

Testimony to U.S. Senate on Rural Infrastructure: Emergency Response, Recovery, and Resilience

July 10, 2024



Testimony of Vermont League of Cities and Towns
Executive Director Ted Brady
To the United States Senate
Subcommittee on Rural Development and Energy
July 10, 2024

**“The State of Rural Infrastructure:
Emergency Response, Recovery, and Resilience”**

Thank you, Chairman Welch, Ranking Member Tuberville, and members of the subcommittee for your attention to helping rural communities prepare for, respond to, and be more resilient to natural disasters. I am the executive director of the Vermont League of Cities and Towns, a nonprofit, nonpartisan organization that was founded in 1967 with the mission of serving and strengthening Vermont local government.

VLCT is an instrumentality of government – deriving our authority from a board of directors elected by our members. Our members include every single city and town in Vermont – all 247 of them – and another 143 units of municipal government. This includes villages, fire districts, regional planning commissions, and local electric utilities. We're part of a network of municipal associations across the country that, 100 years ago, helped found the National League of Cities, of which VLCT is a proud member. We provide workshops and consulting advice for municipal officials, support legislation that strengthens local government, provide comprehensive insurance coverage for municipalities, and maintain a Municipal Assistance Center that provides advice and toolkits on a wide range of municipal issues. We're the one-stop-shop for selectboard members, town and city clerks, city councilors, mayors, and alderpersons when they want to know how to do their job.

Vermont's own Calvin Coolidge said: "Local self-government is one of our most precious possessions. It is the greatest contributing factor to the stability, strength, liberty, and progress of the nation." Local government serves an important purpose – of placing some of the most consequential public policy decisions and everyday impacts of government spending and decision making as close to the voter as possible. While a lot has changed in our society since Calvin Coolidge issued those words in 1925, Americans' trust in local government has not. Federal policy makers like yourselves should look to local government as an important partner in solving some of our nation's most vexing problems. Today I am asking Congress to consider improving the way it helps our local governments invest in infrastructure – both physical and civic – as it relates to preparing for and responding to disasters.

The need for these capacity investments escalated quickly one year ago today, when Vermont received as much as nine inches of rain– an entire season's worth – in a single day. Vermont's bucolic and famed iconic cities, towns, and villages – from Stowe to Montpelier to Killington to Ludlow to Brattleboro – have been repeatedly inundated by flood waters year after year. They and others have found themselves responding to one-hundred-year floods

multiple times in a decade. This is particularly concerning because much of Vermont's infrastructure was built in the valleys between our mountains – which happen to be the same places where our rivers have formed. The federal government has helped us build thousands of miles of roads, dozens of wastewater treatment plants, several town buildings, and other infrastructure in these same river valleys – increasingly at risk of flooding.

Impact of July 2023 Flooding on Municipal Infrastructure

The July 2023 flooding resulted in more than \$200 million in FEMA Public Assistance eligible damage to municipal infrastructure including roads, bridges, town halls, and wastewater systems. As the principal insurer to Vermont's municipalities, VLCT has firsthand experience assessing these damages. We have reimbursed Vermont municipalities nearly \$10 million for flood damage resulting from the July 2023 flooding. We have replaced police cars, restored wastewater treatment plants, and cleaned up city and town halls, such as the City of Montpelier's after it was flooded. Nearly 15 percent of all our insured property – or \$500 million – lies in high-hazard flood zones as identified by FEMA. We anticipate this number to increase as FEMA updates flood maps.

Despite VLCT not being a disaster response agency, hundreds of mayors, selectboard members, city councilors, clerks, treasurers, and emergency management coordinators contacted us starting the moment the first river topped its banks last July. In the first hours of the disaster, selectboard members called us to ask for help accessing mutual aid from neighboring towns and how to reach the state's emergency operations center. In the days after the flood, we became a central clearing house for information – as we compiled resources usually spread throughout multiple agencies and presented them in a direct, easy-to-find format. And in the longer-term recovery, we've answered hundreds of inquiries related to accessing FEMA money – with the most common requests related to what procurement policy for goods and services related to storm clean up would meet FEMA's reimbursement requirements and how to access professional capacity to manage the FEMA process.

I'd like to share several of those stories with you today in hopes it demonstrates the tremendous need to invest in local capacity to better prepare our local governments to respond to disasters.

In Marshfield, population 1,583, the July 2023 flood resulted in \$4 million worth of damages, four times its \$1 million annual budget. Marshfield Town Clerk Bobbi Brimblecombe fills the town's capacity gap related to FEMA Public Assistance and other grants, although it is well outside of her job description. She contacted VLCT to ask how to write a request for proposals to find an engineer to remedy a post-flood groundwater leak in the Town Office. Neither she nor her selectboard had experience undertaking such a project. Rural communities can better invest in long-term recovery and resilience if they have technical assistance providers and federal program staff to bolster their efforts.

In Wells River Village, population 449, an extended period of high groundwater levels due to flooding resulted in multiple sources of infiltration into its wastewater system. Aging 1970s concrete manholes turned to mush, and elbow connections cracked due to ground movement. Over three months, the quantity of wastewater in the system doubled due to groundwater infiltration, and treatment costs rose from \$60,000 per year to \$300,000. The system used all its reserves to manage the emergency with no expectation of FEMA reimbursement because the damages occurred after the Public Assistance deadline had passed. A USDA technical service provider helped the system determine that the infiltration was linked to high flows in the Connecticut River after significant summer and fall rains. With only about 400 residents and a median household income of \$35,417, the village lacks the financial capacity, technical and funding knowledge, and time to implement the technical service provider's recommendation to replace the wastewater collection system. Operating on a replace-as-you-repair approach will not build a sustainable wastewater system that can withstand the ongoing effects of climate change.

In Monkton, population 2,079, they wanted to charge employee fringe benefits as overhead to a transportation grant so it could recoup the full cost of road resilience projects. The part-time town administrator hoped to use FEMA's Benefits Calculation Worksheet. The Vermont Agency of Transportation referred him to VLCT. VLCT coached the town through basic federal grant administration concepts, such as the difference between direct and indirect costs and the concept of actual versus estimated costs. We developed a spreadsheet the town could use annually to recoup its grant-related costs. Towns with fewer resources don't have strong knowledge about federal grant administration. Because they don't know how to leverage maximum federal investment, their grant awards are fewer and smaller, and they spend more of their limited local dollars and resources on projects.

In Cabot, population 1,449, the catastrophic damage to the village center included a red tag for the town's fire department and damage to the historic town office. Many of the damaged areas had also incurred flood damage in 2011 related to Tropical Storm Irene. The town was ready to explore long-term recovery planning to reduce future flood damage but lacked staff capacity to manage its recovery process – much less start a new planning effort. Selectboard Chair Mike Hogan asked, “How can we afford to hire help? We have to build a temporary fire station and a permanent one.” Rural communities often don't know where they can find help or how federal programs work, especially when they need to move multiple efforts forward at the same time.

In Weston, population 566, the village center was underwater during the 2023 flood. Many vital community resources sustained damage because the village sits directly on the West River. The fire station, the village's sole market (the only place for food and gasoline), the town green, Weston Theater Company, roads and bridges – were all gone. There are multiple mitigation projects to undertake that will make the town more resilient for the next event, but they have no capacity to tackle them. A selectboard member said “We are overwhelmed and under-qualified; we are a tiny town; our volunteers are exhausted; who are the consultants we can hire to help us get this work done?”

Need for Fundamental Capacity Development in Local Government

Our state's regional planning commissions and office of emergency management largely do the heavy lifting of disaster preparedness, recovery, and resiliency. But through this process VLCT, the State of Vermont, and USDA Rural Development, along with other disaster response agencies, found that being prepared for a disaster starts long before the first drop of rain falls, the first gust of wind flies, or the first flake of snow falls. We found it was vital that municipalities have a fundamental grasp of the best municipal finance, operations, and management practices.

Our municipal leaders who had good accounting practices in place, good contracting policies enacted, and a basic understanding of grants management before the storm were able to take advantage of more FEMA assistance. And as our Federal Funding Assistance Program staff can attest, they are also the ones applying for and receiving other federal grants for infrastructure investments. Those without those processes and experience have been

struggling to respond to the disaster.

In early June of this year, I attended a disaster recovery symposium in Johnson, Vermont – a village that was underwater one year ago today. At the symposium, representatives from federal agencies, including FEMA, HUD, SBA, Interior, and USDA, presented a myriad of grant and loan programs available to help municipalities recover and rebuild. Every single one of these programs required one thing: the capacity to write a grant. Few municipalities have that capacity. In fact, 60 percent of Vermont's municipalities have no professional full-time manager or administrator. Every grant program Congress creates that requires a competitive application, deep financial expertise, and complicated grant management **simply doesn't work 60 percent of the time in Vermont.**

USDA Rural Development Assistance Pre- and Post-Disaster

USDA Rural Development (RD) is the only federal agency that provides capacity assistance to rural communities. Through its Rural Community Development Initiative, it provides technical assistance funding to spur community and economic development in rural places. Municipalities are amongst the eligible beneficiaries. However, the competition is stiff – as 20,000 or so cities, towns, and villages will compete for their share of about \$5 million in 2024.

Fortunately, in Vermont, our USDA Rural Development office participated in weekly convenings with disaster recovery partners and saw the need to help municipalities prepare for and respond to future disasters by getting back to the fundamentals. Our State Director, Sarah Waring, worked with others in the Biden/Harris Administration to secure \$1 million from the RD Disaster Assistance Fund to enter into a cooperative agreement with VLCT to support municipalities with direct one-on-one technical assistance in times of need, including resources and curriculum to apply for and implement available federal funds.

Using the funding, VLCT will:

- Provide one-on-one training and technical assistance to municipal officials who manage budgetary issues with FEMA applications and reimbursements;
- Build out a formal education program in government finance for treasurers, administrators, managers, and legislative body members;

- Build government finance expertise through networking, mentoring, and formal and informal learning opportunities with partners such as Vermont Clerks and Treasurers Association, Vermont Government Finance Officers Association, and more;
- Develop model templates and best practices to be used in disaster response, such as tip sheets on available assistance from FEMA, USDA, etc.; and
- Coordinate with regional planning and development corporations and service providers through the Municipal Technical Assistance Program.

This cooperative agreement was one of five such RD Disaster Assistance Fund investments made recently. This flexible funding is critical to responding to the unique needs of rural areas post disaster. There's an old saying in rural community and economic development: "When you've seen one rural town, you've seen one rural town." The saying aims to remind policy makers that while there are commonalities amongst America's rural places, everyone is truly unique – with their own governance models, personalities, funding mechanisms, and more. That can be seen clearly on today's panel – where a county commissioner shares the witness stand with me. Vermont has no functional county government – and federal programs designed to partner with county governments routinely create inefficiencies in Vermont.

I encourage Congress to give RD the flexibilities it needs to meet rural communities where they are post-disaster, including:

- Providing additional flexible funding to USDA RD to be used at the discretion of the USDA State Director, as proposed in the Rural Recovery Act, and as currently authorized for the Natural Resources Conservation Service – a sister mission area to RD;
- Giving USDA RD the authority to waive match, median household income, or rural designations across its entire programmatic portfolio; and
- Authorizing USDA RD to move funds between soft and hard infrastructure programs during a disaster.

Rural municipalities know how to work with RD, and the RD staff in state offices have relationships with municipal leaders that take years to build. As such, I also encourage Congress to consider leveraging these relationships into quick and impactful disaster infrastructure recovery projects by authorizing USDA RD to change how it does business after a disaster. These changes include:

- Giving authority for Water & Environmental Programs (WEP) to make no-interest or low-interest loans for operations;
- Increasing population limits to 50,000 in declared disaster areas (Stafford Act and Secretarial declarations) on all RD programs;
- Waiving median household income limits in declared disaster areas (Stafford Act and Secretarial declarations);
- Providing a waiver to local field offices for endorsement authority for Single Family Housing disaster claim payments in excess of \$10,000;
- Allowing a higher proportion of grant-to-loan ratios or grant-only awards;
- Allowing greater conversion from loans to grants to increase grant awards;
- Waiving collateral requirements on the 504 program and increasing its grant awards;
- Providing towns, villages, or counties with the Community Facility or WEP programs as a line of credit for emergency repairs, which will allow local municipalities to adjust quickly to emergencies and protect lives and property; and
- Streamlining the Single Family Housing Repair Loan & Grant program and offering an expedited application along with age waivers for disaster survivors.

On behalf of every city, town, and village leader in Vermont, thank you for taking the time to consider how to make federal programs aimed at sparking infrastructure investments in rural areas work better.