

City of Chefnak

Sanitation Utilities Business Plan

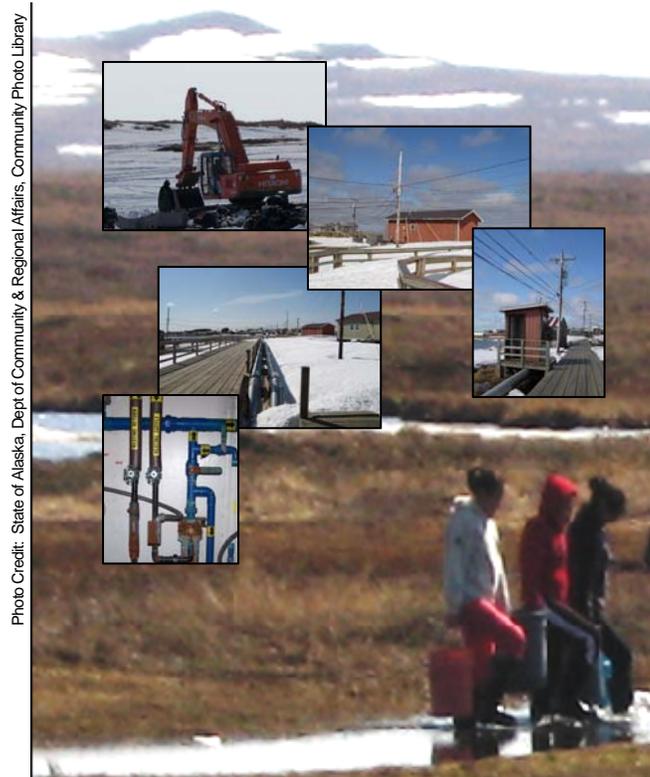


Photo Credit: State of Alaska, Dept of Community & Regional Affairs, Community Photo Library

May 1, 2012

Table of Contents

Section 1	Executive Summary	1
Section 2	Community Overview.....	2
	Location	2
	Population Served.....	2
	Local Economic Conditions	3
	Transportation Available	4
	Current Infrastructure.....	4
	Key Assumptions	5
Section 3	Management Structure	6
	Organizational Chart	6
	Key Personnel.....	7
	Operator Training.....	8
	Key Assumptions	9
Section 4	Financial Data	10
	Overview	10
	Revenue Source	10
	Estimated Annual Expenses	11
	Operations and Maintenance	11
	Annual Repair and Replacement Costs.....	16
	Annual Profit.....	17
	Annual Estimated Operating Cash Flow	19
	Financial Responsibilities.....	20
	Key Assumptions	21
Section 5	Capital Replacement Schedule.....	22
	Funding.....	22
	Key Assumptions	23
Section 6	Legal Authority & Issues	24
	Ownership	24
	Ordinances Related to New Project	24
	Special Permits, Licenses and Regulations.....	24
Section 7	Interagency Relationships.....	25
	Involvement of Other Agencies	25
	Phase of Larger Project	25
	Key Assumptions	25
Section 8	Summary.....	26
	Effect on Community.....	26
	Key Assumptions	27
Appendices		28
	FY12 City of Chefnak Budget	
	City of Chefnak Ordinance	

Section 1 Executive Summary

City of Chefnak Sanitation Utilities Business Plan

The City of Chefnak is a second class city incorporated in 1974. The City operates and maintains a variety of sanitation services within the community including:

- a water treatment plant,
- community watering points,
- piped service to the clinic, temporary washeteria and school,
- a small wastewater tank haul and water delivery system,
- school lagoon,
- a collocated landfill and honeybucket dump lagoon, and
- a boardwalk from homes to the honeybucket dump lagoon.

The City of Chefnak is working with the Village Safe Water (VSW) program, under the State of Alaska Department of Environmental Conservation, to improve its sanitation services and, as a part of that effort, this Business Plan has been prepared to provide the City of Chefnak with fee structure alternatives that will adequately fund the full cost of operating and maintaining the existing sanitation infrastructure.

Future improvements are anticipated for the City of Chefnak sanitation infrastructure. This business plan will require revision and updates as part of any future water and wastewater infrastructure planning.

Section 2 Community Overview

City of Chefornak Sanitation Utilities Business Plan

Location

Chefornak residents primarily are Yup'ik Eskimos. Chefornak is located on the south bank of the Kinia River, at its junction with the Keguk River, in the Yukon-Kuskokwim Delta, 98 miles southwest of Bethel and 490 miles west of Anchorage. A 2,500' long by 28' wide state-owned gravel airstrip provides for private and scheduled air access.

Chefornak is located in a region where the arctic tundra meets the Bering Sea and has many interesting local landmarks. An extinct volcano, Tern Mountain, is visible in the distance and large, blocky, igneous rocks are a common sight in the village and the surrounding tundra.



Population Served

The area surrounding Chefornak has historically been occupied by Yup'ik Eskimos and in the early 1950s, Alexie Amagiqchik founded a small general store at the site that was to become Chefornak. Amagigchik had moved from another Bering Sea village to one mile inland in an effort to escape potential floodwaters and others from his original village followed. The City of Chefornak was incorporated in 1974.

Employment in Chefornak is primarily through the school, tribal government, city, clinic and seasonal fishing and processing. Other than government positions, most income employment in Chefornak is seasonal. Commercial fishing is a primary income source as well as, to a lesser degree, trapping. Additionally, Coastal Villages Seafood, Inc., processes halibut and salmon in Chefornak. The local economy depends heavily on subsistence activities including reliance on fishing, hunting, trapping and gathering.

Following are selected demographics for Chefornak community, which are from available U.S. Census Bureau data (unless noted):

Population	
2011 (State of Alaska)	437
2010	418
2000	394
1990	320
1980	230
1970	146

Housing	2010	2000	1990
Occupied	92	75	64
Vacant	7	7	15
Seasonal Use	3	1	0
Average Size Household	4.54	5.25	5.00

Community Data	2010	2000	1990
Population	418	394	320
Population < 18/years	161	178	145
# households	92	75	64
Median household income	\$54,375*	\$35,556	\$20,278

In 2012, there is an itinerate population of contractors in the community that is engaged in two significant projects - the school renovation and airport upgrades. Both of these projects have established construction camps that are placing increased demands on the City of Chefnak sanitation infrastructure. Water demand by the school district is increased by approximately 1,400 gallons per day; while both of the construction projects are significantly utilizing the City's landfill without direct monetary compensation.

Local Economic Conditions

Income Levels. According to the U.S. Census Bureau, 2005-2009 American Community Survey 5 Year Estimates, 21% of Chefnak's residents live below the poverty level - with a per capita median income of \$13,595 and a median household income of \$53,393. Most of the employment is with the local school, tribal government, city, clinic, or seasonal fishery activities. Subsistence activities are an important part of the local lifestyle.

Economic Data	
Percent Unemployed (and seeking work)	18.3%
Total Potential Workforce (Age 16+)	272
Total Employment	180
Median Family Income	\$70,417
Median Household Income	\$53,393

Community Projects. Community projects underway or slated for Chefornak include:

City of Chefornak Community Projects	Status
School Renovation	Underway
Airport Project	Underway

Sources of Revenue. Revenue for the city is realized primarily from State revenue sharing, the payment in lieu of taxes program (PILT), local taxes, bingo/pull tab revenues and utility user fees. The City's fiscal year runs from July 1st to June 30th.

Community Businesses. The City of Chefornak operates the electric utility, water and sewer utility, the community landfill, the community washeteria and local bingo operations. The Village of Chefornak also operates local bingo/pull-tab operations. The local village corporation, Chefarmute, Inc. operates the primary local village store and a local resident operates a smaller retail outlet.

Community Services. The City of Chefornak provides boardwalk maintenance services, volunteer fire service, local police services, and equipment rentals and is the owner of the local clinic facility.

Transportation Available

Air transport is most frequently used to reach Chefornak. Regular and charter flights are available from Bethel and surrounding communities. The 2,500' long by 28' wide gravel runway is state-owned and is, in 2012, undergoing upgrade by the Alaska Department of Transportation & Public Facilities. Small planes provide delivery of mail, food supplies and other cargo all year long; and, cargo is brought in during ice-free months via barge. Skiffs, ATVs, and snow machines are used for local transportation to other villages. Winter trails are marked to Kipnuk (20 mi) and Kasigluk (83 mi).

Current Infrastructure

Water and Sewer System - One well and a water treatment plant serve 12 watering points, nine of which are currently operable. Residents primarily drink melted ice cut from a local pond in the winter and rain catchment the rest of the year. High snow drifts make the boardwalk impassable for winter haul service. In August, 2011, the Lower Kuskokwim School District (LKSD) began operating its own water system using reverse osmosis to treat the City water.

Landfill: Refuse is collected weekly. Currently, in 2012, the landfill is under stress from significant quantities of debris being deposited by local construction projects - generating concerns about overuse as well as the lack of revenue collected for maintenance and renewal of the landfill.

Electric Power: The City operates the Naterkaq Light Plant, the local electric utility. In 2012, the kWh rate was 66.0 cents, with PCE contributing 35.04 cents per kWh for residents up to 500 kWh.

Bulk Fuel: The bulk fuel facility provides diesel storage to the City of Chefornak and the Lower Kuskokwim School District as well as diesel and gasoline storage to the Chefarnamute, Inc. The 3 cell tank farm has a storage capacity of 266,000 gallons and includes a dispensing station and a marine fill header system. The Chefarnamute, Inc. retails fuel to the community.

Telephone/Internet: Local phone service is provided by United Utilities, Inc., long-distance service is provided AT&T Alascom and United Utilities, Inc. and cellular service is provided by GCI. The internet service provider is United Utilities, Inc.

Key Assumptions

Community related assumptions are:

- Demographic information obtained from the state and U.S. Census Bureau is reliable.
- 2010 population size, number of households, and commercial and business establishments (using actual count data) are used to generalize the estimated number of users.
- Utility rates charged are those established by the City of Chefornak.
- The population is estimated to increase to 580 within the next 20 years.

Section 3 Management Structure

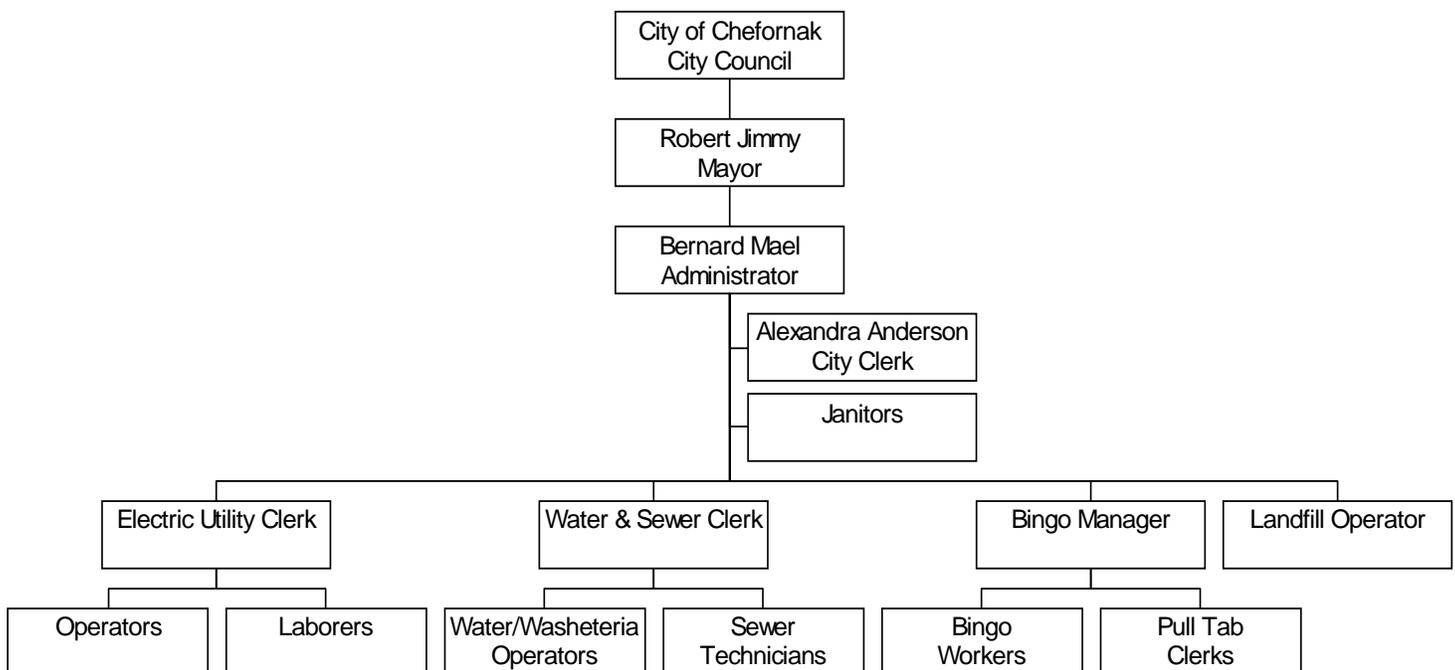
City of Chefnak Sanitation Utilities Business Plan

The City of Chefnak was incorporated in 1974. The City is managed by a city administrator and a seven member city council, headed by a mayor.

Organizational Chart

Overall management of the City of Chefnak is provided by the seven member council, headed by Mayor Robert Jimmy and implemented by City Administrator Bernard Mael. The following organizational chart illustrates the current staff relationships of the City of Chefnak.

City of Chefnak Organizational Chart



Overall, the utility system is overseen by the City Council, whose members are listed below. It is their responsibility to create the rules and regulations governing the utilities and to set utility rates - with the input of the mayor and the city administrator.

Chefornak City Council	Position
Robert Jimmy	Mayor
Rosalie Mathew	Vice Mayor
Victor Wiseman	Secretary
Richard Matthew	Treasurer
Mary P. Mathew	Member
Matthew Panruk	Member
Sarah Buckles	Member

Key Personnel

City Manager Duties

The City of Chefornak owns and operates the sanitation utilities under the direction of the City Council. City Administrator Bernard Mael is responsible for the day-to-day administration and management of the City office and oversees the management and operation of the sanitation utilities. He is responsible for directing financial planning and accounting practices, over-seeing budgeting and audits, general management functions as well as the activities of the department managers and the city clerk.

Utility Clerk(s)

The utility clerks, Magdalene Mathew and Billie Jean Chagluak job-share and are responsible for the maintenance and reporting of accounts receivable and accounts payable, controlling all functions related to payroll accounting and requirements and all bookkeeping and accounting duties.

Water Plant/Washeteria Operators

The water plant/washeteria operators, Robert D. Jimmy and Thomas E. Mael, job-share and are responsible for water operations, inspecting the water facilities, minor maintenance and repairs, coordinating major maintenance and repairs as well as water testing and compliance data reporting.

Sewer Technicians

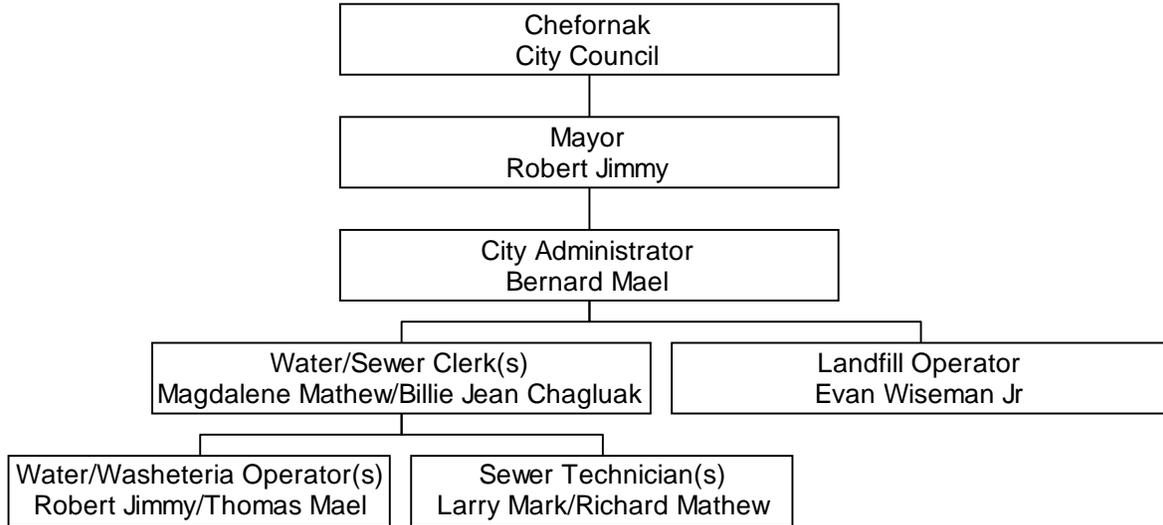
The sewer technicians, Larry Mark and Richard Mathew, job share and are responsible for sewer operations, inspecting the sewer facilities and minor maintenance and repairs.

Landfill Operator

The landfill operator, Evan Wiseman Jr, is responsible for solid waste operations, operating the landfill and minor maintenance and repairs.

The organizational chart below illustrates the staff relationships of the water and sewer utility.

**City of Chefnak
Sanitation Utilities
Organizational Chart**



Operator Training

The City of Chefnak’s water treatment operators must be properly certified by the State of Alaska, Department of Environmental Conservation as outlined in 18 AAC 74, Water and Wastewater Operator Certification and Training.

Water System Classification

According to 18 AAC 74.040 Examination Requirements, “to be certified to operate a water system classified as class I-IV under 18 AAC 74.120, an applicant must pass an approved and validated examination that demonstrates the applicant’s skills, knowledge, ability and judgment to operate a system” and that “to be eligible to take an examination, the applicant must meet the education and experience requirements of 18 AAC 74.050 or hold a valid certificate in the same system type at one level lower”. In other words, certification of water treatment operators is a function of both testing and education/experience, which is dictated by the overall water system classification of class I – class IV.

The classification for water system for Chefnak is:

System	Classification Level[†]
Water Treatment	Small Water System

[†] Per the State of Alaska, DEC, Division of Water, Alaska Water/Wastewater System Classification Database

Water Operator Certification and Training

The Chefnak water operators need to obtain and maintain certification levels identified in the above table. To do so, the following education and experience requirements must be met in order to take Level 1 and Level 2 operator examinations:

System Type	Level 1		Level 2	
	Years		Years	
	Education	Operator Experience	Education	Operator Experience
Water Treatment	12	1	12	3
Water Distribution	12	1	12	3
Wastewater Treatment	12	1	12	3

Water treatment operator Thomas Mael holds a Water Distribution Provisional certificate (expires December 2014) and a Small Water System Treated certificate (expires December 2012); while Robert Jimmy holds a Small Water System Treated certificate (expires December 2011).

Once certification is obtained, it must also be maintained. Certificates are valid for a three-year period beginning on January 1 of the year of issuance. According to 18 AAC 74.810 Certificate Term and Renewal, “during the three-year period in which the certificate is valid, an operator must complete approved continuing education courses as a condition for renewal of the certificate”. And, for certification as an operator in training or level I – level IV certification, an operator must complete approved courses equal to three CEUs, or 30 hours of approved training. Additionally, an operator holding more than one certificate at level OIT or level I – level IV need complete only the courses required to satisfy renewal requirements for one of the certificates, but must complete the required courses at least every three years.

While Robert Jimmy and Thomas Mael do have the required CEUs for renewal of their Small Water System Treated certificates, the City of Chefnak will need to be diligent in its development of a training plan for the water operator positions, and, more importantly, will need to ensure that the annual operations and maintenance budget includes sufficient funding to ensure travel and attendance at required courses.

Key Assumptions

Employee related assumptions are:

- That the City will take advantage of available training.
- That the City intends to comply with any applicable state and federal requirements.
- Employees will be stable and there will be no significant staff turnover.

Section 4 Financial Data

City of Chefnak Sanitation Utilities Business Plan

Overview

The City of Chefnak's fiscal year is July – June and it uses QuickBooks software for budgeting and accounting. All checks require two signatures and the city administrator, the city clerk and all members of the council are authorized check signers.

The following financial estimates are in year 2011 dollars; actual revenues and expenses will vary throughout the life of the facility and system fees and rates should be reevaluated annually.

Revenue Source

Water and Sewer

The City of Chefnak has a written rate structure, which, after a review of costs, was passed by a resolution of the City Council - *City of Chefnak Ordinance 09-01*. Following are the projected 2012 revenues for water and sewer services:

Water & Sewer Service Category	Average		Collection Rate	Yearly Revenues
	per Month	Rate		
Flush Service	2	\$25.00	100%	\$ 600
Flush Service - Low Income	3	\$12.50	100%	\$ 450
Water Tokens	200	\$0.25	100%	\$ 600
Sanitation Service	25	\$25.00	100%	\$ 7,500
Sanitation Service - Low Income	4	\$12.50	100%	\$ 600
Water Delivery	1	\$10.00	100%	\$ 120
Water Delivery - Low Income	5	\$5.00	100%	\$ 300
Self Haul	3	\$200.00	100%	\$ 7,200
¹ School Water		\$0.06	100%	\$ 72,000
Local City Contribution				\$ 15,000
Total Revenue				\$ 104,370

Notes

¹ School service 300 days per year at per gal \$ 0.0600 for 1,200,000 gallons per year

The estimated revenue is based upon average service levels per month by service category provided by the City of Chefnak as well as a school service fee and a City contribution.

The 2012 school service fee is \$.06 per gallon and revenues are based upon an estimated 1,200,000 gallons used annually by the school, including the water supply to the construction camp, which is scheduled to operate through 2013.

The City contribution of \$15,000 will be derived from a 2% city sales tax, gaming revenue and/or Community Revenue Sharing. City contributions to the water and sewer enterprise, according to the City of Chefnak financial reports, were approximately \$58,500 in FY10 and \$63,000 in FY11.

Washeteria

In 2012, the City of Chefnak is collecting approximately \$500 per month on washeteria services, therefore estimated annual revenues would be:

Washeteria	Average per Month	Collection Rate	Yearly Revenues
Washers/Dryers/Showers	\$ 500	100%	\$ 6,000
¹ Local City Contribution			
Total Revenue			\$ 6,000

Landfill

In 2012, the City of Chefnak is collecting very limited revenues from landfill services, which are incorporated in the water and sewer revenues. Given that the City landfill is experiencing high use from construction operations, it would behoove the City to seriously consider establishing a landfill-user fee for commercial/community project customers.

Boardwalk

Grant funds are utilized for renewal and replacement of the community boardwalks - however, these funds are not included in revenues nor are the associated expenses included in the projected expenses below.

Estimated Annual Expenses

There are two cost categories that will be incurred in the on-going operation and upkeep of the water and sewer facilities – Operations and Maintenance (O&M) and Repairs and Replacement (R&R).

Operations and Maintenance

The City of Chefnak will incur a number of reoccurring expenses relating to the operations and maintenance of the system. Operations and maintenance items are defined as expenses that are

incurred on a regular, on-going basis to sustain the operation of the water and sewer assets and the cost of the utility administration.

Water and Sewer

Total Annual Operations and Maintenance Expenses

The following summarizes the annual operations and maintenance estimates for the City of Chefnak's water and sewer utility.

	Annual Estimate
Administration	\$ 11,310
Labor	\$ 56,936
Materials/Maintenance	\$ 4,200
Utilities	\$ 17,350
Office Expenses	\$ 400
Other	\$ 8,200
Insurance	\$ 500
Total Annual Expenses	\$ 98,896

Below are more detailed operations and maintenance estimates by summary line-item, which are based upon assumptions provided by the current City of Chefnak labor rates and operating expenses as well as comparable system expenses and inflationary conditions.

Administration

Administration*	
Clerk	\$ 9,750
Payroll Taxes @ 16%	\$ 1,560
Benefits @ 4%	\$ 424
Total Administration	\$ 11,310

*based upon 3 hours per day x 5 days a week

Labor Expenses

Labor	
Water Plant Operators 1 ¹	\$ 33,605
Sewer Technicians 1 ²	\$ 17,875
Benefits @ 4%	\$ 2,238
Payroll Taxes @ 16%	\$ 3,218
Total Labor	\$ 56,936

¹based upon 55 hours per week

²based upon 25 hours per week

Miscellaneous Materials/Supplies

Materials/Maintenance	
Water Testing	\$ 3,000
Equipment	\$ 1,200
Total Materials/Maintenance	\$ 4,200

+budgeted costs split 50% each to Water & Sewer

Utilities

Utilities	
Fuel	\$ 10,600
Electricity	\$ 6,750
Total Utilities	\$ 17,350

Office Expenses

Office Expenses	
Postage/Phone/Office	\$ 400
Total Office Expenses	\$ 400

Insurance/Other

Insurance/Other	
Travel/Training	\$ 4,500
Insurance*	\$ 500
Misc	\$ 3,700
Total Other	\$ 8,700

* Estimated based upon AMLJIA coverage

The water system costs were estimated by subtracting the sewer costs from these total costs. Estimated sewer costs are:

Estimated Sewer Expenses:	
Technician Labor	\$ 17,875
Technician Benefits	\$ 97
Technician Payroll Taxes	\$ 2,860
Clerk	\$ 3,218
Clerk Payroll Taxes	\$ 250
Clerk Benefits	\$ 18
Equipment	\$ 1,200
Postage/Phone/Office	\$ 40
Insurance/Other	\$ 870
Estimated Sewer Expenses	\$ 26,428

Therefore, water system costs were estimated to be:

Est Water & Sewer Expenses	\$	98,896
Less: Estimated Sewer Expenses	\$	(26,428)
Estimated Water Expenses	\$	72,469

Washeteria

Total Annual Operations and Maintenance Expenses

The City of Chefnak does not currently track and allocate all of the discrete O&M expenses for the City washeteria. The following estimates summarize the current identifiable costs for the annual operations and maintenance of the washeteria:

	Annual Estimate	
Administration	\$	3,868
Labor	\$	737
Materials/Maintenance	\$	1,000
Utilities	\$	17,350
Other	\$	2,000
Total Annual Expenses	\$	24,955

Below are more detailed operations and maintenance estimates by summary line-item, which are based upon assumptions provided by the current City of Chefnak labor rates and operating expenses as well as comparable system expenses and inflationary conditions.

Administration

Administration*		
Clerk	\$	3,250
Payroll Taxes @ 16%	\$	618
Benefits @ 4%	\$	141
Total Administration	\$	3,868

*based upon 5 hours per week

Labor Expenses

Labor		
Water Plant Operator 2 ¹	\$	611
Benefits @ 4%	\$	24
Payroll Taxes @ 16%	\$	102
Total Labor	\$	737

¹based upon 1 hour per week

Miscellaneous Materials/Supplies

Materials/Maintenance	
Supplies	\$ 1,000
Total Materials/Maintenance	\$ 1,000

+budgeted costs split 30% each to W&S, Landfill & Washeteria

Utilities

Utilities	
Fuel	\$ 7,645
Electricity	\$ 3,600
Total Utilities	\$ 11,245

Other

Other	
Misc	\$ 2,000
Total Other	\$ 2,000

Landfill

Total Annual Operations and Maintenance Expenses

The City of Cheforak does not currently track and allocate discrete O&M expenses for the City landfill. The following estimates summarize the current identifiable costs for the annual operations and maintenance of the landfill.

	Annual Estimate
Administration	nc
Labor	\$ 32,648
Materials/Maintenance	\$ 3,000
Other	\$ 2,000
Total Annual Expenses	\$ 37,648

Below are more detailed operations and maintenance estimates by summary line-item, which are based upon assumptions provided by the current City of Cheforak labor rates and operating expenses.

Labor Expenses

Labor	
Landfill Operator 1 ¹	\$ 31,200
Benefits @ 4%	\$ 1,248
Payroll Taxes @ 16%	\$ 200
Total Labor	\$ 32,648

¹based upon 40 hours per week

Miscellaneous Materials/Supplies

Materials/Maintenance	
Equipment	\$ 3,000
Total Materials/Maintenance	\$ 3,000

Other

Other	
Misc	\$ 2,000
Total Other	\$ 2,000

Boardwalk

Total Annual Operations and Maintenance Expenses

The City of Chefnak estimates that it spends approximately \$15,000 per year for general maintenance and repair of the community boardwalks.

	Annual Estimate
Materials/Maintenance	\$ 15,000
Total Annual Expenses	\$ 15,000

Annual Repair and Replacement Costs

The City of Chefnak will also incur on-going expenses relating to the repair and replacement of the sanitation systems. R&R costs are those expenses defined as items costing greater than \$5,000 and/or that are not replaced on an annual basis. Repair and replacement (R&R) costs are capital costs that will be depreciated over the useful life of the item rather than expensed in the year incurred.

Water and Sewer

A preliminary estimate of \$5,000 per year for the water and sewer, provided by CE2 Engineers, has been made of the expected annual R&R costs for major equipment, i.e. pumps and system controls. These costs will need to be "set-aside" annually to ensure that funds will exist when the actual purchases need to be made. The annual R&R payments will be deposited into a savings account that will require a City Council resolution to withdraw funds – funds will only be withdrawn for purposes of water and sewer system R&R.

Washeteria

A preliminary estimate of \$3,080 per year for the washeteria, based upon costs for similar facilities, has been made of the expected annual R&R costs for major equipment, i.e. washers and dryers. These costs will need to be "set-aside" annually to ensure that funds will exist when the actual purchases need to be made. The annual R&R payments will be deposited into an

savings account that will require a City Council resolution to withdraw funds – funds will only be withdrawn for purposes of washeteria R&R.

Landfill

The community landfill is experiencing significant demand from commercial users - to the point that there is concern about the on-going viability of the landfill - which is not generating direct revenue. In 2012, the City of Chefnak does not have sufficient cash reserves to match potential grant funds for maintenance/upgrade of the community landfill. In order to establish such a cash reserve, the City will need to establish a landfill user fee schedule for large-scale users. It is recommended that City begin setting aside at least \$5,000 per month for the long-term repair and replacement of the landfill.

Boardwalk

Historically, the City of Chefnak has obtained grant funds to perform repair and replacement of the community's boardwalks. Thus, no annual set-aside is included for the boardwalks.

Annual Profit

Water and Sewer

Based upon preliminary estimates and allocations, the water and sewer utility requires a cash subsidy from the City of Chefnak:

Water & Sewer Revenue		
Flush Service	\$	600
Flush Service - Low Income	\$	450
Water Tokens	\$	600
Sanitation Service	\$	7,500
Sanitation Service - Low Income	\$	600
Water Delivery	\$	120
Water Delivery - Low Income	\$	300
Self Haul	\$	7,200
School Water	\$	72,000
Total Revenue	\$	89,370
Water & Sewer Expenses		
Annual Operation and Maintenance Costs	\$	98,896
Annual Repair and Replacement Costs	\$	5,000
Capital Replacement Account	\$	-
Total Expense	\$	103,895
W&S Net Operating Income (Loss)	\$	(14,525)
W&S Net Operating Income	\$	(14,525)
Local Capital Contribution	\$	15,000
Water & Sewer Annual Estimated Profit	\$	475

Washeteria

Based upon preliminary estimates and allocations, the washeteria requires a cash subsidy from the City of Chefnak:

Washeteria Revenue	
Washers/Dryers/Showers	\$ 6,000
Total Revenue	\$ 6,000
Washeteria Expenses	
Annual Operation and Maintenance Costs	\$ 24,955
Annual Repair and Replacement Costs	\$ 3,080
Capital Replacement Account	\$ -
Total Expense	\$ 28,035
Washeteria Net Operating Income (Loss)	\$ (22,035)
Washeteria Net Operating Income	\$ (22,035)
Local Capital Contribution	\$ 22,500
Washeteria Annual Estimated Profit	\$ 465

Landfill

Based upon preliminary estimates and allocations, the landfill requires a cash subsidy from the City of Chefnak:

Landfill Revenue	
None Trackable	\$ -
Total Revenue	\$ -
Landfill Expenses	
Annual Operation and Maintenance Costs	\$ 37,648
Annual Repair and Replacement Costs	\$ 5,000
Capital Replacement Account	\$ -
Total Expense	\$ 42,648
Landfill Net Operating Income (Loss)	\$ (42,648)
Landfill Net Operating Income	\$ (42,648)
Local Capital Contribution	\$ 43,000
Landfill Annual Estimated Profit	\$ 352

Boardwalk

Based upon preliminary estimates and allocations, the boardwalk requires a cash subsidy from the City of Chefnak:

Boardwalk Expenses	
Annual Operation and Maintenance Costs	\$ 15,000
Annual Repair and Replacement Costs	\$ -
Capital Replacement Account	\$ -
Total Expense	\$ 15,000
Landfill Net Operating Income (Loss)	\$ (15,000)
Landfill Net Operating Income	\$ (15,000)
Local Capital Contribution	\$ 15,000
Landfill Annual Estimated Profit	\$ -

Annual Estimated Operating Cash Flow

Annual estimated operating cash flow depicts the annual flow of money in and out of the business over the course of an operating year; regardless of whether or not the expenditure is fully tax deductible, such as capital expenditures (annual R&R) or loan principal payments.

Water and Sewer

Based upon the preliminary estimates and allocations, the annual water and sewer cash flow is breakeven with a City contribution of \$15,000: (NOTE: This subsidy would likely need to increase, in the absence of rate increases, when the construction project water demand is discontinued)

Water & Sewer Cash Sources	
Flush Service	\$ 600
Flush Service - Low Income	\$ 450
Water Tokens	\$ 600
Sanitation Service	\$ 7,500
Sanitation Service - Low Income	\$ 600
Water Delivery	\$ 120
Water Delivery - Low Income	\$ 300
Self Haul	\$ 7,200
School Water	\$ 72,000
Local Contribution	\$ 15,000
Total Cash Sources	\$ 104,370
Water & Sewer Cash Uses	
Annual Operation and Maintenance Costs	\$ 98,896
Annual Repair and Replacement Costs	\$ 5,000
Capital Replacement Account	\$ -
Total Cash Uses	\$ 103,895
W&S Excess (Shortage) of Cash Over Expenditures	\$ 475

Washeteria

The City washeteria currently generates modest revenue of approximately \$5,000 per year. Based upon the currently identifiable costs the cash subsidy for the washeteria is at least \$22,500 per year. If the City were to track and allocate costs for the washeteria, it seems very probable that the cash subsidy is even greater.

Washeteria Cash Sources	
Washers/Dryers/Showers	\$ 6,000
Local Contribution	\$ 22,500
Total Cash Sources	\$ 28,500
Washeteria Cash Uses	
Annual Operation and Maintenance Costs	\$ 24,955
Annual Repair and Replacement Costs	\$ 3,080
Capital Replacement Account	\$ -
Total Cash Uses	\$ 28,035
Washeteria Excess (Shortage) of Cash Over Expenditure	\$ 465

Landfill

The City landfill has no cash inflow source other City contribution. Based upon the currently identifiable costs and estimated annual R&R of \$5,000, the cash subsidy for the landfill is at least \$43,000 per year. If the City were to track and allocate costs for the landfill, it seems very probable that the cash subsidy is even greater.

Landfill Cash Sources	
Local Contribution	\$ 43,000
Total Cash Sources	\$ 43,000
Landfill Cash Uses	
Annual Operation and Maintenance Costs	\$ 37,648
Annual Repair and Replacement Costs	\$ 5,000
Capital Replacement Account	\$ -
Total Cash Uses	\$ 42,648
Landfill Excess (Shortage) of Cash Over Expenditures	\$ 352

Boardwalk

The City boardwalk annual repairs are funded through the City's general budget and have direct funding source.

Boardwalk Cash Sources	
Local Contribution	\$ 15,000
Total Cash Sources	\$ 15,000
Boardwalk Cash Uses	
Annual Operation and Maintenance Costs	\$ 15,000
Annual Repair and Replacement Costs	\$ -
Capital Replacement Account	\$ -
Total Cash Uses	\$ 15,000
Landfill Excess (Shortage) of Cash Over Expenditures	\$ -

Financial Responsibilities

The long term viability of the City of Chefnak's sanitation utilities is dependent on the ability of the City of Chefnak to generate sufficient cash flow to both routinely operate and maintain the facilities and periodically repair and replace capital components. In order to ensure sufficient funds are available for both purposes, the City of Chefnak must establish realistic users fees and diligently reserve all funds generated by the City of Chefnak sanitation services as well as commit other City of Chefnak funds, as needed, to fully meet the obligations outlined in this Business Plan.

The City of Chefnak should establish and maintain separate O&M and R&R accounts for each enterprise function and maintain sufficient cash reserves to meet the O&M and R&R financial goals in this Plan. It is important that the City properly allocate, to the maximum extent possible, costs to each of its enterprise functions to ensure that all costs are recovered in associated user fees. Additionally, the City should review its user fees periodically (at least annually) to ensure that the user

fees schedules are adequate to cover enterprise O&M and R&R costs. NOTE: This is especially true of the water user rates - the water rates are dependent upon the assumptions made concerning the City water demand and the school water demand. If water demand varies significantly from the assumptions used to generate the water fee schedule it could result in a situation where the water utility is not collecting enough revenue to cover associated costs.

At least once a year, no later than May 30th, the City of Chefnak will develop a budget for the upcoming fiscal year, July 1st through June 30th, for sanitation utilities O&M and R&R. This will include an update of actual expenses and projections and assumptions used in this Plan. The City of Chefnak will use the estimates in this Plan for year one; and, in subsequent years, will recalculate revenue and expense projections based upon actual experience.

Key Assumptions

Financial assumptions are:

- Revenue will be generated from user fees for water and sewer services, based upon above projections or higher.
- City of Chefnak will reserve all user fees from sanitation services for the exclusive purpose of operating, maintaining, repairing and replacing the City of Chefnak sanitation systems. Funds generated from the operation of the City of Chefnak sanitation utilities will not be utilized for any other purposes, including airport maintenance, road maintenance, electric utility, etc.
- City of Chefnak will maintain at least a 90% collection rate on sanitation accounts.
- The LKSD will purchase from the City, on average per year, 1,200,000 gallons of water in 2012 and 960,000 gallons of water in 2013 to 2015.
- User fees will be established at or above assumed rates and will be evaluated at least annually.
- R&R funds will be deposited into an interest-bearing bank account and will be withdrawn for the repair and replacement of the City of Chefnak sanitation assets only by resolution of the City of Chefnak Council.

Section 5 Capital Replacement Schedule

City of Chefnak Sanitation Utilities Business Plan

Funding

Ultimately, the Chefnak sanitation utilities will require major capital replacement. Given a system design life of 30 years, it would be necessary to accumulate sufficient funds to replace the Chefnak facilities, on average, at the end of 30 years. The annual portion of such an annuity, or equivalent annual cycle cost (EACC) is calculated below:

Annual Payment for System Replacement						
Inflation Rate: 3.0%			Reinvestment Rate: 4.0%			
Year	Project Replacement Costs		Capital Replacement Fund Balance			
	Total Assets Inflated Cost	10% of Total Asset Cost	Start of Year Balance	Annual Deposit	Interest Earnings	End of Year Balance
1	\$ 8,000,000	\$ 800,000	\$ -	\$ 33,614	\$ -	\$ 33,614
2	\$ 8,240,000	\$ 824,000	\$ 33,614	\$ 33,614	\$ 1,345	\$ 68,573
3	\$ 8,487,200	\$ 848,720	\$ 68,573	\$ 33,614	\$ 2,743	\$ 104,930
4	\$ 8,741,816	\$ 874,182	\$ 104,930	\$ 33,614	\$ 4,197	\$ 142,742
5	\$ 9,004,070	\$ 900,407	\$ 142,742	\$ 33,614	\$ 5,710	\$ 182,066
6	\$ 9,274,193	\$ 927,419	\$ 182,066	\$ 33,614	\$ 7,283	\$ 222,962
7	\$ 9,552,418	\$ 955,242	\$ 222,962	\$ 33,614	\$ 8,918	\$ 265,495
8	\$ 9,838,991	\$ 983,899	\$ 265,495	\$ 33,614	\$ 10,620	\$ 309,729
9	\$ 10,134,161	\$ 1,013,416	\$ 309,729	\$ 33,614	\$ 12,389	\$ 355,733
10	\$ 10,438,185	\$ 1,043,819	\$ 355,733	\$ 33,614	\$ 14,229	\$ 403,576
11	\$ 10,751,331	\$ 1,075,133	\$ 403,576	\$ 33,614	\$ 16,143	\$ 453,333
12	\$ 11,073,871	\$ 1,107,387	\$ 453,333	\$ 33,614	\$ 18,133	\$ 505,081
13	\$ 11,406,087	\$ 1,140,609	\$ 505,081	\$ 33,614	\$ 20,203	\$ 558,898
14	\$ 11,748,270	\$ 1,174,827	\$ 558,898	\$ 33,614	\$ 22,356	\$ 614,869
15	\$ 12,100,718	\$ 1,210,072	\$ 614,869	\$ 33,614	\$ 24,595	\$ 673,078
16	\$ 12,463,739	\$ 1,246,374	\$ 673,078	\$ 33,614	\$ 26,923	\$ 733,615
17	\$ 12,837,652	\$ 1,283,765	\$ 733,615	\$ 33,614	\$ 29,345	\$ 796,574
18	\$ 13,222,781	\$ 1,322,278	\$ 796,574	\$ 33,614	\$ 31,863	\$ 862,051
19	\$ 13,619,464	\$ 1,361,946	\$ 862,051	\$ 33,614	\$ 34,482	\$ 930,147
20	\$ 14,028,048	\$ 1,402,805	\$ 930,147	\$ 33,614	\$ 37,206	\$ 1,000,967
21	\$ 14,448,890	\$ 1,444,889	\$ 1,000,967	\$ 33,614	\$ 40,039	\$ 1,074,620
22	\$ 14,882,357	\$ 1,488,236	\$ 1,074,620	\$ 33,614	\$ 42,985	\$ 1,151,219
23	\$ 15,328,827	\$ 1,532,883	\$ 1,151,219	\$ 33,614	\$ 46,049	\$ 1,230,882
24	\$ 15,788,692	\$ 1,578,869	\$ 1,230,882	\$ 33,614	\$ 49,235	\$ 1,313,732
25	\$ 16,262,353	\$ 1,626,235	\$ 1,313,732	\$ 33,614	\$ 52,549	\$ 1,399,896
26	\$ 16,750,223	\$ 1,675,022	\$ 1,399,896	\$ 33,614	\$ 55,996	\$ 1,489,506
27	\$ 17,252,730	\$ 1,725,273	\$ 1,489,506	\$ 33,614	\$ 59,580	\$ 1,582,700
28	\$ 17,770,312	\$ 1,777,031	\$ 1,582,700	\$ 33,614	\$ 63,308	\$ 1,679,622
29	\$ 18,303,421	\$ 1,830,342	\$ 1,679,622	\$ 33,614	\$ 67,185	\$ 1,780,421
30	\$ 18,852,524	\$ 1,885,252	\$ 1,780,421	\$ 33,614	\$ 71,217	\$ 1,885,253

* Estimate from VSW

Based upon the above, the equivalent annual capital cost would be: \$33,614.

Funding for Proposed Upgrades

Currently, there are no proposed upgrades to the Cheformak sanitation facilities.

Key Assumptions

Repair and replacement assumptions are:

- Repairs and maintenance will increase as the system ages.
- This analysis does not address a rebuild of the system at the end of its useful life or a failure of the system from design, product failure or obsolescence.

Section 6 Legal Authority & Issues

City of Chefnak Sanitation Utilities Business Plan

Ownership

The City of Chefnak owns one hundred percent of the sanitation utilities facilities.

Ordinances Related to New Project

Ordinance 98-01 adopted in 1998 established the Chefnak Public Water and Sewer Department whereby deeming the city as the owner and operator of the utility. Ordinance 09-01 adopted on January 21, 2009, amends the original ordinance deeming the city council as the utility's authority further setting rates and regulations.

Special Permits, Licenses and Regulations

No special permits, licenses and/or regulations are at issue.

Section 7 Interagency Relationships

City of Chefnak Sanitation Utilities Business Plan

Involvement of Other Agencies

Replacement Agencies

The replacement of the utilities, at the end of the design life, has not been considered.

Regulatory Agencies

The primary regulatory agency for the water and sewer utility and landfill will be the State of Alaska, Department of Environmental Conservation (DEC). DEC regulates a wide array of environmental areas. Of concern to the Chefnak sanitation utilities is the agency's regulatory authority over water quality, testing standards, wastewater disposal, operator training standards and engineering plan approval as well as solid waste disposal and treatment and landfill permitting.

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 Chefnak does not possess a certificate from the RCA to operate its current water and sewer utility.

Phase of Larger Project

The Chefnak sanitation utilities include the following components:

- a water treatment plant,
- community watering points,
- piped service to the clinic, temporary washeteria and school,
- school lagoon,
- a small wastewater tank haul and water delivery system,
- a collocated landfill and honeybucket dump lagoon, and
- a boardwalk from homes to the honeybucket dump lagoon.

Currently, there are no sanitation-related projects underway.

Key Assumptions

- Any future system upgrade projects are dependent on funding.

Section 8 Summary

City of Chefnak Sanitation Utilities Business Plan

Effect on Community

The following table represents an estimated current cost of living in the City of Chefnak according to City officials and DCCED community data, and compares it to the residents' ability to pay.

Cost of Living/Residents' Ability to Pay

2011 Estimated	Average Rate	Times Paid a Year	Annual Amount
Income Per Household			
Median Household Income	\$ 2,963 *	12	\$ 35,556
Total Median Income			\$ 35,556
Expenses Per Household+			
Housing	\$ 100	12	\$ 1,200
Food	\$ 750	12	\$ 9,000
Electricity			
Summer	\$ 180	6	\$ 1,080
Winter	\$ 250	6	\$ 1,500
Fuel - Diesel			
Summer	\$ 160	6	\$ 960
Winter	\$ 350	6	\$ 2,100
Gasoline	\$ 250	12	\$ 3,000
Water & Sewer	\$ 25	12	\$ 300
Telephone/Internet	\$ 250	12	\$ 3,000
Airfare	\$ 375	4	\$ 1,500
Clothing	\$ 250	1	\$ 250
Gifts/Holidays	\$ 850	1	\$ 850
Other	\$ 800	12	\$ 9,600
Total Estimated Expense			\$ 34,340
Surplus/(Deficit)			\$ 1,216

* Based upon 2000 Census - Rounded to nearest whole number

+ City of Chefnak Clerk - 2011 Estimate

Ability to Pay		
Current Estimated Surplus	\$	1,216
Estimated Increased Water/Sewer Charges Annually	\$	-
Projected Surplus/(Deficit)	\$	1,216

Key Assumptions

Key assumptions related to community impact are:

- Household income from State of Alaska statistics is correct.
- This document has not considered the effect of natural disasters such as fire, flood, and earthquake.

Appendices

FY12 City of Chefornak Budget

City of Chefornak Ordinance

Budget Appropriations Ordinance

Ordinance No. 01

AN ORDINANCE FOR THE CITY OF CheFornak PROVIDING FOR
THE ESTABLISHMENT AND ADOPTION OF THE BUDGET
FOR FISCAL YEAR 2012

BE IT ENACTED BY THE COUNCIL OF THE CITY
OF CheFornak

Section 1. Classification.

This is a **Non-Code Ordinance**.

Section 2. General Provisions.

The attached document is the authorized budget of revenues and expenditures for the period July 1 through June 30 and is made a matter of public record.

Section 3. Effective Date.

This ordinance becomes effective upon its adoption by the city council.

First Reading June 09, 2011
Public Hearing June 30, 2011

ADOPTED by a duly constituted quorum of the City Council of CheFornak, Alaska,
this 30th day of June, 2011.



Mayor

ATTEST:



City Clerk

Attachment: Authorized FY 12 Revenues and Expenditures.

*or the Manager, if the Manager plan has been adopted.

Original - To be kept by city.

Copy - To be returned to the Department of Commerce, Community, and Economic Development

DETAILED FY 12 BUDGET FORM

BUDGETED OPERATING REVENUES

LOCALLY GENERATED

		FY 11 ACTUAL (Estimated)	FY 12 BUDGET	Budget Summary Line Reference
Taxes:	Sales Taxes	\$ 48,521.43	\$ 48,600.00	
	Sales Tax Penalties & Interest	\$ 0	\$ 0	
	Property Taxes	\$ 0	\$ 0	
	Property Tax Penalties & Interest	\$ 0	\$ 0	
	Hotel/Motel Taxes	\$ 0	\$ 0	
	Hotel Tax Penalties & Interest	\$ 0	\$ 0	
	Motor Vehicle Taxes	\$ 0	\$ 0	
	Other: <i>Fish Tax</i>	\$ 1,099.77	\$ 1,100.00	
	Other:	\$ 0	\$ 0	
	Total Taxes	\$ 49,621.20	\$ 49,700.00	Enter on line 1
Special Assessments:		\$ 0	\$ 0	Enter on line 2
Licenses and Permits:		\$ 155.00	\$ 160.00	Enter on line 3
Fines and Penalties:		\$ 215.00	\$ 250.00	Enter on line 4
Contracted Services:	AVEC Reimbursement	\$ 0	\$ 0	
	IHS Health Clinic Lease	\$ 0	\$ 0	
	Airport Maintenance Contract w/State	\$ 0	\$ 0	
	Road Maintenance Contract w/State	\$ 0	\$ 0	
	Jail Contract w/State	\$ 0	\$ 0	
	Other:	\$ 0	\$ 0	
	Other:	\$ 0	\$ 0	
	Total Contracted Services	\$ 0	\$ 0	Enter on line 5
Service Charges:	Photocopies	\$ 0	\$ 0	
	Other:	\$ 0	\$ 0	
	Other:	\$ 0	\$ 0	
	Total Service Charges	\$ 0	\$ 0	Enter on line 6
Enterprises:	Electric Utility: Customer Payments	\$ 342,901.76	\$ 500,000.00	
	Electric Utility: PCE Subsidy	\$ 20,018.60	\$ 160,000.00	
	Water / Sewer	\$ 0	\$ 0	
	Washeteria / Sauna	\$ 3,581.50	\$ 3,600.00	
	Garbage Collection Services	\$ 12,935.00	\$ 13,000.00	
	Landfill / Dump Fees	\$ 2,352.00	\$ 2,400.00	
	Fuel Sales	\$ 0	\$ 0	
	Harbor / Dock Charges	\$ 0	\$ 0	
	Cable TV	\$ 0	\$ 0	
	Bingo / Pull Tab Receipts	\$ 254,727.00	\$ 260,000.00	
	Mass Transit	\$ 0	\$ 0	
	Phone Utility	\$ 0	\$ 0	
	Other:	\$ 0	\$ 0	
	Other:	\$ 0	\$ 0	
	Total Enterprise Revenues	\$ 736,515.86	\$ 939,000.00	Enter on line 7
Rentals:	Building Rentals	\$ 600.00	\$ 700.00	
	Equipment Rentals	\$ 220.00	\$ 250.00	
	Other:	\$ 0	\$ 0	
	Total Rentals	\$ 820.00	\$ 950.00	Enter on line 8

DETAILED FY 12 BUDGET FORM

BUDGETED OPERATING REVENUES

LOCALLY GENERATED

		FY 11 ACTUAL (Estimated)	FY 12 BUDGET	Budget Summary Line Reference
Leases:	Land Leases	\$ 0	\$ 0	
	Equipment Leases	\$ 0	\$ 0	
	Other:	\$ 0	\$ 0	
	Total Leases	\$ 0	\$ 0	Enter on line 9
Sales:	Land Sales	\$ 0	\$ 0	
	Gravel Sales	\$ 0	\$ 0	
	Pop Sales/Concessions	\$ 0	\$ 0	
	Other:	\$ 0	\$ 0	
Total Sales	\$ 0	\$ 0	Enter on line 10	
Other Revenues:	Interest Earnings	\$ 0	\$ 0	
	Other:	\$ 0	\$ 0	
	Other:	\$ 0	\$ 0	
	Other:	\$ 0	\$ 0	
Total Other	\$ 0	\$ 0	Enter on line 11	
TOTAL LOCALLY GENERATED REVENUES		\$ 787,327.06	\$ 990,060.00	Enter on line 12

DETAILED FY 12 BUDGET FORM

BUDGETED OPERATING REVENUES

OUTSIDE SOURCES

		FY 11 ACTUAL (Estimated)	FY 12 BUDGET	Budget Summary Line Reference
Shared Revenues State of Alaska:	Community Revenue Sharing	\$ 119,822.00	\$ 116,634.00	
	Raw Fish Tax Refunds	\$ 0	\$ 0	
	Aviation Fuel Tax Refunds	\$ 0	\$ 0	
	Telephone / Electric Co-op Tax Refunds	\$ 0	\$ 0	
	Amusement / Gaming Tax Refunds	\$ 0	\$ 0	
	Liquor License Tax Refunds	\$ 0	\$ 0	
	Other:	\$ 0	\$ 0	
	Other:	\$ 0	\$ 0	
	Total State Shared Revenues	\$ 119,822.00	\$ 116,634.00	Enter on line 13
State of Alaska Operating Grants:	Library Grant	\$ 0	\$ 0	
	Suicide Prevention Grant	\$ 0	\$ 0	
	JTPA Grant	\$ 0	\$ 0	
	Other:	\$ 0	\$ 0	
	Other:	\$ 0	\$ 0	
	Other:	\$ 0	\$ 0	
Total State Operating Grants	\$ 0	\$ 0	Enter on line 14	
Federal Revenues Passed Through The State of Alaska:	Payment in Lieu of Taxes	\$ 62,832.90	\$ 62,000.00	
	National Forest Receipts	\$ 0	\$ 0	
	Operating Grant:	\$ 0	\$ 0	
	Other:	\$ 0	\$ 0	
	Other:	\$ 0	\$ 0	
	Other:	\$ 0	\$ 0	
Total Federal Revenues	\$ 62,832.90	\$ 62,000.00	Enter on line 15	
Other Outside Revenues:	Borough:	\$ 0	\$ 0	
	Other:	\$ 0	\$ 0	
	Other:	\$ 0	\$ 0	
Total Other Outside Revenues	\$ 0	\$ 0	Enter on line 16	
TOTAL OUTSIDE OPERATING REVENUES		\$ 182,654.90	\$ 118,634.00	Enter on line 17
TOTAL FY 12 OPERATING REVENUES		\$ 969,981.96	\$ 1,168,634.00	Enter on line 18

DETAILED FY 12 BUDGET FORM

REVENUES FOR CAPITAL / SPECIAL PROJECTS	OUTSIDE SOURCES
--	------------------------

		FY 11 ACTUAL (Estimated)	FY 12 BUDGET	Budget Summary Line Reference
Grants From the State of Alaska: (list projects)	Capital Project Matching FY__:	\$ 0	\$ 0	
	Capital Project Matching FY__:	\$ 0	\$ 0	
	Capital Project Matching FY__:	\$ 0	\$ 0	
	Legislative:	\$ 0	\$ 0	
	Other:	\$ 0	\$ 0	
	Other:	\$ 0	\$ 0	
	Other:	\$ 0	\$ 0	
Total State Project Funds		\$ 0	\$ 0	Enter on line 19
Grants From the Federal Gov't: (list projects)	EDA:	\$ 0	\$ 0	
	Denali Commission:	\$ 0	\$ 0	
	CDBG:	\$ 0	\$ 0	
	Mini Grant:	\$ 0	\$ 0	
	IHS:	\$ 0	\$ 0	
	Other:	\$ 0	\$ 0	
	Other:	\$ 0	\$ 0	
Total Federal Project Funds		\$ 0	\$ 0	Enter on line 20
TOTAL REVENUES FOR CAPITAL/SPECIAL PROJECTS		\$ 0	\$ 0	Enter on line 21

DETAILED FY 12 BUDGET FORM

BUDGETED OPERATING EXPENDITURES	ADMINISTRATION & FINANCE
--	-------------------------------------

		FY 11 ACTUAL (Estimated)	FY 12 BUDGET
Personal Services:	Salaries	\$ 41,430.32	\$ 41,621.58
	Stipends	\$ 0	\$ 0
	Payroll Taxes	\$ 10,729.29	\$ 7,279.00
	Workers Compensation	\$ 5,086.26	\$ 6,794.00
	Retirement / Pension	\$ 3,765.89	\$ 2,379.00
	Other:	\$ 0	\$ 0
	Other:	\$ 0	\$ 0
	Total Personal Services		\$ 61,011.76
Travel:	Airfare	\$ 3,456.29	\$ 2,298.00
	Per Diem	\$ 1,330.00	\$ 2,000.00
	Training, Workshop & Conference Fees	\$ 1,759.30	\$ 0
	Other:	\$ 0	\$ 0
	Other:	\$ 0	\$ 0
	Total Travel		\$ 6,545.59
Facility Expenses:	Telephone	\$ 4,725.04	\$ 4,800.00
	Rent	\$ 200.00	\$ 200.00
	Electricity	\$ 0	\$ 0
	Water & Sewer	\$ 0	\$ 0
	Fuel Oil	\$ 3,255.00	\$ 3,500.00
	Repairs / Maintenance (buildings)	\$ 0	\$ 0
	Other: <i>Freight</i>	\$ 121.65	\$ 150.00
	Other: <i>Fuel for NLP</i>	\$ 25,080.00	\$ 25,000.00
Total Facility Expenses		\$ 33,381.69	\$ 33,650.00
Supplies:	Office & Clerical Supplies	\$ 8,839.34	\$ 9,000.00
	Postage Supplies	\$ 304.31	\$ 400.00
	Copier Supplies	\$ 0	\$ 0
	Other:	\$ 0	\$ 0
	Other:	\$ 0	\$ 0
	Total Supplies		\$ 9,143.65
Equipment:	Equipment	\$ 0	\$ 0
	Vehicle / Equipment Maintenance	\$ 15,924.68	\$ 16,000.00
	Other: <i>Bank Finance</i>	\$ 20,000.00	\$ 0
	Other:	\$ 0	\$ 0
Total Equipment		\$ 40,924.68	\$ 41,000.00
Other Operating Expenses:	Interest & Late Charges	\$ 0	\$ 0
	Insurance & Bonding	\$ 14,118.16	\$ 14,200.00
	Membership Dues & Fees / Subscriptions	\$ 1,184.00	\$ 1,200.00
	Bank Charges	\$ 34.93	\$ 40.00
	Contractual: Legal Services	\$ 0	\$ 0
	Contractual: Accounting / Audit Services	\$ 0	\$ 0
	Other Contractual:	\$ 0	\$ 0
	Other: <i>Transfer to Bingo</i>	\$ 6,461.17	\$ 6,500.00
	Other: <i>Miscellaneous</i>	\$ 200.00	\$ 300.00
	Total Other		\$ 21,998.26

TOTAL ADMINISTRATION & FINANCE BUDGET	\$ 168,005.63	\$ 143,662.00
--	----------------------	----------------------

Enter on line 23 of Budget Summary

DETAILED FY 12 BUDGET FORM

BUDGETED OPERATING EXPENDITURES

COUNCIL

		FY 11 ACTUAL (Estimated)	FY 12 BUDGET
Personal Services:	Salaries	\$ 0	\$ 0
	Stipends	\$ 10,360.00	\$ 10,795.00
	Payroll Taxes	\$ 0	\$ 0
	Workers Compensation	\$ 0	\$ 0
	Retirement / Pension	\$ 0	\$ 0
	Other: <i>Mayor Commission</i>	\$ 1,750.00	\$ 3,000.00
	Other:	\$ 0	\$ 0
Total Personal Services		\$ 12,110.00	\$ 13,795.00
Travel:	Airfare	\$ 157.00	\$ 2,860.00
	Per Diem	\$ 185.00	\$ 4,228.00
	Training, Workshop & Conference Fees	\$ 0	\$ 0
	Other: <i>Hotel</i>	\$ 0	\$ 3,752.00
	Other:	\$ 0	\$ 0
Total Travel		\$ 342.00	\$ 10,840.00
Facility Expenses:	Telephone	\$	\$
	Rent	\$	\$
	Electricity	\$	\$
	Water & Sewer	\$	\$
	Fuel Oil	\$	\$
	Repairs / Maintenance (buildings)	\$	\$
	Other:	\$	\$
	Other:	\$	\$
Total Facility Expenses		\$ 0	\$ 0
Supplies:	Office & Clerical Supplies	\$	\$
	Postage Supplies	\$	\$
	Copier Supplies	\$	\$
	Other:	\$	\$
	Other:	\$	\$
Total Supplies		\$ 0	\$ 0
Equipment:	Equipment	\$	\$
	Vehicle / Equipment Maintenance	\$	\$
	Other:	\$	\$
	Other:	\$	\$
Total Equipment		\$ 0	\$ 0
Other Operating Expenses:	Interest & Late Charges	\$	\$
	Insurance & Bonding	\$	\$
	Membership Dues & Fees / Subscriptions	\$	\$
	Bank Charges	\$	\$
	Other Contractual:	\$	\$
	Other:	\$	\$
	Other:	\$	\$
Total Other		\$ 0	\$ 0
TOTAL COUNCIL BUDGET		\$ 12,452.00	\$ 24,635.00

Enter on line 24 of Budget Summary

DETAILED FY 12 BUDGET FORM

BUDGETED OPERATING EXPENDITURES

POLICE

		FY 11 ACTUAL (Estimated)	FY 12 BUDGET
Personal Services:	Salaries	\$ 0	\$ 6,240.00
	Stipends	\$ 0	\$ 0
	Payroll Taxes	\$ 0	\$ 0
	Workers Compensation	\$ 0	\$ 0
	Retirement / Pension	\$ 0	\$ 0
	Other:	\$ 0	\$ 0
	Other:	\$ 0	\$ 0
	Total Personal Services	\$ 0	\$ 6,240.00
Travel:	Airfare	\$	\$
	Per Diem	\$	\$
	Training, Workshop & Conference Fees	\$	\$
	Other:	\$	\$
	Other:	\$	\$
	Total Travel	\$ 0	\$ 0
Facility Expenses:	Telephone	\$	\$
	Rent	\$	\$
	Electricity	\$	\$
	Water & Sewer	\$	\$
	Fuel Oil	\$	\$
	Repairs / Maintenance (buildings)	\$	\$
	Other:	\$	\$
	Other:	\$	\$
	Total Facility Expenses	\$ 0	\$ 0
Supplies:	Office & Clerical Supplies	\$	\$
	Postage Supplies	\$	\$
	Copier Supplies	\$	\$
	Other:	\$	\$
	Other:	\$	\$
	Total Supplies	\$ 0	\$ 0
Equipment:	Equipment	\$	\$
	Vehicle / Equipment Maintenance	\$	\$
	Other:	\$	\$
	Other:	\$	\$
	Total Equipment	\$ 0	\$ 0
Other Operating Expenses:	Interest & Late Charges	\$ 0	\$ 0
	Insurance & Bonding	\$ 0	\$ 0
	Membership Dues & Fees / Subscriptions	\$ 0	\$ 0
	Bank Charges	\$ 0	\$ 0
	Other Contractual:	\$ 0	\$ 0
	Other: Night Guard	\$ 0	\$ 6,000.00
	Other:	\$ 0	\$ 0
	Total Other	\$ 0	\$ 6,000.00
TOTAL POLICE BUDGET		\$ 0	\$ 12,240.00

Enter on line 25 of Budget Summary

DETAILED FY 12 BUDGET FORM

BUDGETED OPERATING EXPENDITURES

FIRE

		FY 11 ACTUAL (Estimated)	FY 12 BUDGET
Personal Services:	Salaries	\$	\$
	Stipends	\$	\$
	Payroll Taxes	\$	\$
	Workers Compensation	\$	\$
	Retirement / Pension	\$	\$
	Other:	\$	\$
	Other:	\$	\$
	Total Personal Services		\$ 0
Travel:	Airfare	\$	\$
	Per Diem	\$	\$
	Training, Workshop & Conference Fees	\$	\$
	Other:	\$	\$
	Other:	\$	\$
	Total Travel		\$ 0
Facility Expenses:	Telephone	\$	\$
	Rent	\$	\$
	Electricity	\$	\$
	Water & Sewer	\$	\$
	Fuel Oil	\$	\$
	Repairs / Maintenance (buildings)	\$	\$
	Other:	\$	\$
	Other:	\$	\$
Total Facility Expenses		\$ 0	\$ 0
Supplies:	Office & Clerical Supplies	\$	\$
	Postage Supplies	\$	\$
	Copier Supplies	\$	\$
	Other:	\$	\$
	Other:	\$	\$
	Total Supplies		\$ 0
Equipment:	Equipment	\$	\$ 5,000.00
	Vehicle / Equipment Maintenance	\$	\$ 0
	Other:	\$	\$ 0
	Other:	\$	\$ 0
	Total Equipment		\$ 0
Other Operating Expenses:	Interest & Late Charges	\$	\$
	Insurance & Bonding	\$	\$
	Membership Dues & Fees / Subscriptions	\$	\$
	Bank Charges	\$	\$
	Other Contractual:	\$	\$
	Other:	\$	\$
	Other:	\$	\$
	Total Other		\$ 0
TOTAL FIRE BUDGET		\$ 0	\$ 5,000.00

Enter on line 26 of Budget Summary

DETAILED FY 12 BUDGET FORM

BUDGETED OPERATING EXPENDITURES

STREETS & ROADS

Check if your city maintains ice roads

		FY 11 ACTUAL (Estimated)	FY 12 BUDGET
Personal Services:	Salaries	\$ 4,751.55	\$ 22,547.00
	Stipends	\$ 0	\$ 0
	Payroll Taxes	\$ 858.30	\$ 4,073.00
	Workers Compensation	\$ 0	\$ 0
	Retirement / Pension	\$ 0	\$ 0
	Other:	\$ 0	\$ 0
	Other:	\$ 0	\$ 0
Total Personal Services		\$ 5,609.85	\$ 26,620.00
Travel:	Airfare	\$	\$
	Per Diem	\$	\$
	Training, Workshop & Conference Fees	\$	\$
	Other:	\$	\$
	Other:	\$	\$
Total Travel		\$ 0	\$ 0
Facility Expenses:	Telephone	\$ 0	\$ 0
	Rent	\$ 0	\$ 0
	Electricity	\$ 0	\$ 0
	Water & Sewer	\$ 0	\$ 0
	Fuel Oil	\$ 1,897.97	\$ 2,574.00
	Repairs / Maintenance (buildings)	\$ 0	\$ 0
	Other:	\$ 0	\$ 0
	Other:	\$ 0	\$ 0
Total Facility Expenses		\$ 1,897.97	\$ 2,574.00
Supplies:	Office & Clerical Supplies	\$	\$
	Postage Supplies	\$	\$
	Copier Supplies	\$	\$
	Other:	\$	\$
	Other:	\$	\$
Total Supplies		\$ 0	\$ 0
Equipment:	Equipment	\$	\$
	Vehicle / Equipment Maintenance	\$	\$
	Other:	\$	\$
	Other:	\$	\$
Total Equipment		\$ 0	\$ 0
Other Operating Expenses:	Interest & Late Charges	\$	\$
	Insurance & Bonding	\$	\$
	Membership Dues & Fees / Subscriptions	\$	\$
	Bank Charges	\$	\$
	Contractual Services:	\$	\$
	Other:	\$	\$
	Other:	\$	\$
Total Other		\$ 0	\$ 0
TOTAL BUDGET FOR STREETS & ROADS		\$ 7,507.82	\$ 29,194.00

Enter on line 27 of Budget Summary

DETAILED FY 12 BUDGET FORM

BUDGETED OPERATING EXPENDITURES

ELECTRIC UTILITY

Use this form ONLY if city owns utility (PCE subsidy)

		FY 11 ACTUAL (Estimated)	FY 12 BUDGET
Personal Services:	Salaries	\$ 55,289.44	\$ 66,688.54
	Stipends	\$ 7,000.00	\$ 8,000.00
	Payroll Taxes	\$ 8,592.37	\$ 13,775.46
	Workers Compensation	\$ 8,500.00	\$ 11,201.08
	Retirement / Pension	\$ 1,437.48	\$ 1,735.00
	Other: <i>Consultant</i>	\$ 6,600.00	\$ 6,600.00
	Other: <i>Christmas Bonus</i>	\$ 0	\$ 2,750.00
Total Personal Services		\$ 87,419.29	\$ 110,750.00
Power Plant Parts & Supplies:	Lube Oil	\$ 5,590.20	\$ 5,700.00
	Oil / Fuel Filters	\$ 839.68	\$ 1,750.00
	Small Tools	\$ 567.87	\$ 600.00
	Other: <i>Store Charges</i>	\$ 1,333.50	\$ 1,500.00
	Other: <i>Equipment Parts</i>	\$ 10,279.52	\$ 10,000.00
Total Power Plant Expenses		\$ 18,610.77	\$ 19,550.00
Repair & Maintenance:	Amortization of Major Overhauls	\$ 0	\$ 0
	Emergency Repairs	\$ 3,886.77	\$ 4,000.00
	Routine Maintenance	\$ 0	\$ 0
	Outside Project Services	\$ 0	\$ 0
	Insurance	\$ 0	\$ 0
	Other: <i>R + R Account</i>	\$ 10,000.00	\$ 15,000.00
Other:	\$ 0	\$ 0	
Total Maintenance Expenses		\$ 13,886.77	\$ 19,000.00
General & Administrative:	Office Supplies	\$ 12,261.76	\$ 10,000.00
	Office Rent	\$ 0	\$ 0
	Travel	\$ 1,978.00	\$ 1,468.00
	Other:	\$ 0	\$ 4,000.00
	Other:	\$ 1,514.00	\$ 1,600.00
Total Administrative		\$ 15,753.76	\$ 23,068.00
Other Operating Expenses:	Fuel	\$ 377,902.50	\$ 413,000.00
	Loans	\$ 10,500.00	\$ 0
	Transfers	\$ 0	\$ 0
	Other:	\$ 0	\$ 30,000.00
	Other:	\$ 0	\$ 0
Total Other Operating Expenses		\$ 388,402.50	\$ 443,000.00
TOTAL ELECTRIC UTILITY BUDGET		\$ 524,073.09	\$ 615,368.00

Enter on line 30 of Budget Summary

DETAILED FY 12 BUDGET FORM

BUDGETED OPERATING EXPENDITURES

WATER & SEWER

- Check if City Budget includes water service
- Check if City Budget includes sewer or honeybucket service

		FY 11 ACTUAL (Estimated)	FY 12 BUDGET
Personal Services:	Salaries	\$ 39,587.48	\$ 47,380.06
	Stipends	\$ 0	\$ 0
	Payroll Taxes	\$ 7,573.35	\$ 9,095.54
	Workers Compensation	\$ 0	\$ 0
	Retirement / Pension	\$ 1,782.25	\$ 2,972.40
	Other: _____	\$ 0	\$ 0
	Other: _____	\$ 0	\$ 0
	Total Personal Services	\$ 48,943.08	\$ 59,448.00
Travel:	Airfare	\$ 628.00	\$ 1,050.00
	Per Diem	\$ 1,214.00	\$ 3,390.00
	Training, Workshop & Conference Fees	\$ 200.00	\$ 300.00
	Other: _____	\$ 0	\$ 0
	Other: _____	\$ 0	\$ 0
	Total Travel	\$ 2,042.00	\$ 4,740.00
Facility Expenses:	Telephone	\$ 0	\$ 0
	Rent	\$ 0	\$ 0
	Electricity	\$ 5,527.55	\$ 6,750.00
	Water & Sewer	\$ 0	\$ 0
	Fuel Oil	\$ 6,791.09	\$ 10,600.00
	Repairs / Maintenance (buildings)	\$ 0	\$ 0
	Other: _____	\$ 0	\$ 0
	Other: _____	\$ 0	\$ 0
Total Facility Expenses	\$ 12,318.64	\$ 17,350.00	
Supplies:	Office & Clerical Supplies	\$ 0	\$ 0
	Postage Supplies	\$ 388.48	\$ 400.00
	Copier Supplies	\$ 0	\$ 0
	Other: _____	\$ 0	\$ 0
	Other: _____	\$ 0	\$ 0
	Total Supplies	\$ 388.48	\$ 400.00
Equipment:	Equipment	\$ 2,381.51	\$ 2,700.00
	Vehicle / Equipment Maintenance	\$ 0	\$ 0
	Other: _____	\$ 0	\$ 0
	Other: _____	\$ 0	\$ 0
	Total Equipment	\$ 2,381.51	\$ 2,700.00
Other Operating Expenses:	Interest & Late Charges	\$ 0	\$ 0
	Insurance & Bonding	\$ 0	\$ 0
	Membership Dues & Fees / Subscriptions	\$ 191.25	\$ 200.00
	Bank Charges	\$ 0	\$ 0
	Other Contractual: <i>Payments to store</i>	\$ 3,414.01	\$ 3,500.00
	Other: <i>Water Samples</i>	\$ 2,931.21	\$ 3,000.00
	Other: <i>Customer Credits</i>	\$ 3,205.95	\$ 3,250.00
Total Other	\$ 9,742.42	\$ 9,950.00	
TOTAL WATER & SEWER BUDGET		\$ 75,816.13	\$ 94,288.00

Enter on line 31 of Budget Summary

DETAILED FY 12 BUDGET FORM

BUDGETED OPERATING EXPENDITURES	WASHETERIA
--	-------------------

		FY 11 ACTUAL (Estimated)	FY 12 BUDGET
Personal Services:	Salaries	\$	\$
	Stipends	\$	\$
	Payroll Taxes	\$	\$
	Workers Compensation	\$	\$
	Retirement / Pension	\$	\$
	Other:	\$	\$
	Other:	\$	\$
Total Personal Services		\$ 0	\$ 0
Travel:	Airfare	\$	\$
	Per Diem	\$	\$
	Training, Workshop & Conference Fees	\$	\$
	Other:	\$	\$
	Other:	\$	\$
	Total Travel		\$ 0
Facility Expenses:	Telephone	\$ 0	\$ 0
	Rent	\$ 0	\$ 0
	Electricity	\$ 3,415.28	\$ 4,500.00
	Water & Sewer	\$ 0	\$ 0
	Fuel Oil	\$ 2,271.50	\$ 5,686.00
	Repairs / Maintenance (buildings)	\$ 0	\$ 0
	Other:	\$ 0	\$ 0
	Other:	\$ 0	\$ 0
Total Facility Expenses		\$ 5,686.78	\$ 10,186.00
Supplies:	Office & Clerical Supplies	\$	\$
	Postage Supplies	\$	\$
	Copier Supplies	\$	\$
	Other:	\$	\$
	Other:	\$	\$
	Total Supplies		\$ 0
Equipment:	Equipment	\$	\$
	Vehicle / Equipment Maintenance	\$	\$
	Other:	\$	\$
	Other:	\$	\$
Total Equipment		\$ 0	\$ 0
Other Operating Expenses:	Interest & Late Charges	\$	\$
	Insurance & Bonding	\$	\$
	Membership Dues & Fees / Subscriptions	\$	\$
	Bank Charges	\$	\$
	Contractual Services:	\$	\$
	Other:	\$	\$
	Other:	\$	\$
	Total Other		\$ 0
TOTAL WASHETERIA EXPENDITURES		\$ 5,686.78	\$ 10,186.00

Enter on line 32 of Financial Summary

DETAILED FY 12 BUDGET FORM

BUDGETED OPERATING EXPENDITURES

BINGO

Department/Service:

FY 11 ACTUAL
(Estimated)

FY 12 BUDGET

Personal Services:	Salaries	\$ 62,007.00	\$ 51,642.73
	Stipends	\$ 0	\$ 0
	Payroll Taxes	\$ 817.00	\$ 9,612.07
	Workers Compensation	\$ 0	\$ 6,659.68
	Retirement / Pension	\$ 1,052.41	\$ 1,569.20
	Other: <u>Christmas Bonus</u>	\$ 0	\$ 4,250.00
	Other:	\$ 0	\$ 0
Total Personal Services		\$ 63,876.41	\$ 73,733.68
Travel:	Airfare	\$ 314.00	\$ 700.00
	Per Diem	\$ 127.00	\$ 300.00
	Training, Workshop & Conference Fees	\$ 0	\$ 0
	Other: <u>Donation for Hospital</u>	\$ 7,355.00	\$ 7,400.00
	Other:	\$ 0	\$ 0
Total Travel		\$ 7,796.00	\$ 8,400.00
Facility Expenses:	Telephone	\$ 0	\$ 0
	Rent	\$ 0	\$ 0
	Electricity	\$ 0	\$ 0
	Water & Sewer	\$ 0	\$ 0
	Fuel Oil	\$ 4,525.50	\$ 5,014.65
	Repairs / Maintenance (buildings)	\$ 0	\$ 0
	Other: <u>Police Phone</u>	\$ 1,282.05	\$ 1,300.00
	Other: <u>Event Supplies</u>	\$ 2,321.52	\$ 2,400.00
Total Facility Expenses		\$ 8,129.07	\$ 9,314.65
Supplies:	Office & Clerical Supplies	\$ 6,061.66	\$ 6,100.00
	Postage Supplies	\$ 1,114.45	\$ 1,150.00
	Copier Supplies	\$ 0	\$ 0
	Other: <u>Pull Tab Supplies</u>	\$ 35,219.36	\$ 35,300.00
	Other: <u>Store Charges</u>	\$ 3,037.70	\$ 3,500.00
Total Supplies		\$ 45,433.17	\$ 46,050.00
Equipment:	Equipment	\$ 0	\$ 0
	Vehicle / Equipment Maintenance	\$ 0	\$ 0
	Other:	\$ 0	\$ 0
	Other:	\$ 0	\$ 0
Total Equipment		\$ 0	\$ 0
Other Operating Expenses:	Interest & Late Charges	\$ 0	\$ 0
	Insurance & Bonding	\$ 0	\$ 0
	Membership Dues & Fees / Subscriptions	\$ 587.55	\$ 590.00
	Bank Charges	\$ 1,329.39	\$ 1,400.00
	Other Contractual: <u>Donations</u>	\$ 6,473.00	\$ 6,500.00
	Other: <u>Check Exchange</u>	\$ 6,599.36	\$ 6,600.00
	Other: <u>Pull Tab Credits</u>	\$ 90,158.76	\$ 90,200.00
Total Other		\$ 105,148.06	\$ 105,290.00
TOTAL BUDGET		\$ 230,382.71	\$ 242,788.33

Enter on Budget Summary

FY 12 BUDGET SUMMARY - REVENUES

LOCALLY GENERATED REVENUES:

	\$	Line reference
Tax Revenues	48,600.00	1
Special Assessments	\$	2
Licenses & Permits	160.00	3
Fines & Penalties	250.00	4
Contracted Services	\$	5
Service Charges	\$	6
Enterprise Revenues	955,238.73	7
Rentals	950.00	8
Leases	\$	9
Sales	\$	10
Other Local Revenues	\$	11
Total Locally Generated Revenues	\$ 1,006,298.73	12 Subtotal

OUTSIDE REVENUE SOURCES:

State of Alaska Shared Revenues	\$ 116,634.00	13
State Operating Grants	\$	14
Federal Operating Revenues & Grants	\$ 62,900.00	15
Other Outside Revenues	\$	16
Total Outside Revenues	\$ 179,534.00	17 Subtotal

TOTAL FY 12 OPERATING REVENUES	\$ 1,185,832.73	18 Total
---------------------------------------	------------------------	-----------------

CAPITAL / SPECIAL PROJECT REVENUE SOURCES:

State-Funded Capital/Special Projects	\$	19
Federal Capital/Special Projects	\$	20
Total Revenues for Capital / Special Projects	\$ 0	21 Subtotal

TOTAL ALL FY 12 REVENUES	\$ 1,185,832.73	22 Total
---------------------------------	------------------------	-----------------

Prior-Year Cash Balance	\$ 6,418.00	
-------------------------	-------------	--

TOTAL CASH AVAILABLE FY 12	\$ 1,192,250.73	Total
-----------------------------------	------------------------	--------------

FY 12 BUDGET SUMMARY - REVENUES

LOCALLY GENERATED REVENUES:

	\$	Line reference
Tax Revenues	49,700.00	1
Special Assessments	⊖	2
Licenses & Permits	160.00	3
Fines & Penalties	250.00	4
Contracted Services	⊖	5
Service Charges	⊖	6
Enterprise Revenues	939,000.00	7
Rentals	950.00	8
Leases	⊖	9
Sales	⊖	10
Other Local Revenues	⊖	11
Total Locally Generated Revenues	\$ 990,060.00	12 Subtotal

OUTSIDE REVENUE SOURCES:

State of Alaska Shared Revenues	\$ 116,634.00	13
State Operating Grants	⊖	14
Federal Operating Revenues & Grants	\$ 62,000.00	15
Other Outside Revenues	⊖	16
Total Outside Revenues	\$ 178,634.00	17 Subtotal

TOTAL FY 12 OPERATING REVENUES	\$1,168,694.00	18 Total
---------------------------------------	-----------------------	-----------------

CAPITAL / SPECIAL PROJECT REVENUE SOURCES:

State-Funded Capital/Special Projects	\$	19
Federal Capital/Special Projects	\$	20
Total Revenues for Capital / Special Projects	⊖	21 Subtotal

TOTAL ALL FY 12 REVENUES	\$1,168,694.00	22 Total
---------------------------------	-----------------------	-----------------

Prior-Year Cash Balance \$ 9,494.81

TOTAL CASH AVAILABLE FY 12	\$1,178,188.81	Total
-----------------------------------	-----------------------	--------------

FY 12 BUDGET SUMMARY - EXPENDITURES

		Line reference
Administration and Finance	\$ 143,662.00	23
Council	\$ 24,635.00	24
Planning and Zoning	\$ 0	
Police	\$ 12,240.00	25
Fire	\$ 5,000.00	26
Ambulance	\$ 0	
Other Public Safety	\$ 0	
Streets and Roads	\$ 29,194.00	27
Airport	\$ 0	28
Harbor and Dock	\$ 0	29
Electric Utility	\$ 615,368.00	30
Water and Sewer	\$ 94,288.00	31
Washeteria	\$ 10,186.00	32
Garbage and Landfill	\$ 0	33
Fuel Sales	\$ 0	
Cable TV	\$ 0	
Bingo and Pull Tabs	\$ 0	
Mass Transit	\$ 0	
Phone Utility	\$ 0	
Other Enterprise: BINGO	\$ 242,788.33	
Other Enterprise:	\$ 0	
Other Public Works	\$ 0	
Health Facility	\$ 0	34
Other Health and Welfare Services	\$ 0	
Parks and Recreation	\$ 0	
Library	\$ 0	
Museum and Cultural	\$ 0	
Other Public Service:	\$ 0	
Other:	\$ 0	
Other:	\$ 0	
TOTAL FY 12 OPERATING EXPENDITURES	\$ 1,177,361.33	35 Total
CAPITAL / SPECIAL PROJECT EXPENDITURES:		
State-Funded Capital/Special Projects	\$ 0	36
Federal Capital/Special Projects	\$ 0	37
Total Capital / Special Projects Expenditures	\$ 0	Subtotal
TOTAL ALL FY 12 EXPENDITURES	\$ 1,177,361.33	Total

CITY OF CHEFORNAK, ALASKA

Ordinance No. 09-01

AN ORDINANCE REPLACING IN ITS ENTIRETY, TITLE II, CHAPTER 2.11 VILLAGE WATER & SEWER DEPARTMENT OF THE CITY OF CHEFORNAK CODE OF ORDINANCES.

BE IT ENACTED BY THE CHEFORNAK CITY COUNCIL AS FOLLOWS:

Sections:

1. Purpose.
2. Classification.
3. Prior title and chapter superseded.
4. Severability.
5. Title and chapter adopted.
6. Effective date.

Section 1. Purpose.

We, the elected officials of the City of Chefnak, Alaska, a second class city incorporated under the Constitution and laws of the State of Alaska, in order to provide local government of service to our people to meet their needs, do hereby adopt this ordinance to meet the requirement for more comprehensive guidelines in accordance with the Regulatory Commission of Alaska.

Section 2. Classification.

This ordinance is of a general and permanent nature, and is intended to become part of the Chefnak General Code.

Section 3. Prior ordinances superseded.

This ordinance supersedes the following:

(1) Title II, Chapter 2.11 Village Water & Sewer Department, including all amendments adopted prior to and in effect at the time of this ordinance's adoption.

(2) to include City of Chefnak Ordinance:

CITY OF CHEFORNAK, ALASKA

ORDINANCE NO. 98-01

An ordinance of the City of Chefnak establishing a Chefnak Public Water and Sewer Utilities Department for the Village of Chefnak, Alaska.

Be it hereby ordained by the City Council of Chefnak for the Village of Chefnak, Alaska.

Be it enacted by the Chefnak City Council as follows:

Section 1.

There is hereby created the Chefnak Water and Sewer Utilities Department and Chefnak City Council to manage and operate the Public Water and Sewer Utility.

Section 2.

The Chefnak City Council shall prepare and submit annual budgets, and plan for the efficient and economical operation of the system.

Section 3.

The Chefnak City Council shall form and enforce the general rules and policies of the Chefnak Water and Sewer Utility and generally have full and complete surveillance of all the system their operations, and fiscal affairs, including the maintenance expansion, extension and improvements of the Water and Sewer Utility.

Section 4.

The Chefnak City Council shall enforce matters such as rates, fiscal matters, personnel staffing, labor relations, expansion or extension of service, and public relations.

Section 5.

The Chefnak City Council shall have the authority to hire and fire any employee that do not follow the described job responsibilities or break any responsibilities not approved prior to breaking the job descriptions and they shall have the authority to make any kind of decisions if needed.

Section 6.

The Chefnak City Council shall have the authority to designate any responsibilities to the employee of the Chefnak City Council if necessary.

Section 4. Severability.

If any provision of this ordinance or application thereof to any person or circumstance is held invalid, the remainder of this ordinance shall not be affected thereby.

Section 5. Title and chapters adopted.

The following title and chapter constitute the Code of Ordinances for the City of Chefnak as adopted:

CHEFNAK WATER & SEWER UTILITY

Chefnak Water & Sewer
P.O. BOX 10
Chefnak AK, 99561

Providing water and sewer service in the following community:

Chefnak

The Chefnak Water & Sewer Utility is a private, corporation chartered under the laws of the State of Alaska. The Utility promotes public health and well being of the residents of Chefnak by providing safe and sanitary water, wastewater and solid waste disposal. The Utility manages the operation of the water, wastewater and solid waste facilities and services within Chefnak by agreement with the Chefnak City Council and the City of Chefnak. The Utility is managed by the City Council. All users and/or subscribers of the services and facilities operated by the Utility must abide by the rules and regulations of the Utility. A user of the Utility services or facilities must sign a user agreement with the utility prior to receiving services or using the facilities.

Chapter 2.11
Chefornak Water & Sewer Utility
Index

Section:

1. Service Area
2. Definitions
3. Description of Service
4. Service Irregularities and Limitation of Liability
5. Ownership of Utility System
6. Resale of Utility Services
7. Classification of Services
8. Customers
9. Main Extensions
10. Services
11. Water Meters
12. Utility Rates
13. Notices
14. Security Deposit
15. Billing and Payment
16. Administration and Enforcement
17. Discontinuance or Termination of Service
18. Restoration of Services
19. Unusual Demands
20. Access to Property
21. Responsibility for Equipment
22. Fire Hydrants
23. Main Lines
24. Individual Waste Disposal Responsibilities
25. Suspension of Rules
26. Constitutionality and Saving Clause

Schedule A - Nonrecurring Fees

Schedule B – Service Rates

Section 1. Service Area



Community Map of Chefnak
60 09' 32" N 164 16' 41" W (NAD 83)
Approximate Elevation: 90'
Townships 1 North & 1 South, Ranges 86 & 87 West, S.M., AK
U.S.G.S. Quadrangle "Baird Inlet A6 & A7," Alaska
BETHEL RECORDING DISTRICT

Chefnak is located on the south bank of the Kinia River, at its junction with the Keguk River, in the Yukon-Kuskokwim Delta. The village lies within the Clarence Rhode National Wildlife Refuge, established for migratory waterfowl protection. Chefnak is 98 air miles southwest of Bethel and 490 miles southwest of Anchorage. It lies at approximately 60.160000°½ North Latitude and -164.265830°½ West Longitude. (Sec. 19, T001N, R086W, Seward Meridian.) Chefnak is located in the Bethel Recording District. The area encompasses 5.7 sq. miles of land and 0.8 sq. miles of water. Chefnak is located in a marine climate. Precipitation averages 22 inches, with 43 inches of snowfall annually. Summer temperatures range from 41 to 57 degrees Fahrenheit. Winter temperatures range 6 to 24 degrees Fahrenheit.

Section 2. Definitions

UTILITY: The Chefnak Water & Sewer Utility

MANAGER: The employee appointed by the Council to supervise the daily operations of the Utility.

COMMERCIAL CUSTOMER: A business, institution, public service entity, or governmental agency that is authorized to use and is obligated to pay for the use for receipt of services of the Utility. Commercial customers in Chefnak include the LKSD, the Chefnakmute Inc., St. Catherine's Catholic Church, City of Chefnak, Chefnak Clinic, Avugiak's Store, and Chefnak Traditional Council. Other commercial customers will be as identified from time to time by the Council. Commercial Rates are established by written agreement with the Council.

APPLICANT: A person or persons, firm or corporation requesting some service from the Utility.

RESIDENTIAL CUSTOMER: A homeowner who is entitled to use and obligated to pay for the use or receipt of services of the Utility.

SPECIAL CIRCUMSTANCES: These include, lumber, roofing, metal parts, packing material, and other debris resulting from construction, demolition, renovation, or other special circumstances. Any materials beyond the usual household residential solid wastes or agreed upon commercial solid wastes, whether from local residents, private contractors, or local commercial customers may be dumped only with prior agreement made with the Council. Residential solid wastes not placed in the commercial trash-bags are considered special circumstances and the Utility Manager must be contacted prior to disposal.

UTILITY HAUL CUSTOMER: A customer who subscribes to the haul service for solid wastes and for honeybuckets that is provided by the Utility.

CLOSED TANK AND HAUL CUSTOMER: A customer who makes use of both water and sewage holding tanks that are filled and emptied by trained operators employed by the Utility.

RULES AND REGULATIONS: A publication of the Utility that details the rules and responsibilities of the subscribers and users of facilities and services managed by the Utility.

SELF-HAUL CUSTOMER: A customer who makes use of the honeybucket dump site or the solid waste dump site by hauling his/her own wastes to the dump site.

OPERATOR: An individual hired by the Utility to provide direct daily service to the customers of the Utility and to operate the facilities of the Utility.

CUSTOMER or USER: An applicant who has been accepted and who receives utility services from the Utility.

CUSTOMER SERVICE LINE: The customer service line shall be that part of the piping from the main line to the dwelling or point of use for water utilities.

DELINQUENT: Past due amounts and associated finance and late charges that are not received by the Utility within 40 days after the date the bill that is past due was rendered.

DEPOSIT: Money paid to the Utility by a customer and held by the Utility for a certain time and later returned to the customer if all the requirements for refund are met.

HONEYBUCKET WASTE: Human waste products from a non-flushing toilet.

PAST DUE: Payment that has not been received by the Utility within 25 days from the date the bill is rendered.

- City Council:**
- A. Appoint a Chairman for a term not exceeding three (3) years.
 - B. Prepare and submit annual budgets and make recommendations for the efficient and economical operation of the system;
 - C. Formulate and enforce the general rules and policies of the Water & Sewer Utility and generally have full and complete surveillance of all the system their operations and fiscal affairs, including the maintenance, expansion, and improvements of the Water & Sewer Utility; and
 - D. Study and make recommendations generally on Water & Sewer Utility matters such as, but not limited to, rates, fiscal matters, personnel staffing, labor relation expansion or extension of services, and public relations.

SEPTIC LAGOON: An open containment cell, or cells, for the disposal and treatment of septic waste.

SEPTIC WASTE: Waste material from a septic disposal system.

SERVICE CONNECTION: Physically separated customer locations that are connected to the plant by a distribution or collection system;

SOLID WASTE: Garbage, rubbish, paper and waste material including all animal and vegetable refuse from food or food preparation, and dead animals.

Section 3. Description of Service

The Chefnak Water & Sewer Utility, hereinafter referred to as the "Utility", shall use its best efforts to provide the following services:

- A. Water System: A water system that provides a continuous and sufficient supply of water that meets current ADEC drinking water standards
- B. Sewer Collection System: A safe and fully operational sewer collection system to users. The sewer collection system shall be able to handle normal sanitary wastes discharged to it without plugging or otherwise affecting building drain lines under normal operating conditions.
- C. Septic Disposal: A septage lagoon for disposal and treatment of septic waste material.

Section 4. Service Irregularities and Limitation of Liability

- A. Irregularity or Failure of Service: The utility will exercise reasonable diligence to furnish and deliver adequate sewer service and a continuous supply of potable water to the customer under constant pressure. However, the utility will not be liable for damage resulting from interruptions, shortages, irregularities or failures due to accidents, interference by third parties, acts of nature, or other conditions beyond the control of the utility. Whenever possible, and whenever time permits, all customers to be potentially affected by an interruption or irregularity in service will be notified prior to shutdown by direct notification, through local notice posted in the Post Office, by local radio transmission, or other method commonly used in the community.
- B. Interruptions for Repairs or Modifications: The utility reserves the right to temporarily suspend the delivery of service when necessary for the purpose of making repairs, modifications, inspections or improvements to the system. The utility will make reasonable attempts to provide customer notice through the use of public media or by direct customer contact. Repair work will be

completed expeditiously, and as far as possible, the work will be completed at a time of least inconvenience to the customer.

- C. Credit for Interruptions: The utility will provide a prorated credit of flat monthly usage charges or flat minimum charges for metered service for service interruptions extending longer than 48 hours, provided the interruption is not caused by customer damage to Utility facilities. No credit will be given for metered usage charges.
- D. Priority of Service: In the event of an emergency water shortage, the utility will notify customers to curtail water usage. The utility will notify customers of the nature and duration of the required curtailment. The utility will place a priority on the availability of water for drinking and sanitation purposes. Priority customers are assigned at the discretion of the utility.

Section 5. Ownership of Utility Systems

All utility system components including mains, valves, fittings, equipment, and other appurtenances, except customer service lines are the property of the Utility.

Section 6. Resale of Utility Services

Resale of a utility service by a customer is expressly prohibited except through special contract between the Utility and the customer, as described in Section 7.

Section 7. Classification of Services

The Classes of Service shall be as follows:

- A. Residential Service: Residential Service shall consist of all services for domestic purposes supplied to a single family dwelling unit.
- B. School Service: School service shall consist of services provided to the school, its administrative offices, and other facilities owned/operated by the school that are not classified under a different class of service
- C. Commercial Service: Commercial services shall consist of all office, commercial or business establishments, multiple family dwelling units, tribal facilities, community facilities, and Utility owned buildings. If a customer is located in both a single family dwelling unit and a business establishment, the higher rate shall apply.
- D. Contract Service: Contract services shall consist of those services for industrial or independent uses under contracts authorized by the Utility.

Where the requirement for services is large or unusual, or necessitates special services, equipment, or capacity, the Utility reserves the right to require a special contract, the provisions of which are different from and an exception to the regularly published utility rates and regulations. Special contracts will only be given to customers in unique circumstances. All similarly situated customers will be offered the same rates and provisions. All special contracts shall be in writing, signed by the applicants, approved by the Utility, attached to the tariff, listed in Schedule B, and filed with the Regulatory Commission of Alaska.

Section 8. Customers

- A. **New Customers:** A person or organization becomes a customer by first applying for service to the Utility. Each applicant for service shall sign an application form provided by the Utility giving the date of application, type of service requested, location of the premises to be served, the date the applicant desires services to begin, the purpose for which the service is to be used, and the address to which bills are to be sent. By signing the application, the customer agrees to abide by the rules and regulations of the utility, and to pay the fees established by the utility for the service requested.
- B. **Customers Receiving Service at the Time Ordinance Enacted:** Customers receiving service at the time the provisions of this code section was enacted are not required to submit an application, but will be presumed to accept the rules and regulations of the utility, including the fees established for the service provided, if they remain customers and have not contacted the utility requesting disconnection. Customers who have been disconnected from the system prior to the enactment of the provisions of this code must submit an application as required by Section 8(A) before service can be restored.
- C. **Customers Desiring a Change in Service:** Customers desiring a material change in the size, type, character, or extent of equipment or operation which would result in a material change in the service provided, shall give the Utility notice of such change prior to the change taking place. An amended application must be filed with the Utility and any changes to the rate or deposit amount will occur prior to the change in service. All customers desiring a change in the size, location, or the number of services shall fill out an amended application. The request for amended service may be denied if the applicant has an outstanding bill due to the Utility.
- D. **Customer Complaints:** The Utility wants to resolve customer complaints as quickly as possible. The Utility will respond to the substance of each service complaint or other customer complaint within 10 working days of its receipt. If the Utility does not resolve a complaint to the customer's satisfaction, the customer may refer the matter to the Regulatory Commission of Alaska, 701 West Eighth Avenue, Suite 300, Anchorage, Alaska 99501. The

Commission's telephone number is (907) 276-6222, toll-free at 1-800-390-2782, or TDD (907) 276-4533

Section 9. Main Extensions

Main extensions, to areas or houses not currently being served, shall be installed only after application to and authorization by the Utility. Utility main extensions may require advance payment by the applicant or group of applicants of the cost of the extension before the Utility can provide them.

The Utility will determine the proper location of main extensions. Easements or permits secured for main extensions across property not owned by the Utility shall be obtained in the name of the Utility along with all rights and title to the main at the time of installation.

Section 10. Services

- A. The customer shall own and maintain the customer service line connected to loop.
- B. **Service Installation Charge:** At the time the applicant files for service, where no service previously existed, or for a change in service size or location, or if he or she applies for a re-connection of an existing service, the applicant shall submit a service connection fee with the application that is based on the actual cost of the installation. In the case of a new service, this fee will include all costs from the main to the dwelling, including the costs of materials needed to make the connection at the dwelling, if necessary. The service line may be installed by either the customer or the Utility.
- C. **Service Installation Procedures:** All connections to the Utility water and sewer system shall be made at the expense of the customer. Costs of the connection and the terms of the work governing the installation, including the use of self-help and use of Utility equipment, shall be established by the Utility. The Utility will not accept a service connection installed by a customer unless the connection meets the applicable installation codes. The Utility may require proof of code compliance in either physical inspection by the utility or a written statement from a qualified inspector. The City Council reserves the right to bill the customer for additional work and inspections incurred by the Utility to verify correct installation, correct inappropriate, deficient, or inadequate connections.
- D. **Service Installation Codes:** All individual water and sewer connections, repairs, and modifications shall be made only under the terms and conditions of the Uniform Plumbing Code currently in effect within the State of Alaska, as well as any further regulations the Utility may require. Any electrical

improvements shall be made in accordance with applicable Electrical Codes and Regulations.

E. Customer Plumbing:

1. The customer's plumbing, which shall include the customer service line from the main to the house, and all plumbing, piping, fixtures, and other appurtenances intended to carry water, sewage, waste water, and drainage, shall comply with the Uniform Plumbing Code (UPC).

Special attention shall be given to the elimination of any possible cross connections. All water users will be required to install and maintain a backflow prevention device between the water service connection and the first plumbing fixture or drain. The minimum requirement shall be a dual check valve assembly or as required by the UPC.

2. Customer freeze-ups, or other leaks that affect the efficiency of the Utility system or the public health, are to be immediately repaired by the customer. The Utility reserves the right to make the repairs and bill the customer for repairs and for any excess water usage that might have resulted from the situation, should the customer be unable to make the repairs; or should the customer have abandoned the service location without proper notification to the Utility; or should the customer be away from the service location temporarily. It is the responsibility of the customer to notify the Utility immediately of any problem with the customer's plumbing that could have an adverse effect upon the Utility's system.
3. It shall be a violation of these rules and regulations for customers to operate, cause, or permit unauthorized operations or appurtenances on the service connections.
4. It shall be a violation of these rules and regulations for any customer to make, or remake a service connection without the prior knowledge and approval of the Utility as detailed by this ordinance.
5. It shall be a violation of this ordinance for any individual to take bulk water from the Utility without prior arrangements having been made.

Section 11. Water Meters

- A. Meter Requirement: The Utility is authorized to require installation of a water meter upon the customer's line and to charge for such service at the established meter rate set out in Schedule B. The Utility will provide the meter and the customer must pay the actual cost of installation.

- B. Location of Meters: Meters shall be placed either inside or under a heated building at suitable convenient places approved by the Utility. The meter will not be placed where freezing or damage to the meter or its related parts is likely to occur; nor where damage to the meter could result in a loss of water from the system.
- C. Joint use of Meters: The joining of several customers to take advantage of single minimum charges and/or large quantity rates is prohibited except under special contract, in writing, from the Utility.

Section 12. Utility Rates

Utility rates to be charged for the various classifications of services are published in a separate Schedule B. On a periodic basis, Schedule B will be revised and approved by resolution of the City Council.

Section 13. Notices

- A. Notices to Customers: Notices to customers from the Utility will normally be in writing and will be mailed or delivered to the customer at the address on file with the Utility. Where conditions warrant, and in an emergency, the Utility may notify customers by telephone, messenger, or radio.
- B. Notices from Customers: Notices from the customer to the Utility may be given in writing, or verbally by the customer or his authorized representative at the Utility office. However, notices that result in a change in service or in work being performed by the Utility for the customer must be accompanied by the appropriate application required by Section 8(C) or a signed repair order or work order.

Section 14. Security Deposit

- A. Deposit Requirements and Amount: The Utility will require a separate deposit for every service connection. The amount of the deposit required is the higher of two month's service charges at the flat rate, or the higher of the metered charges times the estimated average consumption over a two month period at the location. The Utility will issue the applicant a written receipt for the deposit and provide the applicant with a copy of this section of its tariff.
- B. Interest on Deposits: The Utility will not pay interest on the deposits totalling less than \$100. The Utility will pay interest on deposits of over \$100 at or before the time it is returned. Interest paid under this section shall be at the legal rate of interest at the time the deposit is made. However, if the deposit is placed in an interest bearing account, the Utility shall pay the interest rate of the interest bearing account.

- C. General Provision for Refund of the Deposit: The Utility will not require a customer to produce a deposit receipt in order to receive a refund of the deposit that is reflected on the Utility's books. The Utility will refund deposits within 25 days after the earlier of the date the customer completes 12 months of continuous service during which the customer was not past due in payment more than twice, has not been delinquent in the last six months, and is not past due at the end of the 12 months; or the customer terminates service. In this case the deposit amount refunded including any interest due will be the amount which exceeds any balance due the Utility.
- D. Adjustment of Deposit Amounts: The Utility will institute or adjust a deposit for an established customer who becomes delinquent in payment. The amount of any new deposit required will be consistent with the above provisions. If an account becomes delinquent and it is necessary to discontinue the service, the deposit amount shall be applied to the unpaid balance of the account. Service will not be restored to the premises until such time as the deposit is replaced, along with all delinquent amounts due, and payment for labor and materials expended by the Utility to reconnect service.

Section 15. Billing and Payment

- A. Monthly Bills: All bills will be mailed on or before the last week of each month. The bill will contain a statement of present charges due. All bills are due and payable 25 days from the date the bill was rendered.
- B. All bills sent to a customer will include the following statement:
 - “You should contact us first if you have a complaint about your water or wastewater service. If you are not satisfied after contacting us, you may then file a complaint with the Regulatory Commission of Alaska. The Regulatory Commission of Alaska may be contacted toll-free at 1-800-390-2782, or TDD (907) 276-4533.”
- C. Delinquent Bills: All bills not paid within 40 days of the bill being rendered will be considered delinquent. The Utility may charge a late payment penalty fee on delinquent sums due to the Utility in accordance with Schedule A.
- D. Delinquent Notice: At the discretion of the City Council, a notice of delinquency shall be mailed to each delinquent account on the date the account becomes delinquent.
- E. Service Disconnection Notice: If a Utility bill has not been paid a week after the Delinquent Notice is rendered, the Utility will notify the customer of the Utility's intention to disconnect service. The notice of disconnection will be

mailed at least 15 days before the scheduled date of disconnection. The notice shall be sent to the customer by certified or registered mail, return receipt requested. Not less than three working days prior to the date of disconnection, the Utility will deliver a door hanger to the residence notifying the customer of the date and time of the impending disconnection. The Utility may terminate the service at any time after the date and time indicated in the turn-off notice without further notification, unless deferred payment arrangements are made in accordance with Section 15(F).

F. **Deferred Payment Agreements:** If a residential customer demonstrates that economic hardship prevents payment in full of a delinquent bill that is not already covered by a deferred payment agreement, the Utility will restore or continue service to the customer if the customer agrees to a deferred payment contract, signed by both the Utility and customer. The contract will meet the following requirements.

1. The customer agrees to pay one-third (or less at the Utility's option) of the outstanding bill at the time the deferred payment agreement is signed.
2. The customer agrees to pay all future bills for Utility service in accordance with the provisions of this section.
3. The customer agrees to pay the remaining outstanding balance in installments over a period not to exceed 12 months. If the outstanding balance predates the adoption of this tariff, the Utility may allow a repayment period of over 12 months if the customer has a large balance.

The Utility will not require any deferred payment agreement to have a duration of less than 3 months. The Utility will offer comparable terms and conditions to customers with similar payment problems. In determining a reasonable deferred payment schedule, the Utility will discuss with the customer and consider the following conditions:

1. size of the delinquent account;
2. customer's ability to pay;
3. customer's payment history;
4. length of time the debt has been outstanding;
5. circumstances that resulted in the outstanding debt;
6. any other relevant factors related to the circumstances of the customer.

If a customer fails to fulfill the terms of a deferred payment agreement, the Utility is not required to provide the customer with all the notices described in Section 15(D) prior to disconnection; however, at least three working days before disconnection the Utility will attempt to give written or telephone notice of the disconnection to the customer.

- G. Deposit for Reconnection: In all cases where service has been disconnected due to delinquency, the customer must file a new application and again meet the security deposit requirements set forth in Section 14 before service will be reconnected.
- H. Responsibility for Payment of Utility Bills: In all cases the person signing the utility application form is responsible for the utility bills regardless of who owns the property served. However, in the case of multi-family housing or business complexes with more than one unit the Utility reserves the right to bill the owner of the facility for all of the services provided by the utility.

Section 16. Administration and Enforcement

- A. These rules and regulations shall be administered and enforced by the City Council, or the person designated by the City Council to manage the utility. The City Council, shall have the authority to establish and regulate rates for the water and sewer system for all customers.
- B. The City Council may adopt such additional regulations, provisions, and procedures pertaining to water and sewer service as the Council deems proper.
- C. The Council shall establish customer/user requirements for services delivery and facility use. And customers/users shall be bound by the Council's requirements.
- D. The Council with concurrence of the Traditional Council on a regular basis establishes the rates for all Utility services (at least yearly). The rates are set to allow the Utility to recover costs of operation (including system expansion and equipment replacement). The rate schedule is published by the Council as a separate document and is called **The Chefnak Water & Sewer Utility and Services (Rates)**. The rates automatically become a part of all agreements upon approval by the Council.
- E. Meetings for discussing and setting the User Rates will be given at least five (5) days written notice.
- F. All subscribers to Utility Services and users of Utility facilities including tank and haul customer, watering point customers, honeybucket haul customers,

and solid waste haul customers must sign a user agreement prior to receiving a service or using a facility.

- G. The Council may change the Rules and Regulations as necessary to protect the public health and well being of the residents of Chefnak. Changes made to the Rules and Regulations must be consistent with the Bylaws approved by the City Council.
- H. The Council may recommend changes to The Chefnak Water & Sewer Utility Rates and Services as may be necessary to meet the costs of operation. The changes become final upon review and approval of the City Council.
- I. No category of customer may re-sell the services for which they subscribe. For example, you may not re-sell Utility water, or allow another non-subscriber to use your pick-up service for honeybuckets or trash.
- J. The Utility makes every effort to furnish services in a reliable and safe manner. However, the Utility shall not be liable for interruption of service, quality or quantity of water provided, or for maintaining clear and unobstructed access to user facilities.
- K. Dumping of illegal substances including Grey water, batteries, volatile chemicals, petroleum products, corrosive chemicals, etc., within the community will be reported to the proper authorities and may result in discontinuance of service or dumping privileges.
- L. No employee of the Utility may suspend the Rules. However, a customer may appeal to the Council in writing should the customer feel that special circumstances apply that might modify the application of the Rules and Regulations or the Rates to that particular customer.
- M. Hazardous materials (including lead acid batteries, paints, petroleum products, corrosive chemicals, explosives, or contaminated soil) may be disposed of in the landfill or sewage lagoon. Disposal of restricted materials will result in discontinuance of service.

RULES FOR SUBSCRIBERS TO HONEYBUCKET PICKUP AND HAUL SERVICE

- A. Honeybuckets must be placed in an authorized area adjacent to the boardwalk or at a location arranged with the utility workers for each residence or business location. Utility workers will not go into houses to pickup honeybuckets.
- B. Only five (5) gallon plastic pails are to be used as honeybuckets.
- C. Honeybuckets should not be left in full or overflowing condition. This means they must not be filled beyond 3" from the top of the bucket.

Overfilled or overflowing buckets will have to be poured into additional five (5) gallon plastic pails by the customer.

- D. Schedules for honeybucket pickup service are established by the Council, and posted at various locations in the village. Subscribers are expected to have their honeybuckets at the designated locations prior to the arrival of the Utility workers.
- E. Should equipment fail or weather conditions modify the honeybucket pickup schedule, the Utility will make announcements on VHF to amend the pickup schedule.
- F. Pickup days, which fall on holidays, will be rescheduled by the Utility. The revised schedule will be posted and announced prior to the holiday.
- G. Pickup and Haul service subscribers may also use the honeybucket dumpsite without additional permit provided they follow the rules for Self-haul customers.

RULES FOR SELF HAUL HONEYBUCKET SERVICES

- A. The honeybucket dumpsite is not a public site, and is not accessible except by permission from the Utility. The site is permitted and maintained by the Utility.
- B. All individuals who haul their own honeybuckets to the dumpsite must use covered containers with tight fitting lids to avoid spillage.
- C. All dumping must occur at the designated area at the dumpsite.
- D. Self haul customers must apply to the Utility for an annual dumping permit.

RULES FOR SUBSCRIBERS TO TRASH HAUL SERVICES

- A. Customers must place solid refuse in secured commercial trash bags.
- B. Bags are to be placed in an authorized area adjacent to the boardwalk or at a location arranged with the Utility workers for each residence or business location. Utility workers will not go into houses to pickup refuse bags.
- C. Schedules for refuse pickup service are established by the Council, and posted at various locations in the village. Subscribers are expected to have their refuse bags at the designated locations prior to the arrival of the Utility workers.
- D. Subscribers are expected to observe hazardous materials restrictions when filling their containers for collection by Utility operators.
- E. Pickup and Haul service subscribers may also use the honeybucket dumpsite without additional permit provided they follow the rules for Self Hauling customers.

RULES FOR CLOSED TANK AND HAUL CUSTOMERS

- A. Water placed in closed tanks must be obtained from approved sources only. This means water purchased from the Utility and placed in the tank by the operator, or water purchased by the customer at one of the utility watering points and placed in the tank by the customer.

- B. Customers electing to fill tanks from watering points must use clean plastic containers with covers. Customers must exercise caution and follow sanitary practices to maintain sanitary conditions when filling, transporting, emptying and storing water and self haul container.
- C. Filling the water tank, even one-time with water from a non-approved (rainwater, tundra ponds, etc,) may result in contamination to the in-house water tank and piping that may be difficult or impossible to remove. The Utility accepts no liability for decontaminating or repairing systems that have been filled from unapproved sources or with techniques that are not approved.
- D. All water purchased from the Utility and placed in the water holding tank is expected to be collected, to the extent practicable in the sewage tank and transported to disposal by the operator in accordance with these rules and regulations.
- E. The homeowner is responsible for the proper maintenance and the repair of all on-property facilities. The Utility may provide repair services for fees to be established by the Council.
- F. The homeowner shall maintain access to the tanks for the Operators. This may require snow removal or removal of other obstacles by the homeowner. The necessity for snow removal or removal of other obstacles will be at the discretion of the Operator.
- G. Restricted materials (detailed above) are NOT to be placed in the sinks or drains and allowed to reach the holding tanks.

RULES FOR WATERING POINT CUSTOMERS

- A. Coin boxes at the watering points accept TOKENS only.
- B. Tokens are to be purchased at the Utility Office or the Store.
- C. Abuse of watering point equipment may result in the customer being charged for repairs. Damage by customers may be also be referred to proper authorities for further action.
- D. Parents are liable for the actions of their children.
- E. Dogs or personal property are not allowed near or around watering point.

ACCESS TO THE FACILITIES OPERATED BY THE UTILITY, INCLUDING THE WATERING POINTS, HONEBUSKET DUMPSITE AND THE SOLID REFUSE DUMPSITE IS BY THE CONSENT OF THE UTILITY. ALL USERS ARE EXPECTED TO ABIDE BY THE POSTED RULES FOR PROPER USE.

Section 17. Discontinuance or Termination of Service

- A. Discontinuance by Customer Order: Each customer about to vacate any premises supplied with water, sewer, or waste disposal services by the Utility shall give at least one week written notice of his or her intentions and state the date the service is to be discontinued. Otherwise, a customer will be

responsible for all services supplied to the premises until a written notice is received.

Within one week of the date stated in the notice to discontinue service, a total bill (minus any deposits due to the customer) will be prepared and delivered which is due and payable immediately. The amount of the bill for the current billing period will be determined by prorating the number of days of service received in the given month (including the date of disconnect) divided by the total number of days in the month, times the usual monthly charge for the customer. There will be no charge for disconnection of the utility.

- B. Discontinuance for Non-payment of Bills: A customer's water, sewer, or waste disposal services may be discontinued if their bill is not paid in accordance with the procedures listed in Section 15.
- C. Discontinuance for Unsafe Customer Facilities:
 - 1. Unsafe Facilities or Unsanitary Facilities: The Utility may discontinue services to any premises without prior notice where plumbing facilities, appliances, or equipment, using water or discharging waste water, are dangerous, unsafe, or not in conformance with standard plumbing practice.
 - 2. Cross Connections: A cross connection as defined in Section 1 is unlawful. The Utility will discontinue service to any persons or premises where a cross connection exists. Service will not be restored until the cross connection is eliminated.
- D. Discontinuance for Water Waste: Where water is wastefully or negligently used on a customer's premises seriously affecting the general service, the Utility may discontinue service if such conditions are not corrected after notice by the Utility. Allowing water to run continuously rather than providing reasonable and proper insulation is considered wasting water. At the option of the City Council, a customer may be allowed to continue service if a meter is installed at the customer's expense (as prescribed in Section 11) and he or she pays a rate based on consumption.
- E. Discontinuance for Service Detrimental to Others: The Utility may refuse to furnish service, restrict service, or immediately terminate service to any premises where excessive demands by a customer will result, or have resulted, in inadequate service to other customers. The determination of excessive demand may vary depending on current Utility water or sewer resources and system equipment conditions.

- F. Discontinuance for Fraud or Abuse: The Utility will refuse or discontinue service to any customer or premises where it is deemed necessary to protect the Utility from fraud or abuse of service. Discontinuance of service for one or both of these causes will be made immediately upon receipt of knowledge by the Utility that such condition or conditions exist.
- G. Discontinuance for Unauthorized Turn-on: Where service has been discontinued for any reason and the service is turned on by the customer or another unauthorized person, the service may then be turned-off at the main, without notice to the customer. The charges for shut-off at the main will be billed at the actual cost for labor and materials plus 50% billed to the offending customer. The charges for use of service through such illegal connection will be at the regular rate for the period of time, as estimated by the City Council, that such illegal or unauthorized connection existed, plus an unauthorized usage fee, as defined in Schedule A.
- H. Discontinuance for Non-compliance: Unless otherwise specified by specific sections of these rules and regulations, a customer may have service discontinued for violation of any provision of these rules and regulations following fifteen days notification of such impending termination of service. Proper notice is specified in Section 15(E) of these regulations.
- I. Limitations on Reasons for Disconnection: The Utility will not disconnect service to a customer in the following circumstances:
 - 1. for delinquency in payment for services rendered to a prior customer at the premises where service is being provided.
 - 2. if the customer is unable to pay the full delinquent amount due, and is in compliance with a signed, or is in the process of timely negotiating a, deferred payment agreement with the Utility.
 - 3. for nonpayment of a bill related to another class of service at a different service location.
 - 4. for failure to pay a disputed amount due on a delinquent account if the customer complies with the rules on customer bill disputes and the dispute remains under investigation by the Utility or the Regulatory Commission of Alaska. However, the Utility may proceed to disconnect service in accordance with the above provisions if a customer fails to pay any undisputed amounts.

Section 18. Restoration of Services

Restoration of service following discontinuance by customer order shall not require a reconnection fee if the voluntary discontinuation was for more than sixty

(60) days. Restoration of service for any other reason shall require a reconnection fee. Restoration of service following discontinuance for non-payment of bills shall be made only after payment of current and past due charges, the reconnection fee, and a security deposit as herein provided.

Restoration following discontinuance because of unsafe facilities, water waste, fraud, abuse, or non-compliance with these rules and regulations will be made only after: a) the irregularity has been corrected; b) any associated charges for disconnection or repairs undertaken by the Utility have been paid; c) a new application for service has been received with the appropriate deposits; and d) the Utility has received written assurance that the irregularity will not occur again.

The property owner shall provide access to arctic boxes for connection or reconnection of services including the removal of all snowdrifts around the box.

The customer is responsible for insuring that services are in good condition prior to restoration of services. The customer shall pay any costs for cleaning or thawing a service line prior to reconnection.

Section 19. Unusual Demands

Whenever an abnormally large quantity of water is desired for filling a water storage tank, or for any other purpose, arrangements must be made with the Utility prior to taking the water. The City Council shall have the power to determine what constitutes an abnormally large quantity of water based on normal or average use. Permission to take water in large quantities will be given only if other customers are not unduly inconvenienced and measures have been taken to minimize any such inconvenience. Purchases of large quantities of water, even if to an existing customer, may be billed under a separate category and for a separate amount from the customer's usual rate.

Section 20. Access to Property

All duly appointed employees or agents of the Utility shall have free access at all reasonable hours of the day to exterior parts of a customer's building related to utility service (i.e. arctic box, electric meter, etc.) for the purposes of reading meters, inspecting connections, piping and fixtures, discontinuing service under the provisions of Section 17, and to determine the manner and extent to which the utility is being used. When it is necessary to enter a customer's building for the same purposes, the customer will be given notice in accordance with Section 13. The Utility does not assume the duty of inspecting the customer's service line, plumbing, or equipment and shall not be responsible for these services.

In the event that a customer refuses to provide access to the Utility in a reasonable period of time, the service may be discontinued for non-compliance with these Regulations in accordance with Section 17.

Section 21. Responsibility for Equipment

- A. Responsibility for Customer Equipment: The Utility shall not be liable for any loss or damage caused by any defect in the customer's service line, plumbing, or equipment, nor shall the Utility be liable for loss or damage due to interruption of service or temporary changes in water pressure.
- B. The customer shall be responsible for the condition of the plumbing system on his or her premises when service is turned on. All drain valves should be closed to prevent cross contamination.
- C. The customer shall be responsible for maintaining proper heat within his or her property to insure that pipes do not freeze-up, causing harm or damage to the Utility system. Electrical heat tape shall be energized as necessary to prevent utility lines from freezing. The customer shall pay for all costs associated with keeping service lines from freezing. The Utility reserves the right to seek any lawful remedy to recover costs for damages and repairs to utility facilities.

Section 22. Fire Hydrants

- A. Operation: No person or persons other than those designated and authorized by the Utility shall attempt to draw water from a hydrant belonging to the Utility or in any manner damage or tamper with the hydrant. Any violation of this regulation will be penalized according to these Regulations. In cases where temporary service has been granted from a fire hydrant, an auxiliary external valve will be used to control the flow of water.
- B. Damage to Fire Hydrants: Any person who damages a fire hydrant shall be responsible for the cost of its complete repair and return to service.

Section 23. Main Lines

- A. Operation: No person or persons other than those designated and authorized by the Utility shall place any substance including, but not limited to, animal and fish carcasses, refuse or trash, rocks or gravel, or honeybucket wastes in any main line, or in any manner damage or tamper with the main line.
- B. Damage to Main Lines: Any person who damages a main line or any of the attachments or appurtenances thereof, shall be responsible for the cost of its complete repair and return to service.
- C. Dumping Refuse, Chemicals, or Trash into Sewer Lines: Any person who damages a sewer main or interrupts sewer service through placing trash, refuse, animal carcasses, rocks or other matter not intended to be placed in

a sewer will be responsible for all damages and repairs to the sewer lines and treatment works that are a consequence of his or her act.

Section 24. Individual Waste Disposal Responsibilities

In the event that the Utility does not provide a solid waste or honeybucket waste pick-up service, the users are responsible to see that waste material is stored in a secure covered container with a tight fitting lid and is hauled to the designated disposal area and deposited at the location as directed by the City Council.

Section 25. Suspension of Rules

No employee of the Utility is authorized to suspend or alter any of the provisions herein without specific approval or direction of the City Council, except in cases of emergency involving loss of life or property or which put the water and sewer system operation in jeopardy.

Section 26. Constitutionality and Saving Clause

If any clause, sentence, paragraph, section, or portion of these rules and regulations for any reason is judged to be invalid by a court of competent jurisdiction, such judgment shall not affect, impair, or invalidate the remainder of this document but shall be confined in its operation to the clause, sentence, paragraph, or portion of these rules and regulations directly involved in the controversy in which the judgment is rendered.

Section 5. Enactment:

NOW, THEREFORE, BE IT ENACTED BY the Chefnak City Council that the following Title 2.11, Chefnak Water and Sewer Utility is adopted as a permanent part of Chefnak's Code of Ordinances:

My Commission Expires: _____

Section 6. Effective Date.

This ordinance shall become effective upon adoption by the Chefnak City Council and signature of the Mayor.

Date Introduced: _____

First Reading: _____

Public Hearing: _____

PASSED, APPROVED, AND ADOPTED by the Chefnak City Council this _____ day of _____, _____.

Mayor

ATTEST:

City Clerk

SCHEDULE A

Non-Recurring Fees

<u>SERVICE</u>	<u>CHARGE</u>
Water Haul	\$10.00 every haul
Flush	\$25.00 a flush

SCHEDULE B

Non-Recurring Fees

<u>SERVICE</u>	<u>CHARGE</u>
TRASH	\$10.00 a month
SANITATION	\$25.00 a month
COMMERCIAL SELF-SERVICE	\$5.00 a month
RESIDENTIAL SELF-SERVICE	\$5.00 a month

LIST OF SPECIAL CONTRACTS

(List customers with which the utility has a special contract and attach the contract to the tariff)