Akhiok Activity Report

Community Overview

Lead RUBA Staff: Elizabeth Manfred, Anchorage Office

2001 Population: 80

Region: Kodiak Island

Local Government: Second Class City located within the Kodiak Island Borough.

City provided services include piped water, piped sewer, electric, refuse collection, health clinic, dock, fuel oil sales, public safety (VPSO), and a library. The city also maintains the building housing the Post Office, Village Corporation and Tribal Government.

Water derived from a dam and reservoir on a small stream is treated and stored. It is not uncommon for the water source to dry up during late summer. Akhiok provides a piped gravity water and sewer system to all homes in the community. The community is not in compliance with DEC water regulations and residents have been advised to boil all drinking water.

ANTHC is the lead agency to administer a DEC $150,000 grant for a feasibility study to assess options for repair or replacement of the wastewater outfall and an evaluation of the water source to comply with the surface water treatment rule. This grant is also on hold until the city meets certain criteria.

It appears that the City administration and utility employees lack the management skills to implement the above grant.

RUBA Activity This Quarter

RUBA staff submitted a work plan to the city requesting minimum requirements of standard accounting practices be met prior to any additional site visits. The city has not responded or demonstrated any effort to comply. Mayor Simeonoff did contact this office in mid-June requesting assistance preparing the FY01 Certified Financial Statement and FY03 Annual Budget.

Capacity Indicators

Finances

Essential Indicators

Yes	No	
☐	☒	**All revenue and expenses for the utility are listed in the utility budget.**
☐	☒	**The utility has adopted a balanced realistic budget.**
☐	☒	**Monthly financial reports are prepared and submitted to the policy making body.**
☐	☒	**The utility is receiving revenues (user fees or other sources) sufficient to cover operating expenses.**

Finances Comments: The utility budget for FY02 was completed using the line items found in the City Budget Manual prepared by DCBD.. It was not a balanced budget and has not been amended. Monthly bank reconciliations are not completed.

Accounting Systems

Essential Indicators

Yes	No	
☐	☒	**The utility has adopted a collection policy and actively follows it.**
☐	☒	**The utility bills customers on a regular basis.**
☐	☒	**An accounts receivable system is in place which track customers and reports past due accounts and amounts.**
☐	☒	**An accounts payable system is in place.**
☐	☒	**The payroll system correctly calculates payroll and keeps records**
☒	☐	**A cash receipt system is in place that records incoming money and what it was for.**
☒	☐	**The Utility has a cash disbursement system that records how money was spent.**

Accounting Comments: The mayor related that residential utility customers are refusing to pay outstanding bills stating that the ordinance is older than five years and therefore not valid. They are demanding that she waive all outstanding amounts. She stopped sending utility bills and asked for a letter to the city council explaining the utility's authority to charge for services and the result of not doing so. A letter was drafted and mailed recommending a regular monthly billing cycle with past due amounts generated and stating that adopted ordinances are city law and do not have an automatic termination date of five years.

Tax Problems

Essential Indicators

Yes	No	NA	
☐	☒		**The utility has a system to accurately calculate, track, and report payroll tax liabilities.**
☐	☒		**The utility is current on filing tax reports.**
☐	☒		**The utility is current on making tax deposits.**
☐	☒	☐	**If there are any past tax liabilities, a repayment agreement has been signed and repayments are current.**

Tax Problems Comments: The utility bookkeeper calculates payroll taxes manually and records the information in the check register. There is no separate payroll ledger maintained. The utility owed payroll taxes and had a verbal agreement with the IRS on the repayment amount. They have not been financially able to meet the amount set verbally with the IRS.

Personnel System

Essential Indicators

Yes	No	
☐	☒	**The utility has a posted workers compensation insurance policy in effect.**

Personnel System Comments: The utility does currently not have a worker's compensation insurance policy. The mayor advised me that the administrator and city clerk (both hired in late December 2001) had quit in May 2002. She has not hired any replacements at this time.

Organizational Management

Essential Indicators

Yes	No	
☒	☐	**The entity that owns the utility is known and the entity that will operate the utility is set.**
☐	☒	**The policy making body is active in policy making of the utility.**
☐	☒	**The policy making body enforces utility policy.**
☐	☒	**The utility has a adequately trained manager.**
☐	☒	**The utility has a adequately trained bookkeeper.**
☐	?	**The utility has a adequately trained operator(s).**
☐	?	**The utility has adopted the necessary ordinances (or rules and regulations) necessary to give it the authority to operate.**

Organizational Management Comments: The policy making body is not enforcing the billings and collections policy. They did not adopt a balanced budget for FY02 and have not yet drafted or adopted an FY03 budget.

Operation of Utility

Essential Indicators

Yes	No	
☐	☒	**The utility operator(s) are actively working towards necessary certification.**
☐	☒	**The utility has a preventative maintenance plan developed for the existing sanitation facilities.**

Operation of Utility Comments: This utility has one of the highest number of violations statewide on the Significant Non-Compliant (SNC) list. The residents have been advised to boil all water before consumption.

RUBA Activities For The Coming Quarter

The goal for the coming quarter is to continue to provide support via the phone and fax to Mayor Simeonoff as she drafts the FY03 budget and the FY01 Certified Financial Statement. Travel to the community remains unscheduled until the city administration demonstrates a valid effort to complete the minimum tasks outlined in several previous work plans.