

US EPA ARCHIVE DOCUMENT

LOCAL GOVERNMENT ADVISORY COMMITTEE

Small Communities Report



Small Communities: The Front Line of Environmental Protection

PREPARED BY
U.S. Environmental Protection Agency's
Local Government Advisory Committee
Small Community Advisory Subcommittee

Letter from the Chairman

The Local Government Advisory Committee appreciates the opportunity to provide advice to the EPA on issues that are important to local governments and, in particular, to small communities. Environmental protection doesn't happen just because a law is passed or amended by legislative bodies. It is also the result of agency rulemaking, guidance, technical assistance, and financing. Locally, implementation actions resolve pollution problems. The intergovernmental system in which this occurs should de-



pend upon a firm understanding of those on the front line – over 74,000 counties, cities, and towns, and special districts – which are called upon to implement public policy. When it comes to environmental and public health protection, they are the ones who “make it happen.” It is essential then that the Environmental Protection Agency continues to call upon the members of the Local Government Advisory Committee and the Small Communities Advisory Subcommittee to provide counsel and advice on the shared responsibility of environmental and public health protection.

The LGAC believes that it is critical that a Small Communities Office within the Agency be established to coordinate regulatory, policy, and financing needs of small communities.

A black ink handwritten signature, appearing to read 'Roy Prescott', with a long horizontal flourish extending to the right.

Chairman Roy Prescott



LOCAL GOVERNMENT ADVISORY COMMITTEE
Small Communities Report

**Small Communities:
The Front Line of
Environmental Protection**



Background

Local Government Advisory Committee (LGAC)

The Local Government Advisory Committee was chartered in 1993 under the Federal Advisory Committee Act. It is composed primarily of elected and appointed local officials, along with several State representatives, environmental interest groups, and labor interests. Committee members come from various EPA Regions around the country.

The LGAC advises EPA on how to develop a stronger partnership with local governments delivering environmental services and programs. The ultimate goal of the LGAC is to provide the citizens of the Nation with more efficient and effective environmental protection at the community, State and Federal levels.

Small Community Advisory Subcommittee

The Small Community Advisory Subcommittee (SCAS) was established by EPA in 1996 to advise the Administrator on environmental issues of concern to the residents of smaller communities. As a standing subcommittee of the Local Government Advisory Committee, it was established in response to recommendations of the Small Town Environmental Planning Task Force, an earlier advisory panel created by the Small Town Environmental Planning Act of 1992 which concluded its work in 1996.



EPA Deputy Administrator Marcus Peacock listens during a roundtable discussion with members of the LGAC at EPA headquarters, Washington DC. (Feb 7, 2008)

The Front Line

Men and women who are elected, appointed, and hired at the local government level to make decisions and implement actions are among the unsung heroes of the environmental movement. Here are some examples:

Ken Fallows –former mayor of Haskins Village in Ohio– said that his town is the exception and not the rule. He stated that “most elected officials do not have a clue how to access resources in dealing with environmental issues affecting small communities.”

Are all these communities the same because they are incorporated cities or towns? In Oregon the incorporation paperwork might be similar for the cities of Portland and

Ken Fallows- former mayor of Haskins Village in Ohio says:

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Lonerock. But at a population of 20, Lonerock is a much different place. Yet both communities share similar responsibilities for compliance with federal and state environmental laws. If local governments defy comparison within states, imagine how unique local governments can be, stretched across the vast American landscape from Key West, Florida to Ketchikan, Alaska and points beyond.

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It is fair to say that the constant turnover of local officials (and sheer volume of local government partners) creates a situation where the local recognition of responsibility in the intergovernmental partnership, the discovery of services and tools, the distribution of information and training and the building of relationships with state and federal regulatory partners is a process that never really ends.

A Small Community Office will ensure that the unique needs of small communities are not overlooked.

Challenges Faced by Small Communities

For the Environmental Protection Agency, a small community is defined as a jurisdiction of as few as 2,500 persons. Small communities have a variety of governmental and quasi-governmental organizational structures including incorporated and unincorporated communities, water and or sewer districts, rural areas, homeowners associations, mobile home parks and colonias. From the perspective of the majority of local governments, EPA's "small community" definition describes their larger neighbors. The responsibility for protecting the health of the public and the environment is not scalable. Small, medium, large, and larger governments all have virtually the same implementation requirements.

LGAC member Charles Hafter said "As a city manager of twenty-nine years experience, I have managed in small communities and larger cities. Small communities have a much more difficult time—they have the same infrastructure problems as larger cities, except on a lesser scale, but none of the resources or professional management needed to efficiently solve these issues."

But, despite the similarity of responsibility, different-sized communities are different when considering their ability to implement environmental protection. Research indicates that there are at least two major factors that directly impact the ability to implement the regulatory requirements of environmental protection; the most important being fiscal capacity and administrative capacity. The lack of capacity not only limits their ability to provide adequate infrastructure and support systems, it can limit their capacity to plan and develop their communities appropriately. The effect is pernicious, as irresponsible planning and growth leads to more environmental problems and a greater need for capacity and costly infrastructure to address those problems.

LGAC and SCAS member Jerry Johnston said "most small communities do not understand or know what resources are available to them."

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Small Communities Lack Fiscal Capacity

The smaller the community, the more difficult it is for the citizens to raise the revenues needed to meet their infrastructure needs. To make matters more difficult, full-cost pricing of services requires not only that the operating and capital costs of the system be met, but also that future replacement of the system be funded as well. A small community without sufficient customers to share the cost, and/or communities with lower income customers, often will not have the fiscal capacity to establish and maintain environmental systems. When one considers the number of separate environmental systems that may be required, the cumulative costs of service may not be affordable. As requirements expand within each regulatory category (e.g., drinking water, wastewater treatment, and storm water) any available fiscal capacity is quickly exhausted.

The perception that significant funding can be provided to local governments from the federal domestic budget must also be tempered by the fact that there are numerous priorities seeking funding from that source. Creative financing and the leveraging of multiple sources of funding to meet environmental demands are techniques that even small communities must master in the coming years.

Small Communities Lack Administrative Capacity

Another critical capacity that is directly related to the size of a community is administrative capacity. Some small communities – such as resort cities – have small permanent populations but significant fiscal capacity from tourist dollars and high income residents. These communities have the resources to hire professional staff with the high division of labor needed to adequately administer the particular service systems to maintain a high quality of life. These communities have well compensated planning, financial, and public works professionals that can support their elected officials in making good decisions for financially and environmentally sustainable communities. Western ski resort towns such as Sun Valley, Idaho and Park City, Utah, are good examples to examine when investigating the relationship between size of community, fiscal capacity and administrative capacity.

LGAC Member Joe Palacios said: “Small communities will understand and solve environmental issues when there is communications going both ways between and among local, state and federal governmental officials. It is important to involve such officials to arrive at a better decision. Such dialogue will make the decision-making process more difficult, but you will have a better decision”.

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Growth at the Center of the Issue

Many small communities look to growth and development to provide answers to many of their problems, while others see it as the source of their problems. Growth and development provide opportunities for additional jobs, increased local revenue, commercial and retail establishments, and other opportunities like increasing fiscal and administrative capacity among local leadership and staff. However, challenges also accrue: the need for additional infrastructure like roads, sewers, schools and additional services can have significant impact on the environment. For example, more parking lots and buildings often mean additional runoff into nearby streams, triggering new regulatory requirements and costly measures to address the pollution. However, if new growth and development is done well, environmental challenges can be mitigated and costs can be reduced.

When smart growth strategies are combined with green building policies, the beneficial environmental outcomes are aggregated, providing communities with the opportunity to address critical environmental challenges, often outside the regulatory framework. New development within the existing fabric of small communities means these communities are taking advantage of the infrastruc-

ture that already exists. This adds to the local tax base with less impact on existing capacity. Incorporating green building and green infrastructure (such as trees, rain gardens and other natural elements) in the built environment will lead to less energy and water use and provide healthier living environments, leading to significantly lower overall infrastructure costs.

All of the above solutions need to be tailored to small communities' unique characteristics. While such communities may point to a less sophisticated workforce, the lack of green materials and of trained urban planners as barriers to green building and smart growth, they have other valuable assets to put to use. For example, small communities are often in a position to offer a remarkable level of community collaboration central to effective community planning. Using locally-sourced products made by residents offers unique opportunities for innovation while boosting the local job market. Also, taking advantage of low-cost open space in many of these communities to create natural solutions to problems, such as creating wetlands to treat waste water relieves some of the burden to create costly traditional gray infrastructure and avoid adopting technological solutions that may be beyond a community's expertise.



While it may be attractive for the Agency to seek new approaches to the intergovernmental challenges, it's good to look at what has already been developed to determine what works best. For the newly elected official in Soda Springs, Colorado – everything the Agency and its partners do is brand new to her. The Local Government Advisory Committee can assist the Agency in understanding which among the existing programs and techniques are the most effective from the local government perspective. The LGAC can also help by discussing how current technologies can be used to improve communication and the delivery of technical assistance.

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“If you listen closely and get to know the person and their values and they get to know yours the “lets do this” moment often follows.”

Lyons Gray, EPA Chief Financial Officer says:

“Without this tour I don’t think I would have understood the real needs. We hear about it but it’s nothing like seeing it first hand and it gives me a better appreciation of where to place the money that Congress gives us.”

Place-Based Program in Region 10

Sue Skinner, the EPA “place based” person in Pocatello, Idaho said “If you listen closely and get to know the person and their values and they get to know yours the “lets do this” moment often follows.”

A “place based” approach has led the Portneuf River Watershed to establish the Portneuf Watershed Partnership. A success of the partnership is the installation of a state-of-the-art water quality monitoring network that also posts its monitoring results on the internet. This partnership helps to improve the understanding of the cultural importance to the Shoshone-Bannock Tribes. With this as the background, the City of Pocatello now has a Phase II Municipal Separate Storm Sewer System, an (MS40) permit with goals they can accomplish, a newly constructed wetland to treat storm water and additional plans in the works to protect water quality. Pocatello’s ultimate goal is to bring the Portneuf River back as their community centerpiece.

Idaho Tour Community Profiles

The issues of fiscal and administrative capacity were clearly on display when the Local Government Advisory Committee visited the Idaho cities of Dietrich and Castleford in the fall of 2007. These communities were part of a tour organized by the Boise State University Environmental Finance Center when the Environmental Council of the States and the LGAC convened in Sun Valley, Idaho. The Committee was joined by state officials, local planners, EPA regional staff, Idaho legislators, and citizens for the tour. In addition to visiting Dietrich and Castleford, the tour included stops at a mega-dairy operation, a cattle ranch and two non-profit community water systems.

Lyons Gray, EPA Chief Financial Officer, says: “Without this tour I don’t think I would have understood the real needs. We hear about it but it’s nothing like seeing it first hand and it gives me a better appreciation of where to place the money that Congress gives us.”

Dietrich, Idaho

The City of Dietrich, Idaho, (population 215 people) incorporated in 1909, is located on the south slope of a sagebrush – covered, extinct volcano called Crater Butte in rural Lincoln County. It is about 25 miles northeast of the City of Twin Falls. The leading employer is the school district, with the majority of residents commuting to other towns for work.

The city was notified in the early 1990's that the septic system drain field used by their high school was a health hazard and that the high school would be closed unless a wastewater solution could be approved by the local health district. With considerable effort on the part of Mayor Jeannetta Knowles, the city engaged local funding agencies and the Department of Environmental Quality in a Self-Help project to build a new sewer system. This challenge followed closely on the heels of the requirement to build a new community water system in 1992. The water system improvements virtually exhausted the fiscal capacity of the city. These projects also exhausted the elected officials, especially Mrs. Knowles. The mayor, who then was in her 70's, retired in 2007 because her husband could no longer drive her to meetings.

Due to fiscal constraints, the town functioned as its own contractor to accomplish the wastewater project. The majority of equipment and labor was provided on a volunteer basis, including demolition work required before construction on the lagoon system could begin. The complexity of managing this project was exacerbated by the need to blast trenches in the lava rock formations to run the sewer lines throughout the city, to negotiate an agreement with the Union Pacific Railroad to run the sewer line underneath their tracks (the city still cannot afford to employ a city attorney to write such contracts), and the inability to compel new residents to hook up to the wastewater facility.

Mayor Jeannetta Knowles,
Dietrich, Idaho, says:

"If you have a good program,
stick to it, and don't let people
talk you out of it."



While both projects in the short term were an overwhelming challenge for the City of Dietrich, many consider these efforts to be a minor miracle. That is because the entire annual budget for the City of Dietrich is less than \$50,000.

The Leaking Tower of Castleford, Idaho



Rita Ruffing, Mayor of Castleford, Idaho town of 297 people will have to spend approximately \$1.6 million to bring their water tower into compliance. Water rates in the town have gone from \$12.00 to \$41.00 and will increase to \$55.00 per month this year. According to Mayor Ruffing, “a \$55.00 water bill puts a lot of hurt on a lot of people”

Castleford, Idaho

Within the last five years the City of Castleford, Idaho faced challenges stemming from the change in the maximum contaminant level for arsenic. Arsenic occurs naturally throughout this area of Idaho, which is south of the Snake River. As a result, the existing municipal well had to be relocated which caused a fiscal chain reaction, including the cost of relocating City Hall because it was

too close to the new wellhead. The costs involved in relocating and restructuring major components of the water system nearly crippled this small community. In December 2003, the city requested an exemption (or implementation delay) from the new arsenic rule. The US EPA Region 10 Environmental Finance Center at Boise State University provided a financial analysis to the EPA which demonstrated the financial hardship the city faced. For reasons involving the health hazard related to the level of arsenic contamination, the exemption was not granted.

Mayor Rita Ruffing led the charge to first fight against the new requirement and then to find the resources necessary to rebuild the water system. The Mayor was (and still is) immersed in the effort. As a result the water rates were increased, and there is still no guarantee that the new rates will be accepted by the citizens over the long term. The work is still not done. The distribution system is in dire need of repair and the water tower is leaning and will eventually need to be replaced. This city is strapped financially and had to borrow construction horses (to cordon off the newly constructed well) from the neighboring City of Buhl (over 10 miles away). The City of Castleford does gain an economic advantage on administrative capacity. Mayor Ruffing is also the city's certified water system operator. However, she does not qualify to operate the new system which requires a Class 3 operator. To receive her operator's license in this class she will need to work under another Class 3 operator. Unfortunately, there is not another Class 3 operator within 200 miles of Castleford. Perhaps, facilitating a system of shared operators on a regional basis would help small towns in this predicament. Small towns could share an operator unless treatment is necessary. This would provide access to a qualified operator and result in potential cost savings to those towns.

Regarding fiscal capacity, in 2002 before this new project was built, Castleford's water fund revenues were \$49,084. The expenses were \$61,963.

LGAC Chair Roy Prescott said: "Better communication with each other is the best way to serve not only local governments but smaller communities as well. Everyone wins."

Here is how to get the job done.

The Federal and State governments recognize the challenges faced by small communities and have created several organizations and implemented several programs to deliver technical assistance and education to appointed and elected officials and community leaders. This helps them deliver the best level of service at the lowest cost. The direct assistance provided to these communities is invaluable to maintaining their quality of life and ensuring their continued existence as environmental laws, rules and regulations continue to change. These organizations bring administrative and financial expertise to these communities in an effort to ensure compliance while enhancing the working relationship with the agencies involved.

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Programs and Resources

EPA's Environmental Finance Program (EFP)

<http://www.epa.gov/efinpage/>

EPA's Environmental Finance Program (EFP), evolved from the Public Private Partnership Program in 1993, assists public and private sectors in their search for creative approaches to funding environmental programs, projects and activities. It uses leveraging and partnerships to extend the reach and impact of its activities.

The program has closely related components that provide financial outreach services to Agency customers and the regulated community. These components include:

The Environmental Finance Center (EFC) Network

<http://www.epa.gov/efinpage/efcn.htm>

Environmental goals cannot be met without financing, which is essential to implementing state and local programs. Knowledge about how to fund these programs is often limited, especially at the local level. As a result, there is an unprecedented demand on the expertise of public officials currently on the front lines of financing environmental facilities and services.

The Environmental Finance Center provides state and local officials and small businesses with advisory services, education, publications, training, technical assistance and analyses on financing alternatives. The Network currently includes centers at universities

all over the U.S. which promote innovative environmental financing techniques. While EPA provides seed funding for start-up operations, financial independence of the centers is a major objective.

The University of North Carolina is designing a finance training course for Network use and is completing a report on wastewater and growth issues in the southeast coastal region of the country. The University of Louisville is providing support services to many small and medium-sized water and wastewater facility operators throughout Kentucky. The University of Southern Maine is currently focusing on wastewater treatment challenges in coastal areas of Massachusetts.

Local Government Environmental Assistance Network (LGEAN)

<http://www.lgean.org>

The Local Government Environmental Assistance Network (LGEAN) is a "one-stop shop" providing environmental management, planning, funding, and regulatory information for local government elected and appointed officials, managers and staff. Located at <http://www.lgean.org>, LGEAN enables local officials to interact with their peers and others online.

Peer Center – Public Entity Environmental Management System Resource Center (PEER)

<http://www.peercenter.net/>

Welcome to the PEER Center! PEER stands for Public Entity EMS Resource Center and provides a broad array of information and tools to help public

entities understand and adopt environmental management systems (EMSs) for their operations. The PEER Center is a collaboration between the Office of Water at EPA and the Global Environment & Technology Foundation (GETF). A number of organizations around the country called PEER EMS Local Resource Centers are reaching out to local governments to help them adopt EMSs.

Small Local Government Compliance Assistance Policy

<http://www.epa.gov/oecaerth/resources/policies/incentives/smallcommunity/smalllocalgovca.pdf>

The Small Local Governments Compliance Assistance Policy promotes comprehensive environmental compliance among small local governments. Providing conditions and circumstances in which states may reduce or waive normal noncompliance is intended to reassure small local governments that they will not be forced to pay a large penalty if environmental violations are discovered while they are participating in compliance assistance activities. Additional resources can be found on EPA's website: <http://www.epa.gov/>

Smart Growth Technical Assistance

<http://www.epa.gov/dced/sgia.htm#comm>

Though communities want to foster economic growth, protect environmental resources, enhance public health, and plan for development, they may lack the tools, resources, and information to achieve their goals. In response to this demand,

EPA developed the Smart Growth Implementation Assistance (SGIA) Program. The aim of EPA's smart growth program is help communities achieve better environmental, fiscal, community, and public health outcomes with better development patterns. Smart growth approaches include increasing walking, increasing transportation choices and developing places where infrastructure already exists. Other strategies include conserving and protecting farmland, ranges, and environmental sensitive areas, including stakeholders in development decision making, and making the development process more fair and predictable in places where communities want growth to occur. All of these approaches help to decrease the environmental footprint of development while providing the increased opportunities that are necessitated by growth.

Green Building

<http://www.epa.gov/greenbuilding/>

The EPA Green Building Strategy addresses a major sector of the economy that presents significant opportunities for improving environmental and public health protection. By working with others who share EPA's interests and by strategically coordinating the Agency's own building-related programs, EPA will play an important role in bringing about the widespread adoption of effective, high-performance green buildings for the benefit of future generations.

Recommendations

Small communities are the front line of defense when it comes to protecting human health and the environment. It is essential that EPA establish a small communities office that will coordinate the unique needs of small communities, primarily the lack of administrative and fiscal capacity.

The Local Government Advisory Committee would like to thank all the small towns and local governments in the United States for their effort to protect human health and the environment, and in particular the people of Castleford, Idaho and Dietrich, Idaho who willingly shared their challenges and accomplishments with the LGAC and the EPA.

Acknowledgements:

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Bill Jarocki, Environmental Finance Center Boise, Idaho

Sue Skinner, EPA Region 10 Place Based Person

Local Government Advisory Committee Members

Small Community Advisory Sub-Committee Members

Photos: EPA AO Multimedia Operations and Services Staff

Disclaimer:

This report is a work product of the Small Community Advisory Subcommittee (SCAS) of the Local Government Advisory Committee (LGAC), a formal advisory committee chartered under the Federal Advisory Committee Act since 1993. The committee is composed primarily of elected and appointed local officials, along with several State representatives, environmental interest groups, and labor interests. The LGAC provides advice and recommendations to the Administrator and other officials of the U.S. Environmental Protection Agency (EPA) to assist EPA in developing a stronger partnership with local governments and building efficient and effective environmental protection at the community, State and Federal level. This product has been reviewed by EPA; however, the work product contents and recommendations represent the views of the Committee, not of EPA. Mention of trade names of commercial products does not constitute a recommendation for use.

**Local
Government
Advisory
Committee**



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