

Nondalton Activity Report

Community Overview

Lead RUBA Staff: Roxanne Auge, Anchorage Office

2001 Population: 221

Region: Cook Inlet

Local Governments: Second Class City



The City of Nondalton operates the piped water and sewer system and provides a central watering point for residents to haul their own water. The City Council is the policy making body for the utility.

An infiltration gallery at Six Mile Lake supplies the community with treated water. There are 88,000 gallons of storage capacity. 70 residences are connected to the piped water and sewer system and are plumbed. Funds have been requested to extend the system to 11 newly-constructed homes, and to make system improvements -- demand has doubled over the past 12 years. Refuse collection is not provided.

A new 60-acre landfill and incinerator are planned, following construction of the Iliamna-Nondalton road and bridge in 2003. The INN Electric Cooperative owns a diesel plant in Newhalen and 50 miles of distribution line to connect Iliamna, Newhalen and Nondalton. The Tazimina Hydroelectric Project has recently been completed, and powers the three communities.



RUBA Activity This Reporting Period

In addition to continued assistance by phone and fax, RUBA staff Roxanne Auge made one trip to Nondalton in November to provide budgeting and record keeping training/assistance and meet with the council and the public to update them on city operations. Roxanne worked with the new city administrator, Mike Boerleske, and Mayor, Gary Martilla, on their budget and repayment plan for their back debt; the timeline for adopting and implementing the new budget and water sewer ordinance; and trained them on payroll. Roxanne also set up a spreadsheet to calculate payroll by PPE and quarter to use for preparing their deposits and quarterly reports and showed them the new LOGON website and the grants status section of the department's website. RUBA staff is encouraged by the progress that Nondalton is making.

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 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 type="checkbox"/> | <input checked="" 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 worked with DCED staff to draft a realistic budget and repayment plan; implemented the repayment plan; updated water and sewer accounts receivable and began regular billing. They also sold a city building to the school district to satisfy a debt with AHFC.

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 type="checkbox"/> | <input checked="" 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 type="checkbox"/> | <input checked="" 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 System Comments: There has been significant improvement in the use of their accounting system.

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 type="checkbox"/> | <input checked="" type="checkbox"/> | | The utility is current on making tax deposits. |
| <input type="checkbox"/> | <input checked="" 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 city completed the IRS and DOL reports for 2002 and used their revenue sharing to pay 2002 payroll debt. The city still has back debt from other years and is working with IRS on this.

Personnel System

Essential Indicators

| Yes | No | |
|--------------------------|-------------------------------------|--|
| <input type="checkbox"/> | <input checked="" 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: The city council removed the previous mayor from office; amended their ordinance to do away with having a paid mayor and incorporated a prohibition against allowing the mayor to also work as administrator for the city and instituted an emergency operations staffing plan. The new mayor takes his duties seriously and is conscientious about monitoring the city administrator's work. The administrator is competent and should be able to learn the job quickly.

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 type="checkbox"/> | <input checked="" type="checkbox"/> | The policy making body enforces utility policy. |
| <input type="checkbox"/> | <input checked="" type="checkbox"/> | The utility has a adequately trained manager. |
| <input checked="" type="checkbox"/> | <input type="checkbox"/> | The utility has a adequately trained bookkeeper. |
| <input type="checkbox"/> | <input checked="" type="checkbox"/> | The utility has a 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 type="checkbox"/> | <input checked="" 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 meetings act for all meetings. |

Organizational Management Comments: DCED staff worked with Nondalton to identify management problems that resulted in the city incurring debt of over \$400,000 and assisted with developing and implementing operations and financial management plans to address the problems. Following are steps the community has taken: The city council removed the previous mayor from office; amended their ordinance to do away with having a paid mayor and incorporated a prohibition against allowing the mayor to also work as administrator for the city; instituted an emergency operations staffing plan; conducted their municipal election without any problems; adopted a new water and sewer ordinance to clearly explain the rules and recapture lost water and sewer revenue; and with DCED and AEA assistance is negotiating a remediation plan and payment of fines with EPA to address fuel tanks in violation of the Clean Water Act

Operation of Utility

Essential Indicators

| Yes | No | |
|--------------------------|-------------------------------------|---|
| <input type="checkbox"/> | <input checked="" 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

| | | |
|--------------------------|-------------------------------------|---|
| <input type="checkbox"/> | <input checked="" 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 type="checkbox"/> | <input checked="" type="checkbox"/> | Utility facilities have not suffered any major problems/outages due to management issues that are still unresolved. |
| <input type="checkbox"/> | <input checked="" type="checkbox"/> | The utility is operating at the level of service that was proposed. |
| <input type="checkbox"/> | <input checked="" type="checkbox"/> | The operator provides status reports to the manager on a routine basis. |
| <input type="checkbox"/> | <input checked="" 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 city has adopted a new water sewer ordinance and worked with DCED staff to develop the following implementation schedule:

- ✓ January 20, 2003 - send back payment request letter, requesting compliance by February 20.
- ✓ February 20, 2003 - send delinquency notice if the customer has not either paid in full, or entered into a repayment, or assigned their dividend and signed a service agreement by February 20.
- ✓ February 27, 2003 – send a shut off notice if customer has not complied with above requests.
- ✓ March 3, 2003 - shut off any customers who have not complied with the above requests including signing a service agreement.

There is an ANTHC funded water and sewer feasibility study currently in process. The draft version has recommended replacement of the existing system. Roxanne recommended to DEC staff that they consider combining the solid waste project plan and W/S study in one comprehensive utility management plan.

RUBA Activities For The Coming Quarter

RUBA staff will continue working with the city on the following items:

- Update the utility rate schedule to include washeteria rate, reconnect fees, minimum monthly repayment and finalize the request for payment letter
- Get quotes from insurers for worker’s compensation and general liability insurance;
- Offer a repayment plan option for past due water and sewer bills and keep current on billing;
- Finish the property inventory and follow up to ensure all city property is either in the city’s possession or has been accounted for;
- Organize the filing system and locate leases, contracts, grants, etc, pertinent to FY 01 and 02 through the next fiscal year and review them to clarify what the city’s responsibilities are;
- Use formal process to conduct meetings and prepare minutes of all council meetings and post typed minutes immediately;
- Get a wall calendar and note important dates/deadlines to ensure all staff and the council stay informed.
- I also suggested that they consider doing a comprehensive management plan to look at where they want to go next.

RUBA staff will return to Nondalton in March to monitor their progress and meet with the community to update them on the status of city operations. Roxanne will also send them a sample heavy equipment ordinance and rental agreement once we have finalized these for the LOGON.