

Allakaket Activity Report

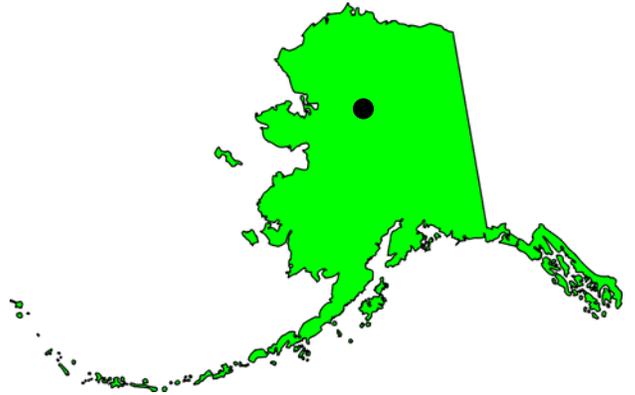
Community Overview

Lead RUBA Staff: Andy Durny, Fairbanks Office

2003 Population: 102

Region: Interior

Local Governments: 2nd Class City



Most public facilities were severely damaged in the 1994 Koyukuk River flood. Major components have been replaced -- a new washeteria, well and treatment plant, 100,000-gal. Water storage tank, sewage lagoon, and force main have recently been completed. The lagoon is connected to the washeteria and school. Residents carry treated water and haul honeybuckets or use pit privies; no households have plumbing. Infrastructure improvements to provide a flush/haul system are continuing. A new landfill and access road are also under construction. Ownership of the new washeteria has not yet been transferred to the city, pending the following: resolution of site control issues; agreement between City and Traditional Council to transfer management responsibility of the new washeteria to the Traditional Council; approval of the business plan. There is also some concern about the gravel foundation for the new water storage tank: ANTHC is well aware of the situation, is currently monitoring it, and is considering actions to take if necessary.

RUBA Activity This Reporting Period

During this quarter, RUBA staff maintained contact with the mayor, city clerk and tribal administrator by phone, fax, email and written correspondence, provided information regarding elections, washeteria O&M issues, utility management, tax reporting, and other issues. According to the tribal administrator, the new washeteria experienced some O&M problems with the boiler and heat system that resulted in damage to the linoleum flooring. Several toilets also leaked and were out of order for an extended period of time, but are now reportedly functioning properly. Washeteria revenues are reportedly steady, but lower than anticipated, while fuel consumption and electrical costs are higher than anticipated. In early December, the City Office was moved from the Tribal Office Building to a separate building, and RUBA staff has been unable to contact the city clerk by phone, fax or email since then: the clerk has not yet responded to correspondence mailed in December. A planned trip to Allakaket in early December was postponed because of weather, schedule conflicts, and inability to contact the city clerk. RUBA staff plans to travel to Allakaket in early January 2006 to provide on-site training to the tribal administrator, and to the city clerk if she is available.

Capacity Indicators

Finances

Essential Indicators

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

Sustainable Indicators

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

Finances Comments:

The City approved and submitted its FY 06 budget. The washeteria budget is based on the ANTHC business plan and is included in the City's budget, but should be moved to the Tribe's budget because the Tribe has accepted management responsibility for the new washeteria. We do not have a copy of the Tribal Council's budget yet: the tribe is on a federal fiscal year. We have not received any current financial reports, but the tribal administrator has expressed concern that some expenses (particularly for electricity) are significantly higher than had been anticipated.

Accounting Systems

Essential Indicators

- | Yes | No | |
|-------------------------------------|-------------------------------------|--|
| <input type="checkbox"/> | <input checked="" type="checkbox"/> | The utility has adopted a collection policy and actively follows it. |
| <input type="checkbox"/> | <input checked="" type="checkbox"/> | The utility bills customers on a regular basis. |
| <input type="checkbox"/> | <input checked="" type="checkbox"/> | An accounts receivable system is in place which track customers and reports past due accounts and amounts. |
| <input type="checkbox"/> | <input checked="" type="checkbox"/> | An accounts payable system is in place. |
| <input type="checkbox"/> | <input checked="" 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 type="checkbox"/> | <input checked="" 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:

With the opening of the new washeteria and the closing of the old washeteria, the utility no longer provides water/service to the school. The utility does not have customers other than Laundromat users. As such, the utility does not require a collection policy, does not have customers to bill, and does not track customers and past due accounts. The Tribe has a chart of accounts to identify income and expense categories for the utility and for other departments and classes, but the chart should be simplified to make it easier to use. The utility requires some approval prior to making purchases.

Tax Problems

Essential Indicators

- | Yes | No | |
|--------------------------|-------------------------------------|---|
| <input type="checkbox"/> | <input checked="" 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:

According to IRS, the City has submitted tax deposits for the first and second quarters of 2005, but none for the third quarter: no reports have been filed for 2005. A penalty of \$4,479.57 has been assessed against the City because of discrepancies in wages reported in 2002. IRS has not received W-2s or a W-3 from the City for 2003. RUBA staff has contacted the City regarding these matters but has not received any response. IRS has not received any 2005 deposits or quarterly reports from the Tribal Council. According to the Alaska Department of Labor the City has not filed any quarterly reports for 2005. A deposit of \$500 was posted toward estimated first quarter 2005 taxes, but no deposits have been made since then. DOL has not received any deposits or reports from the tribe for 2005.

Personnel System

Essential Indicators

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

Sustainable Indicators

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

Personnel System Comments:

In general, the City follows the personnel policy of the Allakaket Tribal Council.

Organizational Management

Essential Indicators

Yes	No	
<input checked="" type="checkbox"/>	<input type="checkbox"/>	The entity that owns the utility is known and the entity that will operate the utility is set.
<input checked="" type="checkbox"/>	<input type="checkbox"/>	The policy making body is active in policy making of the utility.
<input type="checkbox"/>	<input checked="" type="checkbox"/>	The policy making body enforces utility policy.
<input type="checkbox"/>	<input checked="" type="checkbox"/>	The utility has an adequately trained manager.
<input type="checkbox"/>	<input checked="" 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 type="checkbox"/>	<input checked="" 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 meeting act for all meetings.

Organizational Management Comments:

The City and Tribal Council have signed an agreement transferring management responsibility of the new washeteria to the Tribal Council. The two councils held a joint meeting on August 2, 2005 at which time the Tribal Council established a recommended operating schedule for the new washeteria. Both the city office and the tribal office are understaffed. The city clerk is scheduled to work only three hours per day, and spends much of her time handling cash sales for fuel: this does not give her enough time to attend to other important matters. The tribal administrator has assumed the duties of utility manager and utility bookkeeper. Additional training and/or staffing is needed in order for the utility to adequately address management and recordkeeping needs.

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 type="checkbox"/> | <input checked="" type="checkbox"/> | The utility has a preventative maintenance plan developed for the existing sanitation facilities. |

Sustainable Indicators

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

Operation of Utility Comments:

Brian Henry, the water plant operator, has a Water Distribution OIT certificate good through 12-31-2006. He satisfactorily completed Boiler Maintenance class sponsored by Tanana Chiefs Conference September 20-22, 2005. One of the washing machines in the new washeteria still needs some parts or adjustment before it can be put into operation. The tribal administrator needs to get copies of the operator's completed daily checklists. The operator does not yet have an O&M manual.

RUBA Activities For The Coming Quarter

Monitor and assist as needed. Provide additional on-site training in early January, and follow-up as needed.

