

BELLEVILLE NEWS-DEMOCRAT

Sunday, December 27, 2009

By Mike Fitzgerald

Rising flood insurance: Metro-east's biggest employers forced to pay huge increases

Some of the metro-east's biggest employers are being forced to pay huge increases in flood insurance premiums because of impending new flood insurance maps.

This, despite the fact that the Federal Emergency Management Agency's new maps aren't expected to take effect until August, when it will declare almost all land between Illinois 157 and the Mississippi River a flood hazard zone.

In Centreville, Touchette Regional Hospital's flood insurance bill for 2009 to 2010 is \$31,000 for \$2.5 million worth of property coverage because of the impending new maps.

This compares with the \$32,000 premium for \$35 million worth of coverage that Southern Illinois Healthcare Foundation paid for 2007 to 2008 to provide coverage for both Touchette and sister hospital Kenneth Hall Regional Hospital, in East St. Louis, said Stephen Lawrence, Touchette's chief financial officer.

What's more, the hospital couldn't get coverage through a local carrier, Lawrence said.

"We had to get that through Lloyd's of London," he said. "There aren't too many people who want to write it."

A few miles away in Sauget, the owners of the Afton Chemical Corp. plant expect to pay nearly \$1 million in extra flood insurance costs this year if the maps take effect, said Todd Oetting, the plant's manufacturing director.

"Long term, it's a real factor," said Oetting, whose firm makes performance additives for fuels and lubricants. "And it should be a real factor for anybody that's doing business in the bottoms."

At least 150,000 property owners, including 4,000 businesses, will be affected by the new FEMA maps. Earlier this month, during four hearings in Sauget, Collinsville and Columbia, FEMA officials explained the hard facts behind the agency's decision to redraw the maps.

The main reason: FEMA is assuming that the flood protection levees in Madison, St. Clair and Monroe counties will be decertified and therefore worthless.

"In a sense, the flood hazard map ... erases the levees, assumes they're not there," said David Schein, the FEMA regional flood insurance liaison.

As a result, owners of single family homes worth \$150,000 in the flood zone could expect an annual flood insurance premium of \$1,654. In addition, new federal rules would severely restrict new construction through rules that would require homes to be built on elevated foundations, or would ban new construction entirely in the newly designated flood plains.

Metro-east leaders are challenging that assumption, however, pointing out that no one has yet determined the true worthiness of a metro-east flood levee system, which dates from the 1940s.

"I think that's both unfair and just a very imprecise way of looking at all of this," said Les Sterman, chief engineer for the newly formed Southwestern Illinois Flood Protection District Council in Collinsville.

Sterman's group has just started the process of raising the money to hire engineers to test the levees to ascertain their true worthiness.

When the results of the tests are released next year, some positive news could be forthcoming, Sterman said.

"And hopefully when we really do the analysis and get everybody to sharpen their pencils, the magnitude of the job will diminish significantly," he said.

Meanwhile, the U.S. Army Corps of Engineers has estimated the levees will need a massive amount of work -- perhaps as much as \$500 million worth -- before they reach the federal 100-year flood benchmark.

With federal aid scarce, it could take Madison, St. Clair and Monroe counties more than 30 years to pay for the needed levee upgrades through sales tax revenue.

St. Clair, Madison and Monroe counties last year approved a special quarter-cent sales tax for flood repairs based on the expectation it would raise \$12 million combined from all three counties.

Instead, the weak economy has led the three counties to collect only about \$10 million -- or nearly 17 percent less than anticipated, Sterman announced last month.

Local business and government leaders share a consensus view that the impact of the new flood insurance maps would be financially ruinous for owners of homes and businesses, especially those in low-income neighborhoods.

Steve Gomric, general manager of the Gateway Grizzlies minor league baseball team in Sauget, predicted he might have to lay off one or two workers to pay for higher flood insurance premiums next year.

The higher insurance rates will create "a residential wasteland," Gomric predicted, forcing both renters and homeowners to move to higher ground.

"You're not going to see any new economic development in this area," Gomric said.

"Who's going to build a factory 15 feet in the air?"

Madison County towns that would be affected by the new flood maps include Alton, Collinsville, Edwardsville, Glen Carbon and Granite City. St. Clair County towns affected would include Cahokia, Centreville, East St. Louis and Fairmont City. And in Monroe County, Columbia would be hit hard.

Contact reporter Mike Fitzgerald at mfitzgerald@bnd.com or 239-2533.

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The \$500 million question: Why repairing our levees keeps costing more

By Ken West

Wednesday, December 23, 2009 10:46 AM
CST

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ALAN DOOLEY / SUBMITTED PHOTO A layer of sand is pumped from the floor of the Mississippi River to create a sand berm near the Chain of Rocks Levee. New federal rules are forcing massive repairs to area flood control devices, although the exact price tag isn't known.

Updating flood maps in the wake of Hurricane Katrina, FEMA announced in 2007 that the five Metro East levees protecting the area since the 1940s were no longer adequate. Repairing the levees, county officials were told, would cost \$120 million to \$180 million. To meet the price tag, officials in Madison, Monroe and St. Clair counties set up an agency - the Southwestern Illinois Flood Prevention District Council - and a new sales tax to fund the project.

But two years later, the estimates have soared. According to the Army Corps of Engineers, the price tag could range from \$300 million to \$500 million, a 177 percent jump.

Les Sterman, an engineer the counties hired to coordinate the gigantic repair process, has been trying to get a handle on the shifting numbers. His frustration mounted Wednesday after a meeting of the Flood Prevention District Council.

He said he learned from a Corps representative at the Wednesday meeting that FEMA had little information to decide the levees would not protect the area in the event of a major flood. Sterman has placed a Freedom of Information Act request for that information.

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He placed the current crisis regarding the levees squarely on FEMA. He said the agency's decision has brought about the need for mandatory flood insurance, the

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need to pass the sales tax and the need to spend hundreds of millions of dollars.

In the meantime, Sterman has been facing the numbers game.

"It's numbers the Corps have given us based on previous designs they have done and the work they've done in the past year," Sterman said about the higher estimates.

Reasons for the increase, according to Corps officials, are more water seeping under the levees than first believed and the possible presence of toxic chemicals at an industrial site near Sauget. The agency expects to have a better handle on the exact price tag by mid-January.

"It better come down, because we have to be able to afford a solution here," Sterman said. "We can't afford that."

Monroe County Board Chairman Delbert Wittenauer said the county governments originally intended to fund the project with the sales tax increase. "We assumed we could have banked the entire project," he said.

But the Corps of Engineers now says those first figures were based on what they knew then.

"We didn't have the benefit of surveys, like test hole drilling, the type of research you do to see what's going on at the subterranean level," said Alan Dooley, a St. Louis Division of the Army Corps of Engineers spokesman.

Chris Wilson, program manager for the Metro East Levee Program of the Corps of Engineers, said they are digging bore holes every 330 feet for the entire length of all the levees, nearly 63 miles. With one hole bored on the water side of the levee and another on land, that equals 2,000 holes. Those tests have identified one of the problems: under-seepage, or water running under the levees, is more extensive than first known.

"With new data about every 300 feet, we have a better idea of where the bad areas are," Wilson said.

With that information, Wilson said, they will be able to more accurately predict costs to fix the problem.

As county leaders look at the numbers, St. Clair County Board Chairman Mark Kern wants answers that involve something other than money.

"We can issue bonds to come up with a lump sum of \$150 to 180 million and figure a way to solve the problem with that money. There are creative engineering solutions. "

Creative solutions are needed because the economic downturn resulted in lagging sales tax collections. While the quarter-cent tax is still expected to bring in about \$10 million total from all three counties this year, Sterman said that's about 15 percent less than originally anticipated. He's looking for money.

"Consultants are working to try to determine potential sources for revenue," Sterman said. "The levee districts could kick in money as well."

He also said he thinks the higher figure of \$500 million could come down substantially.

Wittenauer said getting the correct cost is key.

"The avenue now is to get solid numbers on what it would cost to repair the levees," he said. "The whole issue is money."

Or as Kern said, "There's more than one way to skin a cat."

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1/4 cent: Amount of sales tax Metro East counties created to fund fixes

10.1 million: Funds, in dollars, that sales tax has created from January to September

Sources: Army Corps of Engineers, Flood Prevention District Council

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Levee breach is most serious, avoidable risk facing metro St. Louis

10/09/2009

For the record: The St. Louis region's political and business leaders have no excuse if they fail to act quickly to repair the levee system that protects Madison, Monroe and St. Clair counties. The threat is potentially catastrophic. The solution is eminently correctable.

The levee system protects more than 150,000 people and threatens thousands of businesses that employ more than 50,000 people. The levees were constructed in the 1940s and 1950s to protect against a 500-year flood. But in 2007, the U.S. Army Corps of Engineers, citing design deficiencies and needed repairs, refused to certify the levees as fit to withstand even a 100-year flood.

The issue is not glamorous. The most immediate threat is posed to poor and working-class communities that are home to gritty industrial enterprises.

But the calamity that would result if the levees gave way is unthinkable. A conservative estimate by the East-West Gateway Council of Governments of the immediate economic consequences puts the loss at \$12 billion. That's based on damage floodwater could cause to residential and commercial structures and just one year's loss in economic output.

There also would be other certain, but less quantifiable, consequences:

— Tens of thousands of people would lose or be dislocated from their homes and jobs. Nothing more than basic relief would be available to them.

— Regional commerce is dependent on interstate highways, major bridges and railroad facilities that could be shut down or constricted for long periods.

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— Significant stretches of flood plain protected by the levees are contaminated, including a notorious Superfund waste site in Sauget. Broken levees could create a massive public health crisis.

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— Already the levee system's problems are causing problems. Insurance costs are going up. Planned commercial expansions are being delayed.

The Illinois counties have pulled together, admirably, through a newly created Southwestern Illinois Prevention Council administered by Les Sterman, the former director of East-West Gateway who has long experience in major public works projects.

The council, in partnership with the Corps of Engineers, is collecting data to more completely define conditions and design solutions. Many practical details are expected to be available in January.

Project costs, once estimated by the Corps of Engineers at between \$136 million to \$180 million, now are seen as ranging between \$300 million to \$500 million. A comprehensive estimate, one that accounts for all contingencies, awaits more data from the field.

Illinois communities have approved a sales tax that's expected to raise between \$140 million to \$198 million for the project. But it's not their burden alone. Significant federal and regional help will be needed with support from business and political leaders on both sides of the river; the Metro East levee system must get higher priority on the Corps of Engineers' long list of pending water projects.

In theory, there's only one chance in 100 that floodwater will get high enough at any point in any year to pose a problem. But hydrologists say there have been seven such floods along the Mississippi in the last 100 years. St. Louis had one in 1993, and it came close in 2007. The \$12 billion gamble is when — not if — the next one will come.

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martalli October 10, 2009 2:14PM CST

Levees that currently exist must stay in good repair. However, we must as a community resolve to halt or even roll back development on the flood plains. We need to focus on intelligent development of the area we already have. Considering how much of the city and surrounding area is simply decaying and abandoned warehouses and factories, there is still plenty of space to grow within area we already occupy.

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Metro East levee upgrade costs climb

By Terry Hillig

ST. LOUIS POST-DISPATCH

10/05/2009

COLLINSVILLE — The cost to fortify the levees that protect three Metro East counties may be three times higher than expected, and local officials say they don't have the money to cover the larger price tag.

"This is the biggest issue that (Metro East officials) will face in my lifetime," said Alan Dunstan, chairman of the Madison County Board.



Les Sterman. (P-D)

Les Sterman, who is supervising the levee upgrade for the Southwestern Illinois Flood Prevention District Council, based in Collinsville, called it "an enormously difficult problem." Sterman took the job this summer after many years as director of the East-West Gateway Council of Governments.

The Army Corps of Engineers once estimated the price at \$136 million to \$180 million. Now, Sterman said, the corps says it could cost \$300 million to \$500 million.

He said collection of a quarter-cent sales tax, which began Jan. 1, is running 10 percent below estimates made in May 2008.



Five levee systems along the Mississippi River and tributaries protect the homes of more than 156,000 people, and 4,000 businesses, in a flood plain that stretches from Alton to Columbia and includes parts of Madison, Monroe and St. Clair counties.

The levees were built mostly in the 1940s and '50s and last updated in the 1960s.

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After flooding caused by Hurricane Katrina devastated New Orleans, the Federal Emergency Management Agency reviewed the condition of levees nationwide and determined that the Metro East levees do not provide adequate protection.

Design problems allow unacceptable levels of seepage through and under levees and threaten their integrity, according to FEMA.

The federal agency announced in August 2007 that the levees could be "de-accredited" until improvements are made. De-accreditation would result in costly new building restrictions, and property owners with mortgages from federally regulated lenders would be required to buy expensive flood insurance.

Fearing hardships for many property owners, and a depressing effect on economic development, local officials secured legislation that allowed the counties to establish flood prevention districts and impose sales taxes for levee improvements.

Much of the work is eligible for 65 percent federal reimbursement. But if federal appropriations remain at the levels of recent years, the work would not be finished until 2044, Sterman said. Local officials had hoped to complete the project in five years.

Sterman said the sales tax was expected to produce enough revenue to finance the entire cost of a \$180 million project, not one that could cost more than \$300 million.

Although the ultimate cost remains somewhat speculative, preliminary work by the corps has indicated problems that are more extensive and costly to correct than anticipated.

In a report to the directors of the flood prevention council last week, Sterman said creative solutions will be needed to keep costs down and get the most from available revenue. One idea that may be considered is what amounts to a design competition.

Dunstan, the Madison County Board chairman, agreed that "outside-the-box" strategies may be needed. He says flood insurance is a good idea but ought not be mandatory. He said the Metro East counties have done everything asked of them, including imposition of taxes that will pay their share of the project costs.

Dunstan said de-accreditation seems unfair when it appears that a lack of federal funding — not local funding, will delay the work. He said the sales tax will produce enough money for the 35 percent local share of the costs.

"We have to come up with a solution," Dunstan said. He's hoping for accelerated federal funding.

U.S. Rep. Jerry Costello, D-Belleville, has introduced a bill that would freeze implementation of new FEMA flood insurance maps for up to seven years in areas where local officials have adequate financing and are pursuing a FEMA-approved plan to correct levee deficiencies.

FEMA spokeswoman Laurie Smith-Kuypers said the new flood maps could become final as early as next summer. She said Oct. 20 is the deadline for municipalities and levee districts to appeal preliminary maps issued a year ago.

Smith-Kuypers said FEMA will review the appeals, then make final determinations early next year.

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joedirt1955 October 5, 2009 7:00AM CST

Well...it figures...why in the world do people live in flood based areas? "Uhhh Ill take my chance"...and then a flood hits and people cry and complain and reach for the bible..."ohhh whyyyy meeeee Jesus???"



Jom October 5, 2009 8:08AM CST

Right on, Joedirt! Then they whine to the government to bail them out even after applauding the Tea Party nasties.



mikie October 5, 2009 8:30AM CST

Why do people move into these areas? I'll tell you. Their families have lived in these areas for over a hundred years and since the 50's have been told the levees would protect them. This isn't like the Chesterfield Valley that flooded and then a huge building boom followed.

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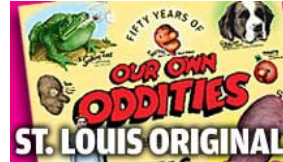
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New Flood Rules, With a Price Tag

By [JOSEPH BERGER](#)

NORTH MIDDLETOWN, N.J.

THE inhabitants of the bungalows and wood-frame homes along the gently lapping waters of Raritan Bay are, in the words of one of them, Cathy Vashey, “hard-working, week-to-week kind of people.” Buying flood insurance would pinch their blue-collar budgets, and most have never had to — until now.

What has prompted the shift is a five-year, \$1 billion project by the [Federal Emergency Management Agency](#) to draw new maps pinpointing places that are vulnerable to the kind of flood that occurs once a century — meaning the flood has a 1 percent chance of occurring in any year. Every county in the New York region has been remapped, and in Monmouth County in New Jersey, across Raritan Bay from Staten Island, 4,300 properties in four towns have been newly branded as flood-prone. Starting Sept. 25, those property owners — in Middleton, Keansburg, Hazlet and Union Beach — will be required to carry flood insurance; in Ms. Vashey’s case, the cost could be \$1,700 a year.

“I think we’re paying for Katrina,” said Ms. Vashey, 50, a nurse’s aide who has lived with her husband, a truck driver, and two children in a \$180,000 clapboard house here for 18 years. “I think FEMA needs the money and they want us to pay for all the money they spent for the other emergency.”

Agency officials, of course, firmly deny such theories. “That is 100 percent false,” Clark Stevens, a spokesman in Washington, said of the Katrina connection, pointing out that the agency was ordered by Congress in 1994 to remap and that it began planning the project four years before [Hurricane Katrina](#) struck in 2005.

But speculation about such conspiracies reflects the anger that has often dogged FEMA in the places where the most sweeping remapping has taken place — including Nassau and Suffolk Counties on Long Island, Staten Island and the Connecticut shore. The remapping has led to some areas being rezoned as not flood-prone, but there have been sharp outcries from property owners in areas where the opposite has occurred.

Monmouth County is suing the agency in federal court to block the flood-zone designations. The lawsuit contends that the agency declared a two-mile 1970s-era dike along Pews Creek and the dunes along Raritan Bay to be adequate flood protection for bayside residents as recently as January 2008 — then, five months later, switched positions.

At the same time, Assemblywoman Amy H. Handlin has called on the [Army Corps of Engineers](#) to spend \$25 million in stimulus money to rebuild the 15-foot-tall dike so that residents behind it do not have to buy insurance.

"If FEMA believes its own rhetoric, then we have thousands of homeowners who are in danger of losing their properties and, potentially, their lives," she said in an interview.

Behind the debate lies the complex half-century-old saga of flood insurance. Because floods can wreak wide and catastrophic destruction, few carriers provided insurance until 1968, when Congress created the [National Flood Insurance Program](#). Under the program, homeowners in certain zones are required to buy policies from insurance companies — about 90 provide it — and the government pays for flood damage with federal funds collected largely from homeowner premiums.

To enable homeowners to know their risks, FEMA was charged with mapping areas with a 1 percent or more chance of catastrophic flooding in any given year. Banks almost always require customers in these zones to purchase flood insurance to get or maintain their mortgages.

The federal agency said the accuracy of the previous maps, which were 20 and 30 years old, had been overtaken by changes in terrain and by the construction of roads and housing developments, which affect the ability of land to absorb water, and alter water runoff patterns. (FEMA officials said [global warming](#) was not a factor.)

FEMA used several strategies for its remappings. In some regions, aerial surveyors in planes equipped with laser and radar measured elevation. In other zones, like New York City and Westchester County, the agency adopted maps recently drawn by local ground surveyors.

For property owners, the picture has been mixed. In Nassau County, where maps become effective Friday, there are about 14,000 more structures on the flood-prone list than before the revisions. But in Suffolk County, there are about 4,000 fewer.

Among other misgivings over the flood maps, Senator [Charles E. Schumer](#) of New York said the maps in the town of Gates, west of Rochester, were flawed. Barbara Lynch, a spokeswoman for the agency, acknowledged, "Maps were not done well in Gates," and the town's engineers were able to get many homes removed from the flood-prone list.

Residents can view the agency's maps [online](#), or visit their local town halls to check whether their properties are deemed flood-prone. Property owners who object to the agency's classification of their buildings can commission land surveys (at a cost of several hundred dollars) and then ask FEMA for a "letter of map amendment" to show to their banks. The agency is also encouraging newly designated homeowners to sign up for insurance before its maps become effective so they can be grandfathered under cheaper rates available to those who do not live in official flood zones.

Deep skepticism lingers in shoreline communities like North Middletown and Keansburg, N.J., where the owners of many schools, churches and nursing homes, as well as houses, would have to buy insurance. Anthony P. Mercantante, the Middletown administrator, pointed out that the [levee](#) prevented flooding even during a memorable northeaster in 1992. Besides, he said, Raritan Bay does not produce the speedy waves that cause the worst destruction.

Bruce Steneck, 68, a retired power lineman from nearby Hazlet who has lived on the Jersey Shore his entire life, said that the worst storm he could remember was in the 1960s, and that bay water moved only a couple

of blocks inland. He lives 11 blocks away, yet is in the new flood zone.

“A tsunami would have to hit Raritan Bay to push the water as far as Highway 36, and that, in my opinion, would never happen,” he said, referring to the major road that runs parallel to the shoreline. “They are forcing a lot of people to take flood insurance that it would never affect.”

Mary Flynn, 36, a biochemist, said she was not required to buy flood insurance when she purchased her two-story colonial about a block and a half from the bay in 2004. She worries that the new map, putting her in the flood zone, could affect her ability to sell.

Nevertheless, aware that insurance will cost her \$800 now and \$2,000 after Sept. 25, Ms. Flynn said she planned to buy it right away.

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Friday, Aug 7, 2009

Posted on Thu, Aug. 06, 2009

Holding back flood insurance

After Hurricane Katrina, the federal government raised the standards for river levees, which is a good thing. No one wants what happened in New Orleans to happen in other parts of the nation.

The trouble is the light-switch approach the government is taking to making the change. As so often happens, government bureaucrats act without regard to the real-world consequences.

Consider what's happening here in the metro-east. One day our the levees were fine, the next day they weren't according to the bureaucrats. One day buying flood insurance was voluntary, and then before even giving the area a chance to upgrade the levees, flood insurance is set to become mandatory for some people.

The current course would financially punish area residents, and potentially crush economic growth in the region.

U.S. Rep. Jerry Costello has introduced House Resolution 3415, which would ensure levee repairs move forward rapidly but without punishing property owners. The bill would freeze flood insurance requirements as long as the area is actively pursuing the levee upgrades.

That gradual transition is so much more reasonable than the abrupt change our area now faces. We urge Congress to pass this bill.

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Levee repair status updated

By [STEVE WHITWORTH](#)

2009-08-03 22:20:51

ALTON — Elected leaders met Monday with FEMA officials and experts from the U.S. Army Corps of Engineers to discuss progress and problems with the regional efforts to bolster the Metro East's Mississippi River levees.

The Partnering Meeting for the Metro East Levees Program was held on board the corps' Motor Vessel Mississippi, which was docked at the Melvin Price Locks and Dam 26 at Alton.

Corps officials billed the meeting as a forum for leaders of the Metro East's levee and flood prevention districts, along with local, state and federal government officials, to discuss the progress made since many of them met in May with U.S. Rep. Jerry Costello, D-Belleville. The corps also said the meeting would be used to discuss the roles of the parties and cooperative relationships among them as leaders try to develop a plan for timely completion of the flood repairs.

Madison County Board Chairman Alan J. Dunstan, D-Troy, was among the elected leaders who took part, along with his counterpart, St. Clair County Board Chairman Mark Kern of Belleville.

"The corps is trying to come up with as much of the details as we can," Dunstan said in a telephone interview Monday night, after the meeting. "We hope to get a timetable by December, so we actually know the numbers and where we stand, where we know what it costs. Then, it will be up to us as local governments."

Dunstan said Monday's meeting was "informal." Costello did not attend but sent a representative.

Dunstan had hoped that Les Sterman, who recently took over as the construction supervisor with the Southwestern Illinois Flood Prevention District, would be able to attend Monday's meeting. However, Sterman, the former longtime director of the East-West Gateway Council of Governments, could not attend because of an illness in his family.

Instead, Jim Pennekamp spoke about the local efforts. Pennekamp is chairman of the task force working to recertify the five Metro East levees that protect 150,000 residents and 4,000 businesses in the Mississippi River flood plain.

Dunstan said Pennekamp signed a memorandum of agreement with the corps, which has been performing test borings on the levees to determine the extent of the repairs needed.

"Our goal is to work with them as a team," Dunstan said. "The whole idea is to work with the corps and (the Federal Emergency Management Agency) to come down with some concrete answers as far as what this is going to cost and what options we have."

Dunstan said he was pleased that corps officials, whose cost estimates previously were based on upgrading the levees to provide protection against a so-called "500-year flood," now agree

with local officials that the first priority is to make sure the levees are in good enough shape for FEMA to recertify them as providing protection against a "baseline," or "100-year" flood.

Dunstan said a new issue raised during the meeting was the need to also repair some of the "flank" levees that support the main levees.

"The Wood River Levee has a flank levee that probably also needs work, which we didn't know about in the past," he said.

Dunstan also commented on Monday's announcement by U.S. Sen. Dick Durbin, D-Ill., that the U.S. Senate had approved \$6.5 million for the Chain of Rocks Canal Levee in Madison County as part of the Fiscal Year 2010 Energy and Water Appropriations bill. The money would be used for a deficiency correction that would include the installation of relief wells, construction of levee berms, a pump station, relocations and mitigation.

"The Chain of Rocks Levee, which is 100 percent the responsibility of the Corps of Engineers, already is at the 100-year level," Dunstan said. "Why spend more money to upgrade it to a 500-year level now? For us, that doesn't help the situation. We think they should bring that money to us."

Dunstan reasoned that the Chain of Rocks Canal Levee could be improved later, after the Metro East levees were upgraded to the 100-year protection level.

"The bottom line is, there are a lot of questions out there and not as many answers as I would like to have," Dunstan said. "But the goal now is to have all the answers to us by December, and we'll go from there."

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Friday, Aug 7, 2009

Posted on Sat, Aug. 01, 2009

Costello: Bill would halt flood insurance increases

By Mike Fitzgerald
News-Democrat

To the great relief of metro-east leaders, U.S. Rep. Jerry Costello, D-Belleville, introduced a bill Friday to prevent changes to the federal flood insurance rates in areas where there is an active effort to fix flood levees, including Madison, St. Clair and Monroe counties.

Under current Federal Emergency Management Agency rules, new flood maps for the St. Louis region, including Southwestern Illinois, must be published in August 2010.

Because of this, about 150,000 property owners in the metro-east could be required to buy costly flood insurance under current rules, raising concerns that many owners of homes and businesses would be forced to move out and that development would be halted.

Under Costello's proposal, current insurance rates would be frozen at their current level, preventing the requirement for mandatory purchase of flood insurance for at least seven years.

Also, without the bill, tens of thousands of home owners without flood insurance would be required to buy the expensive coverage for the first time.

Costello introduced the measure Friday, the final day the House was in session before beginning a five-week recess that ends Sept. 8.

If Congress approves the measure, then life can go on for property owners in the Mississippi River flood plain "for a period of time longer without people being hit with the flood insurance rates that they would have had had the maps been published and certified," St. Clair County Board Chairman Mark Kern said.

Madison County Board Chairman Alan Dunstan emphasized that Costello's legislation, even if passed, still would only buy some time until the levees finally are certified at the 100-year level.

"If you live in an area protected by a levee, you still could be looking at flood insurance," Dunstan said.

Both Kern and Dunstan praised Costello's introduction of the measure, providing metro-east leaders with much-needed breathing room as they contemplate the daunting task of gauging the scope of overdue repairs to metro-east levees — and then figure out how to pay for a project whose price tag could exceed \$450 million.

"Once again, we are every appreciative of Congressman Costello putting forth every effort to try to help us get this job done," Kern said.

In a news release, Costello said he wants to create an incentive for local governments to fix levee problems while still addressing the worries of property owners faced with the prospect paying for expensive flood insurance.

"There has been a lot of concern expressed that even though our local leaders have put a plan in place to fix the levees, we are still facing the mandatory purchase of flood insurance," Costello said. "This legislation says that as long as such a plan is being implemented, the rate increases cannot take effect."

Les Sterman, the newly appointed chief of construction for the Southwestern Illinois Flood Protection District Council, in Collinsville, applauded Costello's bill.

But Sterman, who started his new job last month, cautioned that Costello's bill could still face opposition from the Federal Emergency Management Agency.

"FEMA's in the flood insurance business, so anything that discourages people from buying flood insurance they might have a problem with," Sterman said.

Meanwhile, Sterman and other metro-east leaders are still awaiting the results of tests of their levees to determine the cost of repairing them to meet new, much stricter FEMA criteria for withstanding a 100-year flood.

The Army Corps of Engineers has estimated that the cost for repairs of Mississippi River levees in the three counties could exceed \$450 million — or \$300 million more than the counties had originally hoped to raise with the help of a quarter-cent sales tax that took effect Jan. 1.

St. Clair, Madison and Monroe counties had adopted the tax on the expectation the federal government would pay about 65 percent of the total cost of the repairs.

Recent discussions with the U.S. Army Corps of Engineers, which oversees the levee networks up and down the Mississippi River, have indicated that little if any federal aid will be available for years to come.

For Dunstan, the funding issue raises thorny questions about the fairness of the federal government not coming through with expected financial help.

"We've come up with our money," he said. "Why should we be punished when they don't have their money? ... What really frustrates us in the metro-east is we've done everything we've been asked to do to fix these levees."

Contact reporter Mike Fitzgerald at mfitzgerald@bnd.com or 239-2533.

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Friday, July 17, 2009

Levee restoration work begins under Sterman

Project costs have risen, could hit \$500 million

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Les Sterman is taking over the work to restore accreditation to five Metro East levees, a project that might cost hundreds of millions of dollars more than when it was first conceived.

Sterman, former longtime executive director of the **East-West Gateway Council of Governments**, begins his new role July 22 as chief supervisor of construction and the works at the Southwestern Illinois Flood Prevention District Council.

The project was originally estimated to cost between \$136 million and \$180 million, but new estimates range between \$200 million at the low end to \$500 million in a worst-case scenario.

Sterman will coordinate efforts to repair five Mississippi River levees that lost accreditation by the

Federal Emergency Management Agency (FEMA) in August 2007. The levees provide flood protection for 150,000 residents and 4,000 businesses in Madison, St. Clair and Monroe counties in Southwestern Illinois, according to the Flood Prevention District Council.

FEMA's de-certification stated the levees are not certified to protect the region from a 100-year flood. The levees stretch from just north of Alton southward to Columbia.

Jim Pennekamp, special assistant to **Southern Illinois University Edwardsville's** chancellor for regional economic development, chairs a task force of the Southwestern Illinois Flood Prevention Initiative that was formed in late 2007 to take steps to recertify the levees. Pennekamp said the affected Metro East area, dubbed 'American Bottoms,' was the first in the nation for an initiative by FEMA to address levee design deficiencies. The levees in the Metro East are more than 50 years old.

"When they were built, they were using the most up-to-date technology at that time," Pennekamp said. "We intend to use the best and most cost-effective technology available today to make sure they're brought up to 500-year flood protection status."

The Council will initially seek to restore the five levees to the 100-year flood level, as required by FEMA, with the ultimate goal of bringing the levees up to the Corps of Engineer's 500-year flood level standard.

Contractors have not yet been identified for the restoration work to address the design deficiencies.

Soil samples at the five levees — Wood River, Chain of Rocks, Metro East Sanitary District, Prairie DuPont and Fish Lake — are being conducted now to determine the size and scope of the restoration needed.



Brian Cassidy

Jim Pennekamp chairs the task force working to recertify the five Illinois levees protecting 150,000 residents and 4,000 businesses in the Metro East.

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This year, a quarter-cent sales tax was implemented to fund the project. That sales tax is expected to bring in about \$180 million for the levees, but the down economy could lessen that amount.

Sterman said part of his new role will be determining what other funding sources are available.

"I'll be developing a strategy to get the job done with the money we have available, which is a pretty big challenge," Sterman said.

The Southwestern Illinois Flood Prevention District Council was able to tap into only a limited amount of the federal economic stimulus funds, about \$26.7 million, because the bulk of the restoration project is still in the planning stages and not yet shovel-ready. Construction is tentatively set to begin on the Wood River levee in September 2009.

Leadership Council Southwestern Illinois Executive Director Patrick McKeenhan, an advisory member of the task force, said re-certifying the levees is critical to the area's economy and future development activity.

"This action by FEMA has an impact on the business community of American Bottoms," McKeenhan said.

By February 2011, revised federal flood insurance rate maps for Missouri and Illinois will be in place. The American Bottoms region has been given preliminary approval to be designated as a Restoration Zone, called '**AR Zone**' by FEMA, which identifies the area is in the process of restoring its flood protection system. An AR Zone designation would give the Council until 2019 to restore the levees to certification levels.

McKeenhan said the AR Zone designation would force home or business owners to carry flood insurance beginning in 2011.

"Time is of the essence here," Sterman said. "The area is going to be under an economic cloud until this is addressed. This is really the industrial engine of the region."

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Posted July 6, 2009
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Costello working to buy time for American Bottom residents, businesses

By Alan J. Ortals

U.S. Rep. Jerry Costello (D-Illinois) is once again seeking relief for the people of the American Bottom in regard to the Federal Emergency Management Agency's re-mapping process. Without such relief, many property owners in the area will be forced to purchase expensive flood insurance next year.

FEMA has issued preliminary maps designating the entire American Bottom a high-hazard flood zone. When this designation becomes official, all owners of real property in the area that have federally-backed mortgages will be required to buy flood insurance, and the price of that insurance will nearly quadruple from current rates. Late last year Costello, U.S. Rep. John Shimkus (R-Illinois) and Sen. Dick Durbin (D-Illinois) negotiated a deal with FEMA to forestall the designation until the Missouri side of the metro area caught up.

At that time, it was estimated that it could take three years to complete that re-mapping process; but this spring, FEMA put the Missouri side on a fast track because there was no evidence of past deficiencies with its levees. Because of this action, the Missouri side is expected to be completed next year, triggering the insurance mandate for the Illinois side.

"What FEMA is saying is in the areas where there is no documentation that there are problems, they have notified the local levee jurisdiction or the local levee districts that they have two years to provide certification - that their levees meet the 100-year minimum protection, which is what FEMA requires. In areas where there is documentation over a period of time where there have been problems with the levees, they are proceeding; and in our case, that is exactly what the Corps and what FEMA are saying," said Costello. "They're saying that on the St. Louis side there are no major problems. On the Illinois side where you have five different levee districts, there is documentation over the years that the Corps has been telling the local levee districts that there are problems. That is the issue that we're dealing with. It looks like, depending on if there's slippage or not, that the maps in Illinois will come out some time in August of 2010 - and probably within nine to 12 months later on the Missouri side of the river."

Alan Dunstan, Madison County Board chairman, says that this insurance mandate would be devastating to the American Bottom as many of its residents are low income and will be hard pressed to pay for the insurance. This could, he suggests, trigger mortgage defaults and foreclosures.

Costello is meeting both with congressmen from other parts of the country that are similarly affected and with FEMA to try to devise a solution, either through an administrative agreement or through legislation. According to Les Serman, executive director of the East-West Gateway Council of Governments, the goal would be to create a new designation for areas that meet the following criteria: have a plan of action that is endorsed by the U.S. Army Corps of Engineers to remediate the problems; have a community relations program urging people to buy flood insurance; have an evacuation plan in place in case of levee failure; and have financing in place to fund the repairs.

If an area meets those criteria, people would not be forced to buy flood insurance.

Costello points out that this is a national endeavor on the part of FEMA. Some areas have less expensive problems and some areas have more expensive problems, but the American Bottom is not being singled out for punishment.

"The commissioners have known about these deficiencies for some time," Costello said. "Now the public knows. My argument is that those who are not only making a good faith effort to bring the levees up to get them certified, but also have a funding mechanism in place and have a plan in place, that there should be some relief for those who are doing something - versus those who are doing nothing. That's what we're working on - to try to figure out a way to develop either an administrative policy or legislative language to amend that."

From the beginning, Dunstan says, the three counties - Madison, St. Clair and Monroe - have taken the approach of cooperation with the federal agencies, even suggesting that they use Southwestern Illinois as a model for other areas around the country. In response, he says, those agencies should be willing to reciprocate that cooperation.

"We've done everything locally that we've been asked to do," said Dunstan. "We've created a commission; we've created the funding mechanism; everything is in place; the sales tax is being collected; we have everything ready to go, but yet we don't have the federal funding to match our funding. There should be some type of consideration for that," he added.

Last year, the three counties passed a quarter-cent sales tax to fund levee repairs. It was estimated that that money stream would service the debt on a \$180 million bond issue. But the estimated cost of remediation has since risen to as much as \$400 million, and federal funds will be needed to fill the gap. Under existing agreements with the Corps of Engineers, the Corps is responsible for 65 percent of the cost of levee repairs - in this case, \$260 million. Under that agreement, the local quarter-cent sales tax would be more than sufficient to cover the local match of 35 percent. However, less than \$30 million has been allocated by the Corps for American Bottom levee repairs so far.

In order to provide better governance, the three counties have created a commission to oversee the levees project. There are seven members with three from Madison County, three from St. Clair County and one from Monroe County. Jim Pennekamp of Granite City has been named the commission's chairman. The new commission will soon be hiring an executive director to manage the effort. Part of that job will be working to get some relief from the pending insurance mandate.

"What we're trying to avoid," Sterman said, "is the specter of the federal government kicking you out of your house. This is the greatest infrastructure challenge currently facing the region."