

Cold Bay Activity Report

Community Overview

Lead RUBA Staff: Elizabeth Manfred, Anchorage Office

2003 Population: 95

Region: Alaska Peninsula

Local Government: Second Class City located within the Aleutians East Borough.



City provided services include piped water, piped sewer, landfill, health clinic, dock, fire/EMS/ambulance and a library. The city municipal building includes a fitness center. The new community center is open and provides space for training or community presentations from outside agencies.

Currently water is supplied by one well and stored in a 213,000-gallon tank. The city has applied for funding to dig a second well. The majority of residents are connected to the piped water and sewer system. A few homes have individual wells and septic systems. The sewage treatment plant can process up to 45,000 gallons a day. Residents transport their own refuse to the landfill located 1.5 miles north of the city. A feasibility study is being done to determine whether to clean up or replace the landfill.

G & K, Inc. provides electricity to the community. There is one school with a current attendance of 12 students.

Because of its central location and modern airport, Cold Bay serves as the regional center for air transportation on the Alaska Peninsula and as an international hub for private aircraft. The state, federal government, and airline transportation service provides the majority of local employment. Cold Bay has a promising future as a service and fueling center for the bottomfish industry. The city council changes frequently in relationship to reassignments of state and federal employees.

RUBA Activity This Reporting Period

The city clerk writes, “The budget workshop last night went really well. Both the Mayor and Vice Mayor commented how much easier it is doing the budget this year then last year. I know it is because of QuickBooks!!” Cold Bay found it necessary to make some budget amendments and decided to begin the FY05 budget process early. The RUBA program installed QuickBooks Pro in Cold Bay last year, which the clerk/treasurer is using successfully.

The Public Works Director submitted his resignation. As the only two full time employees in Cold Bay are the City Clerk and the Public Works Director, this experienced person will be missed. The city received assistance in recruiting, interviewing, and hiring a replacement. One of the priority tasks for the new hire will be to complete water treatment certification.

RUBA regional staff also provided assistance regarding a local lodge applying for an alcohol license and setting up a reserve and replacement account.

Capacity Indicators

Finances

Essential Indicators

- | Yes | No | |
|-------------------------------------|--------------------------|--|
| <input checked="" type="checkbox"/> | <input type="checkbox"/> | All revenue and expenses for the utility are listed in the utility budget. |
| <input checked="" type="checkbox"/> | <input type="checkbox"/> | The utility has adopted a balanced realistic budget. |
| <input checked="" type="checkbox"/> | <input type="checkbox"/> | Monthly financial reports are prepared and submitted to the policy making body. |
| <input checked="" type="checkbox"/> | <input type="checkbox"/> | The utility is receiving revenues (user fees or other sources) sufficient to cover operating expenses. |

Sustainable Indicators

- | | | |
|-------------------------------------|-------------------------------------|---|
| <input checked="" type="checkbox"/> | <input type="checkbox"/> | The utility is receiving revenues (user fees or other sources) sufficient to cover operating expenses and Repair & Replacement (R&R) costs. |
| <input checked="" type="checkbox"/> | <input type="checkbox"/> | YTD revenues are at a level equal to or above those budgeted. |
| <input checked="" type="checkbox"/> | <input type="checkbox"/> | YTD expenditures are at a level equal to or below those budgeted. |
| <input type="checkbox"/> | <input checked="" type="checkbox"/> | A monthly manager’s report is prepared. |
| <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | Budget amendments are completed and adopted as necessary. |

Finances Comments: The monthly finance reports, generated with QuickBooks and listing the adopted budget, revenue or expenditure, year-to-date revenue or expenditure, and remaining budget for each line item, are provided to the council. A rate analysis was suggested by the utility operator with a goal of lowering the utility rates. Monthly finance reports do not support a rate decrease at this time. The council did draft and adopt necessary budget amendments. The council set up an account to place 10% of water and sewer gross profit into a reserve account.

Accounting Systems

Essential Indicators

- | Yes | No | |
|-------------------------------------|--------------------------|--|
| <input checked="" type="checkbox"/> | <input type="checkbox"/> | The utility has adopted a collection policy and actively follows it. |
| <input checked="" type="checkbox"/> | <input type="checkbox"/> | The utility bills customers on a regular basis. |
| <input checked="" type="checkbox"/> | <input type="checkbox"/> | An accounts receivable system is in place which track customers and reports past due accounts and amounts. |
| <input checked="" type="checkbox"/> | <input type="checkbox"/> | An accounts payable system is in place. |
| <input checked="" type="checkbox"/> | <input type="checkbox"/> | The payroll system correctly calculates payroll and keeps records |
| <input checked="" type="checkbox"/> | <input type="checkbox"/> | A cash receipt system is in place that records incoming money and what it was for. |
| <input checked="" type="checkbox"/> | <input type="checkbox"/> | The utility has a cash disbursement system that records how money was spent. |

Sustainable Indicators

- | | | |
|-------------------------------------|-------------------------------------|---|
| <input checked="" type="checkbox"/> | <input type="checkbox"/> | A chart of accounts is used that identifies categories in a reasonable, usable manner. |
| <input checked="" type="checkbox"/> | <input type="checkbox"/> | Monthly bank reconciliations have been completed for all utility accounts. |
| <input type="checkbox"/> | <input checked="" type="checkbox"/> | The utility has a purchasing system that requires approval prior to purchase, and the approval process compares proposed purchases to budgeted amounts. |

Accounting Comments: Enforcing a purchasing system was a priority this quarter. The council directed the utility operator to receive prior approval to all purchases over \$500. The utility operator resigned over this issue among others. The purchasing process will be outlined and enforced with the new hire.

Tax Problems

Essential Indicators

- | Yes | No | NA | |
|-------------------------------------|--------------------------|-------------------------------------|--|
| <input checked="" type="checkbox"/> | <input type="checkbox"/> | | The utility has a system to accurately calculate, track, and report payroll tax liabilities. |
| <input checked="" type="checkbox"/> | | | The utility is current on filing tax reports. |
| <input checked="" type="checkbox"/> | <input type="checkbox"/> | | The utility is current on making tax deposits. |
| <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> | If there are any past tax liabilities, a repayment agreement has been signed and repayments are current. |

Tax Problems Comments: Tax deposits are made electronically each pay period by the city clerk who has assumed payroll duties. There are no tax liabilities at this time.

Personnel System

Essential Indicators

- | Yes | No | |
|-------------------------------------|--------------------------|---|
| <input checked="" type="checkbox"/> | <input type="checkbox"/> | The utility has a posted workers compensation insurance policy in effect. |

Sustainable Indicators

- | | | |
|-------------------------------------|-------------------------------------|--|
| <input checked="" type="checkbox"/> | <input type="checkbox"/> | The utility has adopted and uses a Personnel Policy, which has been reviewed by an attorney, AML, or DCED for topics and language. |
| <input checked="" type="checkbox"/> | <input type="checkbox"/> | The utility has adequate written job descriptions for all positions. |
| <input type="checkbox"/> | <input checked="" type="checkbox"/> | The utility has adopted and follows a written personnel evaluation process that ties the job description to the evaluation. |
| <input checked="" type="checkbox"/> | <input type="checkbox"/> | The utility has an adequate written hiring process. |
| <input checked="" type="checkbox"/> | <input type="checkbox"/> | The utility has personnel folders on every employee that contain at least: I-9, Job Application and Letter of Acceptance. |
| <input type="checkbox"/> | <input checked="" type="checkbox"/> | The utility has a probationary period for new hires that includes orientation, job-training/oversight, and evaluations. |
| <input checked="" type="checkbox"/> | <input type="checkbox"/> | The utility provides training opportunities to staff as needed and available. |

Personnel System Comments: Personnel files were created and all required documentation is in place. The city followed their personnel code in the recruitment and hiring of a new Public Works Director.

Organizational Management

Essential Indicators

- | Yes | No | |
|-------------------------------------|--------------------------|--|
| <input checked="" type="checkbox"/> | <input type="checkbox"/> | The entity that owns the utility is known and the entity that will operate the utility is set. |
| <input checked="" type="checkbox"/> | <input type="checkbox"/> | The policy making body is active in policy making of the utility. |
| <input checked="" type="checkbox"/> | <input type="checkbox"/> | The policy making body enforces utility policy. |
| <input checked="" type="checkbox"/> | <input type="checkbox"/> | The utility has an adequately trained manager. |
| <input checked="" type="checkbox"/> | <input type="checkbox"/> | The utility has an adequately trained bookkeeper. |
| <input checked="" type="checkbox"/> | <input type="checkbox"/> | The utility has an adequately trained operator(s). |
| <input checked="" type="checkbox"/> | <input type="checkbox"/> | The utility has adopted the necessary ordinances (or rules and regulations) to give it |

the authority to operate.

Sustainable Indicators

- The utility has adopted an organizational chart that reflects the current structure.
- The policy making body meets as required.
- The utility complies with the open meeting act for all meetings.

Organizational Management Comments: The policy making body meets regularly and reviews the utility services at each meeting. All meetings are posted as required. A verbal report is required from the utility manager at each meeting.

Operation of Utility

Essential Indicators

- | Yes | No | |
|-------------------------------------|-------------------------------------|--|
| <input checked="" type="checkbox"/> | <input type="checkbox"/> | The utility operator(s) are actively working towards necessary certification. |
| <input type="checkbox"/> | <input checked="" type="checkbox"/> | The utility has a preventative maintenance plan developed for the existing sanitation facilities. |

Sustainable Indicators

- The manager receives a monthly O&M report from the utility operator and routinely “spot checks” the facilities to see that the maintenance items are being completed.
- The utility has a safety manual and holds safety meetings.
- Utility facilities have not suffered any major problems/outages due to management issues that are still unresolved.
- The utility is operating at the level of service that was proposed.
- The operator provides status reports to the manager on a routine basis.
- The utility has completed and distributed its Community Confidence Report (CCR).
- The utility is not on the Significant Non-Compliance (SNC) list.
- The utility maintains an inventory control list.
- The utility maintains a critical spare parts list.

Operation of Utility Comments: The new hire will attend the first available water treatment certification class. In the mean time, Doug Abbas, Remote Maintenance Worker will travel to Cold Bay and provide on-site training. Doug is also assisting the operator in developing a preventative maintenance plan, inventory control list, and critical spare parts list.

RUBA Activities For The Coming Quarter

- An on-site visit will be made to provide the following assistance:
- Provide Newly Elected Officials Training
- Continue codification project
- Draft and present personnel policy amendments for employee evaluation process
- Facilitate a meeting regarding sales tax exemptions