

# Marshall Activity Report

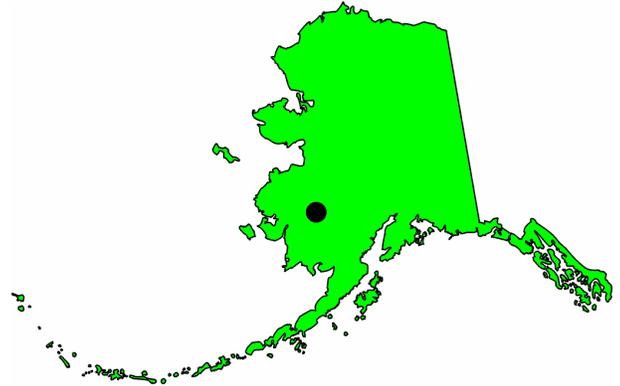
## Community Overview

Lead RUBA Staff: Jimmy Smith, Anchorage Office

2003 Population: 370

Region: Lower Yukon

Local Government: 2<sup>nd</sup> Class City



Water is derived from two wells, which were new in 1991. Approximately 70% of the City (60 homes) are served by a piped circulating water and sewer system and have full plumbing. The remainder haul water and use honeybuckets. The community plans to expand the system to the remaining unserved 19 homes and the fish processing plant, and to replace the older part of the system installed in the late 1970s. A new landfill and access road were completed in 1997, and the City has begun a refuse collection service.

## RUBA Activity This Reporting Period

RUBA Staff made an on-site visit in early July to meet with the staff and council members. During the visit the council members signed a RUBA agreement and accepted the draft work plan for the community.

## 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 current in paying all water/wastewater electric bills.                                   |
| <input checked="" type="checkbox"/> | <input type="checkbox"/> | The utility has on hand a year's adequate fuel supply or it has financial plan to purchase an adequate. |
| <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 checked="" type="checkbox"/> | <input 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 city staff has been providing financial reports to the council members each month on all city finances. The financial reports show the approved budget, monthly and yearly expenditures including the revenues, and the balance of the budget, using an Excel spreadsheet. An R/R account was set up several years ago but the council has been using this account for operational activities of the city.

### 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 reconciliation's 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 Comments:**

The city staff continues to use QuickBooks for all accounting tasks. The staff follows and enforces the adopted collection policy, and makes sure the customer understands why they are being billed for the services from the city. If a customer does not pay their water sewer bill, a shut off notice, followed by a disconnect notice, is sent to the customer.

**Tax Problems**

**Essential Indicators**

- | Yes                                 | No                                  |   |
|-------------------------------------|-------------------------------------|---|
| <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 type="checkbox"/>            | <input checked="" type="checkbox"/> | <b>The utility is current on making tax deposits.</b>   |
| <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:**

An IRS Notice of Levy was filed against the city in early September 2006. The staff is working closely with the IRS agent to resolve the debt. The city incurred the debt as a result of a contractor using a different employee identification number (EIN) number, on behalf of the city, to build the United States Department of Agriculture (USDA) funded community hall.

**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 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 checked="" type="checkbox"/> | <input type="checkbox"/>            | The utility has adopted and follows a written personnel evaluation process that ties the job description to the evaluation.        |
| <input type="checkbox"/>            | <input checked="" 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 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:**

The city has workers compensation coverage through Alaska Municipal League Insurance that will expire July 1, 2007. The city staff has been following the city council personnel policy for all substitute and temporary hires.

**Organizational Management**

**Essential Indicators**

- | Yes                                 | No                       |   |
|-------------------------------------|--------------------------|---|
| <input checked="" type="checkbox"/> | <input type="checkbox"/> | <b>The entity that owns the utility is known and the entity that will operate the utility is set.</b>                             |
| <input checked="" type="checkbox"/> | <input type="checkbox"/> | <b>The policy making body is active in policy making of the utility.</b>  |
| <input checked="" type="checkbox"/> | <input type="checkbox"/> | <b>The policy making body enforces utility policy.</b>  |
| <input checked="" type="checkbox"/> | <input type="checkbox"/> | <b>The utility has an adequately trained manager.</b>   |
| <input checked="" type="checkbox"/> | <input type="checkbox"/> | <b>The utility has an adequately trained bookkeeper.</b>  |
| <input checked="" type="checkbox"/> | <input type="checkbox"/> | <b>The utility has an adequately trained operator(s).</b>   |
| <input checked="" type="checkbox"/> | <input type="checkbox"/> | <b>The utility has adopted the necessary ordinances (or rules and regulations) necessary to give it the authority to operate.</b> |
- 

**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 may have to work with their attorney to address the potential vendor payments that will have to be paid along with the IRS. Although these are not water sewer related, this may have an adverse impact on all the city finances. The utility operator for the city is a council member, and was hired as a superintendent by a contracting firm, but still resides in the community.

**Operation of Utility****Essential Indicators**

- | Yes                                 | No                       |  |
|-------------------------------------|--------------------------|--|
| <input checked="" type="checkbox"/> | <input type="checkbox"/> | <b>The utility operator(s) are actively working towards necessary certification.</b>                     |
| <input checked="" type="checkbox"/> | <input type="checkbox"/> | <b>The utility has a preventative maintenance plan developed for the existing sanitation facilities.</b> |

**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 (CCR)</u> .  |
| <input type="checkbox"/>            | <input checked="" 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 utility created a preventative maintenance plan for their existing utility. A copy of the plan was submitted to the RUBA staff by the mayor.

**RUBA Activities For The Coming Quarter**

RUBA staff will continue to provide assistance via facsimile, phone and email to the city staff. RUBA staff plans on making a trip to the community during the month of November.

