

Prepared Statement of Joel R. Euler
Given to the Committee on Small Business
on Wednesday August 21, 2013, at the
City of St. Joseph City Hall,
St. Joseph, Missouri

Greetings

My name is Joel Euler and I am an attorney with an office located in Troy, Kansas, approximately 10 miles west of St. Joseph. I am here before you today as an attorney for the South St. Joseph Drainage and Levee District, which is one of several districts I represent along the Missouri River. The District is located adjacent to the Missouri River South of United States Hwy. 36, on the western edge of the City of St. Joseph and in Buchanan County, Missouri. The District was established more than 40 years ago and protects agricultural, residential, recreational, commercial and industrial properties.

The district is operated by a five-member Board of Directors who are elected by individuals who own real estate within the confines of the district. The makeup of the Directors includes both individual and corporate representatives. The District is responsible for the maintenance and operation of the Levee and drainage structures in the district and as such plays a pivotal role in the protection of the various entities behind the structure. In 2011, invested capital in the district totaled in excess of Two (2) billion dollars.

In about 1998, the Corps of Engineers made a review of the levee structure in the district and determined modifications were needed to allow the structure to maintain its protective capability. Since that time the District and other local units of government have been working with the Corps of Engineers to finalize the modifications to be made, however, progress is severely hampered because the Corps of Engineers is unable to regularly obtain the funding necessary to complete the design phase of the project and move the same to construction. At present it is my understanding that funds have not been allocated for this project in the upcoming budget.

I understand that the purpose of this hearing is to take input with regard to the authorized purposes that the Corps of Engineers uses to manage the Missouri River System and discuss which purpose the District believes is most important. Unequivocally the District considers the most important purpose to be flood control. Improper flood control has a negative impact on every activity conducted behind the structure.

The Individual who lives behind the structure must maintain a constant vigil during times of flooding and high water to ensure that his home and property are safe. This worry is in addition to the everyday stresses which an individual feels and often takes a heavy toll both financially and emotionally on citizens.

The Farmer who lives and works the ground behind the structure is negatively affected when releases of water are sustained for long periods. This causes saturation to the farm ground and during those times when the river level is so high that the floodgates must be closed causes ponding of water behind the structure which destroys crops and makes farming operations difficult, if not impossible.

To the Industrial and Commercial businesses behind the structure, the financial costs associated with continued high water on the river take a different form. Each time there is an extended high water event or the threat of flooding the business must modify its operation to allow for potential evacuation and must make preparations in the event of flooding. Preparations include changing production schedules, removing raw materials, products and equipment from the facility and

activities of a similar nature. In some instances during sustained high water events, flood fighting operations restrict traffic and rail flow causing a shortage of raw materials which cost not only production but profit for the company.

In addition, the condition of the levee and continued flood threats take a toll on businesses in the form of increased costs associated with flood fight preparation, flood and business loss insurance and other expenses associated with a potential flood event. While the event may never occur, good business practice requires planning for the event.

For Potential business concerns about the operation of the levee structure and the Missouri River System as a whole can be a major consideration when determining whether or not to locate in the District. While some companies might choose to try to erect structures at a level where they will not be affected by high water, should the levee breach, this is cost prohibitive in most instances and as such creates a negative impact on business. In essence, if continued high water events occur they will act to chill the interest in locating within the District and as everyone is aware, competition for business is already keen and communities cannot stand many negatives with regard to their industrial areas.

With regard to the smallest businesses, the mom and pops, these businesses are almost completely dependent upon work that is derived from supporting the larger industry. The businesses are often specialized and once the larger business leaves the small businesses have no customers to serve and as such, close as well.

In closing, the District believes that unless flood control was made the primary emphasis of the operation of the Missouri River System, at some point flooding and high water events will occur with such frequency and have such an impact on businesses of all sizes that the real estate located behind the levee structures will no longer be a viable location for businesses to locate thus causing a negative impact to the community.

I am happy to answer any questions you might have.

Respectfully Submitted:

Joel R. Euler
Attorney for the South St. Joseph Drainage and Levee District