

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 Quarter

In addition to frequent phone and fax assistance RUBA staff has made two trips to Nondalton this quarter. On June 11, Roxanne Auge and Mike Black traveled to Nondalton to meet with the council and the public on the processes that could be used to remove the mayor from office. They also assisted the city staff to determine the status of the city's finances and operations. DEC/VSW staff John Flory accompanied them to discuss the status of the landfill grant with the community.

Roxanne Auge and Irene Catalone also traveled to Nondalton on June 25 to provide training to the acting administrator and continue working on figuring out the status of city operations.

The city council is showing a keen interest in dealing with the problems that have been allowed to go on for years. The 30 or so members of the public that showed up for the meeting were supportive of the council's actions and many of them are eager to serve on committees and or volunteer labor to help get the city on track. The council removed Tom Greene from the office of mayor (he is still on the city council, though hasn't been attending meetings).

The council has 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. They have been holding off on electing a new mayor until these actions were completed. The vice-mayor, Bob Tracey, is currently acting mayor until the council elects another mayor. Council member Mike Boerleski is currently acting city administrator.

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 type="checkbox"/>	<input checked="" 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 type="checkbox"/>	<input checked="" 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 type="checkbox"/>	<input checked="" type="checkbox"/>	Budget amendments are completed and adopted as necessary.

Finances Comments: The utility budget for last year and prior years has not reflected actual revenues and expenditures. RUBA staff worked with Nondalton to adopt a realistic budget for FY 03 based on actual revenues and expenditures identified. If the city implements their billing and collections policy, they should be able to cover operations in FY 03.

Accounting Systems

Essential Indicators

Yes	No	
<input type="checkbox"/>	<input checked="" 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 type="checkbox"/>	<input checked="" type="checkbox"/>	An accounts receivable system is in place which track customers and reports past due accounts and amounts.
<input type="checkbox"/>	<input checked="" type="checkbox"/>	An accounts payable system is in place.
<input type="checkbox"/>	<input checked="" 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 type="checkbox"/>	<input checked="" 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 Comments: The City of Nondalton is currently in transition. Recommendations have been made repeatedly to implement better record keeping practices. It is too soon to say whether these recommendations will be followed effectively. The city has significant back debt; however, I need more information on all of the city's outstanding debt; contracts and agreements for services; the files for all vendors and city leases and agreements; and an accounting of water/sewer payments and repayment agreements to complete a realistic repayment plan.

Tax Problems

Essential Indicators

Yes	No	NA	
<input type="checkbox"/>	<input checked="" type="checkbox"/>		The utility has a system to accurately calculate, track, and report payroll tax liabilities.
<input type="checkbox"/>	<input checked="" 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 has not filed and or deposited its payroll taxes consistently and owes IRS a significant amount in deposits, plus penalties and interest. RUBA staff will work with the city and IRS to work out a repayment plan.

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

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|-------------------------------------|-------------------------------------|--|
| <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 type="checkbox"/> | <input checked="" type="checkbox"/> | The utility provides training opportunities to staff as needed and available. |

Personnel System Comments: The city has adopted the standard personnel policy that most communities are using, which covers the items identified here, but they haven't been using it.

Organizational Management

Essential Indicators

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|-------------------------------------|-------------------------------------|---|
| 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 type="checkbox"/> | <input checked="" 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 type="checkbox"/> | <input checked="" 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 type="checkbox"/> | <input checked="" type="checkbox"/> | The utility has adopted the necessary ordinances (or rules and regulations) necessary to give it the authority to operate. |
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Sustainable Indicators

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|-------------------------------------|-------------------------------------|--|
| <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: The mayor was recently removed from the office of mayor for failure to adequately perform the administrative duties required of this position. As a result, they are currently in transition and RUBA staff will continue to work closely with them to address their organization problems.

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.

RUBA Activities For The Coming Quarter

The goal for the coming quarter is to make three trips to continue providing training and assistance with the transition. I have made the following recommendations for improving operations and will continue working with the council and staff to implement these recommendations:

1. Identify and collect all revenues the city may be entitled to, including rentals, leases, and charges for services;
2. Update accounts receivable for water and sewer and send out bills;
3. Offer a repayment plan option for past due water and sewer bills and send out bills for current charges;
4. Assist with and support efforts to coordinate with vendors and other agencies to adopt a repayment plan;
5. Send a letter to vendors and businesses informing them that purchases will not be honored unless there is a purchase order approved by the city’s authorized representative and, of course, who the AR is;
6. Do monthly financial reports using the forms set up in the computer;
7. Continue updating the check register and budget detail sheets using the forms set up in the computer;
8. Implement a purchase order system;
9. Prepare an inventory of all city property to present to the council at the next meeting;
10. Get a wall calendar and note important dates/deadlines to ensure all staff and the council stay informed.
11. Take minutes of all council meetings and type and post them immediately;
12. Review and, if appropriate, adopt ordinances amending the provision for a paid mayor and residency requirements for being in office;