

Larsen Bay Activity Report

Community Overview

Lead RUBA Staff: Elizabeth Manfred, Anchorage Office

2002 (estimated) Population: 107

Region: Kodiak Island

Local Government: Second Class City located within the Kodiak Island Borough.



Water is supplied from two-groundwater sources- a gravity feed from the hydro plant and a well as backup – and stored in a 200,000 gallon tank. A water supply line is connected to the penstock of the hydroelectric plant and used a majority of the time to reduce utility expenses to both the service plant and the customer. All 40 homes are connected to the piped water system. A community septic tank with an outfall line serves these homes, and the majorities are fully plumbed. Weekly refuse collection services are provided. The community incinerator is currently unusable and all refuse is deposited at the landfill site.

The city is seeking funding for a water treatment plant upgrade. The city began adding fluoride to the water in October.

RUBA Activity This Reporting Period

Larsen Bay participated in the RUBA QuickBooks Pro Installation and Training project. The city utility set up a new company using the RUBA standardized chart of accounts. The clerk states that the new chart of accounts is easier to track expenses and retrieve data. She reported completing her W-2's and year-end financial reports on December 28, 2003. Prior to the QuickBooks Pro installation and new company, the year-end tasks were not completed until the third week of January.

RUBA activities performed this quarter included continued assistance with the codification project, researching the right to require cash or money order payments; and telephone, fax, and e-mail support on a number of local government issues.

The Mayor of Larsen Bay attended and completed Operational Utility Management training in Kodiak. This training was one component of the series of six utility management course presented by RUBA. The class is 32-hours and was presented to Kodiak Island regional utilities in cooperation with Kodiak Island Native Association.

Assistance with the development and adoption of a personnel policy is ongoing. Larsen Bay has requested an on-site visit in January to begin a utility rate analysis.

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 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 utility received a request to lower the commercial user rates. They have requested RUBA staff meet with the council and assist with a rate analysis. An on-site visit is arranged in January to begin the rate analysis study and will address the need to receive revenues sufficient enough to cover operating expenses and R&R costs. Monthly reports are given generated on QuickBooks and presented to the council.

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: Billing, collection, accounts payable, accounts receivable, and payroll all meet accounting standards. A purchasing system was drafted and is still under consideration for adoption by the council. Currently the utility manager is allowed to order parts and materials without prior approval or checking the budget. The city has not experienced any problems with this method of purchasing.

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 utility has no tax problems.

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 type="checkbox"/> | <input checked="" 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 type="checkbox"/> | <input checked="" 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 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 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: RUBA staff continues to work with the Mayor and Clerk to write job descriptions to fit the utility’s needs. Writing the job descriptions and incorporating them was placed on hold until the newly elected officials were sworn in and received training in their responsibilities. The utility encourages employee training and supports career development financially when possible.

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. |
|-------------------------------------|--------------------------|--|

- The policy making body meets as required.
- The utility complies with the open meeting act for all meetings.

Organizational Management Comments: The city council is the policy making body for the utility and are very active in updating utility procedures. The policy making body meets regularly and all meetings are properly noticed. The utility staff is certified, well trained, and stable.

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 utility has two certified OIT operators who attend training to maintain certification. The utility staff reports weekly to the Mayor. RUBA staff and VSW will assist in drafting a preventative maintenance plan. The utility continues to conduct and document weekly safety meetings.

RUBA Activities For The Coming Quarter

QuickBooks Pro use will be monitored and monthly financial reports received and filed in Anchorage. Assistance will continue with the codification project. A site visit is scheduled in January to begin a utility rate analysis, provide newly elected official training, draft changes to the election code, and review the utility budget for mid-year amendments.