

Committee on Small Business

2361 Rayburn House Office Building

Washington, DC 20514

Dear Committee Members,

I am testifying to the effects of the flood of the Turkey River on the 9th of June 2008 and to the government's response to it.

This flood was quite a surprise to the residents of Elkader, Iowa. Living in a river valley it is standard practice to watch the U.S. Geological Survey website for the river level forecasts. For the three days preceding our flood each day they were predicting a crest two feet below the town's flood wall. There were residents mowing their yards that afternoon, that did not have a home by midnight. Huge amounts of personal property could have been saved if the river level forecasts had been more accurate. They missed their prediction by more than seven feet.

I have spoken with many long time residents that attest to the fact that they never even had water in their basements prior to the highway bypass being built in the 1980s. The bypass transects the river valley, just downstream from our town, and has only two relatively small bridges for all the water to egress. During times of high water the highway bypass acts as dam and the water backs up and spreads out, putting the town at risk.

Elkader's problem that we need your help with is a man-made problem. Our highway needs more opening to get the water out faster. The existing flood wall was seriously damaged, because of the volume of water that backed up against it. It must be replaced, and replaced soon, because a second high water event will destroy already exposed buildings.

Elkader has developed into an attractive tourist destination, with many buildings on the National Register of Historic Places. We are the county seat and a proud Main Street community. Virtually everyone I have spoken with, residents and visitors alike, have a strong desire to restore Elkader to a pre-flood condition,

but we are quite concerned about what it might look like, after a partial FEMA buy-out of the residential area affected. Some residents have fixed up their homes and yards while right next door there are homes that do not have windows or doors and the mud and debris has never been cleaned up. If those home owners leave their properties, I would like to see that land available for a flood survivable housing development. It would be an even more devastating event for Elkader than the flood, to have our residential area be left in that appearance.

Personally, we own the only grocery store in town. I thought the water would be high, but it would just go by. By the time we realized the predicted crest was wrong, we started sandbagging. Our store is not in the flood plain. At 11pm we realized the effort was too little, too late. We did not have time to move any of our merchandise to higher ground.

The next morning, Tuesday, we had to quickly assess the damage, which was difficult, because everything was still four feet underwater, and as a family, make a determination on our course of action. This business has been in our family since 1867. We are the only Supermarket for more than 15 miles. Our store is the only source of income for 20 employees, as it is our families' only income. For these reasons we decided to open the doors and ask people to come in and help us get back on our feet. By late Tuesday the water had receded far enough from the front door that we could remove the sandbags and start to let the water out of the building. We each took shovels and "snowplowed" the water out of the aisles toward the front door, filling our dumpster with soaked product. Wednesday morning, at sunrise, we had our employees come to begin clean up efforts. Over the next two weeks they were joined by over 180 local volunteers removing damaged product, cleaning and sanitizing everything. Time was a critical factor for us. We knew that in order to save our building we had to act fast, before mold, mildew or things carried by the flood water had a chance to permanently damage our building. We had to call in professional builders to rip out everything in the building that was damaged by the water, as well as refrigeration people, electricians, computer experts and many other paid professionals. During this process, we had a professional cleaning company go over everything to make sure we would pass the health inspection. As a family,

we spent many 18 hour days working with no income, but still paying our employees and all the professionals who were at our store. We knew this financial commitment would be way beyond our resources, but at the time believed FEMA or another agency had a program that would help.

During the time of our clean-up I attended three meetings that explained the procedures for attaining assistance. They were open to all flood victims, but oriented only to residential needs. When a FEMA representative came to the store he had his handheld computer with him and started asking me questions. They were residential in nature. When I explained to him it was our business that was damaged, not our home, he said "Sorry my computer is set for housing questions" and he left. I went to a fourth meeting where FEMA had set-up stations where flood victims could fill out forms. At the SBA station, I asked the representative, "At these meetings I have attended, they keep referring to a 4% or an 8% loan. How do I know which interest rate I will be getting?" His response was-"Would you qualify for a bank loan?" I said "Yes". "Then you get the 8% loan". At that, I stopped filling out the forms. That was the ultimate insult to me. I have been a responsible citizen, taking care of the needs of our employees and our family, always paying our bills and taxes on time. Because of that positive ethic, I am given an interest rate double that of someone who is not fiscally responsible. A rate that is higher than any of the local banks charged at that time.

I have been asked many times by customers and vendors what assistance FEMA has given us, assuming we would have a package similar to the private residences. They are mostly shocked and some appalled that we are left out of the assistance.

I was not personally expecting the government to cover all of our families' losses, but I was expecting to be treated equally compared to the residential assistance offered. I also was expecting an interest rate and a period of time to pay that would soften the blow of our huge loss.

Perhaps our loss will not end with the flood of '08. Although we re-opened the store on a smaller scale just 10 days after the waters receded, much to the credit of our community and volunteers from across the state, the financial

impact of the flood is ever-present. Summer sales were down due to the flooding of the local campground, as well as customers relocating due to the loss of homes. We worked hard to re-open as quickly as possible to give the community of Elkader hope in a grim situation. We can only now hope, and pray that funding, and /or assistance become available so that the two dozen businesses, and more than 35 homes will not be added amongst the list of extinct lowans.

Of the houses damaged by the flood, two are owned by employees of ours. We covered their paychecks during our clean-up, while we were out of business. We reopened as soon as we possibly could to insure their future employment. They received assorted federal assistance, we received nothing.

Respectfully submitted,

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