

# Brevig Mission Activity Report

## Community Overview

Lead RUBA Staff: Leroy Seppilu, Nome Office  
20001 Census Population: 276  
Region: Bering Straits  
Local Governments: Second Class City



Brevig Mission has just completed construction of a 4-phase, \$8.5 million piped water and sewer system and new landfill. This project was completed in November 2002. There are 56 residential customers at \$120 at month, 9 commercial customers at \$180 and Bering Strait School District at \$4,416.67 a month. The City also operates the trash haul system and sewage lagoon. The fee for trash haul is included in the residential w/s utility fee. Water is supplied from Shelmon Creek and is treated and stored in a 100,000-gallon tank at the washeteria. The tank is filled monthly. Water is piped into the school from the washeteria. The City Council is the policy making body for the utility.

## RUBA Activity This Reporting Period

The City Administrator and Bookkeeper successfully completed a 4 ½ day Introduction to QuickBooks class in Anchorage. The training was sponsored by RUBA. Positive comments about the training were made by both of them. They had complained about the training they were getting from a CPA hired by an engineering firm. The Advanced QuickBooks class will be held in June 2003. A CPA firm hired by RUBA will provide onsite training during the months of April and May.

Brevig Mission is a well run utility that is in the process of increasing it's management capacity. Most of the changes taking place are improvements to systems that are already in place.

## 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 checked="" type="checkbox"/> | <input type="checkbox"/> | Monthly financial reports are prepared and submitted to the policy making body.                        |
| <input checked="" type="checkbox"/> | <input type="checkbox"/> | The utility is receiving revenues (user fees or other sources) sufficient to cover operating expenses. |

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#### Sustainable Indicators

|                                     |                          |   |
|-------------------------------------|--------------------------|---|
| <input 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:** The City was not able to collect on some of the water & sewer utility bills because of freeze-ups caused by a very cold spells in January and February. Since the pipes in some sections of the system were not functioning, the council decided not to collect from the customers that were affected. The engineering firm was able to fix the frozen pipes and bring back the services to the customers.

### 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.                               |

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#### Sustainable Indicators

|                                     |                          |   |
|-------------------------------------|--------------------------|---|
| <input checked="" type="checkbox"/> | <input type="checkbox"/> | A chart of accounts is used that identifies categories in a reasonable, usable manner.  |
| <input checked="" type="checkbox"/> | <input type="checkbox"/> | Monthly bank reconciliations 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:** The City Administrator and Bookkeeper are still trying to implement the QuickBooks Pro as well as they can. They are still having difficulty using some of the features. They are looking forward to the on-site training to be provided in the months of April and May. Mikunda & Cottrell, Inc., a CPA firm, will provide the training.

**Tax Problems**

**Essential Indicators**

| Yes                                 | No                       | NA                                  |  |
|-------------------------------------|--------------------------|-------------------------------------|--|
| <input checked="" type="checkbox"/> | <input type="checkbox"/> |                                     | The utility has a system to accurately calculate, track, and report payroll tax liabilities.             |
| <input checked="" type="checkbox"/> | <input type="checkbox"/> |                                     | The utility is current on filing tax reports.  |
| <input checked="" type="checkbox"/> | <input type="checkbox"/> |                                     | The utility is current on making tax deposits.   |
| <input type="checkbox"/>            | <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:** The utility has no tax issues at this time.

**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 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 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 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 City Administrator is continually dealing with personnel issues as she always has an issue to discuss. She is very interested in making sure that her employees are dealt with fairly. The City is implementing a new personnel policy that was passed by the council with assistance provided by Nome RUBA.

**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 a adequately trained manager.  |
| <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | The utility has a adequately trained bookkeeper.   |
| <input type="checkbox"/>            | <input type="checkbox"/>            | The utility has a 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 checked="" type="checkbox"/> | <input 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 QuickBooks Pro training provided is part of the complete City Administration training being carried out by Nome RUBA.

**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 still 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>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 checked="" type="checkbox"/> | <input 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 City’s water and sewer utility department was set back financially when several customers’ water and sewer pipes froze up during a couple of cold spells. Fortunately, the engineering firm was able to fix them up. Some of the residential houses experienced below freezing temperatures during this time as they were inadequately insulated.

**RUBA Activities for the Coming Quarter**

There will be two on-site QuickBooks on site visits in April and May. Then an advanced QuickBooks Pro training will be held in June. RUBA staff will provide follow up assistance to staff regarding any questions on the new accounting system.