

*Kathy J. Kunkel*  
**County Clerk**

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August 21, 2013

**WRITTEN TESTIMONY:**

**UNITED STATES HOUSE OF REPRESENTATIVES  
COMMITTEE ON SMALL BUSINESS  
FULL COMMITTEE FIELD HEARING**

**MISSOURI RIVER MANAGEMENT: DOES IT MEET THE NEEDS OF SMALL BUSINESS?  
ST. JOSEPH, MISSOURI**

Chairman Graves and members of the United States House Committee on Small Business:

Thank you for giving me the opportunity to provide testimony today regarding the Missouri River management and its impact on small businesses. As an elected official, I have the privilege to come before this body representing the people of Holt County, Missouri. I am honored to share with you the concerns of small businessmen and women who take great pride in operating their farms and businesses in a rural area.

Situated between the urban hubs of Omaha and Kansas City, Holt County is about as rural as it gets. Less than 4,700 people call Holt County home. There are 500 miles of gravel roads and not one single stop light or flashing light in the entire county -including the towns. Everyone knows one another. It's small town America at its best. Our small businesses range from local grocery stores to a 30 million gallon ethanol plant. Each and every business in our area is dependent on the well-being of agriculture.

**Holt County: A Rural Floodplain**

Holt County has a wide floodplain, encompassing nearly 40% of the county's 456 square miles. It holds highly productive farmland and five towns. At its widest point our floodplain stretches 12 miles from bluff to bluff. It is crisscrossed by transportation corridors connecting Missouri with Iowa, Kansas and Nebraska by interstate and rail. It also is home to Squaw Creek National Wildlife Refuge and Big Lake State Park as well as a patchwork quilt of farmland and homesteads dating back to early settlement.

## **Flood Economics**

The 2011 Flood brought a focused spotlight on the management practices of the United States Army Corps of Engineers and their responsibilities to the eight authorized purposes of the Missouri River. Holt County was devastated by the flooding that found water within homes up to 106 days. Interstate 29 was closed for nearly four months and in that time small businesses that sat well outside of the floodplain were closed due to a lack of commerce. You simply cannot run a truck stop without interstate traffic. In one day, forty people from Holt County lost their jobs due to flooding on one of the highest hills in the county, miles from the floodwaters.

County tax revenues are based on the economic viability of the communities within the county boundaries. Commercial and agricultural properties make up the real estate tax base; those businesses provide income for housing. Retail sales of goods provide sales tax to support the county's services such as law enforcement and road maintenance. Floods impact each revenue stream, damaging agricultural fields and commercial buildings. Closed businesses and lost crop production diminish sales tax returns and county services suffer. The loss of Big Lake State Park ended tourist and vacation revenues. In 2011, over 100 million dollars worth of corn and soybeans were lost in Holt County; the lingering effects are seen from the car dealerships to the grocery stores as citizens have fewer dollars available for large and small purchases. County sales tax revenue continues to show a downturn with 2013 currently posting a six percent deficit.

After the 2011 Flood the US Census Bureau estimated the number of people living in Holt County shrunk by nearly 300 citizens tallying just 4,655. That is an exodus. Small businesses simply cannot survive in an area where the population is declining at a rapid rate (5.2%). As the population declines and farmlands are ruined by repetitive flooding, the USACE continues to pursue the purchase of land in Holt County for mitigation efforts designed to widen the river, create shallow water habitat and erode the stabilized banks. Acquired land is removed from the tax rolls and the land removed from agricultural production, further impacting the local economy and dollar turnover within the county. Further, the USACE's water flow strategy has changed so significantly that recurrent flooding is commonplace. The USACE's focus has clearly shifted from a traditional flood control and navigation focus to one of environmental experiment – unproven and ineffective – while undermining agriculture and small businesses.

## **Looking to the Future**

In Holt County, we've come together to explore what alternatives are available to our citizens to once again make our county a thriving place to live, work and do business. The county's levee and drainage districts have rebuilt using new designs providing protection for the land, homes and businesses within their watershed areas. Partnerships have been formed between the districts to provide greater protection in times of high water. The county utilizes the National Flood Insurance Program to ensure that homes are built above the base flood elevation to limit flood damage. Numerous projects have been implemented both publicly and privately to increase the height of the railroad, roadways and other essential infrastructure in an effort to avoid or limit future damages.

A regional partnership is underway to provide strategic planning with the states of Missouri, Nebraska, and Kansas and the Iowa Tribe of Kansas and Nebraska, White Cloud, to plan for Missouri River management and small business needs for navigation, port access, railway connectivity and interstate commerce. It is essential the United States Army Corps of Engineers manage the Missouri River for flood control and navigation interests to allow for small businesses in this region to thrive. With the opening of the Panama Canal our region is ready to provide bulk grain and other products by barge to markets of the world. A United States Department of Transportation Marine Highway Designation (M-29) is crucial to establishing this region as a waterway transportation route. The USACE must provide a reliable water level for navigation which is necessary to minimize risk and make small businesses successful. A minimal risk of flooding is imperative for business expansion, crop production and tourism.

I appreciate your willingness to hear the voice of rural America's citizens today. I would encourage you to define the future of the Missouri River Basin with a focus on the 2011 Flood's lasting impacts on the agricultural community and small businesses of the lower Missouri River. Change in the management practices for the Missouri River Basin must come now and with it must be a renewed focus on the *people* utilizing the bounty in the floodplain with a specific focus on flood control and navigation.

Thank you,

A handwritten signature in cursive script, appearing to read "Kathy J. Kunkel".

Kathy J. Kunkel  
Holt County Clerk