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April 17, 2020

The Honorable Mike Lee United States Senate 361A Russell Senate Office Building Washington, D.C. 20510

Re: COVID-19 Relief Funds for Local Government

Dear Senator Lee

The Utah Association of Special Districts represents all local and special service districts throughout the State of Utah. These districts provide services that are foundational to the public health, welfare, and safety of our communities, such as water, sewer treatment, fire, police, solid waste management, transit, transportation, municipal services, etc.

The COVID-19 pandemic and its resulting effects are having a crippling effect of some of our districts. We are continuing to gather additional information. Based upon current responses, some of our smaller districts with annual budgets under \$2M are experiencing serious consequences related to the loss of revenue.

Examples: One district in northern Utah provides water and sewer treatment services. As a direct result of COVID-19 and the State/Federal directive that water cannot be shut off for non-payment of utilities, this district has seen a 90% reduction in revenue collections. In addition, their largest commercial customer has DAVID M. ROBERTSON shut down, further creating a financial environment of insufficient cash flow. They are unable to meet basic operational expenses such as payroll, and are unable to meet their ongoing debt service obligations.

Another district is in Moab/Grand County and provides solid waste management. As a result of COVID-19, they have seen a complete shutdown of the tourism industry, resulting in the loss of substantial revenue derived therefrom. As a result, they do not have sufficient cash flow to make payroll, in addition to other operational expenses.

We respectfully request that any future COVID-19 stimulus/relief legislation specifically provide that special service districts (SSDs) and special districts (in Utah referred to as Local Districts "LDs") be eligible to receive relief funds to allow these critical services to continue for the health and welfare of the citizens whom we serve. The language in the initial relief bill was not clear regarding the eligibility of SSDs and LDs.

Colorado Congressman Neguse is running H.R. 6467 to address COVID-19 issues. Will you please ensure that the bill explicitly includes SSDs and LDs (special districts) within its definition of local governments serving a population of less than 500,000. It would also be beneficial to contact the U.S. Department of Treasury to ask that they amend the guidance they issued on Monday for the existing Coronavirus Relief Fund that supports local governments serving a population of more than 500,000, so that the guidance clearly includes SSDs and LDs (special districts).

LeGrand W. Bitter, Executive Director

Thank you for your assistance in addressing these critical issues during these challenging times.

Respectfully

Mark T. Becraft, Chair

LWB CC: Governor Gary R. Herbert,

Speaker Brad Wilson, Utah House of Representatives

President Stuart Adams, Utah State Senate

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