

SCOMM

#50:39

# Alaska State Legislature



## House of Representatives

### Committee on Loans

POUCH V  
JUNEAU, ALASKA 99811

PHONE  
[907] 465-4919  
[907] 465-4920

TUESDAY, 3/26/85, 3:30 p.m.  
Room 124 (House Judiciary)

SB 186 "An Act authorizing the governor to lend up to \$3,400,000 from the disaster relief fund for a breakwater failure on St. Paul Island; and providing for an effective date."

Hearing: RED DOG MINE

WEDNESDAY, 3/27/85  
Room 124 (House Judiciary)

Hearing: RED DOG MINE

For more information, contact JOHN HARTLE  
465-4919  
CAPITOL ROOM 411

Introduced: 2/22/85  
Referred: State Affairs and  
Finance

1 IN THE SENATE

BY ZHAROFF AND COGHILL

2

SENATE BILL NO. 186

3

IN THE LEGISLATURE OF THE STATE OF ALASKA

4

FOURTEENTH LEGISLATURE - FIRST SESSION

5

A BILL

6

For an Act entitled: "An Act authorizing the governor to lend up to  
7 \$3,400,000 from the disaster relief fund for a break-  
8 water failure on St. Paul Island; and providing for  
9 an effective date."

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

11 \* Section 1. The governor is authorized to lend up to \$3,400,000 to the  
12 Department of Administration, division of risk management, from the assets  
13 of the disaster relief fund (AS 44.19.048) to alleviate the effects of a  
14 breakwater failure on St. Paul Island.

15 \* Sec. 2. A loan made under the authority of sec. 1 of this Act shall  
16 be made on the condition that the Department of Administration, division of  
17 risk management, repay to the disaster relief fund the proceeds of insur-  
18 ance payments received as a result of the breakwater failure on St. Paul  
19 Island. ~~ON OR BEFORE DEC 31, 1986~~

20 \* Sec. 3. The authority given by sec. 1 of this Act terminates June 30,  
21 1985.

22 \* Sec. 4. This Act takes effect immediately in accordance with AS 01.-  
23 10.070(c).

RAINY DAY DIV  
COVERAGE RISKS 90 DAYS

3.4 MILLION DOLLARS

MEMORANDUM:

TO: John Hartle  
FROM: Michael Thill  
RE: SB 186

Contact persons for explanation and information pertaining to the bill:

- 1) Clark Gruening 586-8110  
(representing City of St Paul)
- 2) Anselm Staack: 2200  
(Dept of Admin)
- 3) Brad Thompson: 2180  
(Div of Risk Management)
- 4) Vern McCorkle, (907) 546-2331  
City Manager, St Paul, Alaska

Estimate to repair damage to Phase I of the St Paul Breakwater:

\$4,000,000	
- 600,000	(\$300,000 deductible per occurrence x 2 occurrences)
<u>\$3,400,000</u>	

**SB 186: St Paul Breakwater**

The purpose of this legislation is to provide for a loan from the Disaster Relief Fund to the Division of Risk Management to alleviate the effects of a breakwater failure on St. Paul Island. During Mid November and again in early December, the phase I construction of the St Paul Breakwater was subjected to 2 major winter storms which caused significant damage.

This project is covered by insurance from both the Division of Risk Management and the contractor and the loan of \$3.4 million will be repaid from the proceeds of the insurance settlement.

This temporary loan will enable repairs to be made to phase I of the breakwater project and insure that valuable construction time will not be lost waiting for the insurance settlement. Passage of this bill will allow the project to proceed within the 1985 construction "window" and preserve a \$2.5 million dollar federal EDA grant for the construction of the dock. This federal grant is conditioned upon portions of the project being completed by June 30th. Additionally, as a condition of the loan, the City of St Paul has agreed to relinquish all claims to the insurance settlement thus insuring that the money will be repaid to the disaster relief fund.

The presence of a harbor in the Bering Sea is of vital concern for the economic development of the region and will also expedite the development of the worlds greatest whitefish resource.

SB ~~182~~ 184


# MEMORANDUM

## State of Alaska

**TO:** Anselm Staack  
Deputy Commissioner  
Administrative Management  
Department of Administration

**DATE:** February 6, 1985

**FILE NO:** 220C

**THRU:** William R. Snell   
Acting Deputy Commissioner  
Central Region  
Department of Transportation  
and Public Facilities

**TELEPHONE NO:** 266-1500

**SUBJECT:** Involvement of Risk  
Management with St.  
Paul Breakwater

**FROM:** John B. Olson, P.E.   
Director, Design & Construction  
Central Region

The events leading up to the Department of Transportation and Public Facilities' (DOT&PF) contact with Risk Management focused primarily on the assessment of damage. Technical analyses to determine why the Breakwater failed were critical, in view of the fact that the City of St. Paul had opened bids for Phase II construction and was scheduled to award the contract in mid-December. Tetra Tech, Inc., was hired to perform the technical analysis.

Following the decision to have the City of St. Paul cancel the contract award for Phase II, the Department and the City began to explore ways to fund the restoration of Phase I of the Breakwater.

During the week of January 14, 1985, Risk Management was asked to assist the Department in exploring its options with regard to Phase I. Several conversations followed and an exchange of information took place. On January 29, 1985, Brad Thompson of Risk Management met with representatives of the City of St. Paul and DOT&PF to determine the best way to proceed to restore the Breakwater to its pre-storm condition.

It was decided that the Division of Risk Management through DOT&PF would solicit an estimate to reconstruct the facility to its pre-storm condition. The Department has identified a list of potential consultants to prepare this estimate.

The initial estimate given to DOT&PF to restore the Breakwater is \$4.0 million. A more specific estimate will be developed as a result of comprehensive field investigation.

MEH/bgc

**cc:** Clark Gruening, Smith, Robinsons & Gruening, Juneau  
Brad Thompson, Claims Manager, Risk Management, OOA  
Warren Sparks, Deputy Commissioner, Headquarters

## APPENDIX A

### ST. PAUL HISTORY

The significant events surrounding the construction of the St. Paul Breakwater the storm damage and the time frame of reconstruction.

<u>DATE</u>	<u>EVENT</u>
	Construction contract awarded to Calista Corp.
	Problems arose in production of large armor stone, construction temporarily halted.
	Construction proceeded with modified (berm) breakwater design.
	Completion of Phase 1 construction was accepted for payment.
10/15/84	Breakwater began to show signs of readjusting to a moderate wave climate.
11/13/84-11/14/84	Breakwater was subjected to a major storm which significantly damaged the outer 350'.
11/19/84	City of St. Paul contacted DOT&PF for assistance on confronting the problem.
11/30/84	DOT&PF signed an agreement with Tetra Tech Inc., using an existing Term Contract, to conduct an assessment of the damage and determine the probable cause(s) of failure.
12/07/84-12/08/84	The breakwater was subjected to a second major storm which destroyed an additional 150'-200'. At this time the head portion of the breakwater had receded from an original station 9+00 to station 4+25.
12/31/84	First draft of final Tetra Tech Inc report was received for review.
01/14/85	DOT&PF contacted Risk Management to ascertain the States insurance alternatives for reconstruction of the breakwater.

01/21/85

Final Tetra Tech Inc. report was delivered to DOT&PF.

City of St. Paul contracted with DePue & Associates to develop alternative dock designs.

City of St. Paul contracted with Tetra Tech Inc. to develop alternative designs and estimates for reconstructing the breakwater and continuation of phase 2 construction.

01/29/85

DOT&PF, City of St. Paul, and Risk Management met to discuss the current status of the breakwater and determine what involvements between the agencies is necessary to meet the critical time frame for construction and preservation of the EDA grant.

TENTATIVE SCHEDULE TO MEET 1985 CONSTRUCTION WINDOW AND FULFILL GRANT REQUIREMENTS.

02/15/85

Select from alternative designs of breakwaters and docks.

02/28/85

Contract for A/E services to develop final design, drawings, and specifications for breakwater and dock.

03/01/85-03/15/85

Field investigations (detailed bathymetry, geotech, etc.)

03/15/85-04/30/85

Hydraulic Model Studies

03/01/85-04/15/85

Develop final design, construction, and bid documents

04/16/85-06/01/85

Advertise and award

06/15/85

Begin construction

11/15/85

Complete construction



TETRA TECH, INC.  
2215 ARCADE BOULEVARD  
ALCOA, ALASKA 99503-9775  
TELEPHONE (907) 594-8144

SB #2

RECEIVED FEB 4 1985 / SE

4 February 1985

Mr. Vern McCorkle  
City Manager  
City of St. Paul  
St. Paul, Alaska

Dear Mr. McCorkle:

The following is a summarization of our analysis of the Saint Paul Harbor Project:

1. Estimated Costs to Re-build Phase I

	<u>w/o contingencies E&amp;D and S&amp;A</u>	<u>w/contingencies E&amp;D and S&amp;A</u>
a) to Norgaard's Original Design	\$4.02 million	\$4.74 million
b) Norgaard's A-B Design	3.40 million	4.01 million
c) to Tetra Tech's Preliminary Design	4.95 million	5.84 million

Basis of costs are shown on the attached sheets for (a) and (b). Unit prices are from Phase 2 bid summaries and quantity estimates assume that existing material from damaged section can be incorporated into the core. We have added the costs for mob/demobs, camps and have road maintenance which were not included in our original \$3 million estimate.

2. Extent of \$9.0 Million Breakwater Project

Using Tetra Tech's preliminary x-section, breakwater repairs and extension to about STA 14+00 can be accomplished for \$9 million. A head section incorporating 30-ton concrete dolos armor units and a trunk section using 14-ton stone on a 1:4 slope were used in this estimate. A project of this magnitude could protect a 200-foot barge dock while providing a 20' draft along the berth. Dredging of the harbor for the removal of washed out breakwater material would be required. Wave heights of about four feet along the berth would be expected several times per year during storm conditions. The evaluation of using a concrete caisson for the head section instead of the 30-ton dolos units may substantially affect the total possible breakwater length. Model testing of the caisson and our preliminary design for the trunk section is also required. We are presently investigating

Mr. Vern McCorkle  
4 February 1985  
Page two

the caisson alternative, but a precise construction cost estimate will be difficult. In summary, we are confident that a 1200- to 1500-foot breakwater can be constructed with a \$9.0 million budget. Estimated construction time for this project is seven months.

3. Estimated Costs for Re-build to Original Phase I/Phase II Project

Using Tetra Tech's preliminary design x-section and extending the project to STA 20+50 as shown in the Phase II construction drawings would cost about \$12.63 million in construction. Including a 5% contingency and allowances for engineering and design and supervision and administration would necessitate a \$14.9 million project budget. Estimated construction time for this project is 13 months, hence a two-season construction program would be needed.

4. Alternative X-Section Designs


We have examined six alternative cross-sections plus Norgaard's trunk and head section designs. Based on the 25-foot design wave, Norgaard's original design would expect considerable damage (about 20% or more). The other six designs are expected to sustain about 0 to 5% damage on an annual basis, but model tests of some alternatives are necessary to verify this damage estimate. We are presently evaluating a caisson section for use as the breakwater head. This may be similar in cost to a rubblemound dolos protected head section but afford an additional 50 feet of breakwater length. See attached table for a summary of x-sections examined.

I would like to emphasize that some of our designs can only be verified by scale model testing. We have preliminary sections drawn, along with a plan of the project to STA 14+00, which can be made available for your use if you feel they would be of any assistance. Once Tetra Tech, or possibly some other firm, is given a notice to proceed with the development of detailed plans and specifications, it will take approximately four weeks to have them ready for bid. Also, if the dock facilities are to be incorporated in this project, a subsoil investigation of the harbor bottom must be completed. Tetra Tech would be pleased to act as St. Paul's agent for this work, or if you desire to contract directly for this work we will recommend firms specializing in this type of work.

If you have any questions, please don't hesitate to give me a call at 564-8144.

Sincerely,

TETRA TECH, INC.

  
Robert H. Taylor  
Manager, Alaska Operations

RHT:rd

Enclosures

cc: Tony Smith, Attorney





INC.  
PASADENA, CALIF.

SUMMARY

FILE NO TC 3023

COMPUTED \_\_\_\_\_

CHECKED \_\_\_\_\_

DATE \_\_\_\_\_ PAGE \_\_\_\_\_ OF \_\_\_\_\_ PAGES

ALTERNATIVE	COSTS/FT	CREST EL.	USEABLE ROADWAY	REMARKS
a. NORGGAARD SECTION C 12-ton ARMOR	\$ 5090	+30	30'	DAMAGE = 15-20% UNDER 25' DESIGN WAVE
b. NORGGAARD HEAD 18-ton ARMOR	7800	+30	30'	DAMAGE > 50% UNDER 25' DESIGN WAVE
1. ALT 1 14-ton stone 1:4 slope	8000	+37	40'	VERY WIDE STRUTTING MAY ENCRASH ON HEAD. CREST EL. REQUIRES MODEL TEST
2. ALT 2 18-ton stone 1:3 slope	7100	+30	none	18-TON PROBABLY NOT AVAILABLE IN REQ'D QUAN.
3. ALT 3 30-ton dolos 1:2 slope	11600	+30	none	USE FOR HEAD SECTION. OVERTOPPED
4. ALT 4 20-ton dolos 1:2 slope	11000	+30	none	USE FOR TRUNK OVERTOPPED
5. ALT 5 4 1/2-ton tetrapod 1:1.5 slope	10300	+38	8'	CREST REQUIRES MODEL TEST
6. ALT 6 14-ton stone composite	6400	+40	30'	MODEL TEST NEEDED TO EVALUATE STABILITY
7. CAISSON	UNDER	EVALUATION		

§ 44.19.046

lieutenant governor shall appoint, departments of the need to the office of nor becomes vacant. majority of the mem- e person designated office of lieutenant If the person desig- ne appointment, the mation in the same 174 SLA 1959)

and Employees, §§ 109, 7. ces. §§ 94 to 101.

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ncies in the office r simultaneously,

§ 44.19.048

STATE GOVERNMENT

§ 44.19.048

the person appointed under AS 44.19.040 succeeds directly to the office of acting governor until successors to the respective offices are elected in a special election. (§ 5 ch 174 SLA 1959)

Revisor's notes. — Formerly AS 44.19.150. Renumbered in 1980. Cross references. — As to condition and time of calling special election, see AS 15.40.230.

Article 3. Disaster and Emergency Relief Funds.

Section	Section
48. Disaster relief fund	50. Definition
49. Grants and loans to municipalities damaged by natural disaster	52. Fuel emergency fund

Revisor's notes. — In 1980, the sections of this chapter were extensively renumbered. For derivations of current sections and current disposition of former sections consult the parallel reference table at the beginning of this title and the Table of Sections Amended, Etc. in binder no. 8.

Sec. 44.19.048. Disaster relief fund. (a) There is in the Office of the Governor a disaster relief fund. The Department of Revenue is custodian of the fund.

(b) Subject to the restrictions of (d) and (e) of this section, the governor may, without additional legislative authorization, expend not more than \$1,000,000 of the assets of the disaster relief fund for the following purposes:

(1) to implement provisions of law relating to disaster relief in the case of a disaster as defined in AS 44.19.050 occurring after October 11, 1967;

(2) to alleviate the effects of a disaster as defined in AS 44.19.050 occurring after October 11, 1967, by making loans or grants to persons or municipalities on terms the governor considers appropriate or by other means the governor considers appropriate.

(c) Subject to the restrictions of (d) and (e) of this section, the governor may, without additional legislative authorization, expend for any fiscal year not more than \$500,000 of the assets of the disaster relief fund to prevent or minimize the effects of an event which occurs in any part of the state after October 11, 1967 and which, in the determination of the governor, poses a direct and imminent threat of resulting in a disaster of sufficient magnitude and severity to justify state action.

(d) Expenditures authorized by the legislature to alleviate effects of the natural disaster occurring on August 14, 1967 shall be reimbursed to the general fund from the disaster relief fund before any other expenditures may be made from the disaster relief fund.

(e) The governor shall present to the legislature an annual accounting of money expended from the disaster relief fund. (§ 1 ch 25 FSSLA 1967; am §§ 4, 5 ch 104 SLA 1977; am § 10 ch 116 SLA 1980)

Revisor's notes. — Formerly AS 44.19.171. Renumbered in 1980. Cross references. — As to the Alaska Disaster Act, see AS 26.23.010 et seq.

**Sec. 44.19.049.** Grants and loans to municipalities damaged by natural disaster. (a) Grants and loans for urban renewal shall be made available to municipalities damaged by disasters occurring in the state after August 1, 1967 in order to match federal funds under federal urban renewal programs. A grant or loan of state funds to a municipality for an urban renewal program under this section may not exceed 25 percent of the aggregate of the net project costs of the urban renewal project. Funds shall be made available to a municipality to match federal funds only if the urban renewal project is made necessary by the disaster.

(b) The funds for the grants or loans under this section shall come from the disaster relief fund provided for in AS 44.19.048 — 44.19.050.

(c) No urban renewal project costing over \$30,000,000 is eligible for grants or loans under this section.

(d) The governor shall determine the eligibility of a municipality for a grant and loan of funds to match federal funds for urban renewal. In making the determination the governor shall consider the following standards:

(1) the amount of participating money available from the United States government for urban renewal;

(2) the amount and availability of funds from other sources to meet the municipality's required contribution of matching funds;

(3) whether or not the urban renewal project was made necessary by a disaster;

(4) the needs of other municipalities damaged by the disaster for funds to match federal funds for urban renewal projects, and the urgency of the needs of other communities as compared with the community under consideration;

(5) the cost of the urban renewal project;

(6) the general welfare of the state and its inhabitants.

(e) A report of activity under this section shall be made to the legislature each year.

(f) The governor shall determine the terms and conditions of a loan made under this section.

(g) In this section "disaster" means a disaster proclaimed by the President of the United States. (§ 1 ch 20 FSSLA 1967; am § 1 ch 171 SLA 1970; am §§ 7-10 ch 104 SLA 1977)

Revisor's n  
44.19.177. Renu

**Sec. 44.19**  
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SLA 1977)

Revisor's n  
44.19.175. Renu

**Sec. 44.19**  
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Revisor's n  
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**Section**  
54. State Geogr.  
56. Composition  
58. Duties of bo  
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§ 44.19.050

STATE GOVERNMENT

§ 44.19.054

Revisor's notes. Formerly AS  
44.19.177. Renumbered in 1980.

**Sec. 44.19.050. Definition.** In AS 44.19.048 and 44.19.049, "disaster" means the occurrence or imminent threat of widespread or severe damage, injury, or loss of life or property resulting from any natural or man-made cause including, but not limited to, fire, flood, earthquake, landslide, avalanche, wind-driven water, weather condition, tsunami, oil spill or other water contamination requiring emergency action to avert damage, volcanic activity, epidemic, air contamination, blight, infestation, explosion, or riot. (§ 1 ch 25 FSSLA 1967; am § 6 ch 104 SLA 1977)

Revisor's notes. — Formerly AS  
44.19.175. Renumbered in 1980.

**Sec. 44.19.052. Fuel emergency fund.** There is established in the Office of the Governor the fuel emergency fund. When the governor determines that a shortage of fuel is sufficiently severe to justify state assistance the governor may make a grant from the fuel emergency fund to a city or borough, or to a village or unincorporated community, to purchase emergency supplies of fuel. (§ 37 ch 83 SLA 1980)

Revisor's notes. — Formerly AS  
44.19.179. Renumbered in 1980.

#### Article 4. State Geographic Board.

##### Section

- 54. State Geographic Board
- 56. Composition
- 58. Duties of board
- 59. Alaska Native place names

##### Section

- 60. Use of names chosen
- 62. Advertising or publishing a name without approval

Revisor's notes. — In 1980, the sections of this chapter were extensively renumbered. For derivations of current sections and current disposition of former

sections consult the parallel reference table at the beginning of this title and the Table of Sections Amended, Etc. in binder no. 8.

**Sec. 44.19.054. State Geographic Board.** There is in the Office of the Governor a State Geographic Board. (§ 1 ch 119 SLA 1961)

Revisor's notes. — Formerly AS  
44.19.350. Renumbered in 1980.

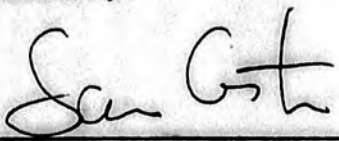
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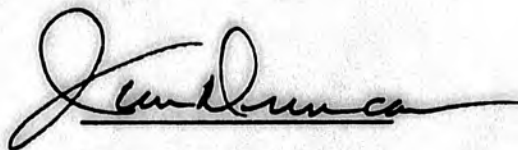
LETTER OF INTENT  
HOUSE SPECIAL COMMITTEE ON STATE LOANS

Senate Bill 186 - "An act authorizing the governor to lend up to \$3,400,000 from the disaster relief fund for a breakwater failure on St. Paul Island; and providing for an effective date."

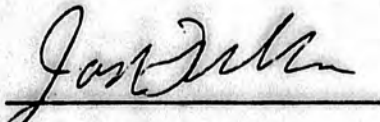
It is the Intent of the Legislature that, in order to ensure that all money will be repaid to the State of Alaska, Disaster Relief Fund, and the Division of Risk Management for the States' insurance deductible, as a condition of this loan for reconstruction of the Saint Paul Breakwater, the City of Saint Paul must agree to subrogate, up to a total of four million dollars, all claims to any insurance settlements from the breakwater failure.



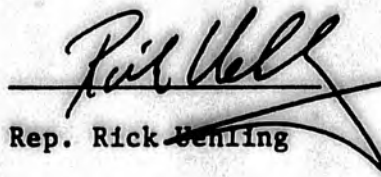
Rep. Sam Cotten



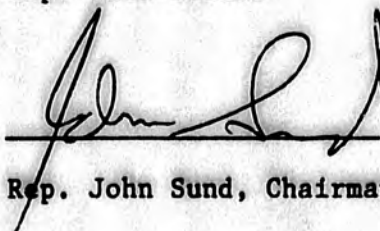
Rep. Jim Duncan



Rep. Jack Fuller



Rep. Rick Henling



Rep. John Sund, Chairman

COMMITTEE REPORT  
HOUSE

3/29

(5)

FURTHER: FINANCE

3/18/85

Date: 3/26/85

The Committee on HOUSE SPECIAL COMMITTEE ON STATE LOANS has had SB 186

"An Act authorizing the governor to lend up to \$3,400,000 from the disaster relief fund for a breakwater failure on St. Paul Island; and providing for an effective date."

under consideration and recommends:

- do pass  do not pass
- do pass with attached amendments(s)
- replace with CS for \_\_\_\_\_  same title  
 new title

and recommends \_\_\_\_\_

- AND attaches a "Letter of Intent"  New Fiscal Note  
 Zero Fiscal Note Attached
- reports it back without recommendation
- referred to the \_\_\_\_\_ Committee

MEMBERS SIGNING  
DO PASS

MEMBERS HAVING  
OTHER RECOMMENDATIONS:

WIND [Signature]

COTTEN [Signature]

DURMAN [Signature]

\_\_\_\_\_

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LEHLING [Signature] (No. 10)

FULLER [Signature] (No. 1)

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[Signature]  
CHAIRMAN