

## False Pass Activity Report

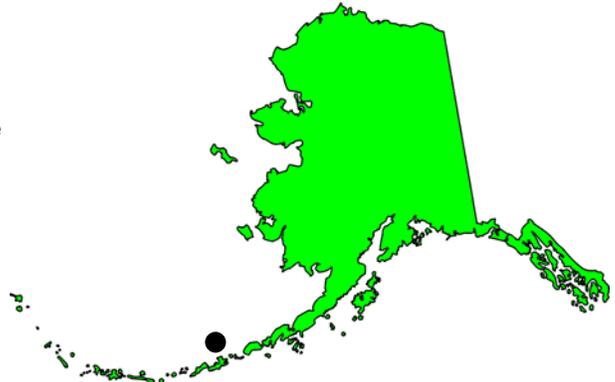
### Community Overview

Lead RUBA Staff: John Nickels, Anchorage Office

2003 Population: 69

Region: Aleutians

Local Government: 2<sup>nd</sup> Class City located within the Aleutians East Borough.



City provided services include piped water, electric, refuse collection, landfill, public safety office, volunteer fire, dock, airport (state contract), roads, community hall, youth center, library, boat haul-out, pet registration, driver licenses, and voter registration. The city also maintains the buildings housing the Post Office, Library, and Clinic. Construction of a small boat harbor is expected to begin in 2005. Water is derived from a nearby spring and reservoir and is treated and stored in two 60,000-gallon tank. Most homes are connected to the piped water system. Almost 80% of the homes are fully plumbed. Many residents have individual septic tanks; wastewater from seafood processing flows directly into an outfall line. A community-wide septic system is designed and funding for construction is being sought. The community is in compliance with DEC water regulations.

### RUBA Activity This Reporting Period

The city clerk, hired in July 2005, resigned effective December 10, 2005. A new clerk has been hired and RUBA staff is planning a trip to the community in January 2006 to conduct clerk training, and to verify the status of assessment indicators that were not met in August.

## Capacity Indicators

### Finances

#### Essential Indicators

- | Yes                                 | No                                  |   |
|-------------------------------------|-------------------------------------|---|
| <input type="checkbox"/>            | <input checked="" type="checkbox"/> | All revenue and expenses for the utility are listed in the utility budget.                              |
| <input type="checkbox"/>            | <input checked="" type="checkbox"/> | The utility has adopted a balanced realistic budget.  |
| <input type="checkbox"/>            | <input checked="" type="checkbox"/> | Monthly financial reports are prepared and submitted to the policy making body.                         |
| <input checked="" type="checkbox"/> | <input type="checkbox"/>            | The utility is current in paying all water/wastewater electric bills.                                   |
| <input checked="" type="checkbox"/> | <input type="checkbox"/>            | The utility has on hand a year's adequate fuel supply or it has financial plan to purchase an adequate. |
| <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 checked="" type="checkbox"/> | <input type="checkbox"/> | A monthly manager's report is prepared.   |
| <input checked="" type="checkbox"/> | <input type="checkbox"/> | Budget amendments are completed and adopted as necessary.   |

### Finances Comments:

There are budgets for all utilities in place, however due to turnover of city staff, certain errors and omissions were not discovered before the budget was adopted by the city council. An ordinance amending the budget was passed October 18, however RUBA staff has not received a copy. Monthly finance reports, generated using QuickBooks Pro and Excel, which report the amounts of the adopted budget, the monthly expenditure or revenue, the year to date expenditure or revenue, and the remaining budgeted amount have been presented to the council quarterly or semi-annually, and statements from checking and savings accounts have been presented monthly. It is unknown whether recommended changes to the format of the monthly financial reports have been made.

### 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 reconciliation's have been completed for all utility accounts.   |
| <input checked="" type="checkbox"/> | <input 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 Systems Comments:**

All essential accounting systems are in place and use QuickBooks Pro accounting software. The utility continues to actively enforce the collection policy with great success. A utility employee may also work part-time in several city departments; however, the employee time sheet tracks hours worked for each department and the payroll system pays accordingly. All customer service charges are combined on one invoice to avoid confusion.

**Tax Problems**

**Essential Indicators**

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

**Tax Problems Comments:**

The city remains current on all tax deposits.

**Personnel System**

**Essential Indicators**

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

**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 checked="" type="checkbox"/> | <input 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 type="checkbox"/>            | <input checked="" type="checkbox"/> | The utility has personnel folders on every employee that contain at least: I-9, Job Application and Letter of Acceptance.          |
| <input checked="" type="checkbox"/> | <input 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:**

The city carries workers compensation insurance with AML/JIA and has received the Gold Pan award for an excellent safety record. Personnel folders for all employees are in place, however in reviewing several, two were found with photocopies of personal identification, but no I-9 forms.

### 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) necessary to give it the authority to operate. |

#### Sustainable Indicators

- |                                     |                          |  |
|-------------------------------------|--------------------------|--|
| <input checked="" type="checkbox"/> | <input type="checkbox"/> | The utility has adopted an organizational chart that reflects the current structure. |
| <input checked="" type="checkbox"/> | <input type="checkbox"/> | The policy making body meets as required.  |
| <input checked="" type="checkbox"/> | <input type="checkbox"/> | The utility complies with the open meeting act for all meetings.                     |

### Organizational Management Comments:

The local governing body is very active in amending, adopting, and enforcing utility policy. They meet as required and the meetings are noticed properly. The utility operator, bookkeeper and manager are all qualified individuals. RMW Doug Abbas travels to the community to provide on-site operator training as the community has cut all travel and training due to the loss of Municipal Revenue Sharing and lower levels of locally generated tax revenues, largely a result of the decline in the salmon fishery.

### 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 checked="" type="checkbox"/> | <input type="checkbox"/> | The utility has a preventative maintenance plan developed for the existing sanitation facilities. |

#### Sustainable Indicators

- |                                     |                                     |   |
|-------------------------------------|-------------------------------------|---|
| <input checked="" type="checkbox"/> | <input type="checkbox"/>            | 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. |
| <input type="checkbox"/>            | <input checked="" type="checkbox"/> | The utility has a safety manual and holds safety meetings.  |
| <input checked="" type="checkbox"/> | <input type="checkbox"/>            | Utility facilities have not suffered any major problems/outages due to management issues that are still unresolved.   |
| <input checked="" type="checkbox"/> | <input type="checkbox"/>            | The utility is operating at the level of service that was proposed.   |
| <input checked="" type="checkbox"/> | <input type="checkbox"/>            | The operator provides status reports to the manager on a routine basis.   |
| <input checked="" type="checkbox"/> | <input type="checkbox"/>            | The utility has completed and distributed its <u>Community Confidence Report</u> (CCR).   |
| <input checked="" type="checkbox"/> | <input type="checkbox"/>            | The utility is not on the <u>Significant Non-Compliance</u> (SNC) list.   |
| <input checked="" type="checkbox"/> | <input type="checkbox"/>            | The utility maintains an inventory control list.  |
| <input checked="" type="checkbox"/> | <input type="checkbox"/>            | The utility maintains a critical spare parts list.  |

### **Operation of Utility Comments:**

Due to employee turnover, the city currently has one certified operator who is working to maintain his certification, and one new operator who is eager to become certified. The utility operator presents a monthly meeting verbally or written at each council meeting.

### **RUBA Activities For The Coming Quarter**

The following activities are planned:

- (1) A trip to the community is planned for January 2006 for clerk training (second clerk since July '05), and to re-assess the essential RUBA management capacity indicators;
- (2) provide assistance to the new clerk as needed;
- (3) review personnel policies and job descriptions.

