



**Hidden Valley Lake Community Services District  
Personnel Committee Meeting  
September 14, 2022 - 8:30 a.m.  
19400 Hartmann Road, Hidden Valley Lake, Ca.**

**Attend in Person or Join by Teleconference**

To join the meeting by Teleconference, go to [www.hvclsd.org](http://www.hvclsd.org) select the September 14, 2022, Personnel Committee Meeting and select the Microsoft TEAMS link select Open Microsoft Teams select Join Now.

**This meeting is being recorded for live streaming and broadcasting purposes.**

- 1) **CALL TO ORDER**
- 2) **PLEDGE OF ALLEGIANCE**
- 3) **ROLL CALL**
- 4) **APPROVAL OF AGENDA**
- 5) **DISCUSSION AND POSSIBLE RECOMMENDATION:** Allocation of Covid-19 Relief Funding
- 6) **PUBLIC COMMENT**
- 7) **BOARD MEMBER COMMENT**
- 8) **ADJOURN**

Public records are available upon request. Board Packets are posted on our website at [www.hvclsd.org/meetings](http://www.hvclsd.org/meetings). In compliance to the Americans with Disabilities Act, if you need special accommodations to participate in or attend the meeting, please contact the District Office at 987-9201 at least 48 hours prior to the scheduled meeting.

Members of the public shall be given the opportunity to comment on each agenda item before the Governing Board acts on that item, G.C. 54953.3. All other comments will be taken under Public Comment.

**ACTION OF  
HIDDEN VALLEY LAKE COMMUNITY SERVICES DISTRICT**

**DATE:** September 14, 2022

**AGENDA ITEM:** Allocation of Covid-19 Relief Funding

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**RECOMMENDATIONS:** Staff requests the Personnel Committee consider and recommend the allocation of the ARPA Funding to District staff as presented.

In normal times, our staff are on the frontlines supporting the District mission to provide, maintain and protect our community's water. During the pandemic, our employees by virtue of their employment, took on additional burdens and make great personal sacrifices as a result of the COVID-19 pandemic.

Premium pay is designed to compensate workers that who have put themselves at risk to provide direct services during the pandemic. Premium pay can be thought of as hazard pay by another name, for the heightened risks they have faced and continue to face.

Sections 602(c)(1)(B) and 603(c)(1)(B) of the Social Security Act, as added by the ARPA,(American Rescue Plan Act) provide that SLFRF funds may be used "to respond to workers performing essential work during the COVID-19 public health emergency by providing premium pay to eligible workers of the government that are performing such essential work, or by providing grants to eligible employers that have eligible workers who perform essential work."

**FINANCIAL IMPACT:** \$55,466.80 funded by ARPA,(American Rescue Plan Act) SLFRF funds.

**BACKGROUND:** In August of 2021, staff began the application process for the ARP Recovery Funds, requesting \$56,015.43 for loss of revenue and unanticipated costs. The District application was accepted and was awarded \$116,992. in December of 2021.

After paying the original expenses back, Staff believed that an allocation of the remaining ~\$61k could be used to support the employee Premium Pay. A detailed calculation of hourly wage, date of hire, and the exclusion of work-from-home hours was conducted to determine a fair allocation for each employee. This allocation totaled less than \$61k, at \$55,466.80.

***Agencies that have provided premium pay to employees:***

*County of Sonoma allocated a total of \$8,000,000 for employees who contributed over 200 hours to providing continued services during the pandemic and who are hired by December 13, 2021.*

*Sacramento County Board of Supervisors allocated \$11.4 million premium pay for Sacramento County employees who performed essential work during the pandemic*

*City of Covina allocated payments to City Staff who worked and were relied upon to maintain continuity of operations during the pandemic. In recognition of the added risks that essential workers faced, up to \$1.2 million in premium pay funding is recommended for eligible City Staff.*

*Solano County's ARPA Direct Funding as approved by the Board of Supervisors on October 19, 2021, allocating \$2,160,000 for Premium Pay.*

## **Guidelines for allocation of Funds**

In the American Rescue Plan, Congress created a mechanism for state and local governments to use their Recovery Fund (“ARP Recovery Funds”) allocations to provide “premium pay” to essential workers.

Special districts receiving State and Local Fiscal Recovery Funds (SLFRF) transfers may utilize the funds to offer premium pay to eligible workers that were required to report to work in-person and had regular, in-person interactions with other individuals or objects handled by other individuals, thus risking COVID exposure.

The final rule identifies “eligible workers” as those who were needed for the continuation of critical infrastructure and essential services during the pandemic. Treasury’s non-exhaustive list of eligible employees include those in the state and local government workforce. Special districts with employees providing services such as emergency response, fire protection, healthcare, home healthcare, childcare services, electricity, drinking water, wastewater treatment and sanitation, cemetery, transit, cargo logistics (such as ports), and other critical infrastructure services may consider premium pay as an option to eligible employees.

Premium pay allows for up to \$13 per hour in addition to an eligible employee’s regular wage; however, the total of the regular wage and premium pay bonus for eligible employees in California should not exceed \$47.41 per hour. The maximum amount of premium pay an eligible employee may receive is \$25,000. Agencies may provide retroactive premium pay dating back to January 27, 2020. Workers are eligible to receive premium pay until December 31, 2024.

## **Background and Summary of the Interim Final Rule**

### **Essential Worker**

The interim final rule established a three-part framework for recipients seeking to use SLFRF funds for premium pay. **First**, to receive premium pay one must be an eligible worker. **Second**, an eligible worker must also perform essential work. **Finally**, premium pay must respond to workers performing essential work during the COVID-19 public health emergency.

The ARPA defines “eligible workers” as “those workers needed to maintain continuity of operations of essential critical infrastructure sectors.

### **Essential Work**

The interim final rule defined “essential work” as work that (1) is not performed while teleworking from a residence and (2) involves either (i) regular, in-person interactions with patients, the public, or coworkers of the individual that is performing the work or (ii) regular physical handling of items that

were handled by, or are to be handled by, patients, the public, or coworkers of the individual that is performing the work. Treasury adopted this definition of essential work to ensure that premium pay is targeted to workers that faced or face heightened risks due to the character of their work during a pandemic.

The final rule provides that premium pay is responsive to eligible workers performing essential work during the public health emergency if each eligible worker who receives premium pay falls into one of three categories: (1) The worker's pay is below the wage threshold, (2) the worker is not exempt from the FLSA overtime provisions, or (3) the recipient has submitted a written justification to Treasury.

The final rule makes it clear that written justification to Treasury is not necessary with respect to eligible workers whose pay is less than the wage threshold. Nor is written justification necessary with respect to eligible workers who are not exempt from the FLSA overtime provisions. The written justification is only necessary if the worker's pay (with or without the premium) exceeds the threshold, *and* the worker is exempt from the FLSA overtime provisions. The final rule also clarifies that a worker's pay exceeds the threshold if either the premium pay increases the worker's total pay above the wage threshold or the worker's total pay was already above the threshold, before receiving premium pay.

Treasury has also updated the final rule to clarify that written justification means a brief, written narrative justification of how the premium pay or grant is responsive to workers performing essential work during the public health emergency. This could include a description of the essential workers' duties, health or financial risks faced due to COVID-19, and why the recipient determined that the premium pay was responsive despite the workers' higher income.

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## Coronavirus Local Fiscal Recovery Fund Guidance:

### Premium Pay

American Rescue Plan Act (ARPA) Local Fiscal Recovery Funds may be used to provide premium pay to eligible workers performing essential work during the COVID-19 public health emergency or to provide grants to third-party employers with eligible workers performing essential work

These are workers who have been and continue to be relied on to maintain continuity of operations of essential critical infrastructure sectors, including those who are critical to protecting the health and wellbeing of their communities.<sup>1</sup>

Workers who are covered by premium pay include:<sup>2</sup>

- Staff at nursing homes, hospitals, and home care settings;
- Workers at farms, food production facilities, grocery stores, and restaurants;
- Janitors and sanitation workers;
- Truck drivers, transit staff, and warehouse workers;
- Public health and safety staff;
- Childcare workers, educators, and other school staff; and
- Social service and human services staff.

The Interim Final Rule defines essential work as work involving regular in-person interactions or regular physical handling of items that were also handled by others. A worker would not be engaged in essential work and, accordingly may not receive premium pay, for telework performed from a residence.<sup>3</sup>

The definition of eligible worker is “those workers needed to maintain continuity of operations of essential critical infrastructure sectors and additional sectors as each Governor of a State or territory, or

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<sup>1</sup> Interim Final Rule: Coronavirus State and Local Fiscal Recovery Funds, U.S. Department of Treasury (hereinafter “Treasury Guidance”) 40.

<sup>2</sup> Treasury Guidance 41-42.

<sup>3</sup> Treasury Guidance 43.



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each Tribal government, may designate as critical to protect the health and well-being of the residents of their State, territory, or Tribal government.”<sup>4</sup>

Governor of each state has discretion to add additional sectors to this list, so long as additional sectors are deemed critical to protect the health and well-being of residents.<sup>5</sup>

Premium pay means an amount up to \$13 per hour in addition to wages or remuneration the worker otherwise receives and in an aggregate amount not to exceed \$25,000 per eligible worker.<sup>6</sup>

The Interim Final Rule provides that any premium pay or grants provided should prioritize compensation of those lower income eligible workers that perform essential work.<sup>7</sup>

Premium pay must be entirely additive to a worker’s regular rate of wages and other remuneration and may not be used to reduce or substitute for a worker’s normal earnings. The definition of premium pay also clarifies that premium pay may be provided retrospectively for work performed at any time since the start of the COVID-19 public health emergency, where those workers have yet to be compensated adequately for work previously performed.<sup>8</sup>

**The Treasury Department encourages local governments to prioritize providing retrospective premium pay where possible, recognizing that many essential workers have not yet received additional compensation for work conducted over the course of many months.<sup>9</sup>**

Essential workers who have already earned premium pay for essential work performed during the COVID-19 public health emergency remain eligible for additional payments, and an essential worker may receive both retrospective premium pay for prior work as well as prospective premium pay for current or ongoing work.<sup>10</sup>

Finally, a grant provided to an employer may also be for essential work performed by eligible workers pursuant to a contract. For example, if a municipality contracts with a third party to perform sanitation work, the third-party contractor could be eligible to receive a grant to provide premium pay for these eligible workers.<sup>11</sup>

If you have general questions about the Coronavirus State and Local Fiscal Recovery Funds, please email the U.S. Department of Treasury at [SLFRP@treasury.gov](mailto:SLFRP@treasury.gov) or call 844-529-9527.

The information contained here is not legal advice. It will be subject to change based on updates from the U.S. Department of the Treasury, and any recipients should confirm applicability to their specific situation.

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<sup>4</sup> *Ibid.*

<sup>5</sup> *Ibid.*

<sup>6</sup> *Ibid.*

<sup>7</sup> *Ibid.*

<sup>8</sup> Treasury Guidance 45.

<sup>9</sup> *Ibid.*

<sup>10</sup> *Ibid.*

<sup>11</sup> Treasury Guidance 46.

Staff	DOH	Wage as of 12/23/21	Total hours since DOH	Total Non-worked	Total OT	Total hours	
Dennis	6/3/2002		3684	239		3445	
Barry	6/13/2018		3684	251	9	3442	\$ 7,947.58
Nathan	10/13/2020		2436	161	49	2324	\$ 3,710.27
Nik	12/26/2019		3684	232.5	33.5	3485	\$ 4,530.50
Dominic	3/2/2020		3684	258	12	3438	\$ 4,034.49
Russell	8/17/2020		2756	169.5	5	2591.5	\$ 2,744.40
Jessika	9/13/2021		600	24		576	\$ 609.98

FIELD SUB-TOTAL **\$ 23,577.22**

Staff	DOH	Wage as of 12/23/21	Total hours since DOH	Total Non-worked	Total OT	Total hours	
Trish	7/26/2006		3684	376.5	4	3311.5	\$ 7,485.65
Alyssa	2/14/2014		1906.63	107	25.5	1825.1	\$ 3,802.66
Penny	8/11/2016		3684	505.5	70.5	3249	\$ 5,883.94
Hannah	8/2/2020		2836	238.25	14.75	2612.5	\$ 3,671.87
Donna	12/7/2020		2152	50.75	10.75	2112	\$ 2,829.02
Lisa	10/15/2021		184			184	\$ 181.24

ADMIN SUB-TOTAL **\$ 23,673.14**

ADMIN & FIELD TOTAL **\$ 47,250.36**

\$ 60,115.61

Percentage above wage - FIELD	Percentage above wage - ADMIN
5%	5%

Future COVID expenses	
Total	\$ 12,865.25