

Nondalton Activity Report

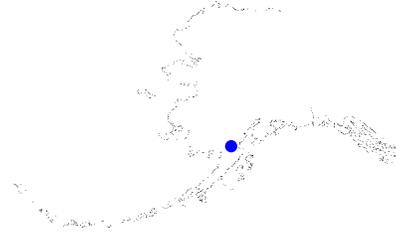
Community Overview

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.



General Information

The situation in Nondalton has not improved. Management in the City appears to continue to be dysfunctional.

In early January, Roxanne Auge, DCED staff, called the City to find out how their December 27, 2001, special election went. Roxanne spoke with the maintenance man who was repairing a broken water pipe and left a message for the Clerk to call.

On January 7, Roxanne received a call from the City Clerk wanting information on how to prepare the ballot for the run-off election. The Clerk had 3 people listed. Roxanne explained that only two could run and since there was a tie between the two second-highest vote getters, they would have to toss a coin or draw straws to see who would be on the ballot in the run-off election. According to the Clerk, the Mayor had told her to prepare the ballot and post notice

it with 3 names - the election was to be held January 8. The City Clerk was told to inform the Council.

In early March, a copy of a letter notifying the City that they were not eligible to participate in the FY03 State Revenue Sharing was faxed to a Council member. The City wasn't eligible because they hadn't submitted an application

In late March, DCED became aware that electric service to the City was about to be disconnected because the City had not paid its bill for a substantial period. It is likely that this will occur, as the City does not have any cash on hand, and many, many creditors.

Observations and Recommendations

Finances — There has been little contact with the City during the quarter. The IRS issues have not been resolved. It appears that the Council still does not receive monthly financial reports.

Accounting Systems — The City uses a NEBS cash receipts system but has apparently not been using the Excel reports set up by RUBA staff.

Payroll Taxes — Previous IRS reports indicated the City owed \$78,103 to the IRS plus an undetermined amount for the 2nd, 3rd, and 4th quarters of 2000 and the 1st quarter of 2001. It is not clear if this figure includes penalties and interest and attempts to contact the IRS to confirm this have not been successful. The City was audited by the State Department of Labor (DOL) in the 4th quarter of 2001 and according to DOL staff, they owed about \$4,000 in ESC payments including penalties and interest of between \$600-\$800. It does not appear that any action has been taken to work on repayment of these debts.

Personnel System — The Mayor is a paid position, responsible for administering City business and supervising and directing the work of City staff. Because of problems with accountability and applying personnel rules to an elected official, RUBA staff had previously recommended to the Council that they amend their ordinance to change this practice. RUBA staff had previously provided a sample ordinance to accomplish this but, as far as Roxanne knows, it was not introduced or adopted.

Organizational Management — The City needs to consistently use parliamentary procedure at all meetings to help direct the flow of discussion and ensure clarity regarding decisions. There continues to be communication problems between the Mayor and some of the Council and there does not appear to be any significant change this quarter in how the City does business.

Operation of Utility — No news has been heard regarding the status of the notice of violation of Alaska drinking water regulations and threat of legal action from DEC for failure to have the water sampled and tested. Likewise, no news on the Notice and Order to Respond from EPA regarding a proceeding to assess an administrative penalty under the Federal Clean Water Act.

Category	Inadequate	Meets Minimum Requirements	Exceeds Minimum Requirements
Finances	X		
Accounting Systems	X		
Payroll Taxes	X		
Personnel System	X		
Organizational Management	X		
Operation of Utility	X		

Anticipated Activity

- Until the City takes steps to correct some of it's numerous deficiencies, and show that it is interested in affecting change, RUBA activity will be halted.