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December 11, 2015

The Honorable Gina McCarthy
Administrator
U.S. Environmental Protection Agency
1200 Pennsylvania Avenue NW
Washington, DC 20460

Dear Administrator McCarthy:

The U.S. Environmental Protection Agency's Local Government Advisory Committee (LGAC) appreciates your concern for small, rural and tribal communities. As a follow-up to the LGAC'S March 18, 2015 Rural Strategy letter, we would like to bring forward several issues that affect small, rural, and disadvantaged communities across the nation.¹ This issue primarily is concerned with building capacity for small communities such that they can have accessibility to grants and technical assistance for needed water infrastructure and to address other environmental needs.

Background: In addition to the recommendations the LGAC put forward In the March 18th 2015 letter advocating for the EPA to develop a Rural Strategy to supplement EPA's Strategic Plan, the LGAC believes that there are key additional issues of concern. The LGAC has recommended that a consistent definition of 'rural' should be used especially in regards to grant guidelines and agency policies, programs and guidance. The LGAC also advocated for increased access and delivery of federal environmental services for small and disadvantaged which can assist communities to address environmental problems, build resiliency and help to provide the basic infrastructure for clean and safe communities. Many states target major pollution sources which often correlate with large population centers especially when giving out grants for pollution clean-up or for repairing aging and broken infrastructure (See attached). Because of this, rural areas often retain aging or outdated environmental infrastructure and are left out of the process. This contributes to an

¹LGAC Letter of Recommendation, March 18th, 2015, FY2014-2018 Strategic Plan
http://www2.epa.gov/sites/production/files/2015-10/documents/2015_lgac-scas-ruralstrategy-letterofrecommendation.pdf

already burdened infrastructure problem in rural and frontier communities².

Findings:

Rural local governments lack capacity building and resources for federal assistance and EPA grants. Often they are understaffed for identifying and writing grants, which can often lead to less competitive grant proposals and therefore overlooked for larger, well-staffed cities and towns. Grant requests and administration in these remote locations are also a challenge. Additionally, multiple strategies should be taken into consideration for capacity building in small communities. Access to financing, construction and management, and operations would help small utilities with compliance. These resources may be beyond the normal means of small, rural, and tribal communities, and should be considered as additional ways to build capacity for compliance.

People living in rural areas often face health threats posed by three types of air pollution: pollution generated in the home by using simple, solid fuels for cooking and heat; “ambient” outdoor pollution from rural and urban sources; and secondary pollutants, which form when atmospheric conditions trigger chemical reactions in air emissions.

Rural communities are also often exposed to pollution sources originating from metropolitan areas. Rural communities can be disproportionately affected by metropolitan sources upstream contributing to watershed degradation, and yet do not have capacity to clean up these areas with so few resources and workforce deficits³. Larger cities are often better equipped to deal with these sources of pollution, and are better at providing resources for clean-up and prevention.

One case of this disparity is that of Salmon, Idaho. Salmon has a population of 3,000, yet was faced with the significant cost for updating its water infrastructure of \$6 million dollars.⁴ Compliance can become excessively difficult when utility costs are exhibited on few individuals or businesses rather than on a larger population center, both in concentration of resources and citizens to lessen the average cost.

Recommendations:

Recommendation: The LGAC recommends that grant application and reporting processes for rural, small, low-income, and frontier communities should be streamlined.

Recommendation: The LGAC recommends that the EPA should provide technical assistance to improve capacity for rural and frontier communities by assisting to identify grant-writing resources so that they can compete with larger communities by improving application rate and resources for grant writing. The USDA Small Farmer’s Loan office gives special attention to rural specific issues and can serve as a model program for this type of assistance⁵.

² USDA ERS *Rural Poverty at a Glance*. Rural Development Research Report No. 100, July 2004

³ Hendryx M, Fedorko E, Halverson J. *Pollution sources and mortality rates across rural-urban areas in the United States*. J Rural Health. 2010 Fall; 26(4):383-91

⁴ LGAC’s EJ Best Practices for Local Government Report, March, 2015

⁵ USDA Rural Development. *Community Facilities Direct Loan & Grant Overview*, February 2015

Recommendation: The LGAC recommends that the EPA could help to identify and disseminate information on communities that aggregate resources for grant writing assistance and comprehensive land use planning. Furthermore, this assistance could be provided by EPA's Water Finance Centers. There are several examples of which LGAC is aware such as in North Dakota and New York State through its system of regional economic development councils, and Regional Councils of Government.

Recommendation: With regard to tribes, and the extra administrative, legal, and financial obstacles, the EPA's General Assistance Program (GAP) for tribal assistance focuses mainly on short-term needs and assistance⁶. Though longer-term funding exists, it appears that there are a few issues. The LGAC recommends that loan consolidation remains an issue and should be addressed.

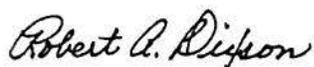
Recommendation: The LGAC recommends that the EPA should consider an "After-GAP" to specifically address longer-term efforts than the two-year scope of most EPA GAP cases. The LGAC supports increasing the amount and availability of funding opportunities for local and tribal governments to develop infrastructure that is safe and sustainable. Long-term funding should reflect the time scale of constructing, maintaining and continued use of these projects in tribal and local communities.

Summary

In summary, rural and small communities face special circumstances when it comes to capacity building and financial assistance for environmental infrastructure. Rural communities are sometimes disproportionately affected by the burdens of pollutant clean-up. Additionally, the capacity to obtain grants and grant-writing assistance for environmental efforts remain a hurdle for under-served rural and frontier communities, as well as tribal governments. There remains to be significantly higher demand than funds available, as well as lack of staff for small communities to be able to write grant requests. The distribution of grants to states often leaves out Western states with larger rural communities.

The LGAC thanks you, Administrator McCarthy, for your continued support for small, rural and disadvantaged communities. And we appreciate the opportunity to provide you and the EPA with our ongoing advice and recommendations to protect and enhance our common interests for a safe and clean environment for all of our communities.

Sincerely,



Mayor Bob Dixson
Chairman



Commissioner Robert Cope
Chairman, Small Community Advisory
Subcommittee (SCAS)

⁶ Section B.1, Guidance on the Award and Management of General Assistance Agreements for Tribes and Intertribal Consortia, May 15, 2013

Attachment-Distribution of Loans and Grants

EPA document number 832-F-99-059: *USDA Loans and Grant Funding for Small Community Wastewater Projects.*

The graph below illustrates the number of grants/loans awarded from the USDA for cleaning up wastewater efforts (from 1992-1998). Pennsylvania was the highest, followed by Ohio. Several states with high numbers of rural communities were disproportionately low on grant awards with Wyoming as the least, as well as several other states such as Idaho, Montana and others.

Figure 2. Distribution of Loans/Grants for Wastewater Nationwide (1992-1998)

