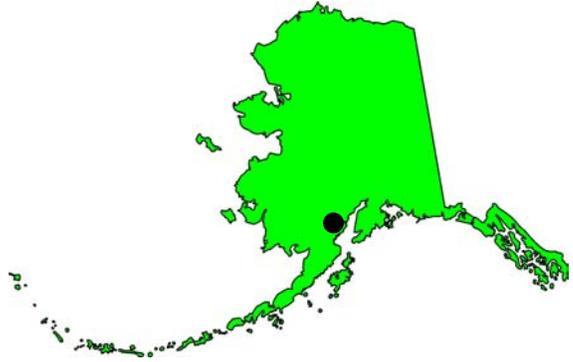


# Nondalton Activity Report

## Community Overview

Lead RUBA Staff: Roxanne Auge, Anchorage Office  
2002 Population: 207  
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 phone and fax assistance, RUBA staff, Roxanne Auge, traveled to Nondalton to perform an interim evaluation of the city's management practices and train the new city clerk, DaWayne Constantine.

## 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 previous administrator, Mike Boerleske, sent out cut off notices in the last billing informing customers that they would be disconnected if they didn’t pay timely and/or in accordance with their repayment agreement. The administrator subsequently resigned to go fishing in Bristol Bay and the mayor and vice mayor are also fishing in Bristol Bay. I recommended that the new city clerk, DaWayne Constantine, send out reminders in the billing he is sending out today that service to non payers will be shut off and the full amount of the past due account will be payable if they fail to pay. I also contacted the RMW to see if he could provide assistance with the shut off since the clerk is so new and doesn’t have senior staff or council to rely on for advice. The mayor should be back within the next week or so.

### 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 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:** The administrator sends out a newsletter to residents with the bills updating them on the status of the city operation, i.e. new utility ordinance, shut-off policy. The city is not providing RUBA with the accounts receivable information for the utility as required by the VSW special grant conditions.

**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 checked="" type="checkbox"/> | <input 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 IRS has agreed to significantly reduce penalties and interest owed and has accepted the city’s offer and compromise. The city currently has a \$1,336. Credit with the Dept. of Labor for ESC taxes.

**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:** They do not have a workers compensation policy notice posted. The new clerk was not sure if they had one in effect. It is likely that they do not have one in effect, verification from the City has been requested.

**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.  |

- The utility has a adequately trained manager.
- The utility has a adequately trained bookkeeper.
- The utility has a adequately trained operator(s).
- 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 meetings act for all meetings.

**Organizational Management Comments:** The city is currently in transition. The Administrator, Mike Boerleske, had obtained the necessary certification to run the utility and was very instrumental in improving the city’s management practices. He has recently resigned and moved out of the community. Whether this resignation and move are permanent seems to be in question. If they are, it remains to be seen how the new city clerk and mayor will maintain the improved performance.

**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**

- 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 Community 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 status of the operators is not known. There was a temporary operator doing the daily tests.

**Following are some items the city needs to follow up on:**

- Continue using the NEBS cash receipts system to record all money coming into the city;
- Continue doing monthly financial reports using the forms I set up in the computer (fax me copies);
- Use the budget detail sheets I set up in the computer to categorize and track expenses;
- Prepare delinquent notices and send with next billing. Send:

Reminder notices to non-payers who have repayment agreements that under the terms of their agreement, the total amount becomes due if they miss a payment. Actions the city may take to correct this include cutting off service and/or court action (which will add charges for small claims/legal fees) to attach the permanent fund dividend;

Notices to non-payers without agreements, with an agreement enclosed, requesting that they sign the enclosed agreement in compliance with the city's water & sewer utility ordinance and a reminder that the amount due in full must be paid unless there is a repayment agreement or service will be disconnected and their dividend attached

- Send notices with agreements enclosed to payers without agreements requesting that they sign and return it to the city office with their payment

### **RUBA Activities For The Coming Quarter**

RUBA staff will continue working with the City on building capacity and addressing personnel issues. A trip is planned for mid-August to follow up on this assessment and to work on the following:

- Continue working on and monitoring their financial management practices;
- Continue assistance on collection issues and methods including small claims actions;
- Continue council training; and
- Help develop job descriptions and go over their personnel policies with the council and staff.