

Chevak Activity Report

Community Overview

Lead RUBA Staff: Marita Hanson, Bethel Office

2003 Population: 884

Region: Yukon-Kuskokwim Delta

Local Governments: 2nd Class City



The City of Chevak operates the piped water and sewer system, the central watering point and the honeybucket haul. The City Council is the policy making body for the utility. Construction began in 1995 to provide piped water and sewer to homes and the school. Completed projects include a new landfill, a washeteria renovation, a new watering point, water treatment plant, a 150,000-gallon water storage tank, sewage lagoon, and a vacuum sewer plant. Water and sewer mains and household connections are completed. Currently they have 193 units on line. Most of the residents except one home are connected to water/sewer. Some homes still have rain catchments. The new school construction was completed in August 2003. The construction company connected the school and teacher housing to the water/sewer.

RUBA Activity This Reporting Period

RUBA staff made several calls to the City this quarter requesting missing monthly financial reports starting from March 2004 to date. IRS tax liens and levy continue to exist for this organization. As for DOL taxes, according to the field auditor, Mr. Smith, the City has been submitting reports and making payments. The regular election took place in October 2004, however election of officers has not yet been completed. According to the City, they have not had a quorum to do this. The Chevak Traditional Council has put together a draft Memorandum of Agreement (MOA) for management of the Water/Sewer Utility. This draft was given to the council this quarter. The City Council has not yet responded; however, once the new council members elect their officers, they will deal with this issue. Staff was contacted by a fuel delivery company about a financial situation with the City of Chevak. The City applied for a Bulk Fuel Revolving loan from AEA and was tentatively approved with delivery of fuel arranged. AEA approved the loan subject to the city paying the 10% match. Apparently AEA was not aware of liens and levies in excess of \$100,000 against the City by the IRS. The fuel company delivered the fuel. The City was unable to make the 10% match requirement and AEA would not release the 90% without it. The fuel company contacted RUBA staff requesting assistance regarding the non-payment for fuel. The fuel company is contemplating their next steps. They delivered approximately \$145,000 worth of fuel to the City. If they seize the fuel (or the IRS seizes it), the new piped water/sewer system will have to be shut down. This will affect not only the 100+ customers, but also the new school. RUBA staff continues to work with the Tribal Council to develop a contract to operate the utility. Whether this is successful depends upon the city's cooperation and what happens with the fuel payment.

Capcaity Indicator

Finances

- | 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 receiving revenues (user fees or other sources) sufficient to cover operating expenses. |
| <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:

Requested revenue reports for the City budget have not yet been received by Bill Rolfzen, Juneau office. The PILT funds continue to be held because of this.

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 type="checkbox"/> | <input checked="" type="checkbox"/> | A cash receipt system is in place that records incoming money and what it was for. |
| <input type="checkbox"/> | <input checked="" 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 type="checkbox"/> | <input checked="" 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:

Essentials continue to not be met again this quarter.

Tax Problems

Essential Indicators

Yes	No	NA	
<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"/>	<input type="checkbox"/>	If there are any past tax liabilities, a repayment agreement has been signed and repayments are current.

Tax Problems Comments:

Tax liens and a levy are still in effect.

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 type="checkbox"/>	<input checked="" type="checkbox"/>	The utility provides training opportunities to staff as needed and available.

Personnel System Comments:

Communication between RUBA and the City continue to remain minimal.

Organizational Management

Essential Indicators

Yes	No	NA	
<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 type="checkbox"/>	<input checked="" 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 checked="" type="checkbox"/>			The utility has an adequately trained bookkeeper.
<input checked="" type="checkbox"/>	<input 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 type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	The policy making body meets as required.
<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	The utility complies with the open meeting act for all meetings.

Organizational Management Comments:

Essentials are not met.

Operation of Utility

Essential Indicators

Yes	No	NA	
<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" 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 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 type="checkbox"/>	<input checked="" 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 type="checkbox"/>	<input checked="" type="checkbox"/>		The utility has completed and distributed its <u>Community Confidence Report (CCR)</u> .
<input type="checkbox"/>	<input checked="" type="checkbox"/>		The utility is not on the <u>Significant Non-Compliance (SNC)</u> 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:

RUBA Activities for the Coming Quarter:

RUBA has reviewed the first draft Memorandum of Agreement put together by the Chevak Traditional Council. Notes and recommendations were sent back to the Tribal Administrator. Follow up on recommendations is planned.