

Nondalton Activity Report

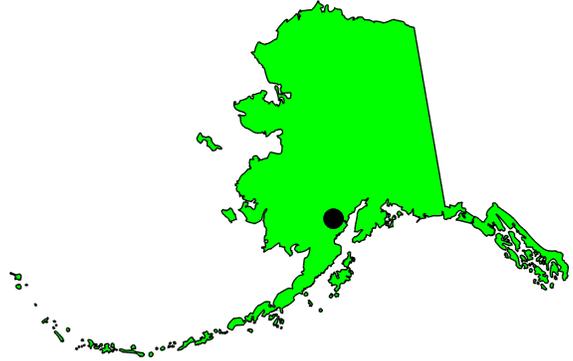
Community Overview

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

RUBA staff Roxanne Auge continues to provide phones and fax assistance and made two trips to Nondalton this quarter. On August 12, Roxanne traveled to Nondalton to do a follow up assessment of the city's administrative capabilities and provide training to the new city clerk. During this trip Roxanne discussed with the city council the possibility of holding a joint meeting with the city, tribe, and corporation as well as other interested agencies. On September 9, Roxanne traveled to Nondalton to attend a meeting of the city, tribe, corporation, as well as agency representatives from ANTHC, DEC, and Bristol Bay Area Health Corporation (BBAHC). This meeting was also well attended by members of the community.

BBAHC staff Mike Halko - provided an update on sanitation issues, water testing, and BBAHC's continued support (financial and other) for water testing and other sanitation issues until Nondalton is back on its feet. Nondalton is now a BBAHC client served out of Dillingham rather than South Central out of Anchorage.

ANTHC staff Sherri Hadley – discussed ANTHC and BBAHC efforts to locate leaks and fix the excess water use problem. Once this is done, there should be a reduction in operating costs. She also shared CIP grant application progress and the fact that the chance of funding is doubtful because of their collection history. The public was informed that applications that don't have at least 50% collections will not even be considered next year.

Kijik Corporation President Eleanor Johnson – expressed concern over barrels of potential hazardous materials and soil contamination from city owned equipment on corporation land. She wants the city to

move the equipment and/or either do bioremediation or just pick up contaminated soil. The city is working on this. She also wanted to know if proposed water and sewer improvements will extend to land identified for future development.

The school principal, who also attended the meeting, expressed an interest in incorporating council meetings/governance issues in the student curriculum. He and the Kijik president said they will include updates on projects and governance issues in their newsletters.

Roxanne emphasized the fact that if the community wants to ensure safe sanitation facilities they have to pay the cost of operation and maintenance or find themselves subject to the fluctuations of funding agencies and unreliable subsidy. She also encouraged the entities present (city, tribe, and corporation) to do a comprehensive plan in order to get consensus on the communities future, bring all resources to the table, and prepare community members through training and project scheduling to take best advantage of projects looming in the future.

There are several projects being proposed in the community. ANTHC is working with the city on a water and sewer upgrade feasibility study and DEC is working with them on a landfill feasibility study. The tribe is also working on obtaining Denali Commission funding for a new clinic. These were discussed during the meeting and the community seems eager to support improved operations in order to qualify for the projects. Attendees at the meeting took in the information presented on utility collections and what happens if people don't pay. There was some interest shown in voluntary assignment of dividends and the advantages of maintaining control over distribution of dividends rather than a mandated lien amount over which they have little control.

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 plans and is continuing to work on implementing these.

Accounting Systems

Essential Indicators

Yes	No	
<input checked="" 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 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 continues to be consistent use of their accounting and financial reporting systems. They have adopted a collection policy but they do not actively follow it.

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 is working directly with IRS to address its problems. According to the mayor, the IRS accepted the city's request for abatement of some of their debt.

Personnel System

Essential Indicators

Yes	No	
<input checked="" type="checkbox"/>	<input 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 new city clerk takes his duties seriously, is conscientious, 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 an adequately trained manager. |
| <input checked="" type="checkbox"/> | <input type="checkbox"/> | The utility has an adequately trained bookkeeper. |
| <input type="checkbox"/> | <input checked="" type="checkbox"/> | The utility has an 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: The city continues to move forward in its efforts to improve. 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. The city continues to work on implementing the recommendations for improvement.

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>Consumer 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 mayor attended OIT training this quarter and the city clerk attended two RUBA trainings (Introduction to Utility Management in Anchorage and Personnel Management in King Salmon). The city has adopted a new water sewer ordinance and worked with DCED staff to develop a plan for implementing it. As of September 30, the city had not yet followed through on turning off non-payers. According to the city clerk existing accounts receivable is \$72,000 and their collections are at 40%.

RUBA Activities For The Coming Quarter

- RUBA staff will continue working with the city on implementing their new Water & Sewer Ordinance and their plan for paying down their back debt.
- Continue working on and monitoring their financial management practices;
- Continue assistance on collections issues and methods including small claims actions;
- Continue council training;
- Help develop job descriptions and go over their personnel policies with the council and staff;
- Provide assistance on planning efforts.