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HOUSE COMMITTEE REPORT

(11)

Date referred: 2/24/88

FURTHER REFERRALS:

DATE: 4-7-88

The Finance Committee has considered HB 413

"An Act making a special appropriation to the Department of Education for a grant to alleviate the effects of a fire at Wainwright School; and providing for an effective date."

RECOMMENDS:

- replace with CS HB 413 (FIN) the same title
- attached amendment(s) a new title
- do pass
- do not pass
- no recommendation
- individual recommendations
- additional referral to the _____ Committee

ADOPTS: _____ letter of intent

ATTACHES NEW FISCAL NOTE(S):

- fiscal impact same as previous fiscal note published _____
- zero fiscal note same as previous zero fiscal note published _____
- zero with analysis

SIGNING DO PASS:

Adams [Signature]

Pourdhot [Signature]

Larson [Signature]

Goll [Signature]

Swack [Signature]

Boyer [Signature]

Wallis [Signature]

Brown [Signature]

Davis [Signature]

SIGNING OTHER RECOMMENDATIONS:

Rieger [Signature]

Frank [Signature]

[Signature]
Chairman's signature

Original sponsor: Adams

Funding Information

General Fund	\$ -0-
Other Funds	5,244,521
	<u>\$5,244,521</u>

1 IN THE HOUSE

BY THE FINANCE COMMITTEE

2 CS FOR HOUSE BILL NO. 413 (Finance)

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 FIFTEENTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act making special appropriations to the Depart-
7 ment of Military and Veterans' Affairs for grants to
8 the North Slope Borough to alleviate the effects of
9 fires at Wainwright School and Ipalook School; and
10 providing for an effective date."

11 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:

12 * Section 1. The sum of \$1,516,871 is appropriated from the disaster
13 relief fund (AS 44.19.048) to the Department of Military and Veterans'
14 Affairs for payment as grants under AS 44.19.048 to the North Slope Borough
15 to alleviate the effects of fires at Wainwright School in the village of
16 Wainwright and at Ipalook School in the City of Barrow to be allocated as
17 follows:

18 Wainwright School	\$1,199,321
19 Ipalook School	317,550

20 * Sec. 2. The sum of \$3,727,650 is appropriated from federal disaster
21 relief funds to the disaster relief fund (AS 44.19.048). The sum of
22 \$3,727,650 is appropriated to the Department of Military and Veterans'
23 Affairs for payment as a grant under AS 44.19.048 to the North Slope
24 Borough to alleviate the effects of a fire at Ipalook School in the City of
25 Barrow.

26 * Sec. 3. This Act takes effect immediately under AS 01.10.070(c).
27
28
29

MEMORANDUM

State of Alaska

TO: Jay Hogan, Director
Division of Budget Review
Office of Management & Budget

DATE: March 29, 1988

FILE NO.:

THRU:

TELEPHONE NO.: 465-4600

SUBJECT: Disaster Relief Fund
(Revised)

J Morrison 3/31/88
FROM: Jeff Morrison, Director
Administrative & Support
Services Division
Department of Military &
Veterans Affairs

This memo will give a current status of the Disaster Relief Fund (DRF), and indicate likely demands on the fund from recent disasters. The bottom line is that it appears inevitable that a supplemental will be needed to appropriate additional general funds to the DRF.

The current unobligated fund balance of the DRF, according to AKSAS, is \$2,205,566. This is the balance after the most recent allocation of \$50,000 to the Beaver Electrical System Disaster, as shown in Raydene Garrison's memo to you of March 24, 1988. There are several declared disasters or disasters pending declarations which will likely require allocations from the DRF. These include the following:

Chenega Bay Electrical failure (approved)	40.0
Chefornak Power Plant Fire (approved)	100.0
Chefornak Fire (additional needed)	125.0
Pitkas Point Fire-VSW (pending approval)	105.0
Nondalton Fire-City Bldg (pending approval)	886.0
TOTAL	1256.0

In addition to the above, HB413 will require an additional \$1,317,550 for additional disaster relief to the Wainwright and Barrow school fires. As currently drafted, HB413 only allocates money from the DRF, and does not appropriate additional general funds to the DRF.

The only additional funds likely to be returned to the DRF through the close-out of disasters in the next few months are expected to be \$99,000, due to the close out of the Unalaska Windstorm disaster of November 1985.

If it is assumed that all of the funds likely to be needed for disasters are actually allocated from the DRF, the DRF would be \$268,984 short of the demands on it (or \$367,984 short not counting the close-out funds returned to the DRF). This does not consider the need for additional funds likely to be needed to respond to disasters between now and June 30, 1988. Any unobligated funds remaining in the DRF on June 30, 1988 would be lapsed back to the general fund.

Please advise what action you would like us to pursue.

cc: Rosita Worl
MG John Schaeffer, The Adjutant General
Ervin Paul Martin, Director, ADES

MEMORANDUM

State of Alaska

TO: Rosita Worl, Special Assistant
Office of the Governor

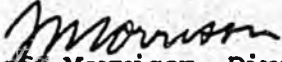
DATE: March 31, 1988

FILE NO:

TELEPHONE NO: 465-4600

THRU:

SUBJECT: Disaster Relief Fund

FROM: 
Jeff Morrison, Director
Administrative & Support
Services Division
Department of Military &
Veterans Affairs

You have asked for a reconciliation of the Disaster Relief Fund (DRF), specifically explaining how to relate the information in my memo to Jay Hogan of March 29, 1988 to the information provided by ADES concerning the cash balances remaining in specific disasters.

There are several attachments to this memo which will explain how all the information provided to date fits together. These attachments include:

1. A current status of the DRF, based on AKSAS reports dated 3/28/88. This status report updates the information included in the budget pages referenced as attachment 2 below, and shows a cash available balance (per AKSAS) of \$2,205.6. This matches the balance shown in my memo of 3/29/88 to Jay Hogan. This status also includes projections for additional funds needed for disasters based on current information available. The projected amounts also match those in my memo to Jay Hogan of 3/29/88, except for the additional amount needed for the Wainwright disaster (in HB413). It now appears, based on the House Finance subcommittee meetings held last night, that the Wainwright amount may need to be increased by \$200,000.
2. Pages 271 and 272 of the DMVA operating budget submission, providing a statement of the available cash balance of the DRF as of 11/24/87, starting from the DRF statement in the Annual Financial Report. These pages are referenced in attachment 1.
3. A copy of a memo from the DMVA finance officer, Raydene Garrison, to Jay Hogan dated 3/31/88, which allocates funds for the most recent disasters (Cheformak and Chenega Bay), and which shows a cash available balance of \$2,205.6. After the allocation of the DRF funds for the Cheformak and Chenega Bay disasters, the DRF balance will be reduced to \$2,065.6.

4. A spreadsheet showing all open disasters, and the DRF amounts currently allocated to each, including federal funds allocated. These figures were obtained from AKSAS, and screen print documentation is available if you wish to review it. The total of all the DRF balances for the open disasters (\$8,248,429) matches the amount shown on the 3/31/88 memo from Raydene Garrison to Jay Hogan.

A brief explanation of the difference between cash balance and allocations is necessary to understand how these relate to each other: Once disaster funds are recorded to a disaster's account in AKSAS (as Cheformak and Chenega Bay have just been), the allocation and the cash balance are the same. As soon as expenditures take place, however, both the cash balance and the allocation are reduced equal to the amount spent.

For example, at the beginning of FY88, the DRF had a starting cash balance of \$12,162,000. This was the sum of the \$6,162,000 shown as cash in the treasury in the Annual Financial Report, and the \$6,000,000 appropriated to the DRF in the FY88 budget act. However, now the cash balance is only \$10,453,995. This means that there has been a total of \$1,708,005 in DRF expenditures since the beginning of FY88.

Even though there is a cash balance of over \$10 Million in the DRF, a very large part of that is allocated to disasters which have already been approved. The spreadsheet which shows all open disasters demonstrates that the cash balance of DRF funds for all open disasters totals \$8,248,429. Included in this figure are the amounts for each of the disasters listed on the data sheet prepared by ADES. Any differences between the cash balances shown for any single disaster on the ADES sheet and the attached spreadsheet are due to one or both of the following: 1) the information on our spreadsheet is more current, since expenditures are constantly being recorded against each disaster, or 2) the expenditure information provided by ADES included encumbrances, which are not included as expenditures in the cash balances included in our spreadsheet.

You will also note that the (net) authorizations for each of the individual disasters shown on the attached spreadsheet (i.e., the second column of numbers) are no longer the original allocations. When funds are spent on a disaster, the cash balance is reduced, but the net balance of the allocation is also reduced.

A review of the cash balances remaining for all of the open disasters will reveal that there are large sums of the DRF allocated to some older disasters. ADES staff has assured me that these amounts are still needed, since it takes several years to completely close out larger disasters. I am sure Erv Martin would be happy to provide you with specifics on any disaster you wish to know more about.

I trust that the information provided in this memo and the attachments will explain how the accounting information in AKSAS is used to calculate the amounts actually available in the DRF to make available for new disasters. If any additional information is needed, please contact me.

cc: MG John W. Schaeffer, The Adjutant General
Jay Hogan, Director of Budget Review
Thelma Cutler, OMB Budget Analyst
Ervin Paul Martin, Director, ADES
Raydene Garrison, Finance Officer, DMVA

CURRENT STATUS OF DISASTER RELIEF FUND
MARCH 31, 1988*

1. Cash available to allocate to disasters as of November 24, 1987 (per attached budget page)	3,260.4
2. Disaster closeouts since 11/24/87	
Haines Sewer (Jan 85)	77.7
Crown Point (March 86)	264.0
3. Miscellaneous adjustments since 11/24/87	
Transfer to fuel emergency fund	(35.0)
Other Misc adjustments**	(61.5)
4. Disasters declared, and funds allocated since 11/24/87	
Klehini River Bridge (Haines)	(100.0)
Barrow School	(1,000.0)
Haines Streets	(150.0)
Beaver Electrical	(50.0)
SUBTOTAL - DRF BALANCE 3/31/88	2,205.6
5. Disasters declared or pending, and funds projected to be needed but not yet allocated from the DRF	
Cheformak	(100.0)
Chenega	(40.0)
Wainwright Fire (HB 413)	(1,200.0)
Barrow Fire (HB413)	(317.6)
Cheformak (additional needed)	(125.0)
Pitkas Point Fire	(105.0)
Nondalton Fire	(886.0)
6. Pending Disaster Closeouts	
Unalaska windstorm (Nov 85)	99.0
TOTAL PROJECTED DRF BALANCE	(469.0)

* Based on AKSAS reports dated 3/28/88

**60.0 of the "other" miscellaneous adjustment is due an apparent double-counting in the past of \$60,000 in unspecified federal receipts. Please refer to AR 34711 on the spreadsheet attached to this memo.

Disaster Relief Fund

Summary to date of cash available for allocation to disasters (Thousands of dollars)

1. Cash in treasury 6/30/87 (from State of Alaska Annual Financial Report, FY87)	6,162.0
2. State Disaster relief funds allocated to previously - declared disasters as of June 30, 1987	(5,991.5)
3. Miscellaneous adjustments (loan interest payments, prior year recoveries, miscellaneous revenues, etc.)	<u>6.5</u>
4. Sub-total: Cash available to allocate to disasters as of July 1, 1987	177.0
5. General fund appropriation (Ch 95,SLA 87)	6,000.0
6. Total of Diasters closed out and funds released on or after July 1, 1987 (See detailed list below)	0.0
7. Total of funds allocated to disasters on or after July 1, 1987 (see detailed list below)	(2,895.3)
8. Miscellaneous adjustments	<u>(21.3)</u>
9. Total: Cash available to allocate to disasters as of November 24, 1987	3,260.4

This page, and the pages following, will be revised in early January 1988 to make this statement current through December 31, 1987.

B2 **ADDITIONAL EXPLANATION FORM**

AGENCY Military and Veterans Affairs
 BRU Disaster Relief Fund
 COMPONENT _____

FY 89

Page 2 of 3
 Revised Date: 11-24-87

000271

Disasters declared on or after January 1, 1987

<u>Disaster</u>	<u>Date Declared</u>	<u>Total Amount Allocated</u>	<u>Allocated 1/1/87 - 6/30/87</u>	<u>Allocated 7/1/87 - 12/31/87</u>
Kotzebue Windstorm	09/20/86			605,300
Venetie Fire	01/09/87	86,000	86,000	
Kotzebue Sewer Freeze	02/05/87	1,360,000	990,000	370,000
Sleetmute/Red Devil Flood	05/28/87	60,000	60,000	
Delta Junction Fire	05/28/87	44,000	44,000	
Aniak Flood	05/29/87	1,000,000	110,000	890,000
Buckland Flood	06/16/87	230,000	230,000	
Wainwright Fire	10/06/87	1,000,000	-0-	1,000,000
Angoon Water Line	11/06/87	30,000	-0-	30,000
	Total	3,810,000	1,520,000	2,895,300

Disasters closed out and funds released during this report period.

<u>Disaster</u>	<u>Date Declared</u>	<u>Total Amount Returned</u>	<u>Amount Returned 1/1/87-6/30/87</u>	<u>Amount Returned 7/1/87-12/31/87</u>
Southeast Storm	11/84	64,087	64,087	-0-
McGrath, Sleetmute, Red Devil Flood	06/85	13,174	13,174	-0-
Bethel Flood	07/85	24,490	24,490	-0-
Gambell Fire	08/85	197,651	197,651	-0-
Manokotak Generator Fire	11/85	551	551	-0-
Metlakatla Power	12/85	29,438	29,438	-0-
Thorne Bay Bridge	02/86	13,223	13,223	-0-
Pelican Wind Storm	03/86	111,976	111,976	-0-
	Total	454,589	454,589	-0-

B2

**ADDITIONAL
EXPLANATION
FORM**

AGENCY Military and Veterans Affairs

BRU Disaster Relief Fund

COMPONENT _____

FY 89

Page 3 of 3

Revised Date: 11-24-87

000272

MEMORANDUM

State of Alaska

TO Jay Hogan, Associate Director
Division of Budget Review
Office of Management and Budget


DATE March 31, 1988

FILE NO

TELEPHONE NO 465-4600

THRU

SUBJECT Chenega Bay Electrical
System Disaster
ADN 0989087 and
Cheformak Power Plant
Disaster ADN 0989086

 FROM Raydene Garrison
Administrative & Support Services Division
Department of Military & Veterans Affairs

Per the attached Governor's Disaster Declaration, the Department of Military and Veterans Affairs, Alaska Division of Emergency Services, requests authority to expend a total of \$140,000 for disaster relief.

This request is to assist the village of Chenega Bay in the repair of their electrical distribution system for \$40,000, and the Village of Cheformak to replace their power generation plant for \$100,000.

This is the eighth and ninth disaster declarations in FY-88 respectively. The current fund balance is calculated below:

Cash Balance (less outstanding warrants)	10,453,995.00
GF Balance of Open Disasters	<u>8,248,429.00</u>
Available Fund Balance	2,205,566.00
Chenega Bay Electrical System Disaster (ADN 0989087)	40,000.00
Cheformak Power Plant Disaster (ADN 0989086)	100,000.00
Fund Balance (Pending OMB approval)	<u>2,065,566.00</u>

Your prompt approval of this request is appreciated. Thank you for your assistance in this matter.

Attachments

cc: Ervin Paul Martin, Director, Alaska Division of Emergency Services

ANALYSIS OF DISASTER RELIEF FUND
 BASED ON AKSAS REPORTS DATED 3/28

3/31/88
 RG
 FILE: DRFDBAL

APPN #	DISASTER	DATE	CURRENT TOTAL AUTHORIZATION	NET AUTHORIZATION OF OPEN DISASTERS	ESTIMATED REVENUE YET TO BE COLLECTED	DISASTER RELIEF FUND	
						NET CASH ALLOCATED TO DISASTERS LESS EXPECTED REVENUE	
34596-15	ELIM WATER DISASTER	3/84	480,000	43,567	0		43,567
34607-15	BUCKLAND FLD DISASTER	5/85	160,000	76,415	0		76,415
34615-15	GAMBELL FIRE	8/85	400,000	640	0		640
34618-15	THORNE BAY	11/85	265,000	7,509	0		7,509
34620-15	UNALASKA DISASTER	12/85	280,000	129,906	0		129,906
34622-15	VENETIE POWER FAILURE	2/86	55,000	4,624	0		4,624
34626-15	NORTH SLOPE BOROUGH	9/86	7,163,000	7,150,051	4,965,637		2,184,414
34627-15	BARROW WIND STORM	9/86	300,000	218,850	0		218,850
34628-15	WAINWRIGHT WIND STORM	9/86	50,000	49,779	0		49,779
34629-15	KOTZEBUE WIND STORM	10/86	940,000	210,099	0		210,099
34630-15	MAT-SU BOROUGH WIND	10/86	4,005,000	2,352,420	1,529,606		822,814
34631-15	KENAI PENN BOROUGH	10/86	8,850,000	3,835,155	2,539,014		1,296,141
34632-15	CORDOVA WIND STORM	10/86	245,000	218,341	151,432		66,909
34633-15	ANIAK SEWER FAILURE	10/86	52,500	1,526	0		1,526
34634-15	VENETIE	1/87	86,000	1,340	0		1,340
34635-15	KOTZEBUE DISASTER	12/86	1,360,000	256,600	0		256,600
34636-15	HAZARD MITIGATION		155,000	71,032	5,000		66,032
34637-15	SLEETHUTE/RED DEVIL	5/87	60,000	24,154	0		24,154
34638-15	DELTA JUNCTION FIRE	5/87	44,000	21,862	0		21,862
34639-15	ANIAK FLOOD DISASTER	5/87	1,000,000	495,115	0		495,115
34640-15	BUCKLAND FLOOD	6/87	230,000	34,858	0		34,858
34641-15	WAINWRIGHT FIRE	9/87	1,000,000	957,129	0		957,129
34643-15	KLEHINI RIVER BRIDGE	2/88	100,000	89,261	0		89,261
34644-15	BARROW SCHOOL	3/88	1,000,000	988,302	0		988,302
34645-15	HAINES ROAD	3/88	150,000	90,581	0		90,581
34646-15	BEAVER ELECTRICAL	3/88	50,000	50,000	0		50,000
34711-15	DIS RELIEF FD (LAPSED)	PRE FY85		0	(60,000)		60,000
TOTALS:			28,480,500	17,379,116	9,130,689		8,248,427

**TOTALS MAY NOT EQUAL THOSE ON AKSAS REPORTS BECAUSE OF ROUNDING

BEGINNING BALANCE JULY 1, 1987

\$6,177,000.00

<u>DISASTER</u>	<u>PRIOR YEAR AUTHORIZATION</u>	<u>ACTUAL EXPENDITURES *</u>	<u>BALANCE *</u>
Kotzebue Windstorm	\$605,300.00	\$442,439.45	\$162,860.55
Kotzebue Sewer	370,000.00	351,548.68	18,451.32
Aniak Flood	890,000.00	579,083.35	310,916.65
<u>DISASTER</u>	<u>CURRENT YEAR AUTHORIZATION</u>	<u>ACTUAL EXPENDITURES *</u>	<u>BALANCE *</u>
Wainwright Fire	\$1,000,000.00	\$42,870.73	\$957,129.27
Angoon	30,000.00	30,000.00	-0-
Klehini	100,000.00	92,239.30	7,760.70
Barrow School	1,000,000.00	11,524.65	988,475.35
Haines Street	150,000.00	59,418.68	90,581.32
Beaver	50,000.00	45,000.00	5,000.00
Chefornak	100,000.00		100,000.00
Chenega	40,000.00		40,000.00

NOTE, WE BELIEVE AUTHORIZATION LEVELS SHOWN ARE STILL VALID AND THAT EXPENDITURES WILL RISE IN THE NEXT FEW MONTHS WITH COMMENCEMENT OF CONSTRUCTION SEASON

NOTE: * Actual expenditures column does include encumbrances, and so cash balance on this sheet is reduced by the encumbered amounts. Actual cash balance in AKSAS includes encumbered amounts, and may therefore be higher than indicated on this sheet. Morrison 3/31/88

NORTH SLOPE BOROUGH

NORTH SLOPE BOROUGH SCHOOL DISTRICT

SUMMARY OF INSURANCE COVERAGE

PREPARED FEBRUARY 24, 1988

I. PROPERTY INSURANCE

- A. NAMED INSURED: NORTH SLOPE BOROUGH
NORTH SLOPE BOROUGH SCHOOL DISTRICT
- B. INSURANCE CARRIER: Self Insured Retention (SIR) \$1,000,000 per occurrence
- There is a total of \$30,000,000 (including the SIR) in insurance coverage provided by seven companies. One of these companies has notified the North Slope Borough of policy cancellation effective May 15, 1988.
- C. COVERAGE PERIOD: June 1, 1987 through June 1, 1988
- D. PERILS COVERED: "All Risk" of Physical Loss, including Earthquake and Flood, subject to policy terms, conditions and exclusions
- E. LOCATION: United States
- F. COVERAGE: Replacement cost of Real and Personal Property with like kind and quality

II. CONTENTS COVERAGE

- A. NAMED INSURED: NORTH SLOPE BOROUGH SCHOOL DISTRICT
- B. COVERAGE PERIOD: June 1, 1987 through June 1, 1988
- C. PERILS COVERED: "All Risk" of Physical Loss, including Earthquake and Flood, subject to policy terms, conditions and exclusions
- D. COVERAGE: *Contents* School District contents coverage limited to \$1,000,000 per occurrence with a \$25,000 deductible per occurrence

NORTH SLOPE BOROUGH

OFFICE OF THE MAYOR

P.O. Box 69
Barrow, Alaska 99723

Phone: 907-852-2611

George N. Ahmaogak, Sr., Mayor



March 29, 1988

Representative Al Adams
Alaska State Legislature
P.O. Box V (M/S 3100)
Juneau, Alaska 99811

RE: HB 413

Dear Representative Adams:

The attached material is being provided as a result of requests made during a March 25, 1988 telephone conversation among members of my staff and Representative Pourchot's aid, Jean Larson. It is intended to clarify previous submittals provided as part of the Finance Subcommittee's current research.

We hope this submittal answers the questions posed by Ms. Larson.

If you have questions, please contact me at 852-2611 extension 211 or North Slope Borough Chief Administrative Officer Harold Curran at extension 219. Thanks once again for your involvement and interest in this matter.

Sincerely,

George N. Ahmaogak Sr.
George N. Ahmaogak, Sr.
Mayor

cc: Willie Hensley
Harold Curran, Chief Administrative Officer
Dennis Roper, Industrial Development
Dan Fauske, Administration & Finance
K.C. Miller, Grants Division
Files

WAINWRIGHT DISASTER
 SCHOOL AND POWER PLANT FIRE
 PREPARED MARCH 29, 1988

<u>DSR</u>	<u>DESCRIPTION</u>	<u>ORIGINAL ESTIMATE</u>	<u>TOTAL EXPENDITURES AS OF 2/19/88</u>	<u>TOTAL EXPENDITURES AS OF 3/24/88</u>	<u>ESTIMATED ADDITIONAL TO COMPLETE</u>	<u>TOTAL REVISED ESTIMATE (3/28)</u>
# 1	Emergency work associated with restoration of temporary power.					
	Labor	\$ 35,000.00	\$ 44,329.45	Not Yet Itemized	Not Yet Itemized	See Below
	Travel	15,000.00	14,721.98			
	Materials	20,000.00	26,480.50			
	Freight	12,000.00	22,948.62			
	Miscellaneous	8,000.00	100.00			
	Professional Fees	15,000.00	8,618.23			
	Equipment	<u>18,000.00</u>	<u>-0-</u>	<u> </u>	<u> </u>	<u> </u>
		\$123,000.00	\$117,198.78	\$190,469.04	\$ 55,000.00	\$245,469.04

MAINWRIGHT DISASTER
 SCHOOL AND POWER PLANT FIRE
 PREPARED MARCH 29, 1988

<u>DSR</u>	<u>DESCRIPTION</u>	<u>ORIGINAL ESTIMATE</u>	<u>TOTAL EXPENDITURES AS OF 2/19/88</u>	<u>TOTAL EXPENDITURES AS OF 3/24/88</u>	<u>ESTIMATED ADDITIONAL TO COMPLETE</u>	<u>TOTAL REVISED ESTIMATE (3/28)</u>
# 2	Temporary school facilities					
	Labor	\$ 38,700.00	\$ 11,374.39	Not Yet Itemized	Not Yet Itemized	See Below
	Travel	17,000.00	9,303.84			
	Materials	2,500.00	-0-			
	Freight	1,000.00	-0-			
	Miscellaneous	6,000.00	816.00			
	Professional Fees	8,000.00	5,071.06			
	Equipment	<u>500.00</u>	<u>-0-</u>	<u> </u>	<u> </u>	<u> </u>
		\$ 73,700.00	\$ 26,565.36	\$ 30,373.92	\$ 9,626.08	\$ 40,000.00 EST.

MAINWRIGHT DISASTER
 SCHOOL AND POWER PLANT FIRE
 PREPARED MARCH 29, 1988

<u>DSR</u>	<u>DESCRIPTION</u>	<u>ORIGINAL ESTIMATE</u>	<u>TOTAL EXPENDITURES AS OF 2/19/88</u>	<u>TOTAL EXPENDITURES AS OF 3/24/88</u>	<u>ESTIMATED ADDITIONAL TO COMPLETE</u>	<u>TOTAL REVISED ESTIMATE (3/28)</u>
# 3	Temporary Facilities.					
	Labor	\$ 59,000.00	\$ 50,216.13	Not Yet Itemized	Not Yet Itemized	\$ 59,000.00
	Travel	15,500.00	13,660.00			20,000.00
	Materials	100,000.00	40,025.87			100,000.00
	Freight	80,000.00	7,376.27			80,000.00
	Miscellaneous	13,000.00	142.13			13,000.00
	Professional Fees	12,000.00	11,200.42			12,000.00
	Rockford	30,000.00	26,164.38			30,000.00
	Totem Electric	30,000.00	29,741.02			42,000.00
	Barrow Mechanical	30,000.00	29,723.80			38,000.00
	Olgoonik Corporation	300,000.00	251,920.24			292,199.51
	Surfacing & Decking	75,000.00	73,150.00			73,150.00
	Browne House Moving	56,000.00	50,635.00			150,635.00
	Equipment	<u>45,000.00</u>	<u>23,961.43</u>	<u> </u>	<u> </u>	<u>45,000.00</u>
		\$845,500.00	\$607,916.69	\$617,869.44	\$337,115.07	\$954,984.51

WAINWRIGHT DISASTER
 SCHOOL AND POWER PLANT FIRE
 PREPARED MARCH 29, 1988

<u>DSR</u>	<u>DESCRIPTION</u>	<u>ORIGINAL ESTIMATE</u>	<u>TOTAL EXPENDITURES AS OF 2/19/88</u>	<u>TOTAL EXPENDITURES AS OF 3/24/88</u>	<u>ESTIMATED ADDITIONAL TO COMPLETE</u>	<u>TOTAL REVISED ESTIMATE (3/28)</u>
# 4	Refurnishing of temporary facilities (NSB School District).					
	Labor	\$ 50,000.00	\$ 24,700.00	Not Yet Available	Not Yet Available	\$ 50,000.00
	Travel	35,000.00	12,193.28			35,000.00
	Materials	6,000.00	41,855.07			12,000.00
	Freight	6,000.00	Included in Mat'l's			-0-
	Miscellaneous	12,000.00	562.50			12,000.00
	Temporary Furnishings	40,000.00	4,957.04			40,000.00
	Curriculum Materials	<u>45,000.00</u>	<u>1,361.81</u>			<u>45,000.00</u>
		\$194,000.00	\$ 85,629.70	Not Available	\$108,370.30	\$194,000.00

WAINWRIGHT DISASTER
SCHOOL AND POWER PLANT FIRE
PREPARED MARCH 29, 1988

<u>DSR</u>	<u>DESCRIPTION</u>	<u>ORIGINAL ESTIMATE</u>	<u>TOTAL EXPENDITURES AS OF 2/19/88</u>	<u>TOTAL EXPENDITURES AS OF 3/24/88</u>	<u>ESTIMATED ADDITIONAL TO COMPLETE</u>	<u>TOTAL REVISED ESTIMATE (3/28)</u>
# 5	Replacement of contents in excess of \$1 million in insurance.					
	Contents	\$122,700.00			\$122,700.00	\$122,700.00

ATTACHMENT B

MAINWRIGHT DISASTER
 (SCHOOL AND POWER PLANT)
 PREPARED MARCH, 29, 1988

INSURED COSTS
 (REPLACEMENT OF LIKE KIND AND QUALITY)

ESTIMATES:	BY NSB	BY INSURANCE CO.	DISPUTED DIFFERENCE (POTENTIALLY PAYABLE BY NSB)
Damage Total (With Liability)	\$18,300,000	\$12,635,000	\$ 5,665,000
(Less) NSB SIR*	(1,500,000)	(1,500,000)	None
(Less) Insurance Settlement* (As of March, 1988)	(4,000,000)	(4,000,000)	None
(Less) Anticipated Additional Insurance	<u>(4,000,000)</u>	<u>(4,000,000)</u>	<u>None</u>
Difference	\$ 8,800,000	\$ 3,135,000	\$ 5,665,000

* In order to obtain the \$29,000,000 per occurrence insurance coverage provided by the various NSB insurance carriers, the NSB pays an annual premium of approximately \$1,100,000 as well as being obligated for an SIR of \$1,000,000 per occurrence.

ATTACHMENT C

WAINWRIGHT DISASTER
 (SCHOOL AND POWER PLANT)
 PREPARED MARCH 29, 1988

UNINSURED COSTS

	UNINSURED COSTS	STATE SHARE (ADES) APPROVED	FEDERAL SHARE* (FEMA)	ADDITIONAL NECESSARY
Total DSR's Emergency Costs (Refer to Att. A)	\$ 1,557,154	\$ 939,700	-0-	\$ 617,454
Additional Uninsured Costs Associated with Reconstruction	<u>539,000</u>	<u>-0-</u>	<u>-0-</u>	<u>539,000</u>
TOTALS	\$ 2,096,154	\$ 939,700	-0-	\$ 1,156,454

* Request for Federal Declaration of Disaster was declined by President Regan.

STEVE COWPER
GOVERNOR



STATE OF ALASKA
OFFICE OF THE GOVERNOR
JUNEAU

March 7, 1988

The President
The White House
Washington, DC 20500

Dear Mr. President:

Under the provisions of Section 302(b), Public Law 93-288, as implemented by 44 CFR 205.41, I request that you declare a major disaster for Alaska as a result of a multi-structure conflagration that occurred in the City of Barrow, North Slope Borough, on February 10, 1988. This conflagration completely destroyed the community's only Early Childhood/Kindergarten/Bilingual school.

The amount and severity of disaster-related damages are broken down by type in the following preliminary estimate:

Public	\$7,970,200
--------	-------------

The insurance policies will cover approximately \$3,000,000 of these damages, leaving an uninsured loss of a minimum of \$4,970,200. We anticipate that as full recovery needs are identified, uninsured costs will escalate to in excess of \$10,000,000.

I declared a State Disaster for the North Slope Borough on February 16, 1988. I have directed all appropriate actions under state law.

I have determined that this incident is of such severity and magnitude that effective response is beyond the capabilities of the state and the affected local government, and that supplementary federal assistance is necessary. Preliminary

estimates of the nature and extent of federal public assistance needed under Public Law 93-288, as amended, are tabulated in Enclosure A. Federal individual assistance is not required; however, Department of Education assistance is required.

The State of Alaska has a disaster fund which is used to support relief efforts for both communities and individuals who have suffered losses during disaster events. For the fiscal year beginning July 1, 1987, the Alaska Legislature appropriated \$6,000,000 to the Disaster Relief Fund. The state has committed to recovery from disasters a total of \$3,900,000 from this fund, and the remaining balance is \$2,100,000. The Barrow disaster commitment and anticipated spring river flooding disasters will deplete the fund to a dangerously low level.

The state has committed disaster funds to be used as the state share in support of this emergency relief effort (\$1,000,000 through the state disaster declaration and \$242,550 as the state's remaining commitment). This amount equates to approximately 25 percent of the total funds required by the federal government. An additional \$75,000 is dedicated for hazard mitigation planning.

The State of Alaska and the North Slope Borough are currently recovering from several multi-million dollar major disasters. The most recent disaster involved a school and power plant fire in the village of Wainwright in September 1987. A severe winter storm in September 1986 caused major damage to both public and privately-owned facilities throughout the coastal region of the Borough. A Federal Disaster Declaration was requested, but was not approved, for the Wainwright disaster.

Pursuant to Federal Emergency Management Agency regulations, I certify that the total expenditures and obligations for this major disaster for which no federal reimbursement will be requested are \$1,317,550 in accordance with the table in Enclosure B.

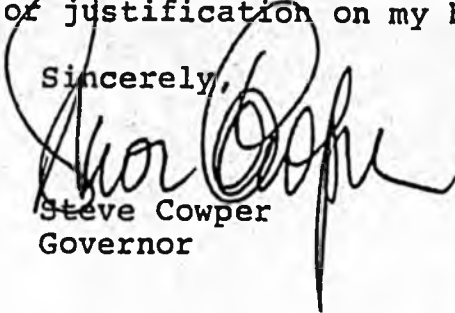
The President

-3-

March 7, 1988

I have designated Ervin Paul Martin, Director of the Alaska Division of Emergency Services, as the State Coordinating Officer for this request. He will work with the Federal Emergency Management Agency in damage assessment and may provide further information or justification on my behalf.

Sincerely,



Steve Cowper
Governor

Enclosures

cc: Senator Stevens
Senator Murkowski
Representative Young
Senator Hensley
Representative Adams
Mayor George N. Ahmaogak, Sr.
John Katz

SUPPLEMENTARY JUSTIFICATION
STATE DAMAGE ASSESSMENT

REQUEST FOR A MAJOR DISASTER DECLARATION

I. BACKGROUND

Barrow is the community affected by this disaster. It is located on the coast adjacent to the Chukchi and Beaufort Seas and is the northern most community in the State of Alaska and the largest in the North Slope Borough. Barrow is the seat of borough government. The majority of its 3,075 residents are Native American Inupiat Eskimos.

Unemployment within the North Slope Borough is extremely high, ranging from 36 percent in Barrow to over 60 percent in villages throughout the borough. Most residents live a subsistence lifestyle and depend primarily upon the bowhead whale and other wildlife resources for their dietary needs. The North Slope Region is comprised of featureless lowland tundra with numerous small lakes and swamps. Barrow is not connected by road or railroad to any other community, and access is limited to air traffic year round or barge traffic for approximately three weeks during the summer months. The arctic climate is one of the harshest climates to which human beings have adapted.

The following is a background summary of the local governments involved in the disaster.

The North Slope Borough is the areawide local government for the northern portion of the State of Alaska. The borough exercises responsibilities for taxation and assessment, education, planning and zoning, housing and urban renewal, preservation and maintenance of historic or archaeological sites, environmental protection, streets and sidewalks, sewers and sewage treatment, solid waste collection and disposal, water supply and flood control, health services and hospital facilities, electric and heating utilities, transportation systems, search and rescue, aviation facilities, fire and police protection, and other matters.

The borough has responsibility for most government functions that are normally assumed by cities, towns and counties in other areas of the United States. The North Slope Borough owns all of the facilities affected by this disaster. The

borough encompasses an area of 88,281 square miles, which is comparable in size to the State of Oregon. Its physical size makes it the largest municipality in the world, but its population of only 8,308 persons makes it one of the most sparsely populated. It is one of the most isolated regions on earth.

The fire damage resulted in the total loss of the Early Childhood Education and Kindergarten sections of the Ipalook Elementary School; smoke damage to adjacent school buildings and teachers' living quarters; and damage to sewer and water systems in adjacent buildings due to loss of power and heat. Associated recovery costs include site cleanup; the provision of temporary facilities to continue the education program for the 265 displaced children; restoration of electric power; sewer and water to adjacent school facilities and living quarters, and clean up of smoke damage, as well as facility replacement costs that exceed insurance settlements.

Since the major governmental functions are assumed by the borough, the municipal government of Barrow is relatively small with very limited capabilities.

All disaster-relief funds will be channeled through the North Slope Borough since it has areawide responsibility for education. Total public sector damage is estimated to be \$7,970,200, of which approximately \$3,000,000 is covered by insurance. Borough officials estimate that actual cost of relocation and replacement of the facility will be in excess of \$15,000,000.

The school cannot be rebuilt on the same site due to numerous safety and code requirements. Rebuilding on a different site will require equipping the facility with independent support facilities that were previously shared with the adjoining elementary school. These include recreational area, food service, and mechanical support. Costs that cannot be supported by federal public disaster assistance will amount to an additional \$7,000,000 which must be borne by state and/or local government.

The North Slope Borough budget for FY 88, beginning July 1987, is \$331,797,315. Property taxes, primarily from oil-producing lands and facilities, will contribute approximately 70 percent of borough revenues, with the balance coming from state revenue sharing, sales taxes, and user fees.

The borough debt service is \$231,797,315 which is 70 percent of its total budget. The borough has incurred an indebtedness of over \$1 billion in recent years. These funds have been devoted to construction of facilities such as schools, water and sewer systems, airports, health facilities, and police and fire protection facilities and equipment. With the exception of schools, these facilities were not previously available in the community. Communities in other states have had these services for at least the past 100 years.

Within the non-debt service operating budget, education costs comprise \$28,412,000. Public works and utilities expenditures are authorized at \$16,877,000.

The borough maintains hazard insurance on public facilities, with annual premiums of approximately \$2,500,000. The Barrow and Wainwright disasters and other fires that occurred over the past year are expected to result in an increase of both premiums and deductibles by an estimated 75 percent. Any additional financial demands on the borough would have a serious and deleterious impact in such areas as schools, fire and police protection, health, and essential public works and utilities.

II. IMPACTS

1. Significant effects on people include the following:
 - a. The most serious impact of this disaster falls upon the 265 children who will be displaced and deprived of adequate education facilities. These students will be forced to relocate to substandard conditions in scattered facilities throughout the community. The older facilities were not constructed or designed for arctic, frigid temperatures.
 - b. The majority of children who attend this preschool program are from homes in which Inupiaq Eskimo is the first language. Many of the parents still engage in a subsistence hunting and fishing way of life. The program is considered by borough school officials to be the most important of all their education programs. Bilingual and bicultural children who attend a good developmentally appropriate preschool program are significantly more likely to graduate from high school, enroll in post-secondary education and find employment.

They are less likely to drop out of school and become dependent on welfare assistance or have social problems.

2. Significant effects on state or local government:

- a. Loss of this key facility and the capital investment it represents poses a severe financial hardship on the North Slope Borough government. Although this facility was covered by limited insurance, uninsured costs associated with this disaster are beyond the effective capability of the borough.

3. Significant effects on private, nonprofit organizations (educational, utility, emergency, medical, or custodial care facilities):

None

4. Significant effects on business:

None

5. Significant factors not otherwise covered above: This is the second major fire disaster in the borough within a five-month period and within FY 88. The unreimbursed costs incurred by the borough over the past year as a result of several fires have put a severe strain on its budget. In addition, some \$10,500,000 of emergency and unanticipated costs were incurred by the borough this year due to a failure in the main gas field that supplies the City of Barrow.

III. STATE AND LOCAL RESPONSES

A. State

1. The State of Alaska declared a Disaster Emergency (AS 26.23.020) for the North Slope Borough on February 16, 1988. The state Emergency Plan was implemented.
2. Specific assistance provided as a result of the disaster emergency includes:
 - a. The Governor has authorized up to \$1 million, as provided for in Alaska statutes, for necessary disaster assistance, administrative and disaster management expenses.

- b. State response has involved a minimum of seven staff and 24 staff days.
3. The Alaska Constitution prohibits expenditures without appropriation of funds. Funds appropriated by the Legislature for specific purposes cannot be used by the Governor for emergencies.
 4. The Alaska Disaster Relief Fund is used to provide assistance to individuals and families, and to assist local governments to recover from disaster losses.
 5. At the beginning of the current state fiscal year, July 1, 1987, the Legislature appropriated \$6 million for the State Disaster Relief Fund. State declared disasters currently being serviced have reduced the fund down to \$2.1 million. Of the funds from the Disaster Relief Fund committed, \$2 million are directed to recovery from a school fire in the village of Wainwright in the North Slope Borough, for which a request for a Presidential Declaration in October 1987 was denied. The \$1 million already committed to the Barrow school disaster will further deplete the fund to a dangerously low level. Furthermore, Alaska will soon enter the season of spring flooding which is historically the most disaster prone time of the year. Last year spring flooding alone accounted for expenditures of state disaster funds in the amount of \$1.25 million. The state disaster account does not have sufficient funds to recover from the Barrow school disaster.
 6. The state operating budget for FY 88 is \$1.913 billion, with many formula programs and commitments. Funds are committed by direct appropriations that require legislative action to change programs and emphasis. The recent decline in oil prices has had a very direct and serious impact on the state's economy. Unemployment and mortgage foreclosure rates are at an all-time high. Present projections are for a state revenue shortfall during FY 88 in excess of \$299 million, which will seriously jeopardize many programs.

7. The State of Alaska has a Permanent Fund, established by a constitutional amendment as an endowment to balance the long-term needs of the state against the short life span of petroleum production activities which currently provide approximately 70 percent of state government revenues. The balance of this fund is \$8.583 billion.

Like the endowments established by many states for special purposes such as education, health, etc., the principal of the Permanent Fund is constitutionally protected from appropriation by the Legislature. Use of earnings of the fund is restricted to reinvestment in the principal and distribution to residents through the Permanent Fund Dividend Program. Neither the Permanent Fund nor its earnings may be legally used for disaster relief.

8. The state has committed a minimum of \$1,317,550 in disaster funds to be used to support recovery from this disaster. Allocation of these funds are as follows:
 - a. \$1,242,550 to be applied as the state's 25 percent share of those items found to be eligible for Federal disaster assistance,
 - b. \$75,000 to provide funding for mitigation of a reoccurrence of similar disasters in the future.

B. Local

1. The North Slope Borough has committed \$200,000 and its personnel and resources to provide support for emergency response and recovery.
2. The North Slope Borough budget for FY 87/88 (beginning July 1987) is \$331,797,315. Property taxes, primarily from oil-producing lands and facilities, will contribute \$249,000,000. The remainder of its revenue comes from state revenue sharing, fees for services and sales tax.

3. A debt service of \$231,797,315 makes up 70 percent of the borough's total budget. The borough has incurred indebtedness of over \$1 billion in recent years. However, it should be noted that all of these funds have been devoted to community improvements such as schools, water and sewer systems, airports, health facilities, police and fire protection facilities and services that communities in other states have had for at least the past 100 years.
4. Within the non-debt service operating budget, education costs comprise \$28,412,000. Public works and utilities expenditures are authorized at \$16,877,000.
5. The North Slope Borough maintains fire and hazard insurance policies on public property, with annual premiums of approximately \$2,500,000. It will continue to maintain these policies in the future.

ESTIMATED REQUIREMENT FOR PUBLIC ASSISTANCE
PUBLIC 93-288

NORTH SLOPE BOROUGH	CATEGORY								
	A	B	C	D	E	F	G	H	I
NORTH SLOPE BOROUGH (BARROW)		39,000			4,931,200				

GOVERNOR'S CERTIFICATION

I certify that for this current disaster, state and local government expenditures and obligations will constitute a reasonable amount of the funds of such state and local governments for alleviating the damage, loss, hardship or suffering resulting from such disaster. As stated in my basic letter, and based on information available at this time, tabulation of these estimated total expenditures and obligations, for which no federal reimbursement will be requested, follows:

<u>CATEGORY OF ASSISTANCE</u>	<u>STATE AMOUNT</u>	<u>LOCAL AMOUNT</u>
Individual Assistance		
Individual & Family Grants	\$	\$
Housing (Site Preparation)	\$	\$
Mass Care	\$	\$
Other (Busing)	\$	\$
TOTAL	\$	\$
Public Assistance		
Category A Debris Clearance	\$	\$
Category B Protective Measures	\$ 9,750	\$
Category C Road Systems	\$	\$
Category D Water Control Facilities	\$	\$
Category E Public Building & Related Equip.	\$1,232,800	\$
Category F Public Utilities	\$	\$
Category G Facilities Under Construction	\$	\$
Category H Private, Non-profit Facilities	\$	\$
Category I Other (mitigation)	\$ 75,000	\$
TOTAL	\$1,317,550	\$
GRAND TOTAL	\$1,317,550	\$

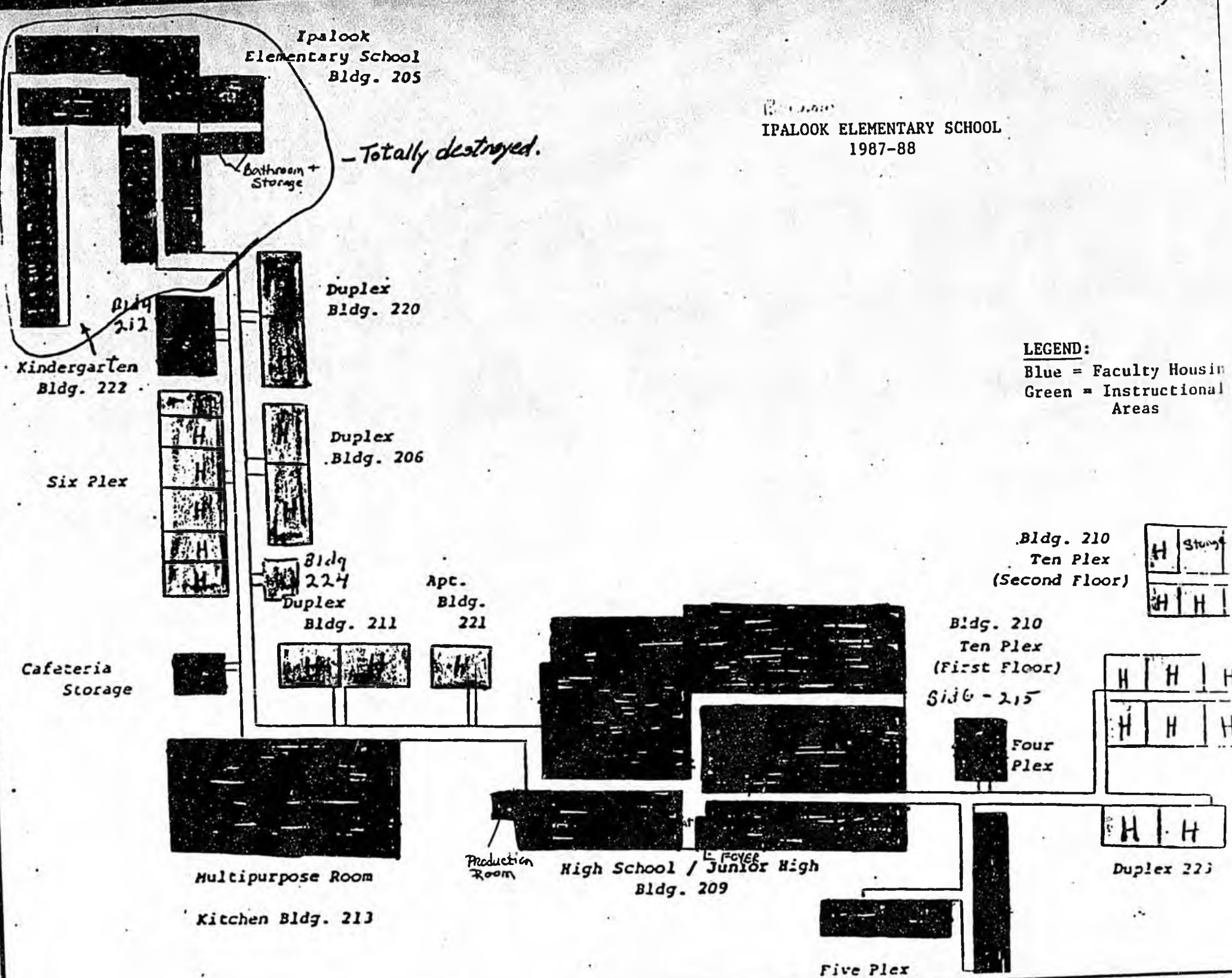
Ipslook
Elementary School
Bldg. 205

- Totally destroyed.

IPALOOK ELEMENTARY SCHOOL
1987-88

LEGEND:

Blue = Faculty Housing
Green = Instructional
Areas



ADES

When a disaster is closed out (no more expenditures) any unallocated money is returned to the Disaster Relief Fund. As of June 30, 1988, the balance in the DRF will be returned to the general fund. This is an administrative decision based on intent language included in last year's budget.

March 9, 1988

The Honorable Niflo Koponen
The Honorable Johnny Ellis
Co-Chairs
House HESS Committee
P.O. Box V, Mail Stop 3100
Juneau, Alaska 99811-3100

Attention: Jim Nordlund

RE: Municipal School Facility Insurance Coverage

Dear Representative Koponen and Ellis:

At the request of Jerald Mikesell, Director of Educational Finance and Support Services, Department of Education, the following information was obtained by the Department Facilities staff, Tom Ryan and Sue Miller (465-2865), via a telephone survey of municipal school districts and municipalities on February 25, and 26, 1988. NOTE: Many of these figures are estimates made by administrators out-of-town and away from the office.

<u>District</u>	<u>Purchased Insurance Replacement Cost</u>	<u>Amount of Deductible</u>	<u>Money Set Aside To Pay Deductible</u>
Anchorage	Yes	100,000	\$2 Mill
Bristol Bay	No response yet		
Cordova		50,000	No
Craig	85%	10,000	No
Dillingham		10,000	20,000
Galena	Yes	10,000	No
Fairbanks	80%	25,000	Yes
Haines	Yes	75,000	Borough will cover
Hoonah	None, can't afford it.		No
Hydaburg	Yes	10,000	No

<u>District</u>	<u>Purchased Insurance Replacement Cost</u>	<u>Amount of Deductible</u>	<u>Money Set Aside To Pay Deductible</u>
Juneau	Self-Insured - planning to purchase insurance 07/01/88		Approx. 3 million
Kake	Yes	250,000	No
Kenai	Yes	100,000	Yes, borough carries
Ketchikan	Yes		Borough general fund
King Cove	Yes	10,000	No
Klawock	Yes	10,000	No
Kodiak	Yes	5,000	Yes
Mat-Su	Yes	75,000 to 225,000	Borough fund \$900,000
Nenana	Yes	10,000	No
Nome	Yes	5,000	No
North Slope	Yes	1,000,000	Money set aside in self-insurance for property to one occurrence per year \$1,200,000. FY 88
Northwest Arctic	Yes	10,000	No
Pelican	Yes	10,000	No
Petersburg	Yes	5,000	No
St. Mary's	Yes	10,000	No
Sand Point	Yes	10,000	No

March 9, 1988

<u>District</u>	<u>Purchased Insurance Replacement Cost</u>	<u>Amount of Deductible</u>	<u>Money Set Aside To Pay Deductible</u>
Sitka	Yes (Can't drop below 90%)	10,000	SD take out of fund balance
Skagway	Yes	1,000	No
Tanana	Yes	10,000	No
Unalaska	Yes	10,000	No
Valdez	Yes	100,000	City Reserve
Wrangell	Yes	1,000	No

If you have questions or need additional information, please contact Tom Ryan or Sue Miller at 465-2865.

Sincerely,



William G. Demmert
Commissioner

cc: Jerald Mikesell, Director
Educational Finance and Support Services

Thomas G. Ryan, Facilities Coordinator
Educational Finance and Support Services

MEMORANDUM

State of Alaska

TO: Martha Stewart
House Finance Committee

DATE: April 7, 1988

FILE NO: HB413L3

TELEPHONE NO: 465-4600

THRU:

SUBJECT: HB413

J Morrison
FROM: Jeff Morrison, Director
Administrative & Support
Services Division
Department of Military &
Veterans Affairs

You have requested that I confirm the amount of federal funds needed for the Barrow fire disaster, for inclusion in the House Finance Committee Substitute for HB413.

The total federally-approved amount for the Barrow fire disaster is \$4,970,200. Of this amount, the federal government will provide 75%, or \$3,727,650, and the state will match at a 75/25 ratio, requiring \$1,242,550 in state matching funds. In addition, the state is also obligated to commit \$75,000 toward preparation of a disaster mitigation plan to ensure that this disaster does not repeat itself in the future. This brings the total state funds needed for the disaster to \$1,317,550. Since the Governor has already allocated \$1,000,000 in disaster relief funds to this disaster, the balance of \$317,550 in disaster relief funds is needed to be authorized by the legislature. The amount of federal funds needed to be authorized is \$3,727,650. Inclusion of the federal funds in HB413 will relieve the Department of the need to request federal authorization by revised program (RPL), as has been done in the past.

Please let me know if you need any additional information.

cc: Ervin Paul Martin, Director, ADES

NORTH SLOPE BOROUGH

OFFICE OF THE MAYOR

P.O. Box 69
Barrow, Alaska 99723

Phone: 907-852-2611

George N. Ahmaogak, Sr., Mayor



April 5, 1988

Representative Al Adams
Alaska State Legislature
House of Representatives
P.O. Box V (Mail Stop 3100)
Juneau, Alaska 99811-3100

Re: HB 413, Wainwright Fire Disaster

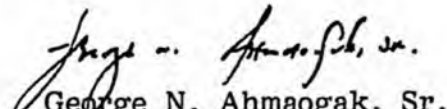
Dear Representative Adams:

Attached is supplemental information regarding the above captioned subject.

This information has been prepared in response to questions raised by Representative Pourchot's Aide, Jean Larson, in a March 30, 1988 telephone conversation with North Slope Borough staff. The questions pertain to Attachments A through C of the March 29, 1988 letter and to previously submitted information from the North Slope Borough.

If you have questions contact me at 852-2611 extension 211 or Chief Administrative Officer Harold Curran at 852-2611 extension 219. Thank you for your time and effort in this matter.

Sincerely,


George N. Ahmaogak, Sr.
Mayor

Attachments

cc: Senator Willie Hensley, Alaska State Legislature
Harold J. Curran, Chief Administrative Officer
Dan Fauske, Administration and Finance
Mike Klawitter, Risk Management
K.C. Miller, Grants Division
Files

NORTH SLOPE BOROUGH

ATTACHMENT A

PREPARED MARCH 31, 1988

QUESTION #1: What is the breakdown of the SIR Accounts?

ANSWER #1:

Self-Insured Retention Reserve Account:

\$1,500,000	General Liability
1,500,000	Auto Liability
1,500,000	Professional/Medical Liability
800,000	Sanitation 9- Stall Facility
	Property Damage
1,045,000	Aviation Hull Insurance

Self -Insured Retention Expenditure Account:

1,000,000	Major Property Loss
<u>200,000</u>	Minor Property Loss

TOTAL \$7,545,000

Of the total funds budgeted in the SIR accounts for FY88, \$6.345 million are identified as "Self-Insured Retention Reserve" funds; that is, they may not be spent except by Assembly action and are to remain reserved according to the North Slope Borough's negotiated insurance agreement. The other \$1.2 million are identified as "Self-Insured Retention Expenditure" funds, and may be accessed by the administration to make necessary SIR payments without assembly action. Neither of these SIR accounts may be spent for uninsured emergency disaster activities.

QUESTION #2: What portion of these funds was applied to the Wainwright Disaster?

ANSWER #2: Following the Wainwright fire the North Slope Borough "borrowed" the \$1.2 million SIR Expenditure Account total and appropriated it to a newly created Emergency Corrective Actions Account to cover uninsured emergency costs concerning Wainwright. This left no money to pay the SIR for Wainwright.

QUESTION #3: How much North Slope Borough money has been appropriated for use on the Ipalook Disaster?

ANSWER #3: None of the above discussed SIR monies have been designated for the Ipalook fire because the Expenditure Account had been depleted for Wainwright and it is necessary to maintain the Reserve Account to comply with Insurance Company agreements. When the Ipalook fire occurred, \$1.244 million was borrowed from the North Slope Borough Assembly Reserve Account to cover Emergency Corrective Actions in connection with that event. The Assembly Reserve Account is required by municipal code to fund unexpected operating and maintenance costs. Because uninsured emergency disaster costs are not operation and maintenance items, monies taken from this account to cover uninsured costs in connection with the Ipalook fire must be repaid.

QUESTION #4: Are any other North Slope Borough funds available for expenditure on uninsured disaster costs related to these two incidents?

ANSWER #4: No. The present situation of "borrowed" funds which must be repaid leaves a deficit of \$2,000,000 in SIR funds necessary for both fires and a deficit of funding necessary to cover uninsured costs arising from both incidents beyond the \$939,700 now approved by ADES for Wainwright.

QUESTION #5: What is the explanation of the difference between the \$726,000 amount originally requested in HB 413 and the \$1,156,154 amount requested in the March 28, 1988 North Slope Borough submittal?

ANSWER #5: The \$726,000 originally requested in HB 413 was based on the North Slope Borough's January 19, 1988 total revised estimate of uninsured costs of \$1,600,480.29, less the State Approved amount of \$939,700. This amount, \$660,780.29, plus approximately 10% for administration, was the most accurate estimate of uninsured costs that the North Slope Borough had at that time.

The revised request of \$1,156,154 submitted on March 28, 1988 includes actual expenditures as of that date, some of which have already exceeded our original estimates made immediately following the fire. It also reflects our most recent reasonable estimates of additional anticipated costs, such as costs associated with the replacement of the 500 KW generator that was provided by ADES immediately following the disaster and has since been removed.

QUESTION #6: What is the basis for the \$10,200,000 estimate for replacement of the Ipalook school?

ANSWER #6: This figure is based on replacement of the damaged portion of the Ipalook school which has been identified as a 19,000 square foot structure. This figure places the reconstruction on the same site as the burned facility. Although the \$10,200,000 figure is presently the best estimate available, it has already been determined substantially inadequate because the old site and structure did not meet present set back, safety and fire codes.

QUESTION #7: Can a general overview of all recent North Slope Borough disasters be provided?

ANSWER #7: Yes. The attached chart (Attachment A, Page 4) provides the best overview now available. Unfortunately, due to evolving information, it unavoidably contains many estimated figures.

Ervin Paul Martin
Director, ADES
Wasilla

Thru: Jim Sey
Chief of Plans and Operations

Michael L. Bird
Emergency Management Officer
Barrow Operations Center

February 18, 1988

12. B. Wainwright

376-2337

Wainwright Fire
Documentation

I have reviewed the documentation on the Wainwright Fire Disaster in a cursorial manner. Without being able to go into the depth and specifics of a full audit because of the lack of time to do so, I feel confident that the required backup information is in order. I have spot checked the items pertaining to DSR 1 through 3. For the purposes of providing assurance to both ADES and the State Legislature, I feel that the expenditures summarized by the Grants Division are within acceptable confidence levels for \$751,680.00

As of this writing, the School District is in the process of copying the required documentation for DSR 4 and 5 for the Borough. A summary of each line item for \$283,150.00 with reference to check numbers was provided. With the School District's involvement with the Ipalook Elementary fire just at the time that the Borough was compiling documentation, the delay is understandable.

This only falls short of the \$939,700.00 requested by \$188,100.00. The documentation will be Express Mailed with the documentation that I looked at.

A thorough and final audit will take longer than the time available before HB 413 is considered by committee. This is especially so with the business of the Ipalook Elementary School fire at hand.

The Borough will be faxing a summary of DRS's by line item to ADES by Friday. These line item expenditure figures are the ones with which I am in basic agreement. The Borough is in the process of making copies of the documentation which they will Express Mail to ADES on Friday.

NORTH SLOPE BOROUGH

NORTH SLOPE BOROUGH SCHOOL DISTRICT

SUMMARY OF INSURANCE COVERAGE

PREPARED FEBRUARY 24, 1988

I. PROPERTY INSURANCE

- A. NAMED INSURED:** NORTH SLOPE BOROUGH
NORTH SLOPE BOROUGH SCHOOL DISTRICT
- B. INSURANCE CARRIER:** Self Insured Retention (SIR) \$1,000,000 per occurrence
- There is a total of \$30,000,000 (including the SIR) in insurance coverage provided by seven companies. One of these companies has notified the North Slope Borough of policy cancellation effective May 15, 1988.
- C. COVERAGE PERIOD:** June 1, 1987 through June 1, 1988 .
- D. PERILS COVERED:** "All Risk" of Physical Loss, including Earthquake and Flood, subject to policy terms, conditions and exclusions
- E. LOCATION:** United States
- F. COVERAGE:** Replacement cost of Real and Personal Property with like kind and quality

II. CONTENTS COVERAGE

- A. NAMED INSURED:** NORTH SLOPE BOROUGH SCHOOL DISTRICT
- B. COVERAGE PERIOD:** June 1, 1987 through June 1, 1988
- C. PERILS COVERED:** "All Risk" of Physical Loss, including Earthquake and Flood, subject to policy terms, conditions and exclusions
- D. COVERAGE:** School District contents coverage limited to \$1,000,000 per occurrence with a \$25,000 deductible per occurrence

THU 10:46
F 11/18/83
North Slope Borough/North Slope Borough School District
Summary of Insurance Coverage
Prepared February 24, 1988
Page 2

III. APPLICATION TO WAINWRIGHT SCHOOL/POWER PLANT FIRE

The Wainwright Fire occurred in September of the above listed insurance coverage period. At the present time the North Slope Borough expects the replacement of the school and power plant facilities to be covered under the above described property insurance coverage. The North Slope Borough has applied the \$1,000,000 SIR to losses sustained in this disaster. The North Slope Borough School District will apply the full contents coverage to losses.

Funding for uninsured costs has been requested from ADES which has approved \$939,700.00 for this purpose. The North Slope Borough is requesting an additional \$957,123.94, also necessary to cover uninsured costs in addition to those previously approved by ADES.

Examples of uninsured costs include, but may not be limited to, those items discussed in the February 19, 1988 letter to Representative Adams (copy attached). Briefly, items discussed in the Adams letter are:

- temporary power for the entire village
- temporary classroom facilities
- furnishings for temporary classrooms
- contents in excess of coverage

These costs are routinely excluded from commercial property insurance policies.

NORTH SLOPE BOROUGH**OFFICE OF THE MAYOR**

P.O. Box 89
Barrow, Alaska 99723

Phone: 907-352-2611

George N. Ahmaogak, Sr., Mayor



February 19, 1988

Al Adams, Representative
Alaska State Legislature
P.O. Box V
Juneau, Alaska 99811

Dear Representative Adams:

This letter is to provide you with updated information regarding the September, 1987 North Slope High School and Power Plant fire.

The following is a summary of incurred and estimated total uninsured costs to the North Slope Borough and North Slope Borough School District:

A)

1. Expended to Date (DSR's #1, 2, 3 and partial 4)	837,310.64
Encumbered to Date	<u>113,449.00</u>
Sub-Total:	\$950,759.64
2. Replacement Materials (used but not yet billed for)	100,000.00
3. Additional School District Emergency and Contents costs that require further review prior to determination of non-insurability:	
(DSR #4)	108,370.30
(DSR #5)	<u>122,700.00</u>
Sub-Total (Items A-1 thru A-3)	\$1,281,823.94
B. CH2M Hill Re-design	679,000.00
Covered by Insurance	<u><140,000.00></u>
Sub-Total B:	539,000.00

Letter to Representative Adams
 February 19, 1988
 Page 2

C. Replacement of 500 KW Generator

Labor	20,000.00
Materials	10,000.00
Freight	20,000.00
Travel and Subsistence	8,000.00
Equipment (2 Villages)	10,000.00
Sub-Contract (fencing)	<u>8,000.00</u>
Sub-Total C:	76,000.00

TOTAL REVISED ESTIMATE (A, B & C)	\$1,896,823.94
AMOUNT APPROVED BY STATE	< 939,700.00 >
AMOUNT CURRENTLY REQUESTED	\$ 957,123.94

The following contains a breakdown by Damage Survey Report (DSR) of total expenses incurred to date by the North Slope Borough in connection with the Wainwright High School fire in September of 1987 (Category A, Expended to Date, above):

<u>DSR</u>	<u>DESCRIPTION</u>	<u>ORIGINAL ESTIMATE</u>	<u>EXPENDITURES TO DATE</u>
#1 -	Emergency work associated with the restoration of temporary power.		
	Labor	35,000.00	44,329.45
	Travel	15,000.00	14,721.98
	Materials	20,000.00	26,480.50
	Freight	12,000.00	22,948.62
	Professional Fees	15,000.00	8,618.23
	Miscellaneous	8,000.00	100.00
	Equipment	<u>18,000.00</u>	<u>-0-</u>
	TOTALS	123,000.00	117,198.78

25801.227

#2 - Work to bring existing elementary wing back into operational order prior to initiating temporary school facilities:

Labor	38,700.00	11,374.39
Travel	17,000.00	9,303.84
Materials	2,500.00	-0-
Freight	1,000.00	-0-
Professional Fees	8,000.00	5,071.06
Miscellaneous	6,000.00	816.07
Equipment	<u>500.00</u>	<u>-0-</u>
TOTALS	73,700.00	26,565.36

47,134.61

Letter to Representative Adams
 February 19, 1988
 Page 3

<u>DSR</u>	<u>DESCRIPTION</u>	<u>ORIGINAL ESTIMATE</u>	<u>EXPENDITURES TO DATE</u>
------------	--------------------	--------------------------	-----------------------------

#3 - Construction and/or relocation of facilities to provide temporary school for the next two years:

Rockford	30,000.00	26,164.38
Totem Electric	30,000.00	29,741.02
Barrow Mechanical	30,000.00	29,723.80
Olgoonik Corporation	300,000.00	251,920.24
Surfacing and Decking	75,000.00	73,150.00
Browne House Moving	56,000.00	50,635.00
Labor	59,000.00	50,216.13
Travel	15,500.00	13,660.10
Materials	100,000.00	40,025.87
Freight	80,000.00	7,376.27
Professional Fees	12,000.00	11,200.42
Miscellaneous	13,000.00	142.13
Equipment	45,000.00	23,961.43
TOTAL	845,000.00	607,916.79

237 033.21

#4 - Refurnishing of elementary and temporary school facilities and reassigning of personnel to facilitate the temporary facilities and education plans:

Labor	50,000.00	24,700.00
Travel	35,000.00	12,193.28
Materials	6,000.00	41,855.07
Freight	6,000.00	(Included in other categories)
Temporary Furnishing	40,000.00	4,957.04
Curriculum Materials	45,000.00	1,361.81
Miscellaneous	12,000.00	562.50
TOTALS	194,000.00	85,629.70

108,370.3

#5 - Replacement of School District contents destroyed in the building that exceed the \$1 Million in insurance coverage:

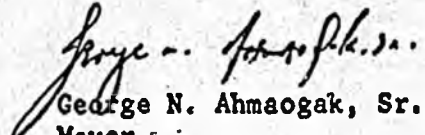
Contents	122,700.00	To Be Determined
----------	------------	------------------

Letter to Representative Adams
February 19, 1988
Page 4

Total uninsured costs for Refurnishing of Temporary Facilities (DSR #4) and Contents (DSR #5) cannot be determined at this time as they are based on our success in negotiating the insurance settlement. The North Slope Borough's policy does cover contents, but terms of the final settlement have not been determined.

If you require any further information, please contact either myself at 852-2611, or Harold Curran, Coordinator of Government Affairs, at 852-2611.

Sincerely,


George N. Ahmaogak, Sr.
Mayor

GNA/KC/nlh

cc: Harold Curran, Coordinator, Government Affairs
K.G. Miller, Grants Administrator, Grants Division
Ervin Martin, Director, Alaska Division of Emergency Services

Attachments 1 thru 7

ALASKA DIVISION OF EMERGENCY SERVICES PROJECT APPLICATION FOR STATE FINANCIAL ASSISTANCE	ADES APPLICATION	
	DECLARATION NUMBER	PA NUMBER
1. APPLICANT'S NAME AND ADDRESS North Slope Borough Box 69 Barrow, AK 99723	DECLARATION DATE	SUPPLEMENT NO.
	2. APPLICANT'S AGENCY Name <u>George Ahmoagak</u> Title <u>Mayor</u> Address <u>Box 69</u> Telephone <u>852-2611</u>	

3. PROJECT SUMMARY	AMOUNT REQUESTED BY APPLICANT	AMOUNT APPROVED BY STATE
A. Debris Clearance	\$ _____	\$ _____
B. Protective Measures	_____	_____
C. Road Systems	_____	_____
D. Water Control Facilities	_____	_____
E. Public Buildings and Equipment	968,200	586,000
F. Public Utilities	196,700	196,700
G. Facilities Under Construction	_____	_____
H. Private Nonprofit Facilities	_____	_____
I. Other Damages (Not in above categories)	194,000	157,000
TOTAL	\$1,358,900	\$939,700

Attach detailed descriptions and estimated costs (to the nearest dollar) for each item of work above for which State financial assistance is requested.

4. FUNDING REQUESTES: ADVANCE OF FUNDS YES NO

5. REQUEST BY APPLICANT'S AGENCY (Provides assurances on reverse side)

Categorical Flexible Funding In-lieu Contribution

11-2-87 Finance Director [Signature]
Date Title Signature

6. CONCURRENCE BY GOVERNOR'S AUTHORIZED REPRESENTATIVE IN APPLICANT'S REQUEST

Categorical Flexible Funding In-lieu Contribution

11.5.87 11.5.87 [Signature]
Date Received Date Approved Signature

ADES FORM 30-1
Revised 1/82

(ACCI)

ALASKA DIVISION OF EMERGENCY SERVICES

DAMAGE SURVEY REPORT
(WORKSHEET)

1. APPLICANT (State Agency, City, Village, etc.)
North Slope Borough

2. PA NO. ITEM NO.

7. WORK CATEGORY ("X" Applicable Box)

Emergency

Permanent A B C D E F G H I

8. DAMAGED FACILITIES (Location, identification and description)
Generation Plant

9. DESCRIPTION OF DAMAGE
Burned to ground

10. SCOPE OF PROPOSED WORK

Emergency work associated with the restoration of temporary power and power grid modification to balance system. Includes temporary power hook ups

11. ESTIMATED COST OF PROPOSED WORK

QUANTITY (a)	UNIT (b)	MATERIAL AND/OR DESCRIPTION (c)	ACTUAL UNINSURED EXPEND. TO DATE	ORIGINAL ESTIMATED AMOUNT
		Labor	44,329.45	35,000
		Travel	14,721.98	15,000
		Materials	26,480.50	20,000
		Freight	22,948.62	12,000
		Professional Services	8,618.23	15,000
		Miscellaneous	100.00	8,000
		Equipment rental (per attached rental rate schedule)	-0-	18,000

12. EXISTING INSURANCE (Type)

AMOUNT \$

\$ 117,196.78

\$123,000

13. RECOMMENDATION BY STATE INSPECTOR (Signature, Agency, Date)

Moham R 11/6/87

ELIGIBLE YES NO

ATTACHMENTS

14. CONCURRENCE IN REPORT BY LOCAL REPRESENTATIVE (Signature, Agency, Date)

YES NO

ATTACHMENTS

15. STATE REVIEW (Signature, Agency, Date)

[Signature] ADES 11.5.87

ADES 30-2
REVISED 1/82

(Att-2)

6

ALASKA DIVISION OF EMERGENCY SERVICES

DAMAGE SURVEY REPORT

(WORKSHEET)

1. APPLICANT (State Agency, City, Village, etc.) North Slope Borough		3. DECLARATION NO.		
		4. INSPECTION DATE		
2. PA NO. ITEM NO. 2		5. WORK ACCOMPLISHED BY <input checked="" type="checkbox"/> Contract <input checked="" type="checkbox"/> Force Account		
				6. PERCENTAGE OF WORK COMPLETED TO DATE %
7. WORK CATEGORY ("X" Applicable Box) <input checked="" type="checkbox"/> Emergency <input type="checkbox"/> Permanent <input type="checkbox"/> A <input type="checkbox"/> B <input type="checkbox"/> C <input type="checkbox"/> D <input type="checkbox"/> E <input type="checkbox"/> F <input checked="" type="checkbox"/> G <input type="checkbox"/> H <input type="checkbox"/> I				
8. DAMAGED FACILITIES (Location, identification and description) Elementary wing of school				
9. DESCRIPTION OF DAMAGE Bulldozed life support systems and corridor between Elementary and High School sections.				
10. SCOPE OF PROPOSED WORK Bring existing elementary wing back into operational order prior to initiating temporary school facilities.				
11. ESTIMATED COST OF PROPOSED WORK				
QUANTITY (a)	UNIT (b)	MATERIAL AND/OR DESCRIPTION (c)	ACTUAL UNINSURED EXPEND. TO DATE	ORIGINAL ESTIMATED COSTS
		Labor	11,374.39	28,700
		Travel	9,303.84	17,000
		Materials	-0-	2,500
		Freight	see travel	1,000
		Professional services	5,071.06	8,000
		Miscellaneous	816.07	6,000
		Equipment (rate per attached rental rate)	-0-	500
12. EXISTING INSURANCE (Type)		AMOUNT \$	\$ 26,565.36	\$ 73,700
13. RECOMMENDATION BY STATE INSPECTOR (Signature, Agency, Date) <i>Mark R. 11/5/87</i>			ELIGIBLE (YES) NO	ATTACHMENTS
14. CONCURRENCE IN REPORT BY LOCAL REPRESENTATIVE (Signature, Agency, Date)			YES NO	ATTACHMENTS
15. STATE REVIEW (Signature, Agency, Date)			ADES	11.5.87

ADES 30-2
REVISED 1/82

(ATT-3)

ALASKA DIVISION OF EMERGENCY SERVICES

DAMAGE SURVEY REPORT
(WORKSHEET)

8

1. APPLICANT (State Agency, City, Village, etc.)
North Slope Borough

2. PA NO.

ITEM NO. 3

7. WORK CATEGORY ("X" Applicable Box)

Emergency

Permanent

A B C D E F G H I

3. DECLARATION NO.

4. INSPECTION DATE

5. WORK ACCOMPLISHED BY

Contract

Force Account

6. PERCENTAGE OF WORK COMPLETED TO DATE
%

8. DAMAGED FACILITIES (Location, identification and description)

High School gymnasium, kitchen, lunch room, class rooms, teachers work room, swimming pool, mechanical room, administrative offices.

9. DESCRIPTION OF DAMAGE

Burned to ground

10. SCOPE OF PROPOSED WORK

Construction and or relocation of facilities to provide temporary school for the next two years. (39,000 sq. ft.)

11. ESTIMATED COST OF PROPOSED WORK

QUANTITY (a)	UNIT (b)	MATERIAL AND/OR DESCRIPTION (c)	ACTUAL UNINSURED EXPEND. TO DATE	ORIGINAL ESTIMATED COSTS
		Rockford	26,164.38	30,000
		Totem Electric	29,741.02	30,000
		Barrow Mechanical	29,723.80	30,000
		Olgoonik Corp	251,920.24	300,000
		Surfacing and Decking	73,150.00	75,000
		Browne House moving	50,635.00	56,000
		Labor	50,216.13	59,000
		Travel	13,660.10	15,500
		Materials	40,025.87	100,000

12. EXISTING INSURANCE (Type)

AMOUNT

\$

\$ See next page

13. RECOMMENDATION BY STATE INSPECTOR

(Signature, Agency, Date) *[Signature]* LR 2/6/87

ELIGIBLE

YES NO

ATTACHMENTS

14. CONCURRENCE IN REPORT BY LOCAL REPRESENTATIVE

(Signature, Agency, Date) *[Signature]*

YES NO

ATTACHMENTS

15. STATE REVIEW (Signature, Agency, Date)

ADES

11.5.87

9

ALASKA DIVISION OF EMERGENCY SERVICES		3. DECLARATION NO.		
DAMAGE SURVEY REPORT (WORKSHEET)		4. INSPECTION DATE		
1. APPLICANT (State Agency, City, Village, etc.) DSR #3 continued		5. WORK ACCOMPLISHED BY <input type="checkbox"/> Contract <input checked="" type="checkbox"/> Force Account		
2. PA NO.	ITEM NO.	6. PERCENTAGE OF WORK COMPLETED TO DATE %		
7. WORK CATEGORY ("X" Applicable Box) <input type="checkbox"/> Emergency <input type="checkbox"/> Permanent <input type="checkbox"/> A <input type="checkbox"/> B <input type="checkbox"/> C <input type="checkbox"/> D <input type="checkbox"/> E <input type="checkbox"/> F <input type="checkbox"/> G <input type="checkbox"/> H <input type="checkbox"/> I				
8. DAMAGED FACILITIES (Location, identification and description)				
9. DESCRIPTION OF DAMAGE				
10. SCOPE OF PROPOSED WORK				
11. ESTIMATED COST OF PROPOSED WORK				
QUANTITY (a)	UNIT (b)	MATERIAL AND/OR DESCRIPTION (c)	ACTUAL UNINSURED EXPEND. TO DATE	ORIGINAL ESTIMATED COSTS
		Freight	7,376.27	80,000
		Professional	11,200.42	12,000
		Miscellaneous	142.13	13,000
		Equipment (rate per attached rental rates)	23,961.43	45,000
12. EXISTING INSURANCE (Type)		AMOUNT		
		\$	\$607,916.79	\$845,500
13. RECOMMENDATION BY STATE INSPECTOR (Signature, Agency, Date)			ELIGIBLE YES NO	ATTACHMENTS
14. CONCURRENCE IN REPORT BY LOCAL REPRESENTATIVE (Signature, Agency, Date)			YES NO	ATTACHMENTS
15. STATE REVIEW (Signature, Agency, Date)			ADES 11.5.87	

ALASKA DIVISION OF EMERGENCY SERVICES

DAMAGE SURVEY REPORT

(WORKSHEET)

1. APPLICANT (State Agency, City, Village, etc.) North Slope Borough		3. DECLARATION NO. 4. INSPECTION DATE
2. PA NO.	ITEM NO. 4	5. WORK ACCOMPLISHED BY <input type="checkbox"/> Contract <input checked="" type="checkbox"/> Force Account
7. WORK CATEGORY ("X" Applicable Box) <input checked="" type="checkbox"/> Emergency <input type="checkbox"/> Permanent <input type="checkbox"/> A <input type="checkbox"/> B <input type="checkbox"/> C <input type="checkbox"/> D <input type="checkbox"/> E <input type="checkbox"/> F <input type="checkbox"/> G <input type="checkbox"/> H <input type="checkbox"/> I <input checked="" type="checkbox"/>		6. PERCENTAGE OF WORK COMPLETED TO DATE %
8. DAMAGED FACILITIES (Location, identification and description) Books, papers, lesson plans, curriculum materials etc.		
9. DESCRIPTION OF DAMAGE Burned in fire		
10. SCOPE OF PROPOSED WORK School District Emergency Costs. Refurnishing of elementary and temporary school facilities and retraining of personnel to facilitate the temporary facilities and education plans.		

II. ESTIMATED COST OF PROPOSED WORK

QUANTITY (a)	UNIT (b)	MATERIAL AND OR DESCRIPTION	ANTICIPATED TOTAL UNINSURED COSTS	ACTUAL UNINSURED EXPEND. TO DATE	ORIGINAL ESTIMATED COSTS
		Labdr	24,700.00	24,700.00	50,000
		Travel	12,135.00	12,193.28	35,000
		Materials	75,331.00	41,855.07	6,000
		Freight	see travel		6,000
		Temporary furnishings	5,093.00	4,957.04	40,000
		Curriculum materials	137,680.00	1,361.81	45,000
		Miscellaneous	28,211.00	562.50	12,000

12. EXISTING INSURANCE (Type)	283,150.00	85,629.70	\$ 194,000
13. RECOMMENDATION BY STATE INSPECTOR (Signature, Agency, Date) <i>W. Walker R 2/1/87</i>	ELIGIBLE YES NO		ATTACHMENTS
14. CONCURRENCE IN REPORT BY LOCAL REPRESENTATIVE (Signature, Agency, Date) <i>Ken...</i>	YES NO		ATTACHMENTS
15. STATE REVIEW (Signature, Agency, Date) <i>[Signature]</i> ADES 11.5.87			

ALASKA DIVISION OF EMERGENCY SERVICES		DECLARATION NO.		
DAMAGE SURVEY REPORT (WORKSHEET)		4. INSPECTION DATE		
1. APPLICANT (State Agency, City, Village, etc.) North Slope Borough		5. WORK ACCOMPLISHED BY <input type="checkbox"/> Contract <input checked="" type="checkbox"/> Force Account		
2. PA NO.	ITEM NO. 5			
7. WORK CATEGORY ("X" Applicable Box) <input type="checkbox"/> Emergency <input checked="" type="checkbox"/> Permanent <input type="checkbox"/> A <input type="checkbox"/> B <input type="checkbox"/> C <input type="checkbox"/> D <input type="checkbox"/> E <input checked="" type="checkbox"/> F <input type="checkbox"/> G <input type="checkbox"/> H <input type="checkbox"/> I		6. PERCENTAGE OF WORK COMPLETED TO DATE %		
8. DAMAGED FACILITIES (Location, identification and description) Losses above insured coverage on contents (furniture etc.)				
9. DESCRIPTION OF DAMAGE Burned contents				
10. SCOPE OF PROPOSED WORK Replace School District contents destroyed in the school building that exceed \$1M in insurance coverage.				
11. ESTIMATED COST OF PROPOSED WORK				
QUANTITY (a)	UNIT (b)	MATERIAL AND/OR DESCRIPTION (c)	ACTUAL UNINSURED EXPEND. TO DATE	ORIGINAL ESTIMATED COSTS
		Contents		122,700
12. EXISTING INSURANCE (Type)		AMOUNT \$	TO BE DETERMINED ELIGIBLE YES NO	\$ 122,700 ATTACHMENTS
13. RECOMMENDATION BY STATE INSPECTOR (Signature, Agency, Date) <i>W. L. R?</i>			YES NO	ATTACHMENTS
14. CONCURRENCE IN REPORT BY LOCAL REPRESENTATIVE (Signature, Agency, Date) <i>John J. ...</i>			YES NO	ATTACHMENTS
15. STATE REVIEW (Signature, Date) <i>[Signature]</i> ADES 11.5.87				

ADES 30-2
REVISED 1/82

(A7-7)

NORTH SLOPE BOROUGH

OFFICE OF THE MAYOR

P.O. Box 69
Barrow, Alaska 99723

Phone: 907-852-2611

Harold J. Curran
Chief Administrative Officer



March 2, 1988

Al Adams, Representative
Alaska State Legislature
P.O. Box V (Mail Stop 3100)
Juneau, Alaska 99811

RE: NORTH SLOPE BOROUGH INSURANCE COVERAGE CONCERNING
WAINWRIGHT SCHOOL/POWER PLANT FIRE DISASTER

Dear Representative Adams:

In response to your request for information regarding the above captioned subject, the North Slope Borough has prepared the attached statement of insurance coverage.


The attached statement has been prepared in detail and contains pertinent facts about the Wainwright fire disaster as well as essential insurance coverage information.

I hope this attachment satisfies your needs regarding this subject. If you require additional material or anticipate committee questions not addressed in the attachment, please notify us prior to the committee hearing on HB 413. Please do not hesitate to contact me at 852-2611 extension 219 or North Slope Borough Grants Administrator K.C. Miller at 852-8600.

Letter to Representative Adams
March 2, 1988
Page 2

I appreciate your assistance in this matter and look forward to working with you.

Sincerely,



Harold J. Curran
Chief Administrative Officer
North Slope Borough

HJC/ms

Attachment

cc: George N. Ahmaogak, Sr., Mayor
Dan Fauske, Director, Administration & Finance
Mike Klawitter, Risk Manager
K.C. Miller, Grants Administrator, Grants Division
Senator Hensley
Files

NORTH SLOPE BOROUGH
INSURANCE COVERAGE
PREPARED MARCH 1, 1988

Introduction

The North Slope Borough (NSB) carries property insurance as described below. This plan applies to all NSB facilities; these include, but may not be limited to, schools, administration offices, maintenance shops, day care centers and all other public facilities whether or not in the exclusive use of the School District. The Borough's total property insurance schedule is approximately \$634,000,000.

In addition, the North Slope Borough School District (NSBSD) insures the contents of School District buildings only, for \$1,000,000 per occurrence with a \$25,000 deductible per occurrence. The details of this coverage are also presented below.

Wainwright School/Power Plant Fire

On September 23, 1987 at approximately 8:00 PM the majority of the school facility and the entire power generation plant in the NSB community of Wainwright were destroyed by fire.

This catastrophe left the City of Wainwright without a primary source of power, without education and cafeteria facilities for grades 4 through 12, without school administration areas, and without recreation and adult education facilities for the entire city. A total population of 507 was affected, including 186 Elementary and High School students who were left without a cafeteria, gymnasium or pool. Eighty one (81) High School students were left without classrooms.

Emergency actions were initiated by several NSB agencies and departments, the residents of Wainwright and the Alaska Division of Emergency Services (ADES) to cope with the disaster at hand; to protect life, health and safety of the residents, and to mitigate further damage and hazard potential within the city.

The NSB relocated three (3) portable trailers to the school site for use as temporary administration, storage, and kitchen facilities; two small wooden structures were moved and two more small wooden buildings were constructed to serve as temporary classrooms. The ADES flew a 500 KW generator to Wainwright. These emergency measures were intended to meet the community's power and school facility needs until new facilities could be built. The cost of these emergency measures is not insured under current NSB/NSBSD coverage as described on the following page.

North Slope Borough Insurance Coverage

March 1, 1988

Page 2

Property Insurance (NSB/NSBSD)

The North Slope Borough insurance plan, effective June 1, 1987 to June 1, 1988, provides a total of \$30,000,000 per occurrence. This includes a NSB carried Self Insured Retention (SIR) in the amount of \$1,000,000 per occurrence. Regarding the next \$4,000,000 loss (in excess of the SIR), three insurance carriers will participate in varying amounts as follows: Mt. Hawley Insurance Company at 50%, First State at 25% and Century Indemnity at 25%.

Regarding the next \$10,000,000 loss (in excess of the first \$5,000,000), five (5) insurance carriers will participate, each at 20%, as follows: Lexington, Cal Union, Century Indemnity, Landmark and Fireman's Fund. Regarding the next \$15,000,000 loss (in excess of the first \$5,000,000), TransAmerica will provide 100% coverage. Perils covered by these policies are "all risk" of physical loss, including earthquake and flood, subject to policy terms, conditions and exclusions as follows:

1) Property Excluded:

- A. aircraft, watercraft, vehicles (except while in storage), jewelry, precious stones, fur or fur trimmed garments;
- B. data processing media;
- C. power transmission and feeder lines not on the insured premises, unless on the schedule on file with the underwriter;
- D. property in transit;
- E. all properties in the course of construction;
- F. properties owned but omitted intentionally on the Statement of Values (SOV) at inception;
- G. contractor's equipment unless in storage and on SOV;

2) Perils Excluded:

- A. steam boiler explosion and/or machinery breakdown;
- B. employee infidelity;
- C. theft or damage due to weather conditions to personal property left in the open;
- D. nuclear war;
- E. demolition/increased cost of construction due to code or civil authority requirement;
- F. cost of making good faulty or defective workmanship, material, construction or design;
- G. loss or damage caused by freezing unless resulting from damage occasioned by other insured perils;
- H. loss or damage to materials and/or equipment in the course of ocean marine shipment;

3. Special Conditions: Newly acquired properties, except newly acquired property with values in excess of \$5,000,000 must be reported within 90 days of acquisition or completion.

Recovery of school properties is based upon REPLACEMENT COST of real and personal property with like kind and quality according to stated values. The actual loss standard for figuring recovery is applied to extra expense, business interruption and rental income as these relate to NSB concerns located in Prudhoe Bay only. The actual loss standard does not apply to NSB School District properties.

Contents Coverage (NSBSD Only)

The NSBSD insures the contents of those buildings used by the District for \$1,000,000 per occurrence with a \$25,000 deductible per occurrence. This plan is effective June 1, 1987 to June 1, 1988 and covers "all risk" of physical loss including earthquake and flood, subject to policy terms, conditions and the exclusions listed above under the Property Insurance section of this document.

Insurance Selection Process

The NSB begins property insurance marketing 120 to 90 days prior to the policy renewal date.

The NSB property policy is in manuscripted form and is much broader than most commercial property policies. Once the property schedule (approximately \$634,000,000 for the subject coverage period) is finalized, a marketing package is submitted to both domestic and foreign carriers. Quotations from the carriers are submitted to the NSB broker Bayly, Martin and Fay (BMF) and then forwarded to the Borough.

The NSB Risk Manager and the Director of the NSB Department of Administration and Finance review all quotations and balance the insurance products available with internal budgetary constraints to produce a financially feasible program based on past loss history. Before entering into the selected program, a determination is also made that it will meet insurance industry standards, and provide coverage comparable to or broader than that acquired by other similar public entities within the state.

Uninsured Emergency Costs - Wainwright Fire

Expenditures for emergency work associated with the restoration of temporary power in Wainwright; including labor, travel, materials, freight, professional fees, miscellaneous costs and equipment; have been reported at \$117,198.78. The cost of bringing the existing elementary wing up to operational standards prior to initiating temporary school facilities; including labor, travel, materials, freight, professional fees, miscellaneous costs and equipment; has been reported at \$26,565.36.

North Slope Borough Insurance Coverage

March 1, 1988

Page 4

The cost of construction and/or relocation of facilities to provide a temporary school for the next two years; including sub-contractor expense, house moving costs, labor, travel, materials, freight, other professional fees, miscellaneous costs and equipment; have been reported at \$607,916.79.

The cost of refurbishing elementary facilities and furnishing temporary school facilities and reassignment of personnel to allow for development and implementation of educational plans using the temporary facilities, including labor, travel, materials, freight, temporary furnishing, curriculum materials and miscellaneous costs; has been reported at \$85,629.70. In addition approximately \$108,370 of reported expenditures under this category are still the subject of negotiations with the insurance company.

The cost of replacing School District contents destroyed in the building has been estimated at \$122,700 in excess of the \$1 million dollar NSBSD insurance coverage.

Materials procured from other NSB projects for use in emergency actions or on temporary facility construction, which must be replaced, have been estimated to cost approximately \$100,000. Approximately \$133,443 of uninsured costs have been encumbered under construction contracts, but have not yet been expended.

Uninsured architectural redesign costs are estimated at \$539,000. The cost of replacement of the 500 KW generator; including labor, materials, freight, travel and subsistence, equipment and fencing; is \$76,000.

The above listed actual, encumbered and estimated emergency and temporary measures which are uninsured now amount to a total of \$1,896,823.94. ADES has approved a total of \$939,700 based upon initial estimates. The additional amount necessary to cover uninsured costs is \$957,123.94. The above discussed uninsured costs are presented in greater detail in NSB Mayor George Ahmaogak's February 18, 1988 letter to Representative Adams (copy attached).

NSB/NSBSD CONTRIBUTION

The NSB has paid a premium of approximately \$1,100,000 for the current property policy which expires June 1, 1988. In addition, the amount of \$1,000,000 was budgeted by the NSB to cover the current year's SIR. This amount will be contributed to the cost of replacement of the facilities. The \$1,000,000 amount was budgeted in anticipation of only one major loss during the pertinent fiscal year. The NSB does not maintain a separate disaster relief fund for uninsured costs. The NSBSD paid a \$42,785 premium for the current contents policy which expires June 1, 1988.

These contributions are reflected in the Uninsured Damage Estimates previously provided to Representative Adams, Senator Hensley and House Finance Committee members.

North Slope Borough Insurance Coverage
March 1, 1988
Page 5

Conclusion

The NSB has suffered a massive financial blow in the form of the Wainwright fire disaster. The Self Insured Retention and various policies entered into with commercial insurance companies provide NSB insurance coverage according to the needs and capabilities of the NSB; this insurance is consonant with state standards. NSB insurance will cover replacement of the destroyed facilities.

Despite adequate replacement insurance, certain essential emergency and temporary facility construction activities have resulted in uninsured costs. These costs are beyond the fiscal capabilities of the NSB and fall within the intent of the State Disaster Relief Fund.

The North Slope Borough respectfully requests Disaster Relief Assistance in the amounts previously identified.

5-1715X
Utermohle
4/5/88

Original sponsor: Adams

Funding Information

General Fund	\$ -0-
Other Funds	5,244,521
	<u>\$5,244,521</u>

1 IN THE HOUSE

BY THE FINANCE COMMITTEE

2 CS FOR HOUSE BILL NO. 413 (Finance)

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 FIFTEENTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act making special appropriations to the Depart-
7 ment of Military and Veterans' Affairs for grants to
8 the North Slope Borough to alleviate the effects of
9 fires at Wainwright School and Ipalook School; and
10 providing for an effective date."

11 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:

12 * Section 1. The sum of \$1,516,871 is appropriated from the disaster
13 relief fund (AS 44.19.048) to the Department of Military and Veterans'
14 Affairs for payment as grants under AS 44.19.048 to the North Slope Borough
15 to alleviate the effects of fires at Wainwright School in the village of
16 Wainwright and at Ipalook School in the City of Barrow to be allocated as
17 follows:

18	Wainwright School	\$1,199,321
19	Ipalook School	317,550

20 * Sec. 2. The sum of \$3,727,650 is appropriated from federal disaster
21 relief funds to the disaster relief fund (AS 44.19.048). The sum of
22 \$3,727,650 is appropriated to the Department of Military and Veterans'
23 Affairs for payment as a grant under AS 44.19.048 to the North Slope
24 Borough to alleviate the effects of a fire at Ipalook School in the City of
25 Barrow.

26 * Sec. 3. This Act takes effect immediately under AS 01.10.070(c).

Offered: 2/24/88
Referred: Finance

5-1715L

Original sponsor: Adams

Funding Information

General Fund	\$ -0-
Other Funds	726,858
	<u>\$726,858</u>

1 IN THE HOUSE

BY THE HEALTH, EDUCATION AND
SOCIAL SERVICES COMMITTEE

2

CS FOR HOUSE BILL NO. 413 (HESS)

3

IN THE LEGISLATURE OF THE STATE OF ALASKA

4

FIFTEENTH LEGISLATURE - SECOND SESSION

5

A BILL

6

For an Act entitled: "An Act making a special appropriation to the Depart-

7

ment of Military and Veterans' Affairs for a grant to

8

alleviate the effects of a fire at Wainwright School;

9

and providing for an effective date."

10 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:

11 * Section 1. The sum of \$726,858 is appropriated from the disaster

12 relief fund (AS 44.19.048) to the Department of Military and Veterans'

13 Affairs for payment as a grant under AS 44.19.048 to the North Slope Bor-

14 ough to alleviate the effects of a fire at Wainwright School in the village

15 of Wainwright.

16 * Sec. 2. This Act takes effect immediately under AS 01.10.070(c).

Introduced: 1/29/88
Referred: Health, Education &
Social Services and Finance

5-1715A

Funding Information

General Fund	\$ -0-
Other Funds	726,858
	<u>\$726,858</u>

1 IN THE HOUSE

BY ADAMS

2

HOUSE BILL NO. 413

3

IN THE LEGISLATURE OF THE STATE OF ALASKA

4

FIFTEENTH LEGISLATURE - SECOND SESSION

5

A BILL

6

For an Act entitled: "An Act making a special appropriation to the Depart-

7

ment of Education for a grant to alleviate the ef-

8

fects of a fire at Wainwright School; and providing

9

for an effective date."

10 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:

11 * Section 1. The sum of \$726,858 is appropriated from the disaster

12 relief fund (AS 44.19.048) to the Department of Education for payment as a

13 grant under AS 37.05.316 to the North Slope School District to alleviate

14 the effects of a fire at Wainwright School in the village of Wainwright.

15 * Sec. 2. This Act takes effect immediately under AS 01.10.070(c).