

# 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. The hydro source is used a majority of the time to reduce expenses. A 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 outfall line serves these homes, and the majority are fully plumbed. Weekly refuse collection services are provided. The community uses an incinerator and a landfill site.

## RUBA Activity This Reporting Period

Two trips accompanying a contractor to the community to install, train, and customize QuickBooks were completed this quarter. The utility clerk also attended the advanced QuickBooks Pro class held in Anchorage.

RUBA staff attended a city council meeting, assisted the clerk with legislative drafting and completed codification of two chapters of the Larsen Bay Code. More chapters will be completed each quarter with the goal being completion of codification by the end of the calendar year.

RUBA staff also provided copies of utility operator job descriptions and will help the city write and adopt job descriptions for future job vacancies. A personnel policy will be drafted and adopted after the job descriptions.

## 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**

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

**Finances Comments:** The utility generates monthly financial reports using QuickBooks Pro. The utility recently adopted a billings and collections procedure which they have enforced to the letter and are experiencing a higher collection rate. A rate analysis is needed as current customer charges are subsidized with general funds to cover utility expenditures. The clerk is using QuickBooks to generate monthly statements for each service the city provides. She also enters the city budget and generates monthly finance reports for the city council.

**Accounting Systems**

**Essential Indicators**

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

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**Sustainable Indicators**

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

**Accounting Comments:** The city bookkeeper has a strong accounting background and has worked for the city for several years. Billing, collection, accounts payable, accounts receivable, and payroll all meet accounting standards. A purchasing system was drafted and is 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.

## 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 checked="" type="checkbox"/>	<input type="checkbox"/>	<input 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 is working with the Mayor and Clerk to write job descriptions to fit the utilities needs. Writing the job descriptions and incorporating them with an evaluation process will be completed next quarter.

## 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:** RUBA staff traveled to Larsen Bay and attended a city council meeting. 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 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.

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### 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 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 to maintain certification. The utility staff reports weekly to the Mayor. RUBA staff and VSW will assist in drafting a preventative maintenance plan.

## RUBA Activities For The Coming Quarter

The first priority is to complete the QuickBooks Pro installation and training; the final on site trip is scheduled in early July. The city will generate monthly financial reports showing the adopted budget, the monthly revenues and expenditures, the year to date revenues and expenditures and the budgeted amount remaining. This information will also produce required information for a rate analysis of the utility services.

Written job descriptions and personnel folders will also be completed in the coming quarter. A personnel policy is drafted and under consideration by the council. RUBA staff will assist the city in writing and starting a job evaluation process.

Work continues on codification of the city code. Each member of the council will have an updated adopted version of the utility ordinance and collections procedure. It was drafted and adopted but not incorporated in the code or provided to the council.