WRITTEN TESTIMONY Of

Lyda Ann Thomas, Mayor, City of Galveston, Texas
Before the Ad Hoc Subcommittee on Disaster Recovery of
the U.S. Senate Committee on Homeland Security and
Governmental Affairs
On Tuesday, September 23, 2008, at 10:00 am, at the
Dirksen Senate Office
Building, in Washington, D.C.

Senators Landrieu and Domenici and Distinguished members of the Committee:

Thank you for the opportunity to discuss with you Galveston's most immediate needs in response to Hurricane Ike, one of the City's most devastating natural disasters since the 1900 Storm which took 8.000 lives.

The City's structures – it's port, University of Texas Medical Branch, historic downtown business district, and east end, even it's condominiums and second homes built according to our strict building codes -- have withstood a surge equal to a Category 4 hurricane, virtually submerging the entire island in depths ranging from 3 to 18 feet. Although damaged, these structures stand testimony to the fact that Galveston Island is a viable, valuable piece of real estate that proudly, this day, flies the flag of The State of Texas and the United States of America.

The seawall that was built by the United States Corps of Engineers, in 1902, has proven its worth numerous times, and is a constant reminder of the close relationship and deep appreciation Galvestonians feel for the government which came to their rescue at that time.

My grandfather, Issac H. Kempner, served the city's government then and sought federal, state and New York banking assistance for the shattered city. Lessons learned from him and his generation of Galvestonians form the basis of today's hurricane recovery plan.

I must tell you that chills ran up my spine when I saw the name <u>Ike</u> selected for this year's Hit List. The irony, on the one hand, is that I, his granddaughter, might bear the God-awful responsibilities of helping my citizens dig out and bear up against a similar tragic event.

The greater irony is that my grandfather, I. H. Kempner, was commonly called 'Ike'. If I feared before, I instinctively feel now, that Ike symbolizes much more than the destruction of Galveston. Ike represents the rebuilding of our city.

I appear before you to ask your help in giving Galveston and Galvestonians a new beginning, just as the U.S. government did after the 1900 Storm.

We will require billions of dollars to rebuild all our infrastructure which took a terrible beating, strengthen our Port and repair and shore up the University of Texas Medical Branch, its hospital, medical school, research labs, and especially the Galveston National Laboratory.

These are the city's economic engines. Are they worth saving? Is Galveston worth saving? That is the question you must decide. Here are some reasons why Galveston is worth saving:

Our island has a proud record of national security and coastal defense. Pirate Jean Lafitte took advantage of its location. It was part of America's defense system in the Civil War, Spanish American War, World War I and World War II. It possesses a natural deep water harbor closest to open sea lanes. The Pelican Island side provides frontline major offshore Oil rig repair – an invaluable component in the nation's major petrochemical producing and refinery region encompassing the Gulf of Mexico and East Texas.

With adequate rail and bridging, the Port can continue to serve this nation; especially it's exporting and importing of vital materials which will increase when The Panama Canal widening and deepening is complete.

Mr. Gerald Sullivan, Chairman of the Port of Galveston Board of Trustees will be happy to answer any of your questions regarding the port, and Dr.David Callender, President, will stand ready for UTMB.

I want to conclude my remarks with an appeal from my heart to yours. The citizens of Galveston have suffered severe losses. One whole section of town north of Broadway may be uninhabitable. An estimated 10 to 20,000 citizens lost their homes and their possessions.

We need help - lots of it - but, first and foremost, we need you to continue your support and cooperation extended from the President, members of congress,

Homeland Security, FEMA, the Corps of Engineers, HUD, Red Cross, Salvation Army, Small Business Administration, volunteers and many others as well.

Together, taking the comprehensive approach you have taken since Ike appeared in the Gulf, we can address human as well as strategic and economic needs.

Lastly, I want to thank and commend FEMA. Had it not been for FEMA, the city would not have recovered as well as it has to allow me to leave only 10 days after the storm. Our representative, Jaime Forero, was at our side from day one, facilitating our response and recovery. His resourcefulness and ability helped to coordinate men and machinery, secure generators, PODS, DMAT, fuel and a Disaster Recovery Center, to mention a few.

Communication is always a deficit on Galveston Island. We have no radio or TV stations; only a public service channel on cable TV. We had no power, no water, no natural gas, and no sewage. FEMA was our lifeline working synergistically with state emergency management under Jack Colley and Sandy Coachman, the Federal Coordinating Officer. The Governor of Texas, Rick Perry, our senators, our representatives, and all our volunteers have done themselves and our nation proud!

I look forward to having another opportunity to come before you as we continue our recovery efforts and face new challenges that will undoubtedly require your support.

Because of the damage to Galveston's infrastructure -- our water, sewer and electrical systems, roads and bridges, hospital, government buildings, etc. we had to prevent our citizens from returning to the Island until we could bandage and triage our city. Our Island was simply not safe enough to reliably support the basic city services of our 60,000 citizens. We still have serious concerns about the ability of our water and sewer system to support the population, but we could not keep our citizens out of their city and their damaged personal property any longer.

Housing

Fifty percent of Galveston households make less than \$50,000 per year. It is estimated that eighty percent of the households in Galveston received some level of damage from the rising water from the storm/bay surge. As a result of the catastrophic damage to the infrastructure, we could not let our citizens into the city for 10 days, because their health, safety and general welfare could not be protected. This unavoidable delay in the beginning of clean- up will add costs to the repairs and increase mold and other health issues. Most insurance companies are claiming that their policies do not cover mold.

In addition to the direct assistance needed for citizens to repair their homes, the city will need funds to clean up and eradicate abandoned and dilapidated homes. **Estimated related costs \$200 million**

Water System

Galveston Island gets its fresh water supply from the mainland via the Gulf Coast Water Authority. The water arrives via a pipeline built in 1890. We have 90 miles of water distribution lines. A third of this distribution system is still asbestos cement pipe. We have three main pump stations which need to be elevated and

reconstructed. Our pumps were all overwhelmed with water and the electrical systems were fried with seawater and the pipes were filled with sand. When we started receiving water again after the storm, we had hundreds (and probably eventually thousands) of leaks and we leaked out as much as we were taking in.

Estimated related costs \$100 million

Sewer System

Our sewer system was full of sand and we need to reconstruct the system to prevent this. We have 4 sewer plants, only one is elevated and protected. On the unseawall-protected West End, our water treatment plant was hardened and elevated and protected by a concrete levee. This plant had little damage. However, our other sewer treatment plants were not elevated and protected and suffered significant damage. We have 50 lift stations. One is hardened and lifted. Prior to the storm, city council had authorized a contract to harden and lift eight more. It is now evident that it will take 10 years to complete this phased program, leaving our city too vulnerable. Much of the Island is still on septic tanks. Many of them were destroyed and some found floating in the Bay. This is obviously not environmentally friendly for our bay or beach water quality, and all septic systems need to be replaced and tied into the city sewer system. **Estimated related costs** \$75 million

Drainage System

The City of Galveston's Drainage System is antiquated and has been completely clogged by sand and debris from Hurricane Ike. We need help in quickly cleaning and restoring the System to prevent further flooding and subsequent health and safety concerns. **Estimated Related Costs \$75 million**

Traffic Controls

We have approximately 130 signalized intersections. After Tropical Storm Allison and Hurricane Rita, we began modernizing to a hardened standard and had reconstructed 30 out of the 130 intersections. All of the upgraded and modernized signals weathered the storm well. The others did not. For the reentry of our citizens, we had to put up over 1,000 temporary stop signs. For public safety, evacuation and traffic flow management, we need to modernize and synchronize all of our traffic signals in the City. **Estimated related costs \$50 million**

City Facilities

After Hurricane Ike, the City of Galveston had no city facilities from which to operate. Our Emergency Operations Center had to double as City headquarters. The City had to commandeer and take over a fortified seawall hotel. Like the whole city, firehouses were flooded and little fire protection was available. Before the storm hit, firemen had to watch from the upper stories of the hotel while over 10 homes and businesses could be seen on fire with no protection available. Over 40 structures burned with no fire protection or impaired protection available. All critical city service facilities need to be elevated and hardened. **Estimated related costs \$50 million**

Roadways and Bridges

Our roadways and bridges are strategic assets. We have a brand new 8 lane causeway connecting Galveston to the Mainland. The ribbon cutting for the grand opening was scheduled for mid-September.

FM 3005 is the only artery that runs the entire length of the West End with 47% of our tax base. It must be elevated, hardened and (in a few places) relocated further inland.

Harborside Drive is the main route for our industrial, port, educational and medical facilities. This roadway easily floods and needs to be elevated and hardened.

Pelican Island Bridge, built in 1958, connects Galveston to Pelican Island where Texas A&M Galveston is located as well as strategic maritime and offshore support installations. Most, if not all, of the major oil companies have facilities there. The Port of Galveston and the Port of Houston will soon begin developing a 1,100 acre site for the largest container terminal on the Gulf Coast to relive the congestion that is building in the Houston Ship Channel and Port of Houston. The bridge suffered damage in Hurricane Ike. Temporary repairs at the cost of approximately \$500,000 has the bridge temporarily back in service.

With the new causeway completed, a second west bay crossing and a 61st street flyover would ease evacuation off the island and relieve traffic congestion to our beaches and tourist sites such as Schliterbahn and Moody Gardens. **Estimated related costs \$300 million**

Beach Erosion

Galveston has several of the top ten tourist attractions in the state of Texas. Moody Gardens is the #3 tourist attraction in the state and sustained substantial damage. Schliterbahn Waterpark is the #7 tourist attraction in the state. The Texas

Aviation Hall of Fame and Flight Museum is the #11 tourist attraction in the state. However, the #1 reason people come to Galveston is for our beaches. As evident from the unprecedented storm surge that hit the Texas coast our beaches suffered significant erosion. Without beach restoration and erosion protection, our economy will suffer greatly. Hotel/Motel taxes contribute significantly to our island's economy. In addition, the beaches protect the integrity of the seawall.

Estimated related costs \$100 million

Port of Galveston

The Port of Galveston is an enterprise of the City of Galveston. The Port serves the offshore oil industry and the shipping industry. In 2006, the Port was ranked as the No. 4 Cruise port in North America and No. 10 in the world and is home to both Carnival and Royal Caribbean Cruise Lines.

In 2007 The Port of Galveston provided \$1 Billion in economic impact to the State of Texas and created over 13,000 jobs statewide and over 3,000 jobs locally.

The port suffered serious damages as a result of Hurricane Ike. These damages include missing fenders, broken pilings, collapsed wharf decking, warehouse and cruise terminal damages, mud and debris must be cleaned up, perimeter security fencing is compromised and security cameras are missing. The levees located at the dredged material disposal area on Pelican Island have been severely compromised. The port facilities require emergency dredging to return the port to currently authorized depths. The volume of material to be removed is in excess of 2 million cubic yards to restore the channel to pre-hurricane conditions.

The previously mentioned Pelican Island bridge is vital to the Port of Galveston as it provides the connection between the Port's operations on Pelican Island and Galveston Island. In addition to the temporary repairs, the bridge needs to be widened and strengthened. **Estimated related costs \$500 million**

University of Texas Medical Branch at Galveston

UTMB is the economic engine for the City of Galveston. UTMB employs 12,500 FTEs throughout Galveston County and the State of Texas. UTMB is home to the new Galveston National Laboratory where critical national security research is conducted. UTMB generates approximately\$110 million annually in federal grants. It enrolls approximately 2500 students in critical areas of nursing, medical school and other health care professionals. Additionally, it operates one of the largest medical complexes in the Gulf Coast Region and is the only Level- one Trauma Center serving a 9-county population

Prior to the arrival of Hurricane Ike the patient population was evacuated and placed throughout the State. The loss of revenue and ramping up of population of displaced patients and return of clinic patients is significant. Damage to the buildings, equipment and clean up cost will far exceed the approximate \$115 million in insurance coverage. **Estimated related costs of \$609 million**

Business/Economic Recovery

Assistance is needed for business recovery. Galveston is home to 2,500-3,000 businesses and 40,000 jobs. Direct assistance, incentives and low interest loans will be necessary for the business community to recover. Flood damage insurance is limited in amount and coverage. **Estimated related costs \$350** million

With 47% of our tax base (but only approximately 10-15% of our population) in the decimated "unseawall protected" West End, our ability to repair the storm damaged infrastructure is severely limited and will depend a great deal on federal help.

One of the first and easiest things that the Federal Government could do to help Galveston recover, without providing direct financial assistance is to release the 600 acres of seawall protected, 20 foot elevation land that the City loaned the Corp of Engineers for dredge spoil deposit in the early 1900s. Galveston has been requesting the remediation and return of this now valuable land for years. This elevated and protected land is exactly what we need to progress through this century.