|  |  |
| --- | --- |
| [Insert Community Name] | [Community Name] Phone Street or P.O. Box Fax City, State Zip Code E-mail address |

Business Plan

Completed: [Month, Year]

Applicable Project: [VSW or ANTHC numbers]

Engineer: [Insert name and title]

Water and Sewer Utilities

[Insert Picture Here]

Please remember:

1. Name the author of the business plan.
2. Include any VSW or ANTHC project numbers, if applicable.
3. E-mail an electronic searchable copy of the plan to fatima.ochante@alaska.gov in MS Word or PDF format (not jpeg/scanned image).
4. Note that this plan will expire after 5 years; estimates and data within will expire after 5 years.

|  |  |
| --- | --- |
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Figure 1…

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Table 1…

Table 2…

Appendix A: Community Resolution adopting Business Plan and new monthly rates

Appendix B: …

|  |
| --- |
| Section 1 Executive Summary |

[Insert here a short description of your community, its local government type, and the reason for this business plan. Describe the proposed project scope and the process that was used to determine this project is right for your community. The business plan will cover these topics in more detail later.

Describe how the community was involved in preparing the business plan; append documentation to support this claim e.g. attach a community resolution adopting the plan. Indicate any community collaborators in the writing process.]

*Example:*

*The City of Nowhere, Alaska was incorporated in 1975 as a second-class city within the unorganized borough. The city is responsible for administration of the local government, including water and sewer utilities. Currently, the City of Nowhere, in conjunction with the State of Alaska, Village Safe Water, is conducting a feasibility study of a piped water and sewer system for the community. Nowhere City has determined that the most effective mechanism to provide for the health and welfare of its residents, and to manage water and sewer services, is to utilize their current administration to operate, maintain, construct, and replace the city’s water and sewer systems.*

*This business plan is the first step toward ensuring the adequate management of the water and sewer utility by Nowhere.*

*The proposed Nowhere Piped Water and Sewer Project will construct a buried piped water and sewer system to the core “main town” subdivision with hookups to seventy homes, eight commercial facilities and the community’s K-12 school.*

*The community has been involved with creating this business plan and providing input on the desired level or service, as shown by community planning meetings in April, July, and November, and a community survey conducted in December 2015.*

|  |
| --- |
| Section 2 Community Overview |

# Location

[Insert here more detailed information about your community’s location. Much of this information is available from the DCCED DCRA Community Database online.]

*Example:*

*Nowhere is located on the Yukon River approximately 71 miles southwest of Fort Yukon. Nowhere is located in the Yukon Recording District.*



# Population & Housing Characteristics

[Describe who lives in your community, how they earn their income, the services available to them, their age, median household income, and other information that can help to show the proposed project is appropriate for your community. Much of this information is available from the DCCED DCRA Community Database online [here](https://www.commerce.alaska.gov/dcra/DCRAExternal/community).

Indicate source for population data as well as the date such information was collected. If general local knowledge is included, cite the sources.

Indicate number of currently occupied homes that are already served and identify the number of additional homes that would be served once the project is completed.]

*Example:*

*The community is made up of a primarily Native population who fish commercially and are active in subsistence food gathering. Other sources of employment include the school and government services as well as private enterprises including traditional arts and crafts.*

## Selected Statistics – Native Village of \_\_\_\_\_\_\_\_\_\_\_\_/City of \_\_\_\_\_\_\_\_\_\_\_\_\_, Alaska

*Selected demographic and historical data (from the State of Alaska DCCED DCRA Community Database or from the Department of Labor and Workforce Development) is provided below:*

|  |  |
| --- | --- |
| **Population** |  |
| (Current year or most recent available) | 555 |
| 2010 | 555 |
| 2000 | 555 |
| 1990 | 501 |
| 1980 | 412 |
| 1970 | 340 |
| 1960 | 228 |
| 1950 | 194 |
| **Housing Data (most recent available)** |  |
| Occupied Housing | 137 |
| Vacant Housing Due to Seasonal Use | 7 |
| Other Vacant Housing | 9 |
| Average Household Size | 4.05 |
| **Economic Data (most recent available)** |  |
| Unemployment RateMedian Household income | 15.40%$25,156.00 |

(Possible sources: <https://www.commerce.alaska.gov/dcra/DCRAExternal/community> or <http://live.laborstats.alaska.gov/pop/index.cfm>)

*In addition to the historical population trends, as researched and supported above, Mayor Smith and the city council are aware that the fish processing plant is planning to expand their operations, as shown in council meeting minutes on August 5, 2015. In addition to increased water use it is expected to increase the population by five more persons (in-person interview on September 23, 2015).*

# Transportation Available

[Insert here a description of the various ways people and goods make it in and out of your community at different times during the year.]

*Example:*

*Nowhere relies heavily on air transportation for passenger mail and cargo service. A state-owned 4,600-foot gravel airstrip is available. Plans are underway to relocate the airport. Float planes land on a pond east of the Yukon River. Riverboats, both personal and commercial, are used for Yukon River travel in summertime. Barges deliver heavy cargo at least twice a year. Boats, ATVs, snow machines, and some vehicles are used for local transportation. There are dirt and gravel roads maintained from the new town site to the old town site and to the river landing.*

# Key Assumptions

[This section states how accurate you think the information listed so far is, based on the information provided and general local knowledge.]

*Example:*

*Community-related assumptions are based on Alaska Department of Labor Research and Analysis population trends:*

* *Demographic information obtained from the State of Alaska is reliable*
* *Current population size, number of households, commercial and business establishments (using actual count data) are used to general the estimated number of users*
* *That population will continue to grow at the present rate*

|  |
| --- |
| Section 3 Management Structure |

# Organizational Chart

[Insert the adopted organization chart from the city’s personnel policy, code of ordinance, or other verifiable source; or, create an organizational chart based upon the city’s written documents; or, if no written sources exist, create a chart which is then adopted by the governing body. Insert a brief description of each position as it relates to the water and sewer project.]

*Example:*

*The current management consists of the city administrator, the chief financial officer, the public works director, various clerks, and water treatment plant operators. The public works department manages the physical plant and the accounting department handles billing, collection of fees, etc.*

*The following organizational chart is from the City of Nowhere Personnel Manual (appendix \_\_)[or provide citation from either city code or personnel policy to support this chart] and it illustrates the staff relationships of the proposed water and sewer utilities:*

Customer

Public Works Advisory

Committee

City Council

City Administrator

City Clerk

Public Works Director

Chief Financial Officer/Treasurer

Accounts Receivable Clerk

Water and Sewer Laborer

Water Treatment Plant Operators

Accounts Payable Clerk

*The positions shown on the chart above are not dedicated entirely to the operations of this water and sewer project. Each of the positions performs other functions for the City of Nowhere.*

*A brief description of the duties relating only to water and sewer utilities are as follows:*

* *City Administrator – Responsible for oversight of operations as they relate to the water and sewer utility*
* *Chief Financial Officer/Treasurer – Responsible for directing financial planning accounting practices relating to water and sewer operations; oversees budget, audit, taxes, and activities of the accounts receivable and accounts payable clerks*
* *Public Works Director – Responsible for oversight and management of the physical water and sewer facility*
* *Accounts Receivable Clerk – Responsible for proper maintenance of accounts receivable and receipt of cash*
* *Accounts Payable Clerk – Responsible for proper maintenance of accounts payable and cash disbursements*
* *Water Treatment Plant Operator – Responsible for inspecting the water and sewer facility, minor maintenance and repairs, and coordinating major maintenance and repairs, treating water and ensuring testing requirements are met*
* *Water and Sewer Laborer – Responsible for performing labor as necessary to upkeep and maintain the water and sewer facilities*

# Staffing and Training

[Insert a detailed description of the functions of the single most important position for the utility, then provide a description of the secondary most important positions.]

*Example:*

*The City of Nowhere, in order to better provide for the health and welfare of the residents of Nowhere and to more effectively provide for water and sewer services, will assign the city administrator to operate, maintain, construct, and replace the Nowhere water and sewer systems.*

## Administrator Duties

*The powers and duties of the administrator will include (but not be limited to):*

* *Appoint, train, hire, promote, layoff, suspend, demote, or remove all employees for the water and sewer system*
* *Ensure water operators are licensed at the level required*
* *Administer the water and sewer system budgets and capital improvement programs as enacted by the City of Nowhere*
* *Prepare and submit to the City of Nowhere annual budgets, capital improvement requests, and make recommendations thereon for the efficient and economical operation of the systems*
* *Prepare and submit to the City of Nowhere at the end of each fiscal year a report on the finances and administrative activities of the water and sewer systems; and prepare and make available for public distribution an annual report on the water and sewer systems finances*
* *Formulate and enforce the ordinances and policies pertaining to water and sewer system operation practices within the municipality and generally have full and complete surveillance of all the systems and their operations and fiscal affairs, including the maintenance, operation, expansion, extension, and improvement of the public utilities*
* *Study and make recommendations generally on public utility matters such as, but not limited to, rates, fiscal matters, personnel staffing, labor relations, expansion or extension of services, and public relations*

*A draft ordinance establishing the new powers and duties of the city administrator has been included in the Appendix of this Water and Sewer Business Plan.*

## Supporting Personnel

*Day-to-day management of the new piped water and sewer facility will initially be divided between the existing positions of director of public works (DPW) and the chief financial officer (CFO), with the DPW managing the physical plant and the CFO handling the oversight of finances. At a later time, day-to-day management may necessitate the hiring of a trained utility manager or promoting and training existing staff to coordinate day to day management.*

## Training

The management personnel will receive training pertinent to utility management through the Department of Commerce, Community, and Economic Development, Rural Utility Business Advisor (RUBA) Program. Training is available both on-site and at regional hubs during 32-hours courses.

# Key Assumptions

[This section states how accurate you think the information listed so far is, based on the information provided and considering other variables which might not have been directly discussed.]

*Example:*

*Employee related assumptions are:*

* *The cost of training new employees will be constant*
* *That training will be available*
* *Employees will be stable and there will not be significant staff turnover*
* *Key personnel will be available for hire*

|  |
| --- |
| Section 4 Existing Infrastructure and Proposed Facility Improvements |

# Current Infrastructure

[Provide a description of the existing water and sewer system, the number of current customers served, the existing level of service, and rates being charged.]

*Example:*

*Currently, the City of Nowhere is responsible for the management of local water and sewer services for approximately 35 homes and six public facilities served with water delivery and tank haul services. The City of Nowhere operates a class 1 water treatment facility with a peak design capacity to treat from 10,000-50,000 gallons per day. Nowhere has a water supply source of groundwater under the direct influence of surface water. With two, (a “main” and a “secondary”) eight inch diameter 80 foot depth wells located near the Yukon River. The treatment of this water includes pretreatment with an add-heat system to heat raw water, filtration through a granular media, and disinfection with liquid and powdered hypochlorite. The operator does not currently maintain a critical spare parts inventory, but does keep a critical spare parts list with serial and model numbers, and works with the Remote Maintenance Worker program on scheduled and unscheduled maintenance.*

*Homes and public facilities currently receiving water delivery are along the main street in the community, within the “main town” subdivision. These homes and facilities are within the closest proximity to the water treatment facility. The remaining homes, approximately 100, utilize honey buckets and self-haul water from a water distribution point on the outside of the water treatment plant. Additionally, the city owns and operates the local washeteria, with two, double load washing machines, one commercial dryer, 2 ¾ bathrooms, and landfill. Currently, residents and public facilities pay for provided services based on the following:*

* *Self-haul water (unlimited quantity) - $0*
* *Central honey bucket collection - $0*
* *Water delivery (less than 200 gallons) - $10*
* *Water delivery (standard haul system service) - $20*
* *Sewage collection (standard haul system service) - $25*
* *Service repair - $25, plus parts*

# Proposed Facility Improvements

[Provide a description of what the new infrastructure will be. Indicate a projected completion date and provide an estimated timeline for completing the project. This section should provide sufficient information without being so detailed and jargon specific that the reader is lost.] [Clearly identify VSW or ANTHC project numbers associated with infrastructure that would exist at the end of the project]

*Example:*

*The piped water and sewer utility will be constructed and installed over a two year period.*

*The buried water main will be a 4 inch circulating main, with connections to 70 homes. The installation will be done concurrently with the buried wastewater collection and sewer connections to the same 70 homes throughout the “main town” subdivision. Eight commercial users, Gladys Sam K-12 school and the fish processing plant will be connected to the piped water and wastewater system. There will be four lift stations in this “main town” sewer collection system. The lift stations will have a gravity feed to the next in-line lift, with a termination at the sewage lagoon. The collection system will utilize a 8 inch forced main constructed of HDPE Arctic pipe with fuse welded joints. The minimum main pipe depth will be six feet, allowing for proper drainage and coverage from residences, the maximum main collection depth will be 12 feet. The planned sewer collection system will feed into the existing class 1 percolating treatment sewage lagoon. Design and construction will take two years, and will be completed in the year 20\_\_.*

# Key Assumptions

[This section states how accurate you think the information listed so far is, based on the information provided and considering other variables which might not have been directly discussed.]

*Example:*

*Agency and construction assumptions are:*

* *Residential and commercial establishments (except for current users) will not be hooked up until the following has occurred:*
	+ 1. *the community has accepted the project*
		2. *plumbing retrofit of each home and commercial building is fully complete*
		3. *establishments have been retrofitted to accommodate plumbing*
	+ *Revenues will be generated and the project will be fully funded prior to the projected start date.*
	+ *Final construction will be completed in the month \_\_\_\_\_\_ and year 20\_\_*

|  |
| --- |
| Section 5 Financial Data |

[Provide here an overview of the utility’s current accounting practices (the accounting software used, the purchase order or approval system that’s in place, etc.). Reference any written financial policies, and calculate the collection rate. To be successful in completing this section, it is suggested that the author review the utility’s written policies and compare them to how they’re actually implemented.]

*Example:*

*All city department heads have the authority to submit requests for payment. Such requests must be accompanied by supporting documents prior to being processed by the accounts payable clerk. Officials with approval for check-signing consist of seven of the city council members. All checks must be signed by two of the approved officials. A copy of the check is attached to the supporting documents and filed at the city office.*

*Nowhere currently utilizes the accounting software QuickBooks Pro to track customer transactions and system revenue and expenditures. The system is fairly sophisticated and has numerous reporting options. Budgets for the various city operations are established at the beginning of each fiscal year and are then tracked with the use of income versus budget statements.*

*The accounts receivable records for the most recent fiscal year were recently reviewed. It was found that the collection of fees for the existing small haul water and sewer system has not been a problem. The rate of collection exceeded 95% and the few accounts with outstanding balances were less than $100 each. (see appendix \_ – Accounts Receivable Aging report). The current utility ordinance has a section to disconnect delinquent customers although it is impractical to implement as it requires digging up the line.*

*The following financial estimates are preliminary in nature and are in year 2017 dollars; however, the assumption is that there are fully functioning systems in place, serving the entire community. In reality, there will be at best a period of eight to ten years during which the system is being constructed. All estimates and assumptions continued in this plan are preliminary and are anticipated to change as the project progresses. Actual revenues and expense will vary throughout the life of the facility and these estimates should not be considered final.*

# Estimated Annual Income

[Show what the monthly utility rates and expected actual income will be according to the collection rate. If the utility relies on subsidies from another department, or other external organizations, include the supporting documentation that supports the long term financial commitment.]

*Example:*

*The revenue required to fund the annual operations and maintenance cost for the system will be met by using a variety of sources including commercial, residential, and school user fees. The revenue will be generated from within the community and the revenue requirement will be estimated based on the projected annual costs for the preferred system. Based on these projections, the annual revenue requirement for the entire utility is projected to be approximately $231,000 per year.*

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| Customer Type | Rate | Number of Customers | Collection Rate | Annual Income |
| Residential User Fees |  $ 105 | 126 | 85% |  $ 134,946  |
| Small Commercial Users 1 |  $ 215  | 6 | 100% |  $ 15,480  |
| Large Commercial Users |   |   |   |  $ 0 |
| School User Fees 2 |  $ 4,000  | 1 | 100% |  $ 36,000  |
| User Fees from Washeteria |   |   | 100% |  $ 18,000  |
| User Fees from Fish Processing Plant 3  |  $ 5,000  | 1 | 100% |  $ 20,000  |
| Water Sales (per gallon) |  $ 0.05  | 135,000 | 100% |  $ 6,750  |
| **Total Revenue** |   |   |   |  **$ 231,176**  |

|  |
| --- |
| *1 Includes stores, sport fishing camps, and local corporation office* |
| *2School operates and is billed for nine months*  |
| *3 Fish plant runs for approximately 4 months each year* |
|  |

# Estimated Annual Expenses

[Show here what the expenses are expected to be for the two major cost categories of operations and maintenance (O&M), and also for repair and replacement (R&R) for the proposed water and sewer system. Additionally, it will be important to take a holistic look at the organization’s expenses to determine if it is currently financially unstable. Provide supporting documentation to show what the current debt burden is. Provide a statement that an engineer has determined the estimated costs for O&M and R&R to be reasonable.]

*Example:*

*There are two cost categories that will be incurred in the ongoing operation and upkeep of the water and sewer utilities – operations and maintenance (O&M) and repairs and replacement (R&R).*

*The city does have existing long-term debt as shown by the most current Balance Sheet, included as attachment \_. The city has a municipal bond which is expected to be paid off in 20 years (May 20\_\_) and over the last three years has used an annual Bulk Fuel Loan which is paid off annually in nine installments but the city has been able to meet all the monthly debt payments. It is important to note the existing debt obligation that the city has and be cautious that the proposed system is self-sufficient and does not add to the debt burden.*

**Operations and Maintenance**

*Nowhere will incur a number of expenses relating to the operations and maintenance of the system. Operations and maintenance items are defined as expenses that are incurred on a regular basis to sustain the operation of utility assets and the cost of utility administration.*

*The city administrator will work with the water operators, with the engineering and construction firms, and with the Remote Maintenance Worker program to develop a critical spare parts list and a critical spare parts inventory for each of the systems as they are built (See Appendix for the water treatment and washeteria critical spare parts list).*

|  |  |
| --- | --- |
| **Expense Category** | **Annual Estimate** |
| Administration | 28,400 |
| Labor | 59,600 |
| Miscellaneous Materials | 5,940 |
| Electricity | 12,634 |
| Heating Fuel | 24,312 |
| Water Treatment | 67,735 |
| Sewage Treatment | 9,527 |
| Insurance | 2,800 |
| Repair and Replacement Account | 19,687 |
| TOTAL | $230,635 |

**Repairs and Replacement**

*The organization will incur expenses relating to the repairs and replacement of the system. Repairs and replacement (R&R) costs are those expenses defined generally as items costing more than $1,000 and having a lifespan of no greater than ten years. R&R costs are capital cost that will be depreciated over the useful life of the item.*

*An estimate has been made of the expected annual R&R costs for major equipment i.e. pumps, heat exchanges, boilers, and system controls. We recommend consulting with a Remote Maintenance Worker for advice on what items need to be included in each case. The details of Nowhere’s calculations are depicted on the spreadsheet below. In this case, the total amount that should be set aside annually for major equipment R&R is $19,687.*

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
| Description of Equipment | Number | X | Cost |  | Useful Life | = | Depreciation |
| Washer |  4 | X |  $ 1,400  |  | 5 | = |  $ 1,120.00 |
| Dryers |  3 | X |  $ 1,200  |  | 5 | = |  $ 720.00  |
| Pumps, circulation loop |  3 | X |  $ 8,000  |  | 7 | = |  $ 3,428.57  |
| Pump motors |  3 | X |  $ 5,500 |  | 4 | = | $ 4,125.00 |
| Pumps, chemical |  2 | X |  $ 1,600  |  | 7 | = |  $ 457.14  |
| Pump, backwash |   1 | X |  $ 8,300  |  |  7 | = |  $ 1,185.71  |
| Boilers |  2 | X |  $ 14,000  |  | 8 | = |  $ 3,500.00  |
| Utility operator vehicle |   1 | X |  $ 20,000  |  | 10 | = |  $ 2,000.00  |
| Lift Station Pumps & Motors  |   2 | X |  $ 12,600  |  |   8 | = |  $ 3,150.00  |
|   |   | X |  $ -  |  |   | = |  $ -  |
|   |   | X |  $ -  |  |   | = |  $ -  |
| Total amount that should be set aside annually for major R&R costs |  $ 19,686.42 |

## Time Line / Design Life of Major Components

*The design life of the washeteria and water plant building is estimated to be 30 years. The water plant will need to be replaced in approximately the year 20\_\_. The sewer lagoon will have a design life of 15 years and will need replacement in 20\_\_. The underground water and sewer pipe has an estimated design life of 20 years and will need replacement in 20\_\_. The washeteria and water plant equipment is shown above in the depreciation schedule and the various items have lives ranging from four to ten years. Maintenance will have a positive effect on the design life of all building, plant and equipment.*

# Net Operating Income

[Explain in this section the net operating income after considering income and expenses, including contributions to Repair and Replacement. If the utility is relying on subsidies, it is suggested to reference a backup plan or, at a minimum, acknowledge a potential need to find other revenue sources if those subsidies are no longer available.]

*Example:*

*The net operating income after applying an estimated $231,176 revenue from user fees to $210,948 O&M expenses and an R&R contribution of $19,687 will be $541. If user fees do not cover the actual cost of the expenses, the utility’s success is dependent on the Native Village of Nowhere to be able to contribute a subsidy to balance the loss. The source of this contribution will be unrestricted funds derived from the community’s licensed gaming operation. The amount and source of the subsidy will be included in the utility’s budget and monthly financial report.*

|  |  |  |
| --- | --- | --- |
| **Revenue** |  |  |
| Residential User Fees | $ | 134,946 |
| Small Commercial Users | $ | 15,480 |
| Large Commercial Users | $ | - |
| School User Fees | $ | 36,000 |
| User Fees from Washeteria | $ | 18,000 |
| User Fees from Fish Processing Plant | $ | 20,000 |
| Water Sales (per gallon) | $ | 6,750 |
|   | $ | **231,176** |
| **Expenses** |   |   |
| Annual operation and Maintenance Costs | $ | 210,948 |
| Annual Repair and Replacement Costs | $ | 19,687 |
|   |   |   |
|   | **$** | **230,635** |
| **Net Operating Income (Loss)** | **$** | **541** |
|   |   |   |

# Key Assumptions

[This section states how accurate you think the information listed so far is, based on the information provided and considering other variables which might not have been directly discussed.]

*Example:*

*Financial assumptions are:*

* *Revenue will be generated from user fees for water, sewer and Laundromat services; the school billed for nine months, and the fish processor for four months.*
* *There may be outside source of funding for operations, like ANHB grant for maintenance on a limited and selected basis. These will not be considered in the preparation of the projected revenues or budget*
* *An inflation factor of 1% per year will be calculated into the cost projects but not the revenue projects*
* *This analysis will not include any programs or revenues for retrofitting resident’s housing for plumbing*
* *There will be 15% uncollectible fees for residential users accounted for in the revenue projections; this percentage should be adjusted based on actual experience. Revenue for other rate classes is calculated at 100%.*

|  |
| --- |
| Section 6 Legal Authority & Issues |

# Ownership

[Clearly state the entity that will own the utility infrastructure. If the owner is different than the operator, then state that as well; for instance, if a city will own the system, but will enter into a long-term lease with the tribe, then describe that relationship and attach any available documentation (MOAs, etc.) to show that legal relationship.]

*Example:*

*The City of Nowhere will have one hundred percent ownership of the Nowhere water and sewer utility and all facilities and equipment.*

# Ordinances Related to New Project

[Describe here the current legal authority, or the proposed amendments to the current city code or tribal bylaws.]

*Example:*

*The City of Nowhere will adopt an ordinance to operate the water and sewer utility. All ordinances referencing the existing utility system (currently Chapter X, Section XX of City of Nowhere Code) will be updated to reflect the change to piped water and sewer.*

# Special Permits, Licenses and Regulations

[In addition to the laws, mentioned above, what other legal issues are there? Describe any land use, water rights, permits, et cetera that need to be secured.]

Example:

Nowhere has identified the following issues that will be addressed and resolved during the engineering and construction phases of the project:

* *Any site control or land ownership conflicts related to the specific site chosen for the project*
* *All rights-of-way and utility easements will be completed prior to construction*
* *Any increase in water testing requirements resulting from either a change in the water source or treatment procedures*
* *The need for DEC engineering approval for project plans and specifications*
* *The possibility of DEC requiring statewide general permits for sewage treatment*
* *The possibility of DEC requiring wastewater disposal permits*

# Key Assumptions

[This section states how accurate you think the information listed so far is, based on the information provided and considering other variables which might not have been directly discussed.]

*Example:*

*Key legal assumptions are:*

* *Current providers of water and sewer utilities (if another organization presently operates any portion of utilities) will be transferred*

|  |
| --- |
| Section 7 Interagency Relationships |

# Involvement of Other Agencies

[List all agencies that will have a role in the water and sewer project and provide a brief description of their function.]

Examples below:

## Involvement in Construction Phase

*Department of Environmental Conservation, Village Safe Water will fund and oversee the construction of the piped water and sewer system, to include integration with the existing infrastructure.*

*Alaska Native Tribal Health Consortium will fund and oversee the retrofitting of residence’s home to accommodate plumbing (not addressed in this business plan).*

## Involvement in Ongoing Operations

*Department of Commerce, Community, and Economic Development will provide management training through the RUBA program.*

## Funding of Major Components

*The State of Alaska Department of Environmental Conservations, Village Safe Water Program will provide the funding for the proposed Nowhere water and sewer system. There will be matching funds available through Alaska Native Tribal Health Consortium.*

## Regulatory Agencies

*The primary regulatory agency for the water and sewer project will be the state Department of Environmental Conservation (DEC). DEC regulates a wide array of environmental areas. Of concern to this water and sewer project is the agency’s regulatory authority over water quality, testing standards, sewer disposal, operator training standards and engineering plan approval.*

*The Regulatory Commission of Alaska (RCA) is another regulatory agency that may be involved in the project. The agency is the utility regulator for the state. They issue a “certificate of public convenience and necessity” to utilities after finding them “fit willing and able” to provide the public service. The City of Nowhere already poses a certificate from the RCA to operate its current system.*

## Replacement Agencies

*The replacement of the utilities at the end of their design life has not been considered in this business plan.*

# Key Assumptions

[This section states how accurate you think the information listed so far is, based on the information provided and considering other variables which might not have been directly discussed.]

*Example:*

*Key interagency assumptions are:*

* *Each agency is able to participate fully when needed*
* *Staff from Nowhere is available to work with agency representatives*

|  |
| --- |
|  Section 8 Summary |

# Wrap-up

[Enter a very concise description of what the water and sewer project is attempting to complete.]

*Example:*

*The water and sewer project will be considered complete when the piped water and sewer service are constructed, installed, and integrated into the existing utility. The piped water and sewer system will serve the school, eight commercial users, 130 residences, and the fish processing plant.*

# Timelines

[Enter a very concise description of the timeline for the project.]

*Example:*

*The project is scheduled to begin with breakup in 20\_\_ and is scheduled to be completed in 20\_\_. The construction of the washeteria and water plant is schedule to be complete in 20\_\_.*

*By 20\_\_ 70 homes, located in the main town subdivision, commercial users and the school will have been connected to both piped water and sewer.*

*Outlying home on the old River Road will not be served with piped water and sewer in this project due to distance and cost.*

# Ability to Pay

[Describe what the financial impact to a household this project is expected to have. Be factual. Use e data from the Alaska Department of Labor and local community research and input.]

*Example:*

*Based on the Alaska Department of Labor statistics, the regional median household income is $25,156. A review of the seven City of Nowhere council members’ expenses averaged the following information in the table on the next page. Based upon the research and community input, it is expected that the monthly rate of $105 for residential use is a cost that can be met and represents 5% of median household income.*

## Cost of Living/ Resident Ability to Pay

|  |  |  |  |
| --- | --- | --- | --- |
| **Description** | **Average Rate** | **Times** | **Amount** |
|   |  |  |   |
| **Incomes Per Household** |  |  |   |
| Median Household Income |   |   |  $ 25,156.00  |
|   |  |  |  $ 25,156.00  |
| **Expenses Per Household** |  |  |   |
| Rent | 425 | 12 |  $ 5,100.00  |
| Food | 175 | 52 |  $ 9,100.00  |
| Electricity | 150 | 12 |  $ 1,800.00  |
| fuel | 750 | 4 |  $ 3,000.00  |
| water and Sewer | 105 | 12 |  $ 1,260.00  |
| Airfares | 160 | 2 |  $ 320.00  |
| clothing | 200 | 12 |  $ 2,400.00  |
| Gifts/Holidays |   |   |  $ 500.00  |
| Other | 50 | 12 |  $ 600.00  |
|   |  |  |  $ 24,080.00  |
|   |  |  |   |
|   | **Surplus/(Deficit)** |  **$ 1,076.00**  |

# Key Assumptions

[This section states how accurate you think the information listed so far is, based on the information provided and considering other variables which might not have been directly discussed.]

*Example:*

*Key assumptions related to community impact are:*

* *Household income from State of Alaska statistics is correct*
* *Household expenses from the community is reasonable and correct*
* *There will be no significant increase in the cost of air and freight transportation*
* *This document has not considered the effect of natural disasters such as fire, flood, and earthquake*

|  |
| --- |
| Appendices |

[Attach supporting documentation referenced in the business such as documentation showing community involvement in preparing the business plan, community resolution adopting business plan and user rates, etc.]