

False Pass Activity Report

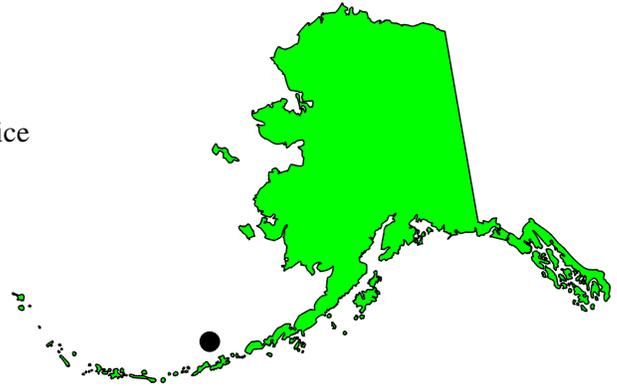
Community Overview

Lead RUBA Staff: Elizabeth Manfred, Anchorage Office

2002 Census Population: 79

Region: Aleutians

Local Government: Second 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, boat haul-out, pet registration, driver's licenses, and voter registration. The city also maintains the buildings housing the Post Office, Library, and Clinic.

Water is derived from a nearby spring and reservoir and is treated and stored in a 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. The community is in compliance with DEC water regulations.

The water upgrade project was essentially complete when the dam was finished in September. A problem with the original tank was discovered during the project and will be required to be a separate job. Draining and cleaning the old tank revealed corrosion that will develop leaks if not repaired soon. As the repair will require specialized training and equipment, it could not be included in the present grant. The present water upgrade project was completed under budget and the excess grant funds will roll over to be used to repair the tank.

The city is proposing a community septic service. The construction is proposed in two phases with the first phase serving the beach homes and those close to Peter Pan Cannery land. The second phase would add the gravity sewer main that will extend to the homes along Mountain Valley Road. VSW funding is sought for this project.

The Alaska Energy Authority responded to a request for \$346,900 to upgrade the electric utility by offering a grant of \$264,700, and a loan for the remaining \$82,200. The project will replace the existing electric utility building with a smaller prefabricated module containing three generators to provide options to match output with demand. Precision Power reports that the structure is complete and the wiring, lights, and other equipment are being installed as they arrive. The generator house is expected to arrive in October.

Engineers visited False Pass in August with a preliminary plan for the new fuel storage facility. They gathered soils information and ensured that the preliminary layout would fit on the lot and not conflict with the location of the new generator building. A 65% plan has been submitted to AEA and the city for comments. A final construction plan and permitting will be completed during the fourth quarter with funding expected by spring.

City administration and utility employees have the management skills to implement the above grants.

RUBA Activity This Reporting Period

RUBA staff maintained contact via telephone, fax, and e-mail with Mayor Nickels and City Clerk Hines on a number of financial issues. An on-site visit was scheduled and aborted when weather prohibited the connecting flight from Cold Bay.

The city continues to use QuickBooks Pro efficiently for all city accounting. A monthly finance report is provided to the council and a copy is provided to RUBA staff.

With the decline in revenue sharing and municipal assistance funds, the city began actively seeking local revenue sources. Assistance was provided in drafting ordinances to place increases in both local sales and bed taxes on the regular election ballot. The city council provided suggestions and then adopted both issues for the ballot.

The proposed rate analysis study was rescheduled until after the regular election. The clerk is obtaining the required data for the scheduled contract audit and a rate analysis study.

City administration contacted regional staff for assistance with elections, street naming process, and public disturbances in the city offices. Information and samples were provided regarding the election certification requirements and terms of office. The city was advised that they might name streets by resolution or ordinance. They held public meetings to name the streets and will adopt the names by ordinance. The public disturbance involved a citizen entering the clerk’s office and yelling obscenities. The following options were provided: 1) require two staff be present during office hours; 2) provide clerk with tape recorder to document behavior; 3) file restraining order if problem persists.

The clerk is to be commended for volunteering to develop and send city newsletters monthly. A report from the administrator on city projects, city council minutes and schedules, and local news is the focus of the newsletter. It keeps the community informed and has resulted in less citizen complaints.

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 type="checkbox"/> | <input checked="" type="checkbox"/> | The utility is receiving revenues (user fees or other sources) sufficient to cover operating expenses. |

Sustainable Indicators

- | | | |
|-------------------------------------|-------------------------------------|---|
| <input type="checkbox"/> | <input checked="" 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: The FY04 utility budget correctly identifies revenues and expenses. The general funds continue to subsidize utility expenses. Monthly finance reports are generated using QuickBooks Pro and Excel.

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 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: The utility continues to actively enforce the collection policy with great success. The 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.

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"/>	<input 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: The city remains current on all tax deposits.

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 checked="" type="checkbox"/>	<input type="checkbox"/>	The utility has a probationary period for new hires that includes orientation, job-training/oversight, and evaluations.

The utility provides training opportunities to staff as needed and available.

Personnel System Comments: Job descriptions were completed and adopted. The mayor continues to work on developing an evaluation process that is tied to the new job descriptions.

Organizational Management

Essential Indicators

Yes No

- The entity that owns the utility is known and the entity that will operate the utility is set.
- The policy making body is active in policy making of the utility.
- The policy making body enforces utility policy.
- The utility has an adequately trained manager.
- The utility has an adequately trained bookkeeper.
- The utility has an adequately trained operator(s).
- The utility has adopted the necessary ordinances (or rules and regulations) necessary 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: There is some minor confusion as to who is in charge when the administrator/mayor is out of town. The Mayor is also the paid administrator for the city. He has a strong background in seafood plant maintenance, personnel supervision, and self-employment. He and the clerk received QuickBooks Pro training. The utility has two certified operators who actively seek training to maintain certification. The FY04 adopted budget eliminated all travel and training funds due to revenue shortfalls.

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

<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>Consumer Confidence Report (CCR)</u> .
<input checked="" type="checkbox"/>	<input type="checkbox"/>	The utility is not on the <u>Significant Non-Compliance (SNC)</u> list.
<input type="checkbox"/>	<input checked="" type="checkbox"/>	The utility maintains an inventory control list.
<input type="checkbox"/>	<input checked="" type="checkbox"/>	The utility maintains a critical spare parts list.

Operation of Utility Comments: The city has two certified operators who are working to maintain their certification. Doug Abbas, VSW, is working with the operators to develop a preventative maintenance plan, inventory control list, and critical spare parts list.

RUBA Activities For The Coming Quarter

Regional RUBA staff will cooperate with Doug Abbas (VSW) in the development of a preventative maintenance plan for the utility. Using data provided from the first full year of QuickBooks input, a utility rate analysis will be completed and utility rates may be raised. The city election code will be revised to reflect recent legislative and court cases and provide changes to the candidate filing time. The city has requested assistance in researching zero tolerance drug and alcohol use policies. A site visit is planned to provide newly elected official training and a rate analysis study.