

Larsen Bay Activity Report

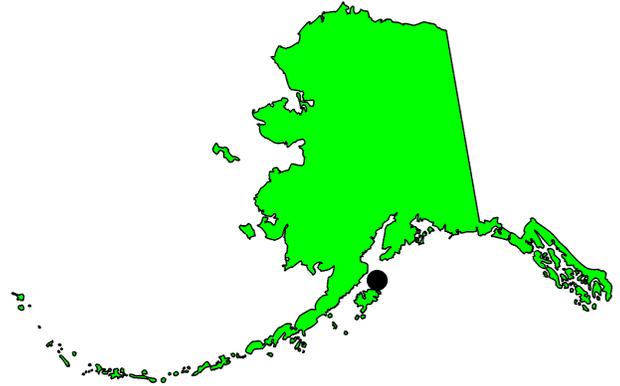
Community Overview

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. 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 majorities are fully plumbed. Weekly refuse collection services are provided. The community uses an incinerator and a landfill site.

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. Larsen Bay utility services will be used as a role model for future QuickBooks Pro installations. The clerk states that the new chart of accounts is easier to track expenses and retrieve data.

The city is seeking funding for a water treatment plant upgrade. They have been awarded funding for a bulk fuel storage facility. The city has just received notice that they will be allowed to add fluoride

RUBA Activity This Reporting Period

A site visit was completed in August. Regional RUBA staff accompanied the QuickBooks Pro contractor for the final training trip. A new company was set up using the chart of accounts provided by RUBA. All beginning balances for customers were entered. City services include fuel sales, harbor slips, electric, water, sewer, refuse collection, and youth center.

The mayor requested assistance at a city council meeting during this visit. A citizen complaint involving utility fees resulted in the need for an executive session. Parliamentary procedure support and on-site training were provided.

Other duties provided on-site included codifying the first four chapters of the city code, training in codifying the remaining chapters, applying for a Notary license for the clerk, and researching election issues.

Other RUBA activities performed during this quarter included researching the harbor rules and regulations and the bed tax option. A citizen complaint received about possible race discrimination with the harbor resulted in the Attorney General visiting Larsen Bay. Thus far no discrimination has

been found. Kodiak Island Borough has a bed tax code and Larsen Bay chooses not to establish a local bed tax code at this time.

Assistance with the development and adoption of a personnel policy is ongoing.

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 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. Monthly reports are given verbally at city council meetings.

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: The city set up a new company using the RUBA standard chart of accounts. 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. 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 known 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 utilities needs. Writing the job descriptions and incorporating them was placed on hold until after the final QuickBooks Pro installation and training in August. With local elections over and new council members seated, the evaluation policy will be adopted 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

- 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: 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 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 Consumer 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 started holding safety meetings this quarter and is maintaining records of attendance in the personnel files.

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 planned to provide newly elected official training and begin a rate analysis study.