

Alakanuk Activity Report

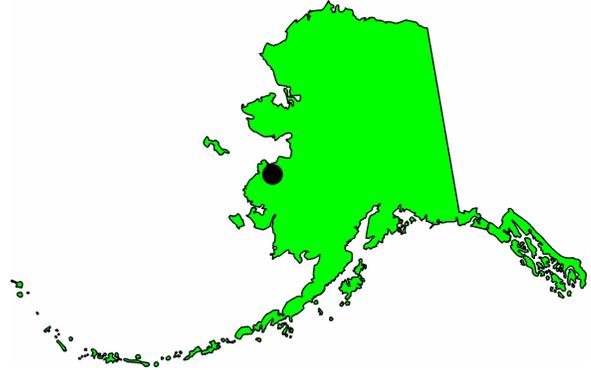
Community Overview

Lead RUBA Staff: Paul Chimiugak, Bethel Office

2003 Population: 678

Region: Lower Yukon

Local Government: 2nd Class City



The City of Alakanuk operates the piped water and sewer system, the central watering point, flush tank and haul system, and washeteria/sauna service. The City Council is the policy making body for the Utility. Construction began in 1995 to provide piped water and sewer to 170 homes and the school. In 1998, 83 homes, the school and teacher's housing were first connected. Today, there are 132 utility customers hooked up to the system. Water is derived from the slough, treated, stored in a tank, and piped to most of the community. New facilities include a water treatment plant, heated 300,000-gallon water storage tank, vacuum sewage plant, sewage lagoon, arctic piping and household plumbing. The new subdivision has been completed with all homes connected to the piped system. There are plans to hook up the other side of the river in the near future. The new airport construction is on-going.

RUBA Activity This Reporting Period

Bethel staff traveled to Alakanuk to conduct a RUBA assessment. The City of Alakanuk has moved to a new location and building. They are settling into the new building and should be fully operational by next month with a new administrator. Telephone and facsimile machine were installed at the time of the assessment. The new water treatment plant operator is to be tested via telephone. He is a capable operator and knew his way around the plant and knew just about every function of the plant equipment and machines. There is an alternate operator who delivers water to, and hauls sewage from, four homes that are on the flush tank and haul system. He is slated for OIT training in the future.

Capacity Indicators

Finances

Essential Indicators

- | Yes | No | |
|-------------------------------------|-------------------------------------|---------------------------------------------------------------------------------------------------------|
| <input checked="" type="checkbox"/> | <input type="checkbox"/> | All revenue and expenses for the utility are listed in the utility budget. |
| <input checked="" type="checkbox"/> | <input type="checkbox"/> | The utility has adopted a balanced realistic budget. |
| <input type="checkbox"/> | <input checked="" type="checkbox"/> | Monthly financial reports are prepared and submitted to the policy making body. |
| <input checked="" type="checkbox"/> | <input type="checkbox"/> | The utility is current in paying all water/wastewater electric bills. |
| <input checked="" type="checkbox"/> | <input type="checkbox"/> | The utility has on hand a year's adequate fuel supply or it has financial plan to purchase an adequate. |
| <input checked="" type="checkbox"/> | <input type="checkbox"/> | The utility is receiving revenues (user fees or other sources) sufficient to cover operating expenses. |

Sustainable Indicators

- | | | |
|-------------------------------------|--------------------------|---------------------------------------------------------------------------------------------------------------------------------------------|
| <input checked="" type="checkbox"/> | <input type="checkbox"/> | The utility is receiving revenues (user fees or other sources) sufficient to cover operating expenses and Repair & Replacement (R&R) costs. |
| <input checked="" type="checkbox"/> | <input type="checkbox"/> | YTD revenues are at a level equal to or above those budgeted. |
| <input checked="" type="checkbox"/> | <input type="checkbox"/> | YTD expenditures are at a level equal to or below those budgeted. |
| <input checked="" type="checkbox"/> | <input type="checkbox"/> | A monthly manager's report is prepared. |
| <input checked="" type="checkbox"/> | <input type="checkbox"/> | Budget amendments are completed and adopted as necessary. |

Finances Comments:

In reviewing the current budget it is found that the expenditures are doubled from the previous year. There are two employees that are on payroll, the city clerk and the bookkeeper. A notice for an administrator was posted, but there have been no applicants. Monthly financial and manager's reports are currently being done verbally. The reports are recorded in the meeting minutes. The city encourages customers to make payments by offering one month free service if five months (\$350) are paid in advance. Customers prepaying 10 months, (700.00) get two months free.

Accounting Systems

Essential Indicators

- | Yes | No | |
|-------------------------------------|--------------------------|------------------------------------------------------------------------------------------------------------|
| <input checked="" type="checkbox"/> | <input type="checkbox"/> | The utility has adopted a collection policy and actively follows it. |
| <input checked="" type="checkbox"/> | <input type="checkbox"/> | The utility bills customers on a regular basis. |
| <input checked="" type="checkbox"/> | <input type="checkbox"/> | An accounts receivable system is in place which track customers and reports past due accounts and amounts. |
| <input checked="" type="checkbox"/> | <input type="checkbox"/> | An accounts payable system is in place. |
| <input checked="" type="checkbox"/> | <input type="checkbox"/> | The payroll system correctly calculates payroll and keeps records |
| <input checked="" type="checkbox"/> | <input type="checkbox"/> | A cash receipt system is in place that records incoming money and what it was for. |
| <input checked="" type="checkbox"/> | <input type="checkbox"/> | The Utility has a cash disbursement system that records how money was spent. |

Sustainable Indicators

- | | | |
|-------------------------------------|-------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------|
| <input checked="" type="checkbox"/> | <input type="checkbox"/> | A chart of accounts is used that identifies categories in a reasonable, usable manner. |
| <input type="checkbox"/> | <input checked="" type="checkbox"/> | Monthly bank reconciliation's have been completed for all utility accounts. |
| <input checked="" type="checkbox"/> | <input type="checkbox"/> | The utility has a purchasing system that requires approval prior to purchase, and the approval process compares proposed purchases to budgeted amounts. |

Accounting System Comments:

An accounts receivable system is in place, and tracks the customer billings and payments. An accounts payable system is in place to track vendor bills and payments. There is a need to catch up on bank reconciliations for all of the accounts. In speaking with the bookkeeper, the purchasing procedure for the utility is acceptable; however, there is room for improvement in how it is followed. There is a purchase order book used that requires a signature before purchases can be made, but sometimes purchases are made without referring to the city budget. The bookkeeper has been keeping the cash account within the \$8,000 to \$10,000 range in case of emergencies, and has stressed to the council that utility funds are to be kept only for the utility, and should not be included in the general funds.

Tax Problems

Essential Indicators

- | Yes | No | |
|-------------------------------------|-------------------------------------|----------------------------------------------------------------------------------------------------------|
| <input checked="" type="checkbox"/> | <input type="checkbox"/> | The utility has a system to accurately calculate, track, and report payroll tax liabilities. |
| <input type="checkbox"/> | <input checked="" type="checkbox"/> | The utility is current on filing tax reports. |
| <input type="checkbox"/> | <input checked="" type="checkbox"/> | The utility is current on making tax deposits. |
| <input type="checkbox"/> | <input checked="" type="checkbox"/> | If there are any past tax liabilities, a repayment agreement has been signed and repayments are current. |

Tax Problems Comments:

Current tax information is pending until response received from IRS and DOL.

Personnel System

Essential Indicators

- | Yes | No | |
|--------------------------|-------------------------------------|---------------------------------------------------------------------------|
| <input type="checkbox"/> | <input checked="" type="checkbox"/> | The utility has a posted workers compensation insurance policy in effect. |

Sustainable Indicators

- | | | |
|-------------------------------------|-------------------------------------|------------------------------------------------------------------------------------------------------------------------------------|
| <input checked="" type="checkbox"/> | <input type="checkbox"/> | The utility has adopted and uses a Personnel Policy, which has been reviewed by an attorney, AML, or DCED for topics and language. |
| <input checked="" type="checkbox"/> | <input type="checkbox"/> | The utility has adequate written job descriptions for all positions. |
| <input checked="" type="checkbox"/> | <input type="checkbox"/> | The utility has adopted and follows a written personnel evaluation process that ties the job description to the evaluation. |
| <input checked="" type="checkbox"/> | <input type="checkbox"/> | The utility has an adequate written hiring process. |
| <input type="checkbox"/> | <input checked="" type="checkbox"/> | The utility has personnel folders on every employee that contain at least: I-9, Job Application and Letter of Acceptance. |
| <input checked="" type="checkbox"/> | <input type="checkbox"/> | The utility has a probationary period for new hires that includes orientation, job-training/oversight, and evaluations. |
| <input checked="" type="checkbox"/> | <input type="checkbox"/> | The utility provides training opportunities to staff as needed and available. |

Personnel System Comments:

The council has hired Paul Joe as the city administrator on September 22, 2006. His first day on the job as the newly hired administrator was on September 25, 2006.

Organizational Management

Essential Indicators

Yes	No	
<input checked="" type="checkbox"/>	<input type="checkbox"/>	The entity that owns the utility is known and the entity that will operate the utility is set.
<input checked="" type="checkbox"/>	<input type="checkbox"/>	The policy making body is active in policy making of the utility.
<input checked="" type="checkbox"/>	<input type="checkbox"/>	The policy making body enforces utility policy.
<input checked="" type="checkbox"/>	<input type="checkbox"/>	The utility has an adequately trained manager.
<input checked="" type="checkbox"/>	<input type="checkbox"/>	The utility has an adequately trained bookkeeper.
<input checked="" type="checkbox"/>	<input type="checkbox"/>	The utility has an adequately trained operator(s).
<input checked="" type="checkbox"/>	<input type="checkbox"/>	The utility has adopted the necessary ordinances (or rules and regulations) necessary to give it the authority to operate.

Sustainable Indicators

<input type="checkbox"/>	<input checked="" type="checkbox"/>	The utility has adopted an organizational chart that reflects the current structure.
<input checked="" type="checkbox"/>	<input type="checkbox"/>	The policy making body meets as required.
<input checked="" type="checkbox"/>	<input type="checkbox"/>	The utility complies with the “Open Meetings Act” for all meetings.

Organizational Management Comments:

The council has been enforcing collections with delinquent customers by disconnecting them if they don't make payments. There is also an incentive to reward customers that make several months advance payment. The incentive is that if a customer makes a five month advance payment (\$350.00), they get one month free service. If a customer makes ten months advance payment (\$700.00) they get two months free service.

Operation of Utility

Essential Indicators

Yes	No	
<input checked="" type="checkbox"/>	<input type="checkbox"/>	The utility operator(s) are actively working towards necessary certification.
<input checked="" type="checkbox"/>	<input type="checkbox"/>	The utility has a preventative maintenance plan developed for the existing sanitation facilities.

Sustainable Indicators

<input checked="" type="checkbox"/>	<input type="checkbox"/>	The manager receives a monthly O&M report from the utility operator and routinely “spot checks” the facilities to see that the maintenance items are being completed.
<input checked="" type="checkbox"/>	<input type="checkbox"/>	The utility has a safety manual and holds safety meetings.
<input checked="" type="checkbox"/>	<input type="checkbox"/>	Utility facilities have not suffered any major problems/outages due to management issues that are unresolved.
<input checked="" type="checkbox"/>	<input type="checkbox"/>	The utility is operating at the level of service that was proposed.
<input checked="" type="checkbox"/>	<input type="checkbox"/>	The operator provides status reports to the manager on a routine basis.
<input checked="" type="checkbox"/>	<input type="checkbox"/>	The utility has completed and distributed its <u>Consumer Confidence Report</u> (CCR).
<input type="checkbox"/>	<input checked="" type="checkbox"/>	The utility is not on the <u>Significant Non-Compliance</u> (SNC) list.
<input type="checkbox"/>	<input checked="" type="checkbox"/>	The utility maintains an inventory control list.
<input checked="" type="checkbox"/>	<input type="checkbox"/>	The utility maintains a critical spare parts list.

Operation of Utility Comments:

The alternate water operator is going to take Operator in Training (OIT) classes as soon as one is available.

RUBA Activities For The Coming Quarter

Provide purchase procedure for the city. Request monthly financial reports from the City. Make sure that Bank Reconciliations are done for all Bank accounts. Request latest IRS/DOL notices and letters. Request notification if Insurance is in place. Provide Information on Personnel Folders. Keep requesting an Organizational Chart.

