, Client is requested to deposit a retainer of \$ N/A with the Consultant. The retainer amount shall be credited upon completion of the services on the final invoice.

- THIRD PARTY RELIANCE:** This Agreement and the Services provided are for Consultant's and Client's sole benefit and exclusive use with no third-party beneficiaries made or intended. Reliance upon Consultant's work product Services is limited to Client. Permission to rely on Consultant's work product is not granted to third parties. **For a limited time period, not to exceed three months from the date of the report, Consultant will issue additional reports to others agreed upon with Client; however, Client understands that such reports will be issued strictly for informational purposes only and not for reliance. Reliance by any third party will not be granted until those third parties sign and return Consultant's reliance agreement and Consultant receives the agreed-upon reliance fee.** Client also acknowledges that such third-party disclosures for reliance could create a conflict of interest for Consultant and Client hereby waives any and all claims of conflict of interest against Consultant, Consultant's employees or sub-consultants or subcontractors regarding any disclosure to a third party for informational or reliance purposes. Consultant may rely upon information provided to Consultant by or on behalf of Client or third parties without any duty to independently verify the accuracy or completeness or currency of same, and Consultant shall have no liability to Client arising from any deficiency of such information.
- LIMITATION OF LIABILITY:** CLIENT AND CONSULTANT HAVE EVALUATED THE RISKS AND REWARDS ASSOCIATED WITH THIS PROJECT, INCLUDING CONSULTANT'S FEE RELATIVE TO THE RISKS ASSUMED, AND AGREE TO ALLOCATE CERTAIN OF THE ASSOCIATED RISKS. TO THE FULLEST EXTENT PERMITTED BY LAW, THE TOTAL MAXIMUM AGGREGATE LIABILITY OF CONSULTANT (AND ITS RELATED CORPORATIONS AND CONSULTANT'S SUBCONSULTANTS AND SUBCONTRACTORS AND THE OFFICERS, DIRECTORS, MANAGERS, MEMBERS, SHAREHOLDERS, AGENTS, REPRESENTATIVES AND EMPLOYEES OF ALL OF THE FOREGOING) TO CLIENT AND THIRD PARTIES GRANTED RELIANCE IS LIMITED TO THE GREATER OF \$50,000 OR CONSULTANT'S FEE, FOR ANY AND ALL INJURIES, DAMAGES, CLAIMS, LOSSES, OR EXPENSES (INCLUDING ATTORNEY AND EXPERT FEES) ARISING OUT OF CONSULTANT'S SERVICES OR THIS AGREEMENT. THIS LIMITATION SHALL APPLY REGARDLESS OF AVAILABLE INSURANCE COVERAGE, CAUSE(S) OR THE THEORY OF LIABILITY, INCLUDING NEGLIGENCE, INDEMNITY, STATUTORY, TORT, CONTRACTUAL OR EQUITABLE CONTRIBUTION OR INDEMNITY OBLIGATION OR ANY OTHER THEORY OF RECOVERY. THIS LIMITATION SHALL NOT APPLY TO THE EXTENT THE DAMAGE IS PAID UNDER CONSULTANT'S COMMERCIAL GENERAL LIABILITY POLICY.
- INDEMNIFICATION:** Consultant and Client shall indemnify and hold harmless the other and their respective employees from and against legal liability for claims, losses, damages, and expenses to the extent such claims, losses, damages, or expenses are legally determined to be caused by their negligent acts, errors, or omissions. In the event such claims, losses, damages, or expenses are legally determined to be caused by the joint or concurrent negligence of Consultant and Client, they shall be borne by each party in proportion to its own negligence under comparative fault principles. Neither party shall have a duty to defend the other party, and no duty to defend is hereby

created by this indemnity provision and such duty is explicitly waived under this Agreement. Causes of action arising out of Consultant's services or this Agreement regardless of cause(s) or the theory of liability, including negligence, indemnity or other recovery shall be deemed to have accrued and the applicable statute of limitations shall commence to run not later than the date of Consultant's substantial completion of services on the project. Indemnification shall include but not be limited to failure to adequately implement and maintain effective best management practices for erosion and sediment control by Client, contractors, subcontractors, or others whether or not Consultant provides services related to such activities.

8. **STANDARD OF CARE (WARRANTY):** The standard of care for all professional engineering, surveying, testing and related services performed or furnished by the Consultant under this Agreement will be the care and skill ordinarily used by members of the subject profession practicing with the same education and experience, under similar circumstances at the same time and in the same locality. Consultant makes no warranties, express or implied, under this Agreement or otherwise, in connection with any services performed or furnished. Subject to the foregoing standard of care, the Consultant may use or rely upon design elements and information ordinarily or customarily furnished by others, including, but not limited to manufacturers, suppliers, and publishers of technical standards.
9. **INSURANCE:** Consultant represents that it now carries, and will continue to carry: (i) workers' compensation insurance in accordance with the laws of the states having jurisdiction over Consultant's employees who are engaged in the Services, and employer's liability insurance (\$1,000,000); (ii) commercial general liability insurance (\$1,000,000 occurrence / \$2,000,000 aggregate); (iii) automobile liability insurance (\$1,000,000 Bodily Injury and Property Damage combined single limit); and (iv) professional liability insurance (\$1,000,000 claim / aggregate). Certificates of insurance will be provided upon request. Client and Consultant shall waive subrogation against the other party on all general liability and property coverage.
10. **CONSEQUENTIAL DAMAGES:** Neither party shall be liable to the other for loss of profits or revenue; loss of use or opportunity; loss of good will; cost of substitute facilities, goods, or services; cost of capital; or for any special, consequential, indirect, punitive, or exemplary damages.
11. **OPINIONS OF COST:** Consultant's opinions (if any) of probable construction costs are made on the basis of Consultant's experience, qualifications, and general familiarity with the construction industry. However, because Consultant has no control over the cost of labor, materials, equipment, or services furnished by others, or over contractors' methods of determining prices, or over competitive bidding or market conditions, Consultant's opinion of probable construction costs is not and shall not be considered a guaranteed estimate or exact price for construction of the Project. If Owner requires greater assurance as to probable construction cost, then Owner agrees to obtain an independent cost estimate.
12. **SUBSURFACE EXPLORATION:** Subsurface conditions throughout the site may vary from those depicted on logs of discrete exploratory borings, test pits, or other subsurface exploratory services. Client understands Consultant's layout of exploratory boring and test locations is approximate and that Consultant may deviate a reasonable distance from those locations. Consultant will take reasonable precautions to reduce damage to the site when performing Services; however, Client accepts that invasive services such as drilling or sampling may damage or alter the site. Site restoration is not provided unless specifically included in the Services and Client assumes responsibility for site restoration.
13. **TESTING AND OBSERVATIONS:** Client understands that testing and observation are discrete sampling procedures, and that such procedures indicate conditions only at the depths, locations, and times the procedures were performed. Consultant will provide test results and opinions based on tests and field observations only for the work tested. Client understands that testing and observation are not continuous or exhaustive, and are conducted to reduce - not eliminate - project risk. Client agrees to the level or amount of testing performed and the associated risk. Client is responsible (even if delegated to contractor) for requesting services, and notifying and scheduling Consultant so Consultant can perform these Services. Consultant is not responsible for damages caused by services not performed due to failure to request or schedule services. Consultant shall not be responsible for the quality and completeness of Client's contractor's work or Client's contractor's adherence to the project documents, and Consultant's performance of testing and observation services shall not relieve Client's contractor in any way from Client's contractor's responsibility for defects discovered in Client's contractor's work, or create a warranty or guarantee from Consultant of any nature. Consultant will not supervise or direct the work performed by Client's contractor or Client's contractor's subcontractors at any tier and Consultant explicitly is not responsible for their means and methods.
14. **SAMPLE DISPOSITION:** Samples are consumed in testing or disposed of upon completion of tests (unless stated otherwise in the Services). Client shall furnish or cause to be furnished to Consultant all documents and information known or available to Client that relate to the identity, location, quantity, nature, or characteristic of any hazardous waste, biohazard, toxic, radioactive, or contaminated materials ("Affected Materials") at or near the site, and shall immediately transmit new, updated, or revised information as it becomes available. Client agrees that Consultant is not responsible for the disposition of Affected Material unless specifically provided in the Scope of Services submitted by Consultant, and that Client is responsible for directing such disposition. In the event that test samples obtained during the performance of Services (i) contain substances hazardous to health, safety, or the environment, or (ii) equipment used during the Services cannot reasonably be decontaminated, Client shall sign documentation (if necessary) required to ensure the equipment and/or samples are transported and disposed of properly, and agrees to pay Consultant the fair market value of this equipment and all reasonable disposal costs. In no event shall Consultant be required to sign a hazardous waste manifest or take title to any Affected Materials. Client shall have the obligation to make all spill or release notifications to appropriate governmental agencies. The Client agrees that Consultant neither created nor contributed to the creation or existence of any Affected Materials conditions at the site. Accordingly, Client waives any claim against Consultant and agrees to indemnify and save Consultant, Consultant's related companies, Consultant's sub-consultants or subcontractors, and the agents, representatives, officers, directors, members, managers and shareholders of all of the foregoing harmless from any claim, liability or defense cost, including attorney and expert fees, for injury or loss sustained by any person or entity from such exposures allegedly arising out of Consultant's non-negligent performance of services hereunder, or for any claims against Consultant as a generator, disposer, or arranger of Affected Materials under federal, state, or local law or ordinance.
15. **UNFORESEEN CIRCUMSTANCES:** It is possible that unforeseen conditions or occurrences may be encountered at the site which could substantially alter the necessary services or the risks involved in completing Consultant's services. If this occurs, Consultant will promptly notify and consult with Client, but will act based on Consultant's sole judgment where risk to Consultant's personnel, the public or where professional duties to disclose hazards or conditions are involved. Possible actions could include: (a.) Complete the original Scope of Services in accordance with the procedures originally intended in Consultant's Proposal, if practicable in Consultant's judgment; (b.) Agree

with Client to modify the Scope of Services and the estimate of charges to include assessment of the unforeseen conditions or occurrences, with such revision agreed to in writing; (c.) Terminate the services effective on the date specified by Consultant in writing; (d.) Disclose information to regulators or government authorities when required by statute or professional canons of ethics.

- 16. UTILITIES:** Client shall provide the location and/or arrange for the marking of private utilities and subterranean structures. Consultant shall take reasonable precautions to avoid damage or injury to subterranean structures or utilities. Consultant shall not be responsible for damage to (or claims arising out of damage to) subterranean structures or utilities that are not called to Consultant's attention or are not correctly marked, including being marked by a utility location service, or are incorrectly shown on the plans furnished to Consultant.
- 17. SITE ACCESS AND SAFETY:** Client shall secure all necessary site related approvals, permits, licenses, and consents necessary for Consultant to commence and complete the Services and will execute any necessary site access agreement. Consultant will be responsible for supervision and site safety measures for its own employees, but shall not be responsible for the supervision or health and safety precautions for any other parties, including Client, Client's contractors and subcontractors, or other parties present at the site.
- 18. OWNERSHIP OF DOCUMENTS:** All documents, including plans, drawings, specifications, reports, logs, data, calculations, and surveys prepared by the Consultant are instruments of service and shall remain the property of the Consultant. Such documents may not be used by CLIENT for any other endeavor without express written consent from TTL. Any unauthorized re-use is at Client's or the recipients' sole and exclusive risk and is without liability to TTL. Proprietary concepts, systems, and ideas developed during performance of the Services shall remain the sole property of Consultant. Files shall be maintained in general accordance with Consultant's document retention policies and practices. Upon Client's request, Consultant's work product may be provided via electronic media. If Consultant's work product includes delivery of a design model or survey data file via electronic media, Consultant makes no warranty or representation to Client that the electronic copy is accurate or complete and Client shall be required to sign a separate Electronic Document Release Form evidencing this understanding. Consultant may rely upon information provided to Consultant by or on behalf of Client or third parties without any duty to independently verify the accuracy or completeness or currency of same, and Consultant shall have no liability to Client arising from any deficiency of such information.
- 19. WAIVER:** Any failure by Consultant to require strict compliance with any provision of this contract shall not be construed as a waiver of such provision, and Consultant may subsequently require strict compliance at any time, notwithstanding any prior failure to do so.
- 20. DISPUTE RESOLUTION:** In the unlikely event a dispute arises out of or relates to this contract, or the breach thereof, the parties will attempt to settle the matter through amicable discussion. Client shall not be entitled to assert a claim against Consultant based on any theory of professional negligence unless and until Client has obtained the written opinion of a registered, independent, and reputable engineer, surveyor, or geologist licensed in the jurisdiction in which the work in question was performed indicating that Consultant has violated the standard of care applicable to Consultant's performance of the Services. Client shall provide this opinion to Consultant and the parties shall endeavor to resolve the dispute within 30 days. If no agreement can be reached, the parties agree to use mediation before resorting to a judicial forum. The cost of a third-party mediator shall be shared equally by the parties with proceedings to be held in Tuscaloosa, Alabama. In the event of litigation, reasonable costs and attorneys' fees will be awarded to the prevailing party.
- 21. GOVERNING LAW:** Client and Consultant agree this Agreement and any legal actions related to its validity, interpretation and performance shall be governed by and according to laws of the state of Alabama
- 22. SURVIVAL:** All provisions of this Agreement for indemnity or allocation of responsibility or liability between Client and Consultant shall survive the completion of the services and the termination of this Agreement.
- 23. TERMINATION:** This Agreement may be terminated at any time by either party by written notice in the event of substantial failure to perform in accordance with the terms herein by the other party through no fault of the terminating party. If this Agreement is so terminated by either party, regardless of reason, Client shall pay TTL compensation for work satisfactorily completed up to date of termination for said work and for reasonable termination expenses incurred as the result of termination. This Agreement shall remain in effect until completion of proposed scope of services unless terminated as provided herein, or extended by mutual agreement in writing.
- 24. SEVERABILITY:** Any term or provision of this Agreement found to be invalid under any applicable statute or rule of law shall be deemed to be omitted and the remainder of this Agreement shall remain in full force and effect.

**IN WITNESS WHEREOF, this Agreement is accepted on the date last written below, subject to the terms and conditions above stated and the provisions set forth herein.**

**CLIENT**

ENTITY NAME: \_\_\_\_\_  
CONTACT NAME: \_\_\_\_\_  
TITLE: \_\_\_\_\_  
ADDRESS: \_\_\_\_\_  
CITY AND STATE: \_\_\_\_\_  
OFFICE PHONE: \_\_\_\_\_  
CELL PHONE: \_\_\_\_\_  
EMAIL: \_\_\_\_\_

SIGNED: \_\_\_\_\_  
DATE: \_\_\_\_\_

**CONSULTANT**

ENTITY NAME: TTL, Inc.  
CONTACT NAME: Sheryle G. Reeves  
TITLE: Principal Engineer  
ADDRESS: 2743-G Gunter Park Drive West  
CITY, STATE, ZIP: Montgomery, AL 36109  
OFFICE PHONE: 334-244-0766  
CELL PHONE: 334-850-2493  
EMAIL: sreeves@ttlusa.com

SIGNED: \_\_\_\_\_  
DATE: \_\_\_\_\_



Resolution: 22-41

**RESOLUTION NO. 22-41**

**A Resolution to Authorize the Mayor to Execute a Non-Participant Contract with Electric Cities of Georgia, Inc. for Various Safety Training Services**

**WHEREAS**, the City of Alexander City receives \$25,000 each year from the Alabama Municipal Electric Authority (AMEA) for training; and

**WHEREAS**, the City has been presented with an opportunity to train our Light Department personnel and other employees through Electric Cities of Georgia, Inc.(ECG); and

**WHEREAS**, ECG offers Powerline Worker Training and Soft Skills Training; and

**WHEREAS**, said services will be paid for by the training funds that are mentioned above; and

**THEREFORE, BE IT RESOLVED** by the City Council of the City of Alexander City, Alabama, be and hereby authorizes the Mayor to execute a Non-Participant Contract with Electric Cities of Georgia, Inc. for various safety services.

**ADOPTED AND APPROVED** this 21<sup>st</sup> of February 2022.

**ATTEST:**

\_\_\_\_\_  
Amanda F. Thomas, City Clerk

\_\_\_\_\_  
Audrey "Buffy" Colvin, Council President

\_\_\_\_\_  
Curtis "Woody" Baird, Mayor

**CERTIFICATION OF CITY CLERK**

The undersigned, as City Clerk of the City of Alexander City, Alabama, hereby certifies that the foregoing is a true, correct and complete copy of **Resolution No. 22-41** which was adopted by the City Council on this 21<sup>st</sup> of February 2022.

**WITNESS MY SIGNATURE**, as City Clerk of the City Alexander City, Alabama, under the seal thereof, this 21<sup>st</sup> of February 2022.

\_\_\_\_\_  
City Clerk of the  
City of Alexander City, Alabama

S E A L

Yeas: \_\_\_\_\_

Nays: \_\_\_\_\_

**NON-PARTICIPANT SERVICES CONTRACT**

**Between**

**ELECTRIC CITIES OF GEORGIA, INC.**

**And**

**City of Alexander City**

This Contract, made and entered into as of March 1, 2022, by and between Electric Cities of Georgia, Inc., a Georgia nonprofit corporation and an instrumentality of its governmental participants under Section 115 of the Internal Revenue Code (the "ECG"), and the City of Alexander City, an Alabama utility, located in Tallapoosa County, Alabama ("Customer"),

**WITNESSETH:**

**THAT:**

WHEREAS, ECG is a joint action agency formed to benefit its municipal participants and other governmental customers; and

WHEREAS, Customer has determined that certain services offered by ECG may assist it in serving its customers; and

WHEREAS, Customer desires to purchase such services from ECG, and ECG desires to provide such services to Customer, based upon the terms and conditions set forth herein; and

WHEREAS, Customer desires to become a Non-Participant Member of ECG pursuant to Section 2 hereof in furtherance of joint action and for the mutual advantage of ECG's municipal participants and other customers and to take advantage of certain economies of scale and efficiencies developed by ECG;

**NOW THEREFORE:**

For and in consideration of the premises and the mutual covenants and agreements hereinafter set forth, and in order to provide for payment to ECG for services rendered or to be rendered hereunder to Customer, it is agreed by and between the parties hereto as follows:

**(1) TERM.**

(a) General. The term of this Contract will begin and this Contract will constitute a binding obligation of each party executing this Contract as of the date that it is executed by the last signatory hereto ("Contract Date"). ECG's obligation to provide the hereinafter defined Services will begin on March 1, 2022 and will extend until June 30, 2022 (the "Initial Term")



(b) Termination Rights. Either party may terminate this Contract upon not less than 3 months' written notice to the other party, which termination is effective at the end of the last day of the Term.

**(2) NON-PARTICIPANT PROVISIONS.**

(a) Non-Participant Membership. Customer will be a "Non-Participant Member" of ECG, which status includes the following rights:

(i) It is the express intent of ECG and Customer that the Services provided hereunder be as similar in content and quality as reasonably possible to substantially similar services provided to ECG's Participant Members.

(ii) ECG will make no adverse distinction between its Participant Members and Customer in the provision of substantially similar services, except as contemplated in this Contract.

(iii) Customer may participate as a member of *ad hoc* committees or committees related to specific services and user groups of ECG, if any.

**(3) SUBSCRIPTION SERVICES.**

(a) Initial Term. During the Initial Term, ECG will provide the services listed on Exhibit A-1 (the "Initial Subscribed Services" or "Services") to Customer. Customer will pay ECG the rates and fees applicable to each Initial Subscribed Service as set forth in Exhibit A-1 (the "Initial Term Rates" or "Rates").

(b) Other Services. ECG may offer, or Customer may request, other services from time to time not expressly provided for hereunder ("Other Services"). Except to the extent indicated in writing, Other Services will be provided in accordance with the terms of this Contract, provided that a description of such Other Services and rates applicable thereto will be set forth in writing prior to ECG providing any such Other Services.

**(4) [RESERVED]**

**(5) BILLING AND PAYMENTS.**

(a) Payments. Customer will be billed monthly (each such bill, a "Monthly Billing Statement") for the Services the greater of (i) an amount equal to the Rates applicable to Services provided by ECG hereunder in the prior month or (ii) 1/4<sup>th</sup> of an amount equal to the aggregate amount of Rates applicable to Initial Subscribed Services budgeted to be provided by ECG hereunder in the applicable Term, such amounts

being calculated on a cumulative year-to-date basis, plus any other amounts due and owing from Customer to ECG hereunder. Alternately, at the request of the Customer, their Annual Costs for Initial Subscribed Services may be billed as a single invoice at the beginning of the Term.

(b) **Billing.** Each Monthly Billing Statement will be paid by Customer on or before the 10th day from the date of such Monthly Billing Statement, which will be sent by ECG in accordance with the schedule set forth in Exhibit B hereto, provided that ECG may update such schedule with 30 days' written notice to Customer. All payments from Customer to ECG will be by electronic funds transfer/ACH. Amounts due and not paid by Customer on or before said day will bear an additional charge of the lesser of one and one-half (1-1/2%) percent or the maximum rate permitted by law per month for each month until the amount due is paid in full.

(c) **Disputed Monthly Billing Statement.** In case any portion of any Monthly Billing Statement received by Customer from ECG will be in bona fide dispute, Customer will pay the full amount of such Monthly Billing Statement, and, upon determination of the correct amount, the difference between such correct amount and such full amount, if any, will be credited to Customer by ECG after such determination. In the event such Monthly Billing Statement is in dispute, ECG will give consideration to such dispute and will advise Customer with regard to ECG's position relative thereto within 30 days following written notification by Customer of such dispute. If Customer continues to dispute ECG's position, said issue will be submitted to the conflict resolution procedures set forth in Section 7(a).

**(6) FAILURE TO PAY.**

In the event of any failure of Customer to make any of the payments due under this Contract to ECG, Customer will not be relieved of its liability for payment of the amounts due and payable hereunder, and ECG will have the right to recover from Customer any such amount. In addition to all other remedies available at law or in equity, after thirty (30) days written notice and Customer's failure to cure the nonpayment, ECG may terminate this Contract or suspend the provision of any Services to Customer hereunder during the continuance of any such failure by Customer.

**(7) MISCELLANEOUS.**

(a) **Conflict Resolution.** Any claim, dispute, or controversy relating to or concerning this contract, or the parties' business relationship, whether in contract, tort, legal, equitable, statutory or otherwise (referred to as a "Claim"), will be settled by the following procedures:

First, the executives of ECG and Customer having settlement authority will promptly meet and attempt to resolve the Claim in a mutually satisfactory manner, and

Second, if unable to resolve such dispute pursuant to the foregoing procedure, Customer and ECG will submit to non-binding mediation and work in good faith to resolve such Claim, and

Third, if unable to resolve such Claim pursuant to the foregoing procedure, Customer and ECG will submit to binding arbitration, which, except as noted below, will be conducted in accordance with the American Arbitration Association Commercial Arbitration Rules, and judgment on the award rendered by the arbitrator(s) may be entered in any court having jurisdiction thereof.

The following procedures will apply with respect to any arbitration conducted in accordance with this Article:

(i) The arbitration proceeding will be initiated by written notice identifying each Claim. The parties will work together in good faith to choose a single arbitrator agreeable to both parties. In the event the parties are unable to agree upon a single arbitrator, said arbitrator will be chosen in accordance with the American Arbitration Association Commercial Arbitration Rules.

(ii) The arbitration hearing will be conducted either at the corporate headquarters of ECG or Customer, or such other location agreed to by the parties hereto. Said arbitration hearing will be scheduled no later than thirty days upon completion of the selection of the arbitrator(s).

(iii) The arbitration proceeding will be conducted in accordance with Rules of Evidence of the state that's laws are applicable pursuant to Section 7(b).

(iv) The arbitrator will have the right to assess the costs of the arbitration proceedings among the parties, but will not have the authority to award punitive damages or attorney's fees to the prevailing party.

(b) **Governing Law.** This Contract will be interpreted and construed in accordance with the laws of the State of Georgia, without regard to any conflict of law's provisions, provided that (i) the capacity, power and authority of Customer to enter into this Contract, (ii) any matter directly relating to the physical performance of Services in the State of Alabama (e.g., training classes held in the State of Alabama) and (iii) any matter relating to the interpretation or enforceability of any ordinance, resolution, agreement or other instrument adopted or otherwise entered into by Customer authorizing, securing or otherwise relating to its

obligation under this Contract, heretofore or hereafter adopted or assumed, will be governed by and construed in accordance with the laws of the State of Alabama. Venue for any court action related to this Contract will be in the state courts located in Fulton County, Georgia or federal courts located in the Northern District of the State of Georgia.

(c) Counterparts. This Contract may be executed in multiple counterparts, and any one of such counterparts will be considered an original hereof.

(d) Notice. All notices, requests, demands and other communications hereunder will be in writing and will be delivered personally, sent by nationally recognized overnight courier, or sent by facsimile transmission or electronic means (delivery receipt requested), and in each case addressed to the appropriate party at the address for such party shown below or at such other address as such party will have previously designated by written notice delivered to the party giving such notice:

ECG: Electric Cities of Georgia, Inc.  
1470 Riverview Parkway, N.W.  
Atlanta, Georgia 30328  
Attn: Sallie Coleman, ECG Sr. VP & CFO  
Fax: 678-202-3110  
Email: [scoleman@ecoga.org](mailto:scoleman@ecoga.org)

Customer: City of Alexander City  
\_\_\_\_\_  
\_\_\_\_\_  
Attn: \_\_\_\_\_  
Fax: \_\_\_\_\_  
Email: \_\_\_\_\_@\_\_\_\_\_.

Except as otherwise permitted, any notice given in accordance herewith will be deemed to have been given and received when delivered to the addressee, which delivery may be evidenced by (i) signed receipt of the addressee given to the courier or postal service, or (ii) by confirmed facsimile transmission or confirmed electronic means as provided in the following sentence, as the case may be. Notice by facsimile transmission or electronic means will be deemed given and received upon transmission by the notifier of a faxed notice to the facsimile number or electronic mail address set forth above or designated pursuant to this Section, with confirmation on the sender's machine of the success of the facsimile or electronic transmission, as applicable.

(e) Assignment of Contract. This Contract will inure to the benefit of and will be binding upon the respective successors and assigns of the parties to this Contract; provided, however, that neither this

Contract nor any interest herein will be transferred or assigned by either party hereto except with the consent in writing of the other party hereto; provided, further, that such consent will not be withheld unreasonably. No assignment or transfer of this Contract will relieve the parties of any obligation hereunder. Assignment of any interest in this Contract by ECG to its lender(s) is hereby expressly approved and consented to.

(f) Severability. In case any one or more of the provisions of this Contract will for any reason be held to be illegal or invalid by a court of competent jurisdiction, it is the intention of each of the parties hereto that such illegality or invalidity will not affect any other provision hereof, but this Contract will be construed and enforced as if such illegal or invalid provision had not been contained herein, and this Contract will be construed to adopt, but not to enlarge upon, all the applicable provisions of applicable law, and, if any provisions hereof conflict with any provision of applicable law, the latter as in effect and as interpreted by the applicable courts will prevail in lieu of any provision hereof in conflict or not in harmony therewith.

(g) Force Majeure. As used in this Contract "Force Majeure Event" means any act or event whether foreseen or unforeseen, that meets all of the following tests:

(i) The act or event prevents a party (the "Nonperforming Party"), in whole or in part, from: performing its obligations under this Agreement; or satisfying any conditions to the other party's obligations under this Agreement.

(ii) The act or event is beyond the reasonable control of and not the fault of the Nonperforming Party.

(iii) The Nonperforming Party has been unable to avoid or overcome the act or event by the exercise of due diligence.

Despite the preceding definition of a Force Majeure Event, a Force Majeure Event excludes economic hardship, changes in market conditions or insufficiency of funds.

In the event of a named storm, tornado recorded by the National Weather Service, or other severe weather events (collectively, "Adverse Weather Event") or Force Majeure Event, the obligation to provide Services to Customer is suspended for a period of time reasonably appropriate to the Adverse Weather Event or Force Majeure Event to the extent performance of such Service requires ECG's employees or contractors to be located in physical proximity to such events. In the event of substantial system damage to Customer's distribution or transmission system (which will be communicated to ECG by Customer), Services will be suspended to Customer until notice is given to ECG by Customer that it is ready to resume the Services.

(h) Inconsistency. In the event of any inconsistency among any of the following documents, the relevant document first listed below will govern: (i) the exhibits and schedules hereto or to any Confirmation; (ii) a Confirmation; and (iii) this Contract.

(i) Limitation of Damages. FOR BREACH OF ANY PROVISION FOR WHICH AN EXPRESS REMEDY OR MEASURE OF DAMAGES IS PROVIDED IN THIS CONTRACT, SUCH EXPRESS REMEDY OR MEASURE OF DAMAGES WILL BE THE SOLE AND EXCLUSIVE REMEDY HEREUNDER, AND THE OBLIGOR'S LIABILITY WILL BE LIMITED AS SET FORTH IN SUCH PROVISION, AND ALL OTHER REMEDIES OR DAMAGES ARE WAIVED. IF NO REMEDY OR MEASURE OF DAMAGES IS EXPRESSLY PROVIDED HEREIN FOR BREACH OF ANY PROVISION HEREOF OR ANY PRIOR AGREEMENT BETWEEN THE PARTIES HERETO, THE OBLIGOR'S LIABILITY FOR ANY CLAIM WILL BE LIMITED TO DIRECT ACTUAL DAMAGES ONLY, AND SUCH DIRECT ACTUAL DAMAGES WILL BE THE SOLE AND EXCLUSIVE REMEDY HEREUNDER, AND ALL OTHER REMEDIES OR DAMAGES FOR A CLAIM ARE WAIVED. NOTWITHSTANDING ANYTHING TO THE CONTRARY CONTAINED HEREIN, IN NO EVENT WILL EITHER PARTY BE LIABLE TO THE OTHER PARTY UNDER ANY PROVISION OF THIS CONTRACT OR IN CONNECTION WITH ANY CLAIM FOR CONSEQUENTIAL, INCIDENTAL, PUNITIVE, EXEMPLARY, OR INDIRECT DAMAGES, IN TORT, CONTRACT, OR OTHERWISE IN CONNECTION WITH THIS CONTRACT. TO THE EXTENT ANY PAYMENT REQUIRED TO BE MADE PURSUANT TO ANY PROVISION OF THIS CONTRACT IS AGREED BY THE PARTIES TO CONSTITUTE LIQUIDATED DAMAGES, THE PARTIES ACKNOWLEDGE THAT THE ACTUAL DAMAGES ARE DIFFICULT OR IMPOSSIBLE TO DETERMINE, AND THAT SUCH PAYMENT CONSTITUTES A REASONABLE APPROXIMATION OF THE AMOUNT OF SUCH DAMAGES.

(j) Gratuitous Advice. If an ECG representative furnishes the Customer with advice or assistance about anything not required under this Contract, the furnishing of that advice or assistance will not subject ECG to any liability.

[Signature Pages Follow]

IN WITNESS WHEREOF, ECG has caused this Contract to be executed in its corporate name by its duly authorized officers and has caused its corporate seal to be hereunto impressed and attested; Customer has caused this Contract to be executed by its duly authorized officers and its corporate seal to be hereunto impressed and attested, and delivery hereof by Customer to ECG is hereby acknowledged, all of the date and year first above written.

ELECTRIC CITIES OF GEORGIA, INC.

By: \_\_\_\_\_  
President & Chief Executive Officer

Attest: \_\_\_\_\_  
Assistant Secretary-Treasurer

(SEAL)

(SIGNATURES CONTINUE ON NEXT PAGE)

CITY OF ALEXANDER CITY

By: \_\_\_\_\_  
Its: \_\_\_\_\_

Attest: \_\_\_\_\_  
Its: \_\_\_\_\_

(SEAL)



**Exhibit A-1**  
**INITIAL SUBSCRIBED SERVICES**

- Safety Meetings (based on 12 Attendees & No True-Up Applicable) = \$6,960 (3/1/2022 thru 6/30/2022);

Safety meetings are offered at Customer location five (5) months during the Term presenting a collection of safety and training topics specific to the electric utility employee. Each program meets all regulatory requirements. In addition, ECG provides a specific annual safety audit & detailed report.

Safety Meetings include topics such as the following.

Meter-base Safety  
Pole-top Rescue  
Bucket Rescue  
Knots/Rigging  
Personal Protective Grounds  
Chain Saw Use and Safety  
Transformer Connections/Banking  
Ferro resonance  
Personal Protective grounding-equal potential/bracket  
Protective rubber cover-up/rubber-gloving

DOT-\$25 each for 12 Students; \$90 each for all Students > 12

First Aid/CPR/AED Certification – \$0 each for 12 Students; \$90 each for all Students > 12

- Also available are ECG Training Classes taught at the ECG School locations in Newnan, GA and Adel, GA Customer would receive following ECG Member pricing (per individual student)

Groundman	\$375
Apprentice Program	\$3,000 (3-Years DOL Certified)
Advanced Lineman	\$2,000
Underground	\$1,000
Meterman Certification	\$1,600
Hotline School	\$1,000
Storm Assessor	\$375
Foreman Series	\$2,000



**FY22 BILLING SCHEDULE**  
**City of Alexander City, Alabama**  
**March 2022 through June 2022**

<b><i>Billing Date</i></b>	<b><i>Payment Date</i></b>	<b><i>Billing Month</i></b>	<b><i>Amount Due</i></b>
03/03/22	03/14/22	03/22	\$ 1,740
04/05/22	04/15/22	04/22	\$ 1,740
05/04/22	05/16/22	05/22	\$ 1,740
06/03/22	06/13/22	06/22	\$ 1,740

**RESOLUTION NO. 22-42**

**A Resolution to Set a Public Hearing for Monday, March 21, 2022, to Rezone of Multiple Parcels Approved by the Planning Commission on February 15, 2022**

**WHEREAS**, the Alexander City Planning Commission did recommend the approval of a petition to rezone multiple parcels; and

**NOW, THEREFORE, BE IT RESOLVED**, by the City Council of the City of Alexander City, Alabama that the City Council proposes to adopt an ordinance amending the Zoning Ordinance of the City of Alexander City, Alabama, to affect the zoning changes described below. The City Clerk is hereby instructed to publish in the Alexander City Outlook a Notice of Public Hearing for the regular scheduled Council Meeting on Monday, March 21, 2022, at 5:30 p.m. to hear public comments on the proposed rezoning of the parcels/properties listed below at the request of the multiple persons:

1. 62 05 08 34 2 202 042.000 and/or 305 Church Street:  
from B-1 (Neighborhood Business) to R-1 (Low Density Residential)
2. 62 05 09 32 1 002 045.000 and/or 591 Glenwood Road:  
From R-2 (Medium Density Residential) to B-2 (General Business)
3. 62-05-08-27-1-002-093.001 and/or 741 Jefferson Street:  
from B-1 (Neighborhood Business) to B-2 (General Business)
4. 62-05-08-34-4-001-062.003 and/or 1183 Maple Street:  
from B-2 (General Business) to R-2 (Medium Density Residential)

**ADOPTED AND APPROVED** this 21<sup>st</sup> day of February, 2022.

**ATTEST:**

\_\_\_\_\_  
Amanda F. Thomas, City Clerk

\_\_\_\_\_  
Audrey "Buffy" Colvin, Council President

\_\_\_\_\_  
Curtis "Woody" Baird, Mayor

Resolution: 22-42

**CERTIFICATION OF CITY CLERK**

The undersigned, as City Clerk of the City of Alexander City, Alabama, hereby certifies that the foregoing is a true, correct and complete copy of **Resolution No. 22-42** which was adopted by the City Council on this this 21<sup>st</sup> day of February, 2022.

**WITNESS MY SIGNATURE**, as City Clerk of the City Alexander City, Alabama, under the seal thereof, this this 21<sup>st</sup> day of February, 2022.

---

City Clerk of the  
City of Alexander City, Alabama

S E A L

Yeas: \_\_\_\_\_

Nays: \_\_\_\_\_

**RESOLUTION NO. 22-43**

**A Resolution to Authorize the Mayor to Expend Recovery Act Funds Based on the Coronavirus State and Local Fiscal Recovery Funds (SLFRF): Final Rule**

**WHEREAS**, the City of Alexander City has received 1,700,016.01 for Coronavirus State and Local Fiscal Recovery Funds (SLFRF); and

**WHEREAS**, SLFRF funds can be used for the following:

1. Water and Sewer Infrastructure,
2. Software for Interdepartmental Communications,
3. Road Building, Maintenance, Other Infrastructure
4. Environmental Evaluation and Remediation,
5. Broadband Infrastructure,
6. All other eligible projects; and

**WHEREAS**, the City is in need of all the projects listed above; and

**WHEREAS**, SLFRF funds must be used for costs incurred on or after March 3, 2021, obligated by December 31, 2024, and expended by December 31, 2026; and

**WHEREAS**, it is recommended to authorize the Mayor to expend SLFRF funds within the guidelines outlined in the final rule and present a balance sheet each month to the Council; and

**THEREFORE, BE IT RESOLVED**, by the City Council of the City of Alexander City, Alabama, be and hereby authorizes the Mayor to expend Coronavirus State and Local Fiscal Recovery Funds (SLFRF) within the guidelines stated above and not exceed \$1,700,016.01.

**FURTHER, BE IT RESOLVED**, the Mayor is hereby authorized to sign and execute any and all documents pertaining to the said funds.

**ADOPTED AND APPROVED** this 21<sup>st</sup> day of February, 2022.

**ATTEST:**

\_\_\_\_\_  
Amanda F. Thomas, City Clerk

\_\_\_\_\_  
Audrey "Buffy" Colvin, Council President

\_\_\_\_\_  
Curtis "Woody" Baird, Mayor

Resolution: 22-43

**CERTIFICATION OF CITY CLERK**

The undersigned, as City Clerk of the City of Alexander City, Alabama, hereby certifies that the foregoing is a true, correct and complete copy of **Resolution No. 22-43** which was adopted by the City Council on this 21<sup>st</sup> day of February, 2022.

**WITNESS MY SIGNATURE**, as City Clerk of the City Alexander City, Alabama, under the seal thereof, this 21<sup>st</sup> day of February, 2022.

---

City Clerk of the  
City of Alexander City, Alabama

S E A L

Yeas: \_\_\_\_\_

Nays: \_\_\_\_\_



# **Coronavirus State & Local Fiscal Recovery Funds: Overview of the Final Rule**

U.S. DEPARTMENT OF THE TREASURY

January 2022



**The Overview of the Final Rule provides a summary of major provisions of the final rule for informational purposes and is intended as a brief, simplified user guide to the final rule provisions.**

The descriptions provided in this document summarize key provisions of the final rule but are non-exhaustive, do not describe all terms and conditions associated with the use of SLFRF, and do not describe all requirements that may apply to this funding. Any SLFRF funds received are also subject to the terms and conditions of the agreement entered into by Treasury and the respective jurisdiction, which incorporate the provisions of the final rule and the guidance that implements this program.





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## Introduction

The Coronavirus State and Local Fiscal Recovery Funds (SLFRF), a part of the American Rescue Plan, delivers \$350 billion to state, local, and Tribal governments across the country to support their response to and recovery from the COVID-19 public health emergency. The program ensures that governments have the resources needed to:

- Fight the pandemic and support families and businesses struggling with its public health and economic impacts,
- Maintain vital public services, even amid declines in revenue, and
- Build a strong, resilient, and equitable recovery by making investments that support long-term growth and opportunity.

### EARLY PROGRAM IMPLEMENTATION

In May 2021, Treasury published the Interim final rule (IFR) describing eligible and ineligible uses of funds (as well as other program provisions), sought feedback from the public on these program rules, and began to distribute funds. The IFR went immediately into effect in May, and since then, governments have used SLFRF funds to meet their immediate pandemic response needs and begin building a strong and equitable recovery, such as through providing vaccine incentives, development of affordable housing, and construction of infrastructure to deliver safe and reliable water.

As governments began to deploy this funding in their communities, Treasury carefully considered the feedback provided through its public comment process and other forums. Treasury received over 1,500 comments, participated in hundreds of meetings, and received correspondence from a wide range of governments and other stakeholders.

### KEY CHANGES AND CLARIFICATIONS IN THE FINAL RULE

The final rule delivers broader flexibility and greater simplicity in the program, responsive to feedback in the comment process. Among other clarifications and changes, the final rule provides the features below.

#### Replacing Lost Public Sector Revenue

The final rule offers a standard allowance for revenue loss of up to \$10 million, allowing recipients to select between a standard amount of revenue loss or complete a full revenue loss calculation. Recipients that select the standard allowance may use that amount – in many cases their full award – for government services, with streamlined reporting requirements.

#### Public Health and Economic Impacts

In addition to programs and services, the final rule clarifies that recipients can use funds for capital expenditures that support an eligible COVID-19 public health or economic response. For example, recipients may build certain affordable housing, childcare facilities, schools, hospitals, and other projects consistent with final rule requirements.



In addition, the final rule provides an expanded set of households and communities that are presumed to be “impacted” and “disproportionately impacted” by the pandemic, thereby allowing recipients to provide responses to a broad set of households and entities without requiring additional analysis. Further, the final rule provides a broader set of uses available for these communities as part of COVID-19 public health and economic response, including making affordable housing, childcare, early learning, and services to address learning loss during the pandemic eligible in all impacted communities and making certain community development and neighborhood revitalization activities eligible for disproportionately impacted communities.

Further, the final rule allows for a broader set of uses to restore and support government employment, including hiring above a recipient’s pre-pandemic baseline, providing funds to employees that experienced pay cuts or furloughs, avoiding layoffs, and providing retention incentives.

### **Premium Pay**

The final rule delivers more streamlined options to provide premium pay, by broadening the share of eligible workers who can receive premium pay without a written justification while maintaining a focus on lower-income and frontline workers performing essential work.

### **Water, Sewer & Broadband Infrastructure**

The final rule significantly broadens eligible broadband infrastructure investments to address challenges with broadband access, affordability, and reliability, and adds additional eligible water and sewer infrastructure investments, including a broader range of lead remediation and stormwater management projects.

### **FINAL RULE EFFECTIVE DATE**

The final rule takes effect on April 1, 2022. Until that time, the interim final rule remains in effect; funds used consistently with the IFR while it is in effect are in compliance with the SLFRF program.

However, recipients can choose to take advantage of the final rule’s flexibilities and simplifications now, even ahead of the effective date. Treasury will not take action to enforce the interim final rule to the extent that a use of funds is consistent with the terms of the final rule, regardless of when the SLFRF funds were used. Recipients may consult the *Statement Regarding Compliance with the Coronavirus State and Local Fiscal Recovery Funds Interim Final Rule and Final Rule*, which can be found on Treasury’s website, for more information on compliance with the interim final rule and the final rule.



## Overview of the Program

The Coronavirus State and Local Fiscal Recovery Funds (SLFRF) program provides substantial flexibility for each jurisdiction to meet local needs within the four separate eligible use categories. This Overview of the Final Rule addresses the four eligible use categories ordered from the broadest and most flexible to the most specific.

Recipients may use SLFRF funds to:

- **Replace lost public sector revenue**, using this funding to provide government services up to the amount of revenue loss due to the pandemic.
  - Recipients may determine their revenue loss by choosing between two options:
    - A standard allowance of up to \$10 million in aggregate, not to exceed their award amount, during the program;
    - Calculating their jurisdiction’s specific revenue loss each year using Treasury’s formula, which compares actual revenue to a counterfactual trend.
  - Recipients may use funds up to the amount of revenue loss for government services; generally, services traditionally provided by recipient governments are government services, unless Treasury has stated otherwise.
- **Support the COVID-19 public health and economic response** by addressing COVID-19 and its impact on public health as well as addressing economic harms to households, small businesses, nonprofits, impacted industries, and the public sector.
  - Recipients can use funds for programs, services, or capital expenditures that respond to the public health and negative economic impacts of the pandemic.
  - To provide simple and clear eligible uses of funds, Treasury provides a list of enumerated uses that recipients can provide to households, populations, or classes (i.e., groups) that experienced pandemic impacts.
  - Public health eligible uses include COVID-19 mitigation and prevention, medical expenses, behavioral healthcare, and preventing and responding to violence.
  - Eligible uses to respond to negative economic impacts are organized by the type of beneficiary: assistance to households, small businesses, and nonprofits.
    - Each category includes assistance for “impacted” and “disproportionately impacted” classes: impacted classes experienced the general, broad-based impacts of the pandemic, while disproportionately impacted classes faced meaningfully more severe impacts, often due to preexisting disparities.
    - To simplify administration, the final rule presumes that some populations and groups were impacted or disproportionately impacted and are eligible for responsive services.

*Coronavirus State & Local Fiscal Recovery Funds: Overview of the Final Rule*



- Eligible uses for assistance to impacted households include aid for re-employment, job training, food, rent, mortgages, utilities, affordable housing development, childcare, early education, addressing learning loss, and many more uses.
- Eligible uses for assistance to impacted small businesses or nonprofits include loans or grants to mitigate financial hardship, technical assistance for small businesses, and many more uses.
- Recipients can also provide assistance to impacted industries like travel, tourism, and hospitality that faced substantial pandemic impacts, or address impacts to the public sector, for example by re-hiring public sector workers cut during the crisis.
- Recipients providing funds for enumerated uses to populations and groups that Treasury has presumed eligible are clearly operating consistently with the final rule. Recipients can also identify (1) other populations or groups, beyond those presumed eligible, that experienced pandemic impacts or disproportionate impacts and (2) other programs, services, or capital expenditures, beyond those enumerated, to respond to those impacts.
- **Provide premium pay for eligible workers performing essential work**, offering additional support to those who have and will bear the greatest health risks because of their service in critical sectors.
  - Recipients may provide premium pay to eligible workers – generally those working in-person in key economic sectors – who are below a wage threshold or non-exempt from the Fair Labor Standards Act overtime provisions, or if the recipient submits justification that the premium pay is responsive to workers performing essential work.
- **Invest in water, sewer, and broadband infrastructure**, making necessary investments to improve access to clean drinking water, to support vital wastewater and stormwater infrastructure, and to expand affordable access to broadband internet.
  - Recipients may fund a broad range of water and sewer projects, including those eligible under the EPA’s Clean Water State Revolving Fund, EPA’s Drinking Water State Revolving Fund, and certain additional projects, including a wide set of lead remediation, stormwater infrastructure, and aid for private wells and septic units.
  - Recipients may fund high-speed broadband infrastructure in areas of need that the recipient identifies, such as areas without access to adequate speeds, affordable options, or where connections are inconsistent or unreliable; completed projects must participate in a low-income subsidy program.

While recipients have considerable flexibility to use funds to address the diverse needs of their communities, some restrictions on use apply across all eligible use categories. These include:

- **For states and territories:** No offsets of a reduction in net tax revenue resulting from a change in state or territory law.

*Coronavirus State & Local Fiscal Recovery Funds: Overview of the Final Rule*



- **For all recipients except for Tribal governments:** No extraordinary contributions to a pension fund for the purpose of reducing an accrued, unfunded liability.
- **For all recipients:** No payments for debt service and replenishments of rainy day funds; no satisfaction of settlements and judgments; no uses that contravene or violate the American Rescue Plan Act, Uniform Guidance conflicts of interest requirements, and other federal, state, and local laws and regulations.

Under the SLFRF program, funds must be used for costs incurred on or after March 3, 2021. Further, funds must be obligated by December 31, 2024, and expended by December 31, 2026. This time period, during which recipients can expend SLFRF funds, is the “period of performance.”

In addition to SLFRF, the American Rescue Plan includes other sources of funding for state and local governments, including the [Coronavirus Capital Projects Fund](#) to fund critical capital investments including broadband infrastructure; the [Homeowner Assistance Fund](#) to provide relief for our country’s most vulnerable homeowners; the [Emergency Rental Assistance Program](#) to assist households that are unable to pay rent or utilities; and the [State Small Business Credit Initiative](#) to fund small business credit expansion initiatives. Eligible recipients are encouraged to visit the Treasury website for more information.



## Replacing Lost Public Sector Revenue

The Coronavirus State and Local Fiscal Recovery Funds provide needed fiscal relief for recipients that have experienced revenue loss due to the onset of the COVID-19 public health emergency. Specifically, SLFRF funding may be used to pay for “government services” in an amount equal to the revenue loss experienced by the recipient due to the COVID-19 public health emergency.

Government services generally include any service traditionally provided by a government, including construction of roads and other infrastructure, provision of public safety and other services, and health and educational services. Funds spent under government services are subject to streamlined reporting and compliance requirements.

In order to use funds under government services, recipients should first determine revenue loss. They may, then, spend up to that amount on general government services.

### DETERMINING REVENUE LOSS

Recipients have two options for how to determine their amount of revenue loss. Recipients must choose one of the two options and cannot switch between these approaches after an election is made.

**1. Recipients may elect a “standard allowance” of \$10 million to spend on government services through the period of performance.**

Under this option, which is newly offered in the final rule Treasury presumes that up to \$10 million in revenue has been lost due to the public health emergency and recipients are permitted to use that amount (not to exceed the award amount) to fund “government services.” The standard allowance provides an estimate of revenue loss that is based on an extensive analysis of average revenue loss across states and localities, and offers a simple, convenient way to determine revenue loss, particularly for SLFRF’s smallest recipients.

All recipients may elect to use this standard allowance instead of calculating lost revenue using the formula below, including those with total allocations of \$10 million or less. Electing the standard allowance does not increase or decrease a recipient’s total allocation.

**2. Recipients may calculate their actual revenue loss according to the formula articulated in the final rule.**

Under this option, recipients calculate revenue loss at four distinct points in time, either at the end of each calendar year (e.g., December 31 for years 2020, 2021, 2022, and 2023) or the end of each fiscal year of the recipient. Under the flexibility provided in the final rule, recipients can choose whether to use calendar or fiscal year dates but must be consistent throughout the period of performance. Treasury has also provided several adjustments to the definition of general revenue in the final rule.

To calculate revenue loss at each of these dates, recipients must follow a four-step process:



- a. Calculate 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*.
- b. Estimate *counterfactual revenue*, which is equal to the following formula, where  $n$  is the number of months elapsed since the end of the base year to the calculation date:

$$\text{base year revenue} \times (1 + \text{growth adjustment})^{\frac{n}{12}}$$

The *growth adjustment* is the greater of either a standard growth rate—5.2 percent—or the recipient’s average annual revenue growth in the last full three fiscal years prior to the COVID-19 public health emergency.

- c. Identify *actual revenue*, which equals revenues collected over the twelve months immediately preceding the calculation date.

Under the final rule, recipients must adjust actual revenue totals for the effect of tax cuts and tax increases that are adopted after the date of adoption of the final rule (January 6, 2022). Specifically, the estimated fiscal impact of tax cuts and tax increases adopted after January 6, 2022, must be added or subtracted to the calculation of actual revenue for purposes of calculation dates that occur on or after April 1, 2022.

Recipients may subtract from their calculation of actual revenue the effect of tax increases enacted prior to the adoption of the final rule. Note that recipients that elect to remove the effect of tax increases enacted before the adoption of the final rule must also remove the effect of tax decreases enacted before the adoption of the final rule, such that they are accurately removing the effect of tax policy changes on revenue.

- d. Revenue loss for the calculation date is equal to *counterfactual revenue* minus *actual revenue* (adjusted for tax changes) for the twelve-month period. If actual revenue exceeds counterfactual revenue, the loss is set to zero for that twelve-month period. Revenue loss for the period of performance is the sum of the revenue loss on for each calculation date.

The supplementary information in the final rule provides an example of this calculation, which recipients may find helpful, in the Revenue Loss section.





## SPENDING ON GOVERNMENT SERVICES

Recipients can use SLFRF funds on government services up to the revenue loss amount, whether that be the standard allowance amount or the amount calculated using the above approach. **Government services generally include *any service traditionally provided by a government***, unless Treasury has stated otherwise. Here are some common examples, although this list is not exhaustive:

- ✓ Construction of schools and hospitals
- ✓ Road building and maintenance, and other infrastructure
- ✓ Health services
- ✓ General government administration, staff, and administrative facilities
- ✓ Environmental remediation
- ✓ Provision of police, fire, and other public safety services (including purchase of fire trucks and police vehicles)

Government services is the most flexible eligible use category under the SLFRF program, and funds are subject to streamlined reporting and compliance requirements. Recipients should be mindful that certain restrictions, which are detailed further in the Restrictions on Use section and apply to all uses of funds, apply to government services as well.



## Responding to Public Health and Economic Impacts of COVID-19

The Coronavirus State and Local Fiscal Recovery Funds provide resources for governments to meet the public health and economic needs of those impacted by the pandemic in their communities, as well as address longstanding health and economic disparities, which amplified the impact of the pandemic in disproportionately impacted communities, resulting in more severe pandemic impacts.

The eligible use category to respond to public health and negative economic impacts is organized around the types of assistance a recipient may provide and includes several sub-categories:

- public health,
- assistance to households,
- assistance to small businesses,
- assistance to nonprofits,
- aid to impacted industries, and
- public sector capacity.

In general, to identify eligible uses of funds in this category, recipients should (1) identify a COVID-19 public health or economic impact on an individual or class (i.e., a group) and (2) design a program that responds to that impact. Responses should be related and reasonably proportional to the harm identified and reasonably designed to benefit those impacted.

To provide simple, clear eligible uses of funds that meet this standard, Treasury provides a non-exhaustive list of enumerated uses that respond to pandemic impacts. Treasury also presumes that some populations experienced pandemic impacts and are eligible for responsive services. In other words, recipients providing enumerated uses of funds to populations presumed eligible are clearly operating consistently with the final rule.<sup>1</sup>

Recipients also have broad flexibility to (1) identify and respond to other pandemic impacts and (2) serve other populations that experienced pandemic impacts, beyond the enumerated uses and presumed eligible populations. Recipients can also identify groups or “classes” of beneficiaries that experienced pandemic impacts and provide services to those classes.

---

<sup>1</sup> However, please note that use of funds for enumerated uses may not be grossly disproportionate to the harm. Further, recipients should consult the Capital Expenditures section for more information about pursuing a capital expenditure; please note that enumerated capital expenditures are not presumed to be reasonably proportional responses to an identified harm except as provided in the Capital Expenditures section.



Step	1. Identify COVID-19 public health or economic impact	2. Design a response that addresses or responds to the impact
Analysis	<ul style="list-style-type: none"> <li>Can identify impact to a specific household, business or nonprofit or to a class of households, businesses, or nonprofits (i.e., group)</li> <li>Can also identify disproportionate impacts, or more severe impacts, to a specific beneficiary or to a class</li> </ul>	<ul style="list-style-type: none"> <li>Types of responses can include a program, service, or capital expenditure</li> <li>Response should be related and reasonably proportional to the harm</li> <li>Response should also be reasonably designed to benefit impacted individual or class</li> </ul>
Simplifying Presumptions	<ul style="list-style-type: none"> <li>Final Rule presumes certain populations and classes are impacted and disproportionately impacted</li> </ul>	<ul style="list-style-type: none"> <li>Final Rule provides non-exhaustive list of enumerated eligible uses that respond to pandemic impacts and disproportionate impacts</li> </ul>

To assess eligibility of uses of funds, recipients should first determine the sub-category where their use of funds may fit (e.g., public health, assistance to households, assistance to small businesses), based on the entity that experienced the health or economic impact.<sup>2</sup> Then, recipients should refer to the relevant section for more details on each sub-category.

While the same overall eligibility standard applies to all uses of funds to respond to the public health and negative economic impacts of the pandemic, each sub-category has specific nuances on its application. In addition:

- Recipients interested in using funds for capital expenditures (i.e., investments in property, facilities, or equipment) should review the Capital Expenditures section in addition to the eligible use sub-category.
- Recipients interested in other uses of funds, beyond the enumerated uses, should refer to the section on “Framework for Eligible Uses Beyond Those Enumerated.”

<sup>2</sup> For example, a recipient interested in providing aid to unemployed individuals is addressing a negative economic impact experienced by a household and should refer to the section on assistance to households. Recipients should also be aware of the difference between “beneficiaries” and “sub-recipients.” Beneficiaries are households, small businesses, or nonprofits that can receive assistance based on impacts of the pandemic that they experienced. On the other hand, sub-recipients are organizations that carry out eligible uses on behalf of a government, often through grants or contracts. Sub-recipients do not need to have experienced a negative economic impact of the pandemic; rather, they are providing services to beneficiaries that experienced an impact.



## RESPONDING TO THE PUBLIC HEALTH EMERGENCY

While the country has made tremendous progress in the fight against COVID-19, including a historic vaccination campaign, the disease still poses a grave threat to Americans' health and the economy. Providing state, local, and Tribal governments the resources needed to fight the COVID-19 pandemic is a core goal of the Coronavirus State and Local Fiscal Recovery Funds, as well as addressing the other ways that the pandemic has impacted public health. Treasury has identified several public health impacts of the pandemic and enumerated uses of funds to respond to impacted populations.

- **COVID-19 mitigation and prevention.** The pandemic has broadly impacted Americans and recipients can provide services to prevent and mitigate COVID-19 to the general public or to small businesses, nonprofits, and impacted industries in general. Enumerated eligible uses include:
  - ✓ Vaccination programs, including vaccine incentives and vaccine sites
  - ✓ Testing programs, equipment and sites
  - ✓ Monitoring, contact tracing & public health surveillance (e.g., monitoring for variants)
  - ✓ Public communication efforts
  - ✓ Public health data systems
  - ✓ COVID-19 prevention and treatment equipment, such as ventilators and ambulances
  - ✓ Medical and PPE/protective supplies
  - ✓ Support for isolation or quarantine
  - ✓ Ventilation system installation and improvement
  - ✓ Technical assistance on mitigation of COVID-19 threats to public health and safety
  - ✓ Transportation to reach vaccination or testing sites, or other prevention and mitigation services for vulnerable populations
  - ✓ Support for prevention, mitigation, or other services in congregate living facilities, public facilities, and schools
  - ✓ Support for prevention and mitigation strategies in small businesses, nonprofits, and impacted industries
  - ✓ Medical facilities generally dedicated to COVID-19 treatment and mitigation (e.g., ICUs, emergency rooms)
  - ✓ Temporary medical facilities and other measures to increase COVID-19 treatment capacity
  - ✓ Emergency operations centers & emergency response equipment (e.g., emergency response radio systems)
  - ✓ Public telemedicine capabilities for COVID-19 related treatment



- **Medical expenses.** Funds may be used for expenses to households, medical providers, or others that incurred medical costs due to the pandemic, including:
  - ✓ Unreimbursed expenses for medical care for COVID-19 testing or treatment, such as uncompensated care costs for medical providers or out-of-pocket costs for individuals
  - ✓ Paid family and medical leave for public employees to enable compliance with COVID-19 public health precautions
  - ✓ Emergency medical response expenses
  - ✓ Treatment of long-term symptoms or effects of COVID-19
  
- **Behavioral health care, such as mental health treatment, substance use treatment, and other behavioral health services.** Treasury recognizes that the pandemic has broadly impacted Americans' behavioral health and recipients can provide these services to the general public to respond. Enumerated eligible uses include:
  - ✓ Prevention, outpatient treatment, inpatient treatment, crisis care, diversion programs, outreach to individuals not yet engaged in treatment, harm reduction & long-term recovery support
  - ✓ Enhanced behavioral health services in schools
  - ✓ Services for pregnant women or infants born with neonatal abstinence syndrome
  - ✓ Support for equitable access to reduce disparities in access to high-quality treatment
  - ✓ Peer support groups, costs for residence in supportive housing or recovery housing, and the 988 National Suicide Prevention Lifeline or other hotline services
  - ✓ Expansion of access to evidence-based services for opioid use disorder prevention, treatment, harm reduction, and recovery
  - ✓ Behavioral health facilities & equipment
  
- **Preventing and responding to violence.** Recognizing that violence – and especially gun violence – has increased in some communities due to the pandemic, recipients may use funds to respond in these communities through:
  - ✓ Referrals to trauma recovery services for victims of crime
  - ✓ Community violence intervention programs, including:
    - Evidence-based practices like focused deterrence, with wraparound services such as behavioral therapy, trauma recovery, job training, education, housing and relocation services, and financial assistance
  - ✓ In communities experiencing increased gun violence due to the pandemic:
    - Law enforcement officers focused on advancing community policing
    - Enforcement efforts to reduce gun violence, including prosecution
    - Technology & equipment to support law enforcement response



## RESPONDING TO NEGATIVE ECONOMIC IMPACTS

The pandemic caused severe economic damage and, while the economy is on track to a strong recovery, much work remains to continue building a robust, resilient, and equitable economy in the wake of the crisis and to ensure that the benefits of this recovery reach all Americans. While the pandemic impacted millions of American households and businesses, some of its most severe impacts fell on low-income and underserved communities, where pre-existing disparities amplified the impact of the pandemic and where the most work remains to reach a full recovery.

The final rule recognizes that the pandemic caused broad-based impacts that affected many communities, households, and small businesses across the country; for example, many workers faced unemployment and many small businesses saw declines in revenue. The final rule describes these as “impacted” households, communities, small businesses, and nonprofits.

At the same time, the pandemic caused disproportionate impacts, or more severe impacts, in certain communities. For example, low-income and underserved communities have faced more severe health and economic outcomes like higher rates of COVID-19 mortality and unemployment, often because pre-existing disparities exacerbated the impact of the pandemic. The final rule describes these as “disproportionately impacted” households, communities, small businesses, and nonprofits.

To simplify administration of the program, the final rule presumes that certain populations were “impacted” and “disproportionately impacted” by the pandemic; these populations are presumed to be eligible for services that respond to the impact they experienced. The final rule also enumerates a non-exhaustive list of eligible uses that are recognized as responsive to the impacts or disproportionate impacts of COVID-19. Recipients providing enumerated uses to populations presumed eligible are clearly operating consistently with the final rule.

As discussed further in the section Framework for Eligible Uses Beyond Those Enumerated, recipients can also identify other pandemic impacts, impacted or disproportionately impacted populations or classes, and responses.

However, note that the final rule maintains that general infrastructure projects, including roads, streets, and surface transportation infrastructure, would generally not be eligible under this eligible use category, unless the project responded to a specific pandemic public health need or a specific negative economic impact. Similarly, general economic development or workforce development – activities that do not respond to negative economic impacts of the pandemic but rather seek to more generally enhance the jurisdiction’s business climate – would generally not be eligible under this eligible use category.



## Assistance to Households

### *Impacted Households and Communities*

Treasury presumes the following households and communities are impacted by the pandemic:

- ✓ Low- or-moderate income households or communities
- ✓ Households that experienced unemployment
- ✓ Households that experienced increased food or housing insecurity
- ✓ Households that qualify for the Children’s Health Insurance Program, Childcare Subsidies through the Child Care Development Fund (CCDF) Program, or Medicaid
- ✓ *When providing affordable housing programs:* households that qualify for the National Housing Trust Fund and Home Investment Partnerships Program
- ✓ *When providing services to address lost instructional time in K-12 schools:* any student that lost access to in-person instruction for a significant period of time

Low- or moderate-income households and communities are those with (i) income at or below 300 percent of the Federal Poverty Guidelines for the size of the household based on the most recently published poverty guidelines or (ii) income at or below 65 percent of the area median income for the county and size of household based on the most recently published data. For the vast majority of communities, the Federal Poverty Guidelines are higher than the area’s median income and using the Federal Poverty Guidelines would result in more households and communities being presumed eligible. Treasury has provided an easy-to-use spreadsheet with Federal Poverty Guidelines and area median income levels on its website.

Recipients can measure income for a specific household or the median income for the community, depending on whether the response they plan to provide serves specific households or the general community. The income thresholds vary by household size; recipients should generally use income thresholds for the appropriate household size but can use a default household size of three when easier for administration or when measuring income for a general community.

The income limit for 300 percent of the Federal Poverty Guidelines for a household of three is \$65,880 per year.<sup>3</sup> In other words, recipients can always presume that a household earning below this level, or a community with median income below this level, is impacted by the pandemic and eligible for services to respond. Additionally, by following the steps detailed in the section Framework for Eligible Uses Beyond Those Enumerated, recipients may designate additional households as impacted or disproportionately impacted beyond these presumptions, and may also pursue projects not listed below in response to these impacts consistent with Treasury’s standards.

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<sup>3</sup> For recipients in Alaska, the income limit for 300 percent of the Federal Poverty Guidelines for a household of three is \$82,350 per year. For recipients in Hawaii, the income limit for 300 percent of the Federal Poverty Guidelines for a household of three is \$75,780 per year.



Treasury recognizes the enumerated projects below, which have been expanded under the final rule, as eligible to respond to impacts of the pandemic on households and communities:

- ✓ Food assistance & food banks
- ✓ Emergency housing assistance: rental assistance, mortgage assistance, utility assistance, assistance paying delinquent property taxes, counseling and legal aid to prevent eviction and homelessness & emergency programs or services for homeless individuals, including temporary residences for people experiencing homelessness
- ✓ Health insurance coverage expansion
- ✓ Benefits for surviving family members of individuals who have died from COVID-19
- ✓ Assistance to individuals who want and are available for work, including job training, public jobs programs and fairs, support for childcare and transportation to and from a jobsite or interview, incentives for newly-employed workers, subsidized employment, grants to hire underserved workers, assistance to unemployed individuals to start small businesses & development of job and workforce training centers
- ✓ Financial services for the unbanked and underbanked
- ✓ Burials, home repair & home weatherization
- ✓ Programs, devices & equipment for internet access and digital literacy, including subsidies for costs of access
- ✓ Cash assistance
- ✓ Paid sick, medical, and family leave programs
- ✓ Assistance in accessing and applying for public benefits or services
- ✓ Childcare and early learning services, home visiting programs, services for child welfare-involved families and foster youth & childcare facilities
- ✓ Assistance to address the impact of learning loss for K-12 students (e.g., high-quality tutoring, differentiated instruction)
- ✓ Programs or services to support long-term housing security: including development of affordable housing and permanent supportive housing
- ✓ Certain contributions to an Unemployment Insurance Trust Fund<sup>4</sup>

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<sup>4</sup> Recipients may only use SLFRF funds for contributions to unemployment insurance trust funds and repayment of the principal amount due on advances received under Title XII of the Social Security Act up to an amount equal to (i) the difference between the balance in the recipient's unemployment insurance trust fund as of January 27, 2020 and the balance of such account as of May 17, 2021, plus (ii) the principal amount outstanding as of May 17, 2021 on any advances received under Title XII of the Social Security Act between January 27, 2020 and May 17, 2021. Further, recipients may use SLFRF funds for the payment of any interest due on such Title XII advances. Additionally, a recipient that deposits SLFRF funds into its unemployment insurance trust fund to fully restore the pre-pandemic balance may not draw down that balance and deposit more SLFRF funds, back up to the pre-pandemic balance. Recipients that deposit SLFRF funds into an unemployment insurance trust fund, or use SLFRF funds to repay principal on Title XII advances, may not take action to reduce benefits available to unemployed workers by changing the computation method governing regular unemployment compensation in a way that results in a reduction of average weekly benefit amounts or the number of weeks of benefits payable (i.e., maximum benefit entitlement).





### ***Disproportionately Impacted Households and Communities***

Treasury presumes the following households and communities are disproportionately impacted by the pandemic:

- ✓ Low -income households and communities
- ✓ Households residing in Qualified Census Tracts
- ✓ Households that qualify for certain federal benefits<sup>5</sup>
- ✓ Households receiving services provided by Tribal governments
- ✓ Households residing in the U.S. territories or receiving services from these governments

Low-income households and communities are those with (i) income at or below 185 percent of the Federal Poverty Guidelines for the size of its household based on the most recently published poverty guidelines or (ii) income at or below 40 percent of area median income for its county and size of household based on the most recently published data. For the vast majority of communities, the Federal Poverty Guidelines level is higher than the area median income level and using this level would result in more households and communities being presumed eligible. Treasury has provided an easy-to-use spreadsheet with Federal Poverty Guidelines and area median income levels on its website.

Recipients can measure income for a specific household or the median income for the community, depending on whether the service they plan to provide serves specific households or the general community. The income thresholds vary by household size; recipients should generally use income thresholds for the appropriate household size but can use a default household size of three when easier for administration or when measuring income for a general community.

The income limit for 185 percent of the Federal Poverty Guidelines for a household of three is \$40,626 per year.<sup>6</sup> In other words, recipients can always presume that a household earning below this level, or a community with median income below this level, is disproportionately impacted by the pandemic and eligible for services to respond.

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<sup>5</sup> These programs are Temporary Assistance for Needy Families (TANF), Supplemental Nutrition Assistance Program (SNAP), Free- and Reduced-Price Lunch (NSLP) and/or School Breakfast (SBP) programs, Medicare Part D Low-Income Subsidies, Supplemental Security Income (SSI), Head Start and/or Early Head Start, Special Supplemental Nutrition Program for Women, Infants, and Children (WIC), Section 8 Vouchers, Low-Income Home Energy Assistance Program (LIHEAP), and Pell Grants. For services to address educational disparities, Treasury will recognize Title I eligible schools as disproportionately impacted and responsive services that support the school generally or support the whole school as eligible.

<sup>6</sup> For recipients in Alaska, the income limit for 185 percent of the Federal Poverty Guidelines for a household of three is \$50,783 per year. For recipients in Hawaii, the income limit for 185 percent of the Federal Poverty Guidelines for a household of three is \$46,731 per year



Treasury recognizes the enumerated projects below, which have been expanded under the final rule, as eligible to respond to disproportionate impacts of the pandemic on households and communities:

- ✓ Pay for community health workers to help households access health & social services
- ✓ Remediation of lead paint or other lead hazards
- ✓ Primary care clinics, hospitals, integration of health services into other settings, and other investments in medical equipment & facilities designed to address health disparities
- ✓ Housing vouchers & assistance relocating to neighborhoods with higher economic opportunity
- ✓ Investments in neighborhoods to promote improved health outcomes
- ✓ Improvements to vacant and abandoned properties, including rehabilitation or maintenance, renovation, removal and remediation of environmental contaminants, demolition or deconstruction, greening/vacant lot cleanup & conversion to affordable housing<sup>7</sup>
- ✓ Services to address educational disparities, including assistance to high-poverty school districts & educational and evidence-based services to address student academic, social, emotional, and mental health needs
- ✓ Schools and other educational equipment & facilities

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<sup>7</sup> Please see the final rule for further details and conditions applicable to this eligible use. This includes Treasury’s presumption that demolition of vacant or abandoned residential properties that results in a net reduction in occupiable housing units for low- and moderate-income individuals in an area where the availability of such housing is lower than the need for such housing is ineligible for support with SLFRF funds.



## Assistance to Small Businesses

Small businesses have faced widespread challenges due to the pandemic, including periods of shutdown, declines in revenue, or increased costs. The final rule provides many tools for recipients to respond to the impacts of the pandemic on small businesses, or disproportionate impacts on businesses where pre-existing disparities like lack of access to capital compounded the pandemic's effects.

Small businesses eligible for assistance are those that experienced negative economic impacts or disproportionate impacts of the pandemic and meet the definition of "small business," specifically:

1. Have 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. Are a small business concern as defined in section 3 of the Small Business Act<sup>8</sup> (which includes, among other requirements, that the business is independently owned and operated and is not dominant in its field of operation).

## Impacted Small Businesses

Recipients can identify small businesses impacted by the pandemic, and measures to respond, in many ways; for example, recipients could consider:

- ✓ Decreased revenue or gross receipts
- ✓ Financial insecurity
- ✓ Increased costs
- ✓ Capacity to weather financial hardship
- ✓ Challenges covering payroll, rent or mortgage, and other operating costs

Assistance to small businesses that experienced negative economic impacts includes the following enumerated uses:

- ✓ Loans or grants to mitigate financial hardship, such as by supporting payroll and benefits, costs to retain employees, and mortgage, rent, utility, and other operating costs
- ✓ Technical assistance, counseling, or other services to support business planning

## Disproportionately Impacted Small Businesses

Treasury presumes that the following small businesses are disproportionately impacted by the pandemic:

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<sup>8</sup> 15 U.S.C. 632.



- ✓ Small businesses operating in Qualified Census Tracts
- ✓ Small businesses operated by Tribal governments or on Tribal lands
- ✓ Small businesses operating in the U.S. territories

Assistance to disproportionately impacted small businesses includes the following enumerated uses, which have been expanded under the final rule:

- ✓ Rehabilitation of commercial properties, storefront improvements & façade improvements
- ✓ Support for microbusinesses, including financial, childcare, and transportation costs
- ✓ Technical assistance, business incubators & grants for start-up or expansion costs for small businesses



### **Assistance to Nonprofits**

Nonprofits have faced significant challenges due to the pandemic’s increased demand for services and changing operational needs, as well as declines in revenue sources such as donations and fees.

Nonprofits eligible for assistance are those that experienced negative economic impacts or disproportionate impacts of the pandemic and meet the definition of “nonprofit”—specifically those that are 501(c)(3) or 501(c)(19) tax-exempt organizations.

### ***Impacted Nonprofits***

Recipients can identify nonprofits impacted by the pandemic, and measures to respond, in many ways; for example, recipients could consider:

- ✓ Decreased revenue (e.g., from donations and fees)
- ✓ Financial insecurity
- ✓ Increased costs (e.g., uncompensated increases in service need)
- ✓ Capacity to weather financial hardship
- ✓ Challenges covering payroll, rent or mortgage, and other operating costs

Assistance to nonprofits that experienced negative economic impacts includes the following enumerated uses:

- ✓ Loans or grants to mitigate financial hardship
- ✓ Technical or in-kind assistance or other services that mitigate negative economic impacts of the pandemic

### ***Disproportionately Impacted Nonprofits***

Treasury presumes that the following nonprofits are disproportionately impacted by the pandemic:

- ✓ Nonprofits operating in Qualified Census Tracts
- ✓ Nonprofits operated by Tribal governments or on Tribal lands
- ✓ Nonprofits operating in the U.S. territories

Recipients may identify appropriate responses that are related and reasonably proportional to addressing these disproportionate impacts.



## Aid to Impacted Industries

Recipients may use SLFRF funding to provide aid to industries impacted by the COVID-19 pandemic. Recipients should first designate an impacted industry and then provide aid to address the impacted industry's negative economic impact.

This sub-category of eligible uses does not separately identify disproportionate impacts and corresponding responsive services.

1. **Designating an impacted industry.** There are two main ways an industry can be designated as "impacted."
  1. If the industry is in the travel, tourism, or hospitality sectors (including Tribal development districts), the industry is impacted.
  2. If the industry is outside the travel, tourism, or hospitality sectors, the industry is impacted if:
    - a. The industry experienced at least 8 percent employment loss from pre-pandemic levels,<sup>9</sup> or
    - b. The industry is experiencing comparable or worse economic impacts as the national tourism, travel, and hospitality industries as of the date of the final rule, based on the totality of economic indicators or qualitative data (if quantitative data is unavailable), and if the impacts were generally due to the COVID-19 public health emergency.

Recipients have flexibility to define industries broadly or narrowly, but Treasury encourages recipients to define narrow and discrete industries eligible for aid. State and territory recipients also have flexibility to define the industries with greater geographic precision; for example, a state may identify a particular industry in a certain region of a state as impacted.

2. **Providing eligible aid to the impacted industry.** Aid may only be provided to support businesses, attractions, and Tribal development districts operating prior to the pandemic and affected by required closures and other efforts to contain the pandemic. Further, aid should be generally broadly available to all businesses within the impacted industry to avoid potential conflicts of interest, and Treasury encourages aid to be first used for operational expenses, such as payroll, before being used on other types of costs.

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<sup>9</sup> Specifically, a recipient should compare the percent change in the number of employees of the recipient's identified industry and the national Leisure & Hospitality sector in the three months before the pandemic's most severe impacts began (a straight three-month average of seasonally-adjusted employment data from December 2019, January 2020, and February 2020) with the latest data as of the final rule (a straight three-month average of seasonally-adjusted employment data from September 2021, October 2021, and November 2021). For parity and simplicity, smaller recipients without employment data that measure industries in their specific jurisdiction may use data available for a broader unit of government for this calculation (e.g., a county may use data from the state in which it is located; a city may use data for the county, if available, or state in which it is located) solely for purposes of determining whether a particular industry is an impacted industry.



Treasury recognizes the enumerated projects below as eligible responses to impacted industries.

- ✓ Aid to mitigate financial hardship, such as supporting payroll costs, lost pay and benefits for returning employees, support of operations and maintenance of existing equipment and facilities
- ✓ Technical assistance, counseling, or other services to support business planning
- ✓ COVID-19 mitigation and infection prevention measures (see section Public Health)

As with all eligible uses, recipients may pursue a project not listed above by undergoing the steps outlined in the section Framework for Eligible Uses Beyond Those Enumerated.



## PUBLIC SECTOR CAPACITY

Recipients may use SLFRF funding to restore and bolster public sector capacity, which supports government’s ability to deliver critical COVID-19 services. There are three main categories of eligible uses to bolster public sector capacity and workforce: Public Safety, Public Health, and Human Services Staff; Government Employment and Rehiring Public Sector Staff; and Effective Service Delivery.

### Public Safety, Public Health, and Human Services Staff

SLFRF funding may be used for payroll and covered benefits for public safety, public health, health care, human services and similar employees of a recipient government, for the portion of the employee’s time spent responding to COVID-19. Recipients should follow the steps below.

#### 1. **Identify eligible public safety, public health, and human services staff.** Public safety staff include:

- ✓ Police officers (including state police officers)
- ✓ Sheriffs and deputy sheriffs
- ✓ Firefighters
- ✓ Emergency medical responders
- ✓ Correctional and detention officers
- ✓ Dispatchers and supervisor personnel that directly support public safety staff

Public health staff include:

- ✓ Employees involved in providing medical and other physical or mental health services to patients and supervisory personnel, including medical staff assigned to schools, prisons, and other such institutions
- ✓ Laboratory technicians, medical examiners, morgue staff, and other support services essential for patient care
- ✓ Employees of public health departments directly engaged in public health matters and related supervisory personnel

Human services staff include:

- ✓ Employees providing or administering social services and public benefits
- ✓ Child welfare services employees
- ✓ Child, elder, or family care employees

#### 2. **Assess portion of time spent on COVID-19 response for eligible staff.**

Recipients can use a variety of methods to assess the share of an employees’ time spent responding to COVID-19, including using reasonable estimates—such as estimating the share of time based on discussions with staff and applying that share to all employees in that position.

For administrative convenience, recipients can consider public health and safety employees entirely devoted to responding to COVID-19 (and their payroll and benefits fully covered by SLFRF) if the





employee, or his or her operating unit or division, is “primarily dedicated” to responding to COVID-19. Primarily dedicated means that more than half of the employee, unit, or division’s time is dedicated to responding to COVID-19.

Recipients must periodically reassess their determination and maintain records to support their assessment, although recipients do not need to track staff hours.

3. **Use SLFRF funding for payroll and covered benefits for the portion of eligible staff time spent on COVID-19 response.** SLFRF funding may be used for payroll and covered benefits for the portion of the employees’ time spent on COVID-19 response, as calculated above, through the period of performance.

### **Government Employment and Rehiring Public Sector Staff**

Under the increased flexibility of the final rule, SLFRF funding may be used to support a broader set of uses to restore and support public sector employment. Eligible uses include hiring up to a pre-pandemic baseline that is adjusted for historic underinvestment in the public sector, providing additional funds for employees who experienced pay cuts or were furloughed, avoiding layoffs, providing worker retention incentives, and paying for ancillary administrative costs related to hiring, support, and retention.

- **Restoring pre-pandemic employment.** Recipients have two options to restore pre-pandemic employment, depending on the recipient’s needs.
  - *If the recipient simply wants to hire back employees for pre-pandemic positions:* Recipients may use SLFRF funds to hire employees for the same positions that existed on January 27, 2020 but that were unfilled or eliminated as of March 3, 2021. Recipients may use SLFRF funds to cover payroll and covered benefits for such positions through the period of performance.
  - *If the recipient wants to hire above the pre-pandemic baseline and/or would like to have flexibility in positions:* Recipients may use SLFRF funds to pay for payroll and covered benefits associated with the recipient increasing its number of budgeted FTEs up to 7.5 percent above its pre-pandemic baseline. Specifically, recipients should undergo the following steps:
    - a. Identify the recipient’s budgeted FTE level on January 27, 2020. This includes all budgeted positions, filled and unfilled. This is called the *pre-pandemic baseline*.
    - b. Multiply the pre-pandemic baseline by 1.075. This is called the *adjusted pre-pandemic baseline*.
    - c. Identify the recipient’s budgeted FTE level on March 3, 2021, which is the beginning of the period of performance for SLFRF funds. Recipients may, but are not required to, exclude the number of FTEs dedicated to responding to the COVID-19 public health emergency. This is called the *actual number of FTEs*.
    - d. Subtract the *actual number of FTEs* from the *adjusted pre-pandemic baseline* to calculate the number of FTEs that can be covered by SLFRF funds. Recipients do not have to hire for the same roles that existed pre-pandemic.

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Recipients may use SLFRF funds to cover payroll and covered benefits through the period of performance; these employees must have begun their employment on or after March 3, 2021. Recipients may only use SLFRF funds for additional FTEs hired over the March 3, 2021 level (i.e., the *actual number of FTEs*).

- **Supporting and retaining public sector workers.** Recipients can also use funds in other ways that support the public sector workforce.<sup>10</sup> These include:
  - **Providing additional funding for employees who experienced pay reductions or were furloughed** since the onset of the pandemic, up to the difference in the employee’s pay, taking into account unemployment benefits received.
  - **Maintaining current compensation levels to prevent layoffs.** SLFRF funds may be used to maintain current compensation levels, with adjustments for inflation, in order to prevent layoffs that would otherwise be necessary.
  - **Providing worker retention incentives, including reasonable increases in compensation** to persuade employees to remain with the employer as compared to other employment options. Retention incentives must be entirely additive to an employee’s regular compensation, narrowly tailored to need, and should not exceed incentives traditionally offered by the recipient or compensation that alternative employers may offer to compete for the employees. Treasury presumes that retention incentives that are less than 25 percent of the rate of base pay for an individual employee or 10 percent for a group or category of employees are reasonably proportional to the need to retain employees, as long as other requirements are met.
- **Covering administrative costs associated with administering the hiring, support, and retention programs above.**

### Effective Service Delivery

SLFRF funding may be used to improve the efficacy of public health and economic programs through tools like program evaluation, data, and outreach, as well as to address administrative needs caused or exacerbated by the pandemic. Eligible uses include:

- **Supporting program evaluation, data, and outreach through:**

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<sup>10</sup> Recipients should be able to substantiate that these uses of funds are substantially due to the public health emergency or its negative economic impacts (e.g., fiscal pressures on state and local budgets) and respond to its impacts. See the final rule for details on these uses.



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- ✓ Program evaluation and evidence resources
- ✓ Data analysis resources to gather, assess, share, and use data
- ✓ Technology infrastructure to improve access to and the user experience of government IT systems, as well as technology improvements to increase public access and delivery of government programs and services
- ✓ Community outreach and engagement activities
- ✓ Capacity building resources to support using data and evidence, including hiring staff, consultants, or technical assistance support
- **Addressing administrative needs, including:**
  - ✓ Administrative costs for programs responding to the public health emergency and its economic impacts, including non-SLFRF and non-federally funded programs
  - ✓ Address administrative needs caused or exacerbated by the pandemic, including addressing backlogs caused by shutdowns, increased repair or maintenance needs, and technology infrastructure to adapt government operations to the pandemic (e.g., video-conferencing software, data and case management systems)



### CAPITAL EXPENDITURES

As described above, the final rule clarifies that recipients may use funds for programs, services, and capital expenditures that respond to the public health and negative economic impacts of the pandemic. Any use of funds in this category for a capital expenditure must comply with the capital expenditure requirements, in addition to other standards for uses of funds.

Capital expenditures are subject to the same eligibility standard as other eligible uses to respond to the pandemic’s public health and economic impacts; specifically, they must be related and reasonably proportional to the pandemic impact identified and reasonably designed to benefit the impacted population or class.

For ease of administration, the final rule identifies enumerated types of capital expenditures that Treasury has identified as responding to the pandemic’s impacts; these are listed in the applicable sub-category of eligible uses (e.g., public health, assistance to households, etc.). Recipients may also identify other responsive capital expenditures. Similar to other eligible uses in the SLFRF program, no pre-approval is required for capital expenditures.

To guide recipients’ analysis of whether a capital expenditure meets the eligibility standard, recipients (with the exception of Tribal governments) must complete and meet the requirements of a written justification for capital expenditures equal to or greater than \$1 million. For large-scale capital expenditures, which have high costs and may require an extended length of time to complete, as well as most capital expenditures for non-enumerated uses of funds, Treasury requires recipients to submit their written justification as part of regular reporting. Specifically:

<b>If a project has total capital expenditures of</b>	<b>and the use is enumerated by Treasury as eligible, then</b>	<b>and the use is beyond those enumerated by Treasury as eligible, then</b>
Less than \$1 million	No Written Justification required	No Written Justification required
Greater than or equal to \$1 million, but less than \$10 million	Written Justification required but recipients are not required to submit as part of regular reporting to Treasury	Written Justification required and recipients must submit as part of regular reporting to Treasury
\$10 million or more	Written Justification required and recipients must submit as part of regular reporting to Treasury	

A Written Justification includes:

- *Description of the harm or need to be addressed.* Recipients should provide a description of the specific harm or need to be addressed and why the harm was exacerbated or caused by the public health emergency. Recipients may provide quantitative information on the extent and the type of harm, such as the number of individuals or entities affected.



- *Explanation of why a capital expenditure is appropriate.* For example, recipients should include an explanation of why existing equipment and facilities, or policy changes or additional funding to pertinent programs or services, would be inadequate.
- *Comparison of proposed capital project against at least two alternative capital expenditures and demonstration of why the proposed capital expenditure is superior.* Recipients should consider the effectiveness of the capital expenditure in addressing the harm identified and the expected total cost (including pre-development costs) against at least two alternative capital expenditures.

Where relevant, recipients should consider the alternatives of improving existing capital assets already owned or leasing other capital assets.

Treasury presumes that the following capital projects are generally ineligible:

- ✘ Construction of new correctional facilities as a response to an increase in rate of crime
- ✘ Construction of new congregate facilities to decrease spread of COVID-19 in the facility
- ✘ Construction of convention centers, stadiums, or other large capital projects intended for general economic development or to aid impacted industries

In undertaking capital expenditures, Treasury encourages recipients to adhere to 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. Treasury also encourages recipients to prioritize in their procurements employers with high labor standards and to prioritize employers without recent violations of federal and state labor and employment laws.



### FRAMEWORK FOR ELIGIBLE USES BEYOND THOSE ENUMERATED

As described above, recipients have broad flexibility to identify and respond to other pandemic impacts and serve other populations that experienced pandemic impacts, beyond the enumerated uses and presumed eligible populations. Recipients should undergo the following steps to decide whether their project is eligible:

Step	1. Identify COVID-19 public health or economic impact	2. Design a response that addresses or responds to the impact
Analysis	<ul style="list-style-type: none"> <li>• Can identify impact to a specific household, business or nonprofit or to a class of households, businesses or nonprofits (i.e., group)</li> <li>• Can also identify disproportionate impacts, or more severe impacts, to a specific beneficiary or to a class</li> </ul>	<ul style="list-style-type: none"> <li>• Types of responses can include a program, service, or capital expenditure</li> <li>• Response should be related and reasonably proportional to the harm</li> <li>• Response should also be reasonably designed to benefit impacted individual or class</li> </ul>

#### 1. Identify a COVID-19 public health or negative economic impact on an individual or a class.

Recipients should identify an individual or class that is “impacted” or “disproportionately impacted” by the COVID-19 public health emergency or its negative economic impacts as well as the specific impact itself.

- “Impacted” entities are those impacted by the disease itself or the harmful consequences of the economic disruptions resulting from or exacerbated by the COVID-19 public health emergency. For example, an individual who lost their job or a small business that saw lower revenue during a period of closure would both have experienced impacts of the pandemic.
- “Disproportionately impacted” entities are those that experienced disproportionate public health or economic outcomes from the pandemic; Treasury recognizes that pre-existing disparities, in many cases, amplified the impacts of the pandemic, causing more severe impacts in underserved communities. For example, a household living in a neighborhood with limited access to medical care and healthy foods may have faced health disparities before the pandemic, like a higher rate of chronic health conditions, that contributed to more severe health outcomes during the COVID-19 pandemic.

The recipient may choose to identify these impacts at either the individual level or at a class level. If the recipient is identifying impacts at the individual level, they should retain documentation supporting the impact the individual experienced (e.g., documentation of lost revenues from a small business). Such documentation can be streamlined in many cases (e.g., self-attestation that a household requires food assistance).

Recipients also have broad flexibility to identify a “class” – or a group of households, small businesses, or nonprofits – that experienced an impact. In these cases, the recipients should



first identify the class and the impact that it faced. Then, recipients only need to document that the individuals served fall within that class; recipients do not need to document a specific impact to each individual served. For example, a recipient could identify that restaurants in the downtown area faced substantial declines in revenue due to decreased foot traffic from workers; the recipient could develop a program to respond to the impact on that class and only needs to document that the businesses being served are restaurants in the downtown area.

Recipients should keep the following considerations in mind when designating a class:

- **There should be a relationship between the definition of the class and the proposed response.** Larger and less-specific classes are less likely to have experienced similar harms, which may make it more difficult to design a response that appropriately responds to those harms.
  - **Classes may be determined on a population basis or on a geographic basis,** and the response should be appropriately matched. For example, a response might be designed to provide childcare to single parents, regardless of which neighborhood they live in, or a response might provide a park to improve the health of a disproportionately impacted neighborhood.
  - **Recipients may designate classes that experienced disproportionate impact,** by assessing the impacts of the pandemic and finding that some populations experienced meaningfully more severe impacts than the general public. To determine these disproportionate impacts, recipients:
    - May designate classes based on academic research or government research publications (such as the citations provided in the supplementary information in the final rule), through analysis of their own data, or through analysis of other existing data sources.
    - May also consider qualitative research and sources to augment their analysis, or when quantitative data is not readily available. Such sources might include resident interviews or feedback from relevant state and local agencies, such as public health departments or social services departments.
    - Should consider the quality of the research, data, and applicability of analysis to their determination in all cases.
  - **Some of the enumerated uses may also be appropriate responses to the impacts experienced by other classes of beneficiaries.** It is permissible for recipients to provide these services to other classes, so long as the recipient determines that the response is also appropriate for those groups.
  - **Recipients may designate a class based on income level, including at levels higher than the final rule definition of "low- and moderate-income."** For example, a recipient may identify that households in their community with incomes above the final rule threshold for low-income nevertheless experienced disproportionate impacts from the pandemic and provide responsive services.
2. **Design a response that addresses or responds to the impact.** Programs, services, and other interventions must be reasonably designed to benefit the individual or class that experienced



the impact. They must also be related and reasonably proportional to the extent and type of impact experienced. For example, uses that bear no relation or are grossly disproportionate to the type or extent of the impact would not be eligible.

“Reasonably proportional” refers to the scale of the response compared to the scale of the harm, as well as the targeting of the response to beneficiaries compared to the amount of harm they experienced; for example, it may not be reasonably proportional for a cash assistance program to provide a very small amount of aid to a group that experienced severe harm and a much larger amount to a group that experienced relatively little harm. Recipients should consider relevant factors about the harm identified and the response to evaluate whether the response is reasonably proportional. For example, recipients may consider the size of the population impacted and the severity, type, and duration of the impact. Recipients may also consider the efficacy, cost, cost-effectiveness, and time to delivery of the response.

For disproportionately impacted communities, recipients may design interventions that address broader pre-existing disparities that contributed to more severe health and economic outcomes during the pandemic, such as disproportionate gaps in access to health care or pre-existing disparities in educational outcomes that have been exacerbated by the pandemic.





## Premium Pay

The Coronavirus State and Local Fiscal Recovery Funds may be used to provide premium pay to eligible workers performing essential work during the pandemic. Premium pay may be awarded to eligible workers up to \$13 per hour. Premium pay must be in addition to wages or remuneration (i.e., compensation) the eligible worker otherwise receives. Premium pay may not exceed \$25,000 for any single worker during the program.

Recipients should undergo the following steps to provide premium pay to eligible workers.

- 1. Identify an “eligible” worker.** Eligible workers include workers “needed to maintain continuity of operations of essential critical infrastructure sectors.” These sectors and occupations are eligible:

- ✓ Health care
- ✓ Emergency response
- ✓ Sanitation, disinfection & cleaning
- ✓ Maintenance
- ✓ Grocery stores, restaurants, food production, and food delivery
- ✓ Pharmacy
- ✓ Biomedical research
- ✓ Behavioral health
- ✓ Medical testing and diagnostics
- ✓ Home and community-based health care or assistance with activities of daily living
- ✓ Family or child care
- ✓ Social services
- ✓ Public health
- ✓ Mortuary
- ✓ Critical clinical research, development, and testing necessary for COVID-19 response
- ✓ State, local, or Tribal government workforce
- ✓ Workers providing vital services to Tribes
- ✓ Educational, school nutrition, and other work required to operate a school facility
- ✓ Laundry
- ✓ Elections
- ✓ Solid waste or hazardous materials management, response, and cleanup
- ✓ Work requiring physical interaction with patients
- ✓ Dental care
- ✓ Transportation and warehousing
- ✓ Hotel and commercial lodging facilities that are used for COVID-19 mitigation and containment

Beyond this list, the chief executive (or equivalent) of a recipient government may designate additional non-public sectors as critical so long as doing so is necessary to protecting the health and wellbeing of the residents of such jurisdictions.

- 2. Verify that the eligible worker performs “essential work,”** meaning work that:

- Is not performed while teleworking from a residence; and
- Involves either:
  - a. regular, in-person interactions with patients, the public, or coworkers of the individual that is performing the work; or
  - b. 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.



**3. Confirm that the premium pay “responds to” workers performing essential work during the COVID-19 public health emergency.** Under the final rule, which broadened the share of eligible workers who can receive premium pay without a written justification, recipients may meet this requirement in one of three ways:

- Eligible worker receiving premium pay is earning (with the premium included) at or below 150 percent of their residing state or county’s average annual wage for all occupations, as defined by the Bureau of Labor Statistics’ [Occupational Employment and Wage Statistics](#), whichever is higher, on an annual basis; or
- Eligible worker receiving premium pay is not exempt from the Fair Labor Standards Act overtime provisions; or
- If a worker does not meet either of the above requirements, the recipient must submit written justification to Treasury detailing how the premium pay is otherwise responsive to workers performing essential work during the public health emergency. This may include a description of the essential worker’s duties, health, or financial risks faced due to COVID-19, and why the recipient determined that the premium pay was responsive. Treasury anticipates that recipients will easily be able to satisfy the justification requirement for front-line workers, like nurses and hospital staff.

Premium pay may be awarded in installments or lump sums (e.g., monthly, quarterly, etc.) and may be awarded to hourly, part-time, or salaried or non-hourly workers. Premium pay must be paid in addition to wages already received and may be paid retrospectively. A recipient may not use SLFRF to merely reimburse itself for premium pay or hazard pay already received by the worker, and premium pay may not be paid to volunteers.



## Water & Sewer Infrastructure

The Coronavirus State and Local Fiscal Recovery Funds may be used to make necessary investments in water and sewer infrastructure. State, local, and Tribal governments have a tremendous need to address the consequences of deferred maintenance in drinking water systems and removal, management, and treatment of sewage and stormwater, along with additional resiliency measures needed to adapt to climate change.

Recipients may undertake the eligible projects below:

### PROJECTS ELIGIBLE UNDER EPA'S CLEAN WATER STATE REVOLVING FUND (CWSRF)

Eligible projects under the CWSRF, and the final rule, include:

- ✓ Construction of publicly owned treatment works
- ✓ Projects pursuant to implementation of a nonpoint source pollution management program established under the Clean Water Act (CWA)
- ✓ Decentralized wastewater treatment systems that treat municipal wastewater or domestic sewage
- ✓ Management and treatment of stormwater or subsurface drainage water
- ✓ Water conservation, efficiency, or reuse measures
- ✓ Development and implementation of a conservation and management plan under the CWA
- ✓ Watershed projects meeting the criteria set forth in the CWA
- ✓ Energy consumption reduction for publicly owned treatment works
- ✓ Reuse or recycling of wastewater, stormwater, or subsurface drainage water
- ✓ Security of publicly owned treatment works

Treasury encourages recipients to review the EPA handbook for the [CWSRF](#) for a full list of eligibilities.

### PROJECTS ELIGIBLE UNDER EPA'S DRINKING WATER STATE REVOLVING FUND (DWSRF)

Eligible drinking water projects under the DWSRF, and the final rule, include:

- ✓ Facilities to improve drinking water quality
- ✓ Transmission and distribution, including improvements of water pressure or prevention of contamination in infrastructure and lead service line replacements
- ✓ New sources to replace contaminated drinking water or increase drought resilience, including aquifer storage and recovery system for water storage
- ✓ Green infrastructure, including green roofs, rainwater harvesting collection, permeable pavement
- ✓ Storage of drinking water, such as to prevent contaminants or equalize water demands
- ✓ Purchase of water systems and interconnection of systems
- ✓ New community water systems

Treasury encourages recipients to review the EPA handbook for the [DWSRF](#) for a full list of eligibilities.

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## ADDITIONAL ELIGIBLE PROJECTS

With broadened eligibility under the final rule, SLFRF funds may be used to fund additional types of projects— such as additional stormwater infrastructure, residential wells, lead remediation, and certain rehabilitations of dams and reservoirs — beyond the CWSRF and DWSRF, if they are found to be “necessary” according to the definition provided in the final rule and outlined below.

- ✓ Culvert repair, resizing, and removal, replacement of storm sewers, and additional types of stormwater infrastructure
- ✓ Infrastructure to improve access to safe drinking water for individual served by residential wells, including testing initiatives, and treatment/remediation strategies that address contamination
- ✓ Dam and reservoir rehabilitation if primary purpose of dam or reservoir is for drinking water supply and project is necessary for provision of drinking water
- ✓ Broad set of lead remediation projects eligible under EPA grant programs authorized by the Water Infrastructure Improvements for the Nation (WIIN) Act, such as lead testing, installation of corrosion control treatment, lead service line replacement, as well as water quality testing, compliance monitoring, and remediation activities, including replacement of internal plumbing and faucets and fixtures in schools and childcare facilities

A “necessary” investment in infrastructure must be:

- (1) responsive to an identified need to achieve or maintain an adequate minimum level of service, which may include a reasonable projection of increased need, whether due to population growth or otherwise,
- (2) a cost-effective means for meeting that need, taking into account available alternatives, and
- (3) for investments in infrastructure that supply drinking water in order to meet projected population growth, projected to be sustainable over its estimated useful life.

Please note that DWSRF and CWSRF-eligible projects are generally presumed to be necessary investments. Additional eligible projects generally must be responsive to an identified need to achieve or maintain an adequate minimum level of service. Recipients are only required to assess cost-effectiveness of projects for the creation of new drinking water systems, dam and reservoir rehabilitation projects, or projects for the extension of drinking water service to meet population growth needs. Recipients should review the supplementary information to the final rule for more details on requirements applicable to each type of investment.

## APPLICABLE STANDARDS & REQUIREMENTS

Treasury encourages recipients to adhere to 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. Treasury also encourages recipients to prioritize in their procurements employers with high labor standards and to prioritize employers without recent violations of federal and state labor and employment laws.

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## Broadband Infrastructure

The Coronavirus State and Local Fiscal Recovery Funds may be used to make necessary investments in broadband infrastructure, which has been shown to be critical for work, education, healthcare, and civic participation during the public health emergency. The final rule broadens the set of eligible broadband infrastructure investments that recipients may undertake.

Recipients may pursue investments in broadband infrastructure meeting technical standards detailed below, as well as an expanded set of cybersecurity investments.

### BROADBAND INFRASTRUCTURE INVESTMENTS

Recipients should adhere to the following requirements when designing a broadband infrastructure project:

1. **Identify an eligible area for investment.** Recipients are encouraged to prioritize projects that are designed to serve locations without access to reliable wireline 100/20 Mbps broadband service (meaning service that reliably provides 100 Mbps download speed and 20 Mbps upload speed through a wireline connection), but are broadly able to invest in projects designed to provide service to locations with an identified need for additional broadband investment. Recipients have broad flexibility to define need in their community. Examples of need could include:

- ✓ Lack of access to a reliable high-speed broadband connection
- ✓ Lack of affordable broadband
- ✓ Lack of reliable service

If recipients are considering deploying broadband to locations where there are existing and enforceable federal or state funding commitments for reliable service of at least 100/20 Mbps, recipients must ensure that SLFRF funds are designed to address an identified need for additional broadband investment that is not met by existing federal or state funding commitments. Recipients must also ensure that SLFRF funds will not be used for costs that will be reimbursed by the other federal or state funding streams.

2. **Design project to meet high-speed technical standards.** Recipients are required to design projects to, upon completion, reliably meet or exceed symmetrical 100 Mbps download and upload speeds. 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, eligible projects may be designed to reliably meet or exceed 100/20 Mbps and be scalable to a minimum of symmetrical 100 Mbps download and upload speeds.

Treasury encourages recipients to prioritize investments in fiber-optic infrastructure wherever feasible and to focus on projects that will achieve last-mile connections. Further, Treasury encourages recipients to prioritize support for broadband networks owned, operated by, or affiliated with local governments, nonprofits, and co-operatives.



3. **Require enrollment in a low-income subsidy program.** Recipients must require the service provider for a broadband project that provides service to households to either:
- ✓ Participate in the FCC’s Affordable Connectivity Program (ACP)
  - ✓ Provide access to a broad-based affordability program to low-income consumers that provides benefits commensurate to ACP

Treasury encourages broadband services to also include at least one low-cost option offered without data usage caps at speeds sufficient for a household with multiple users to simultaneously telework and engage in remote learning. Recipients are also encouraged to consult with the community on affordability needs.

### **CYBERSECURITY INVESTMENTS**

SLFRF may be used for modernization of cybersecurity for existing and new broadband infrastructure, regardless of their speed delivery standards. This includes modernization of hardware and software.

### **APPLICABLE STANDARDS & REQUIREMENTS**

Treasury encourages recipients to adhere to 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. Treasury also encourages recipients to prioritize in their procurements employers with high labor standards and to prioritize employers without recent violations of federal and state labor and employment laws.



## Restrictions on Use

While recipients have considerable flexibility to use Coronavirus State and Local Fiscal Recovery Funds to address the diverse needs of their communities, some restrictions on use of funds apply.

### OFFSET A REDUCTION IN NET TAX REVENUE

- **States and territories may not use this funding to directly or indirectly offset a reduction in net tax revenue resulting from a change in law, regulation, or administrative interpretation beginning on March 3, 2021, through the last day of the fiscal year in which the funds provided have been spent.** If a state or territory cuts taxes during this period, it must demonstrate how it paid for the tax cuts from sources other than SLFRF, such as by enacting policies to raise other sources of revenue, by cutting spending, or through higher revenue due to economic growth. If the funds provided have been used to offset tax cuts, the amount used for this purpose must be repaid to the Treasury.

### DEPOSITS INTO PENSION FUNDS

- **No recipients except Tribal governments may use this funding to make a deposit to a pension fund.** Treasury defines a “deposit” as an extraordinary contribution to a pension fund for the purpose of reducing an accrued, unfunded liability. While pension deposits are prohibited, recipients may use funds for routine payroll contributions connected to an eligible use of funds (e.g., for public health and safety staff). Examples of extraordinary payments include ones that:
  - ✗ Reduce a liability incurred prior to the start of the COVID-19 public health emergency and occur outside the recipient's regular timing for making the payment
  - ✗ Occur at the regular time for pension contributions but is larger than a regular payment would have been

### ADDITIONAL RESTRICTIONS AND REQUIREMENTS

Additional restrictions and requirements that apply across all eligible use categories include:

- **No debt service or replenishing financial reserves.** Since SLFRF funds are intended to be used prospectively, recipients may not use SLFRF funds for debt service or replenishing financial reserves (e.g., rainy day funds).
- **No satisfaction of settlements and judgments.** 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 is itself not an eligible use. However, if a settlement requires the recipient to provide services or incur other costs that are an eligible use of SLFRF funds, SLFRF may be used for those costs.
- **Additional general restrictions.** SLFRF funds may not be used for a project that conflicts with or contravenes the purpose of the American Rescue Plan Act statute (e.g., uses of funds that

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undermine COVID-19 mitigation practices in line with CDC guidance and recommendations) and may not be used in violation of the Award Terms and Conditions or conflict of interest requirements under the Uniform Guidance. Other applicable laws and regulations, outside of SLFRF program requirements, may also apply (e.g., laws around procurement, contracting, conflicts-of-interest, environmental standards, or civil rights).





## Program Administration

The Coronavirus State and Local Fiscal Recovery Funds final rule details a number of administrative processes and requirements, including on distribution of funds, timeline for use of funds, transfer of funds, treatment of loans, use of funds to meet non-federal match or cost-share requirements, administrative expenses, reporting on use of funds, and remediation and recoupment of funds used for ineligible purposes. This section provides a summary for the most frequently asked questions.

### TIMELINE FOR USE OF FUNDS

Under the SLFRF, funds must be used for costs incurred on or after March 3, 2021. Further, costs must be obligated by December 31, 2024, and expended by December 31, 2026.

### TRANSFERS

Recipients may undertake projects on their own or through subrecipients, which carry out eligible uses on behalf of a recipient, including pooling funds with other recipients or blending and braiding SLFRF funds with other sources of funds. Localities may also transfer their funds to the state through section 603(c)(4), which will decrease the locality's award and increase the state award amounts.

### LOANS

Recipients may generally use SLFRF funds to provide loans for uses that are otherwise eligible, although there are special rules about how recipients should track program income depending on the length of the loan. Recipients should consult the final rule if they seek to utilize these provisions.

### NON-FEDERAL MATCH OR COST-SHARE REQUIREMENTS

Funds available under the "revenue loss" eligible use category (sections 602(c)(1)(C) and 603(c)(1)(C) of the Social Security Act) generally may be used to meet the non-federal cost-share or matching requirements of other federal programs. However, note that SLFRF funds may not be used as the non-federal share for purposes of a state's Medicaid and CHIP programs because the Office of Management and Budget has approved a waiver as requested by the Centers for Medicare & Medicaid Services pursuant to 2 CFR 200.102 of the Uniform Guidance and related regulations.

SLFRF funds beyond those that are available under the revenue loss eligible use category may not be used to meet the non-federal match or cost-share requirements of other federal programs, other than as specifically provided for by statute. As an example, the Infrastructure Investment and Jobs Act provides that SLFRF funds may be used to meet the non-federal match requirements of authorized Bureau of Reclamation projects and certain broadband deployment projects. Recipients should consult the final rule for further details if they seek to utilize SLFRF funds as a match for these projects.

### ADMINISTRATIVE EXPENSES

SLFRF funds may be used for direct and indirect administrative expenses involved in administering the program. For details on permissible direct and indirect administrative costs, recipients should refer to Treasury's [Compliance and Reporting Guidance](#). Costs incurred for the same purpose in like circumstances must be treated consistently as either direct or indirect costs.

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## REPORTING, COMPLIANCE & RECOUPMENT

Recipients are required to comply with Treasury's [Compliance and Reporting Guidance](#), which includes submitting mandatory periodic reports to Treasury.

Funds used in violation of the final rule are subject to remediation and recoupment. As outlined in the final rule, Treasury may identify funds used in violation through reporting or other sources. Recipients will be provided with an initial written notice of recoupment with an opportunity to submit a request for reconsideration before Treasury provides a final notice of recoupment. If the recipient receives an initial notice of recoupment and does not submit a request for reconsideration, the initial notice will be deemed the final notice. Treasury may pursue other forms of remediation and monitoring in conjunction with, or as an alternative to, recoupment.

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### REVISIONS TO THE OVERVIEW OF THE FINAL RULE:

- January 18, 2022 (p. 4, p. 16): Clarification that the revenue loss standard allowance is “up to” \$10 million under the Replacing Lost Public Sector Revenue eligible use category; addition of further information on the eligibility of general infrastructure, general economic development, and worker development projects under the Public Health and Negative Economic Impacts eligible use category.