From bad to worse: Residents may not get flood coverage
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Dozens of Wisconsin communities, including the flood-damaged villages of Lake Delton and La Valle, have dropped out of the federal flood insurance program, leaving residents at risk of millions of dollars in losses, state and federal officials said Thursday.

Even if those communities are declared federal disaster areas, residents would not be eligible for federal disaster assistance, said Philip Clark, a spokesman for the Federal Emergency Management Agency regional office in Chicago.

However, the roughly 50 Wisconsin communities that dropped out of the program — including those hit by this week's flooding — can petition to get back into the program and the benefits would be retroactive, said Roxanne Gray, state hazard mitigation officer with Wisconsin Emergency Management.

"When we get a federal declaration, the community has six months to get in the program," Gray said. "If they get in, they would then be able to file claims for the previous damage. It'll make those (flood-related) costs eligible then."

Gray said the state will work with FEMA and local communities to bring them back into the program so residents can qualify for assistance. That process could take several months.

The vast majority of the nation's 20,000 flood-prone communities participate in the National Flood Insurance Program, but about one in 10 opts out, said Larry Larson, executive director of the National
Association of State Floodplain Managers in Madison. Larson said officials often fear that joining the program will stunt economic development by boosting construction costs and restricting the ability to build in high-risk flood areas.

In addition to allowing residents to qualify for disaster assistance, participation in the National Flood Insurance Program allows home and business owners to buy federally subsidized flood insurance, which pays out in the event of a flood even if no federal disaster is declared, Clark said. Gray said homeowners in flood-prone communities that have dropped out of the program may find it prohibitively expensive or impossible to get private flood insurance.

To be part of the program, communities must adopt 100-year-flood floodplain boundaries drawn up by FEMA and enact ordinances that require that buildings within those floodplains be constructed to withstand flooding.

"If you adopt and enforce a reasonable floodplain ordinance, then your people can get affordable flood insurance," he said. "If you don't, they can't."

Officials from both Lake Delton and La Valle now are scrambling to rejoin the flood protection program in the face of mounting questions from residents about how they will be compensated for their losses.

In La Valle, the Village Board voted Monday to petition to get back into the program, the board's president, Andrew Johnson said. The community on the Baraboo River in Sauk County has been flooded since early Monday, when water covered its downtown in 3 feet of water and damaged up to three dozen houses.

Johnson said he doesn't know why La Valle was removed from the program in 2001, although he suspects the village dropped out because few buildings were in the 100-year floodplain map drawn up by FEMA.

"All I can say is, we evidently dropped the ball, and we're trying our best to get back in," Johnson said while surveying the damage at a La Valle bar. "It may be six months, then they (residents) may get something."

Village Hair Designs owner Ann Zobel said she can't even calculate the damage to her downtown La Valle building, which will have to be gutted. Zobel was angry that she might not qualify for federal disaster assistance.

"I think it stinks," she said. "How am I supposed to know that? I don't understand it. I'm really upset."

Lake Delton situation

In the resort community of Lake Delton, village attorney Richard Cross said Thursday that officials would work with the state Department of Natural Resources and FEMA to resolve a dispute over the elevation of its 100-year floodplain. That dispute caused the Sauk County community to be dropped from the program in 2001.
"We never didn't want to sign up," Cross said of the insurance program. "We just wanted to know where the flood level was."

Questions over whether they will be compensated for the disastrous flooding has left Lake Delton residents such as Tim Fromm angry and confused. In a scene replayed on national television, Fromm's $350,000 home collapsed into Lake Delton Monday after a shoreline breach allowed the 267-acre man-made lake to drain into the Wisconsin River, taking a handful of homes with it.

Because Lake Delton was dropped from the National Flood Insurance Program, homeowners such as Fromm couldn't have bought national flood insurance, even if they'd wanted to.

"This wouldn't be so bad if I only lost my property, but I lost my house," Fromm said at a Thursday press conference in Lake Delton. "I lost my possessions. I lost everything."

Don Kubenik, owner of a Milwaukee-based construction company, designed and helped build his second home on Lake Delton in 2003. On Monday, the home and two-thirds of his land were swept away as Lake Delton drained. The damage is expected to be in the million-dollar range, said Jeff Butcher, comptroller for Kubenik's company.

Butcher said for Kubenik to get a mortgage, the bank required flood insurance because the property was in the FEMA floodplain. Since Lake Delton was no longer participating in the federal insurance program, Kubenik had to build his house in a spot on his property that was above the elevation of the floodplain.

"It wasn't that they didn't want to get flood insurance, it's that they couldn't get flood insurance," Butcher said.

Tom and Tina Pekar owned a home that snapped in half about 2 p.m. Monday as the land beneath it fell into Lake Delton. Tom Pekar said he put his entire life savings into the $380,000 home when he and his wife moved from Cudahy to Lake Delton in 2005.

Tom Pekar said he was told by a real-estate agent that he didn't need flood insurance because the lake had never flooded and was controlled by a dam. The couple evacuated early Monday when the lake began to wash out Highway A.

"Now we're sitting on a piece of land that's not buildable and a house that's demolished. There's no way we can salvage it," he said.

**No clamor to rejoin**

In Dane County, Brooklyn, Deerfield and Rockdale also aren't part of the National Flood Insurance Program. Kim Bremer, Brooklyn's deputy clerk, said she's not sure why the village stopped participating in the program.

Bremer noted on Wednesday that despite heavy rains the past two years, Brooklyn has suffered no flooding, and there's been no clamor to rejoin the program.
Deerfield village administrator Dean Otte said officials are working to join the program since recent maps produced by FEMA indicate some of the village's property is within a 100-year floodplain.

In the Columbia County community of Fall River, officials missed the April 2 deadline to stay in the program, acknowledged Marie Abegglen, the village's clerk-treasurer. Abbeglen said the community has suffered some minor damage from flood waters from the Crawfish River but doesn't expect to apply for disaster relief. She said the community likely will be reinstated to the National Flood Insurance Program soon.

Larson, of the national floodplain managers' association, said his group pressures officials and Congress to remember that the most important thing is protecting the public and taxpayers from putting unsafe and risky development in flood zones.

"Floodplain management doesn't mean you don't develop," Larson said. "It means you develop more wisely."

— State Journal reporters Barry Adams and Matt DeFour and Wisconsin Dells Events reporter Trevor Kupfer contributed to this report.