

# Larsen Bay Activity Report

## Community Overview

Lead RUBA Staff: Elizabeth Manfred, Anchorage Office

2003 Population: 96

Region: Kodiak Island

Local Government: 2<sup>nd</sup> Class City located within the Kodiak Island Borough, Tribal Council



Water is supplied from two groundwater sources- 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 majority 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

In January the City Clerk contacted RUBA staff to express gratitude for the purchase, installation and training of QuickBooks Pro accounting software. The clerk stated this was the first year she was able to complete all year end reports and W-2s by the 1st of the year. She also used her city training to assist the Larsen Bay Tribal Council with their QuickBooks reporting. In February the Mayor contacted RUBA to request a site visit and training for the new city clerk. The previous clerk had left the community. She was also the certified water operator. The previous clerk met with RUBA in Anchorage to complete PCE reports and do utility billings for Larsen Bay until the new clerk is trained. In March the RMW reported that Larsen Bay water tank was not filling properly and had approximately two feet of water left. THE RMW talked city staff through the process of changing from well water to hydro and made a site visit to discover the starter box for the well had fried. He was surprised that the fried motor did not cause the water plant to burn down. The city was instructed to purchase a new control box which the RMW will assist in installing in April.

**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 type="checkbox"/>            | <input checked="" 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:**

Monthly finance reports are generated on QuickBooks and presented to the council. The council used data from QuickBooks to begin a rate analysis in response to a request to lower water rates. The rate analysis revealed that rates should be raised not lowered. The City Council will discuss the rate issue after the regular election in October.

**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. 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"/> |                                     | <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 type="checkbox"/>            | <input type="checkbox"/> | <input checked="" 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 utility has no tax problems.

**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 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:**

A new Mayor/Administrator was seated in October. With the new Mayor/Administrator, the utility may have more or less oversight. The newly elected council members will continue work on adopting a personnel policy with job descriptions for all city positions.

**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 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. Currently the Utility Manager is the Mayor/Administrator. In October, a new mayor will be elected and assume the utility manager position.

**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 checked="" type="checkbox"/> | <input 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 type="checkbox"/>            | <input checked="" type="checkbox"/> | The utility is not on the <u>Significant Non-Compliance</u> (SNC) 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 utility has two certified OIT operators who attend training and maintain certification. The utility staff reports weekly to the Mayor. The utility continues to conduct and document weekly safety meetings. The Mayor makes frequent site inspections.

**RUBA Activities For The Coming Quarter**

Assistance will be provided in the following areas: Monitor the monthly finance reports generated on QuickBooks: Continue drafting ordinances to amend and codify the city code: Attend a comprehensive planning meeting.

