

Cheesh-Na Tribe

Assessment of Management Capacity Indicators

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Introduction

The Cheesh-Na Tribe report was by Rural Utility Business Advisor program staff Roberta Eleazer as a requirement for a proposed grant-funded sanitation project. The report was completed with the voluntary assistance of the utility staff and based on information provided to the RUBA program. Specific documents provided by the utility staff are in the Anchorage regional office for viewing if requested.

The goal of the RUBA Program is to help small communities implement utility management practices that will improve the utility's ability to provide safe drinking water to their communities on a sustainable basis. The RUBA assessment evaluates essential and sustainable indicators necessary for the managerial and financial health of the utility. These indicators are organized under the following sections:

- Utility Finance
- Accounting Systems
- Tax Problems
- Personnel System
- Organizational Management
- Operation of Utility

Essential Indicators identify policies and practices that are critical to the short-term operation of a utility. *Sustainable Indicators* identify policies and practices that make a utility cost-effective to operate and increase the likelihood of long-term financial success.

The Essential Recommendations are limited to those items needed to meet deficient essential indicators. Only the essential indicators are required to be met under the grant conditions. The Sustainable Recommendations are intended to improve cost effectiveness and sustainability of the utility.

The Cheesh-Na Tribe operates and manages the following utility services:

- Small, untreated water distribution and wastewater system
- Refuse transfer facility

Capacity Indicators

On 9/2/2014, RUBA staff Roberta Eleazer met with Cheesh-Na Tribe staff to complete a RUBA Assessment of Management. Cheesh-Na Tribe staff provided documentation supporting the conclusions in this report. Specific documents used in this report included:

- FY14 Chart of Accounts
- FY14 Budget
- FY14 Total Revenues-Expenses for the first and second quarter of FY14
- IRS Authorization to Release Tax Information
- IRS 941 for Quarters ending 5/29/14, 3/17/2014, 11/20/2013, and 8/27/2013
- State of Alaska Department of Labor and Workforce Development 6/17/2014
- Cheesh'na Tribal Council Notice of Workers Compensation Insurance
- Cheesh'na Tribal Personnel Policies
- Cheesh'na Tribal Council Organization Chart

Finances

Essential Indicators

Yes No

- All revenues 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 board.
- The utility is current in paying all water/wastewater electric bills.
- The utility has on hand a year's adequate fuel supply or it has a financial plan to purchase an adequate supply.
- The utility is receiving revenues (user fees or other sources) sufficient to cover operating expenses.

Sustainable Indicators

Yes No

- The utility is receiving revenues (user fees or other sources) sufficient to cover operating expenses and Repair & Replacement (R) costs.
- YTD revenues are at a level equal to or above those budgeted.
- YTD expenditures are at a level equal to or below those budgeted.

- A monthly manager's report is prepared.
- Budget amendments are completed and adopted as necessary.

The Cheesh'na Tribal Council does not operate or manage a utility, currently residents fill five gallon containers at the pump house, which is connected to the community center. For the last two years Village Safe Water has been in the process of updating the community water utility. The original project was funded for a washeteria; however, after six month, the project was redesigned to provide a watering point and piped water to the tribal building and the community hall. One-half of the residences have individual wells, and sixty percent of residents use individual wastewater tanks. The project is scheduled for completion by the fall of 2014. The new facility expenses will be paid through the maintenance budget which is subsidized by Indian Health Service funds, and will cover all operating expenses, and a repair and replacement fund. The tribal council does adopt and maintain budgets for other operations including BIA compacting funds, Summer Youth, community revenue sharing, capital improvement funds, and EPA IGAP. The fiscal year runs October through September each year. Financial reports for programs run by the tribe are prepared and submitted to the tribal council at each meeting by the administrator and the bookkeeper. Year-to-date revenues and expenses are listed in the total revenues-expenses report for FY14, are at a level equal to or below those budgeted. Electricity is provided by Alaska Power Association. Cheesh'na tribal council is current on all electrical bills. Fuel is delivered on an as needed basis by Crowley or Fisher Fuel in Glennallen.

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 tracks 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 how it was spent.
- The utility has a cash disbursement system that records how money was spent.

Sustainable Indicators

Yes **No**

- A chart of accounts is used that identifies categories in a reasonable, usable manner.
- Monthly bank reconciliations have been completed for all utility accounts.
- The utility has a purchasing system that requires approval prior to purchase, and the approval process compares proposed purchases to budgeted amounts.

The council has not developed a billing and collection policy, as the utility does not charge customers for the water. If in the future the council decided to charge, they have shown the capacity to develop and actively follow a billing and collection policy. Therefore the indicators "The utility has adopted a collection policy and actively follows it" and "The utility bills customers on a regular basis" have been marked 'Yes'. Accounting is done with Multi-Ledger by Check Mark software. Multi-Ledger is a full-feature software package with general ledger, accounts receivable, accounts payable, inventory, payroll and job costing capabilities. The Chart of Accounts provided includes accounts for tracking cash, accounts receivable, fixed assets, payables, payroll taxes, accrued leave, loans, fund balances, salary expense, payroll taxes expenses, insurance, travel and utilities. The Cheesh'na Tribal Council uses a check request system. RUBA staff has a copy of the tribe's forty-two page procurement policy. The administrator has authority to authorize purchases up to \$5000. Any purchases over this amount required tribal council approval. Reconciliations are done monthly for bank accounts.

Tax Problems

Essential Indicators

Yes **No**

- 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 due tax liabilities or recorded tax liens, a lien release has been issued or a repayment agreement has been signed and repayments are current.

The 5/29/14, 3/17/2014, 11/20/2013, and 8/27/2013 Authorization to Request Federal Tax Information and State of Alaska Department of Labor Tax Clearance Request Form reports the tribal council is in compliance with federal employment filing requirements.

Personnel System

Essential Indicators

Yes No

- The utility has a posted workers compensation insurance policy in effect.

Sustainable Indicators

Yes No

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

Workers compensation coverage is with Alaska National Insurance Company and is valid until 10/2014. The tribe has written job descriptions for all positions and an hiring process. The tribe provided RUBA staff a thirty-seven page Personnel Policy that describes the hiring process. The Cheesh'na Tribal Council exercises Indian Preference under US PL 93-638, Section 7(b) which gives preference for training and employment to members of the tribe before considering any other candidate. Employees receive insurance benefits, accrue annual leave, and are entitled to 12 paid holidays each year. Sick leave is accrued at a rate of eight hours each month for full-time employees. Sick leave for part-time employees is pro-rated. A performance review is done after six months after start of employment. The tribe does provide training for staff as needed and available.

Organizational Management

Essential Indicators

Yes **No**

- The entity that owns the utility is known; 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 an adequately trained manager.
- The utility has an adequately trained bookkeeper.
- The utility has an adequately trained operator or operators.
- The utility has adopted the necessary ordinances (or rules and regulations) necessary to give it the authority to operate.

Sustainable Indicators

Yes **No**

- The utility has adopted an organizational chart that reflects the current structure.
- The policy making body meets as required.
- The utility complies with the open meeting act for all meetings.

The Cheesh'na Tribal Council is the only form of local government within the community. The tribal council meets quarterly as required by the tribal constitution and more often as the need arises. On the average, the tribal council meets ten times a year. Council meetings are advertised and the public is welcome to attend. Provisions are included on every agenda for hearing public comments. The administrator is supervised by the council president and is responsible for managing all day-to-day operations of the council. Additionally, there is a part-time bookkeeper and administrative assistant on staff, all who are adequately trained. An organizational chart was provided showing four full-time employees and three part-time employees under the current organizational structure.

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.

Sustainable Indicators

Yes **No**

- 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.
- The utility has a safety manual and holds safety meetings.
- Utility facilities have not suffered any major problems/outages due to management issues that are unresolved.
- The utility is operating at the level of service that was proposed.
- The operator provides status reports to the manager on a routine basis.
- The utility has completed and distributed its "Consumer Confidence Report".
- The utility is not on the "Significant Non-Complier" (SNC) list.
- The utility maintains an inventory control list.
- The utility maintains a critical spare parts list.

The current system operates at the level of service that was proposed. The Chistochina system is a small, untreated water system and do not have to submit Consumer Confidence Reports. The operator has attended numerous training classes and has been provided with the information on testing in Glennallen. Since there is no utility in place, no preventative maintenance plan has been adopted. However, a plan along with a inventory control list and critical spare parts list will be presented to the tribe upon completion of the project and therefore the indicators "The utility has a preventative maintenance plan developed for the existing sanitation facilities", "The utility maintains an inventory control list", and "The utility maintains a critical spare parts list." have been marked 'Yes'.

Essential Recommendations

The Cheesh-Na Tribe has met all of the essential capacity indicators. The Cheesh-Na Tribe needs to diligently continue to operate in the efficient and effective manner that meets all essential capacity indicators.

Sustainable Recommendations

The Cheesh-Na Tribe has not met all of the sustainable capacity indicators. The Cheesh-Na Tribe can work to improve sustainable indicators as follows:

- The Cheesh-No tribe has not met all of the sustainable capacity indicators. The Cheesh-Na tribe can work to improve sustainable capacity indicators as follows: Create a safety manual and hold safety meetings.

Conclusion and Next Step

By implementing the above recommendations, the Cheesh-Na Tribe will put itself into position to better meet unanticipated financial costs and ensure that employees are aware of their conditions of employment.

The Cheesh-Na Tribe staff was open and helpful with providing information to complete this assessment. They realize the importance of community health, financial stability, effective utility management practice and sustainability.

RUBA staff is available to provide assistance for any sustainable capacity indicators that are not being met.