




**Environmental Partnerships with
Washington Communities**

**Small Community Compliance
Assistance Project**

U.S. EPA Region 10 Grant No. X-980104-01-0

**January 2000
Publication Number 00-10-005**

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**Prepared by:
Washington State Department of Ecology
Water Quality Program**

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City of Castle Rock	City of McCleary
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Washington State and Small Communities

In the state of Washington, approximately one half of the 5.5 million citizens live in small towns, unincorporated suburbs, rural communities, reservations, and agricultural areas. In the past 20 years, small town populations and per capita income have generally declined or grown very slowly. Washington's small rural communities are being isolated due to changes in economics, technology, agriculture, and industry.

There are approximately 400 communities in Washington State with a population under 2,500. Many of these small communities are facing multiple state and federal requirements in the areas of wastewater treatment, safe drinking water, underground storage tanks, solid and hazardous waste disposal, and air quality. Unfortunately, many of these public health and environmental requirements come with no financial assistance programs. Noncompliance with state and federal requirements can result in costly fines and sanctions, as well as risks to public health, the environment, and the community's ability to sustain and expand local economies.

The Washington State Legislature has recognized the economic hardships of rural distressed areas throughout the state and their need for environmental and public health infrastructure. In 1991 legislation was passed to promote economic development and job creation through worker training, planning services, and infrastructure assistance. The Legislature has also provided state grant funds for small and financially distressed communities for wastewater treatment facilities. In addition, the State Revolving Fund Program managed by Ecology has provided low interest loans to small communities to address water pollution control needs. While these programs have helped some communities and individuals, rural distressed areas still face serious economic problems with above average unemployment, loss of jobs, low rate of business start-ups, and persistent loss of resource-driven industries.

The Washington State Department of Ecology (Ecology) and the Washington State Department of Health (DOH) have made a concerted effort to direct their attention to protecting the environment and public health of these small communities. Ecology continues to find ways to assist communities with planning, financial assistance with state and federal grants and loans, regulatory relief, technical assistance, and self-help initiatives.

Environmental Partnership with Washington Communities

The U.S. Environmental Protection Agency (EPA) provided a grant (Appendix A) to Ecology in 1998 to evaluate the feasibility of establishing and implementing an Environmental Partnership with Washington Communities (EPWC) program for Washington State. Additionally, the grant was intended to help Ecology develop and enhance the required skills for its staff and investment for facilitation, leadership, and community organization. This grant project would explore opportunities for Ecology to work cooperatively with small local governments in contrast to its traditional role of a regulatory agency. Ecology and the EPA Region 10 acknowledged at the beginning of the grant project that it would be a learning process. Innovative approaches to regulatory compliance and assistance are challenging, and this was evident in Ecology's efforts to successfully develop and implement an environmental partnership with small communities at the agency, program and staff level and within selected small communities.

The overall goals and objectives of the grant scope of work were to provide Ecology the opportunity to work with small communities with populations under 2,500 to address environmental and public health problems and comply with state and federal requirements. This would be accomplished by the following:

- Inform and educate Ecology management and technical staff on the benefits of implementing an Environmental Partnership with Washington Communities Program.
- Establish multi-media project partnerships that seek out communities interested in improving and protecting public health and the environment.
- Involve local citizens and environmental organizations in environmental priority-setting and decision-making processes.
- Assist small communities in building and implementing customized compliance processes.
- Allow increased flexibility in timing and technologies while creating compliance schedules.
- Establish on-going working relationships with small communities through development of Joint Resolutions.

Grant Program Scope of Work

The following scope of work was established in Ecology's grant:

- Develop an internal agency strategy for executing this grant within Ecology.
- Develop focus sheets and information about the EPWC project. Select at least two pilot communities in the first year for testing of selection and evaluation criteria.
- Bring key Ecology staff from various programs together with community leaders to agree on a plan to resolve environmental issues.
- Provide technical assistance to pilot communities for assessing their environmental infrastructure and compliance status.
- Promote outreach in the community for public participation.
- Develop a Mutual Agreement and Order for environmental compliance between Ecology and participating communities.
- Develop an EPWC implementation manual for staff.
- Develop a Memorandum of Agreement between Ecology and DOH.
- Plan for the selection of two additional communities for involvement in the EPWC each year.

Approach

Washington State, along with many other states, has identified a need to help small financially distressed rural communities deal with regulatory requirements designed to protect the environment and public health. Through this Grant Project, Ecology identified and evaluated existing and potential internal capacity to develop and implement a statewide program or system to reach out to small communities seeking assistance in complying with environmental requirements and problems. This project provided the platform for highlighting small community initiatives currently being implemented. It also allowed Ecology to evaluate other state models used to assist small communities addressing expensive and complex infrastructure needs. Ecology has closely reviewed EPA's "Policy on Flexible State Enforcement Responses to Small Community Violations" (Appendix B) and intends to use the policy as a tool for addressing small community regulatory requirements. Ecology also reaffirmed its Interagency Agreement with DOH that identifies roles and responsibilities for implementing Environmental Partnerships with Washington Communities Program (Appendix C).

Ecology regularly reviews and evaluates its service delivery methods for financial and technical assistance for local governments to determine if rules, policies, procedures, guidelines, and activities are resulting in cleaner land, air, and water for Washington State. This self-examination seeks a more efficient and consistent means of providing service to small communities within current rules and regulations. As part of the grant, Ecology reviewed and evaluated the Community Environmental Compliance Flexibility: Case Study Assessments in Idaho and Oregon conducted by EPA (Appendix D) and Small Community Projects in Region 10 States – Alaska, Idaho, Oregon and Washington, July 1994 (Appendix E). In particular, Ecology reviewed the highly successful small community program established in the state of Oregon's Department of Environmental Quality (DEQ). Ecology developed essential program elements for a Washington model for environmental partnerships based on the Oregon DEQ model. These included:

- Purpose Statement (Draft), Elements of Environmental Partnership with Washington Communities (Appendix F);
- Environmental Profile (Draft), Environmental Partnership with Washington Communities (Appendix G);
- Local Government Resolution (Draft), Environmental Partnership with Washington Communities (Appendix H);
- Memorandum of Understanding (Draft) Between Ecology and Local Government Partner (Appendix I);
- Environmental Communication Strategy (Draft), Environmental Partnerships with Washington Communities (Appendix J); and
- Briefsheet: Small Community Assistance, Department of Ecology, January 1997 (Appendix K)

Ecology's Southwest Region Small Community Initiative

Ecology's Southwest Regional Office has launched a small community initiative based on the information and products developed through the EPA grant. The primary goal of the small community initiative is directed at supporting and sustaining small communities and natural resources. The initiative is a pilot partnership with two small communities. The partnership also includes Ecology, DOH and the Department of Community Trade and Economic Development (DCTED). Rural Community Assistance Corporation and Northwest Small Cities Services also assisted in the environmental profiling of community needs.

The pilot is similar to the Oregon DEQ Environmental Partnership Program model with the additional consideration of economic needs of a community. An environmental needs assessment was conducted with 16 small communities (Appendix K) with populations less than 2,500 in the Southwest Region of the state. Communities were assessed according to public health and environmental issues that need to be addressed, the potential for economic development, and a community's willingness to try a cooperative approach with state regulatory agencies. Based on the assessment, the towns of Cathlamet (Population-545) and McCleary (Population-1,555) were selected in late 1999.

Ecology, in cooperation with DOH and DCTED, will be working closely with these communities to demonstrate that a community-based, cooperative partnership can successfully meet difficult challenges and reach compliance with regulatory compliance within a reasonable period of time.

DOH recently entered into an agreement with DCTED that will allow the pilot program to expand to three more communities in Washington. Ecology will remain a partner in this expanded program.

Ecology Activities Supporting the Small Community Pilot

Ecology has traditionally maintained a small community focus through its financial assistance programs and technical assistance efforts. These programs and activities will be used to support the southwest regional small community initiative.

Financial Assistance Programs

The largest state grant and loan program administered by Ecology is the Centennial Clean Water Fund. During the 1999-2001 biennium (July 1, 1999 – June 30, 2001) the Washington State Legislature appropriated approximately \$62.5 million dollars for local government point and nonpoint projects. Of this amount, \$10 million was reserved for small financially disadvantaged communities for wastewater treatment facilities. In addition, Ecology manages the Washington State Water Pollution Control Revolving Fund (SRF) low interest loan program. In the state fiscal year 2001 funding cycle, approximately \$76 million is available in the SRF for local governments. In both programs, Ecology gives priority consideration for small communities and provides additional grant funds and lower interest rates to communities offered funds based on demonstrated financial need.

Regulatory Compliance Schedules

When communities are out of compliance with the conditions of their state or federal discharge permits a compliance agreement or order is generally negotiated with the permit holder. The circumstances of particular violations are taken into consideration in the development of a compliance schedule. For small communities, where possible, permit schedules are established based on available grant and loan funds to address the problem. Moratoriums on additional connections to the system may also be used as a corrective measure for violations.

Technical Assistance

Ecology's regional offices provide water quality technical assistance to small communities on a regular basis. As part of routine inspections and site visits, Water Quality Program staff with expertise in wastewater treatment systems provides advice and guidance on permit and operational problems and concerns. Technical assistance visits have resulted in improved operating performance at wastewater treatment facilities and provided wastewater treatment operators with help with their certifications.

Regional offices regularly sponsor technical workshops for local officials and citizens that include more than one environmental program area. Communities regularly invite Ecology staff to participate in meetings and sessions on planning, prioritizing, and discussion of environmental options. Some Ecology staff provide service to communities as members of local committees and belong to local environmental interest groups.

Small Town Environmental Program (STEP)

Ecology successfully implemented a Small Towns Environmental Program (STEP) in 1994 (Appendix M). This self-help program is managed out of Ecology's Headquarters in Olympia and offers a unique approach for small local governments from the planning phase of a project through construction of wastewater treatment facilities for small towns. If a community meets the STEP criteria such as cohesiveness in the community, leadership capacity, and willingness to search out resources in the community, then STEP has proven that communities can save significant time and money in the process of building and repairing wastewater treatment facilities through self-help activities. Ecology's role in the program is to help the community through the process, offer technical assistance and resources.

Evaluation of the Grant Project

The following questions were established in the grant agreement to be addressed at the conclusion of the project:

- What are the costs and investment in this approach versus traditional approaches to regulatory compliance?
- How much more time, if any, was required with this approach versus traditional approaches to regulatory compliance?
- Are the solutions better, more efficient, or higher quality than those that might have been realized through traditional regulatory approaches?

Ecology recognizes that implementing and conducting an extensive evaluation of the cost benefits of the Environmental Partnerships with Washington Communities during the grant would be premature at the conclusion of the grant project. At the completion of the grant, information and education efforts regarding the partnership approach are on going. Therefore, a qualitative and quantitative analysis of the successes and barriers to the Environmental Partnerships with Washington Communities could not be completed at the end of the grant project. At the time the grant scope of work was negotiated, Ecology was highly optimistic that we would be in a position to develop, implement, and evaluate a program of this type. However, this type of program is highly complex and labor intensive, and requires extensive support by agency management and staff. It also requires on-going financial support from the Legislature.

Ecology will be conducting an extensive review and evaluation of the Southwest Regional Office small community initiative with the towns of Cathlamet and McCleary on the initiative's projected completion in June 2001. The evaluation criteria are currently being formulated by all participating agencies. The evaluation criteria established in the EPA grant will be considered for evaluating the success, challenges and lessons learned of using this innovative approach to environmental partnerships and economic development.

Conclusion

The EPA grant-funded project has been successful in establishing the key elements of an environmental partnerships program that will be used by Ecology. The small community initiative in the southwest region is hopefully the beginning for a new way to work cooperatively with small communities and other state agencies statewide on a wide assortment of regulatory issues and concerns. The development of these powerful tools will help state and federal governments stay closer to the environmental problems and needs of local communities, and together, find relevant solutions. Ecology's efforts to establish a partnership program signifies Washington State's continued commitment to better serve the environmental and public health needs of the state and of communities statewide.

Appendix A

U.S. EPA Region 10 Grant No. X-980104-01-0

Appendix B

**Policy on Flexible State Enforcement Responses to Small Community Violations,
United States Environmental Protection Agency, November 1995**

Appendix C

**Interagency Agreement Between Washington State Department of Health
and Washington State Department of Ecology, March 9, 1998**

Appendix D

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United States Environmental Protection Agency, January 24, 1995**

Appendix E

**Small Community Projects in Region 10 States:
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July 1994**

Appendix F

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and Local Government Partner**

Appendix J

**Environmental Communication Strategy (Draft),
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Appendix K

**Briefsheet: Small Community Assistance,
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Appendix L

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City of Montesano
City of Oakville
City of Ocean Shores
City of Raymond
City of South Bend
City of Westport

Appendix M

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STEP Washington**

