

# Chevak Activity Report

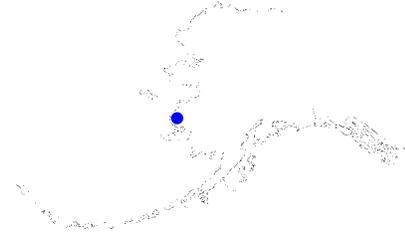
## Community Overview

Lead RUBA Staff: Marita Hanson, Bethel Office

2000 Census Population: 765

Region: Yukon-Kuskokwim Delta

Local Governments: Second 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 170 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 under construction. Unserved residents currently haul water and use privies. Some homes have rain catchment systems.



The head start program and Kashunamiut school district are connected to the utility system and community lagoon.

## General Information

October 2001 – December 2001: Although some required paperwork such as the City Budget, State Revenue Sharing and Safe Community applications and certified financial statements fell behind, the operation of the utility and the construction continued. The City Administrator, James Fermoyle, hired an assistant to help complete the required paper work. As of December 31, 2001, the 2001 City budget and 2000 Certified Financial Statement were completed and they started working on the State Revenue Sharing and Safe Community application and resolution.

A delinquency notice for the City from AML/JIA was received in December 2001 by the Bethel DCBD office and the City Administrator, James Fermoyle, was contacted. He had been out of the office on leave and was not aware of this notice. Once informed, he immediately made contact with the insurance agency. They reviewed their policy, amending some areas and submitted their first payment on January 11, 2002. Reinstatement of the JIA

insurance is in effect till June 30, 2002. The remaining balance of \$2,000 will be paid off in April according to City.

January 2002 - March 2002: On March 7, 2002, the City Administrator, James Fermoye, was relieved of his position and the acting interim Administrator, Frank Chayalkun, was appointed. A job opening notice was posted for the City Administrator's position around the community. As of the end of March, the City had not received any interested applicants. Job opening notices were also sent to surrounding communities to be posted.

## Observations and Recommendations

Finances — Copies of the monthly financial reports have been requested for the period July 2001 through March 2002 as well as a copy of their 2001 city budget. As of April 1, 2002, no monthly reports have been received from the city. Another request was made by the Bethel office. The interim Administrator, Frank Chayalkun, informed this office that his office had completed and submitted to the Juneau DCED office all required paperwork for the City budget, certified financial statement and safe community resolution. Copies have been requested for the community files at Bethel DCBD office, but to date none have been received. The budget was to go through the first public hearing on the April 4 Council meeting. As soon as the interim Administrator can figure out how to print out the reports, he will fax them to this office. Currently the city has 59 Water and Sewer customers on their billing system. A majority of the customers have been keeping up with their bills. The current monthly fee of \$50.00 a month is in effect for all customers. No customers have had to be disconnected yet. The city is going to add on more customers once their operators have collected signed homeowner agreements. Billing goes into effect once these agreements are received.

At the start of the project, the Council established a rate of \$85.00 per month. However, after reviewing the rates and hearing public comments, they decided to raise their city tax to subsidize \$35.00 and just charge a \$50.00 monthly fee. The operation of the utility is stable and functional.

Accounting Systems — The Quick Books Pro 99 system is reportedly still in place and being used daily. However they have not been able to create any financial reports. The city has a chart of accounts system installed and being used. The interim Administrator, Frank Chayalkun, has computer experience and is reviewing the reporting system of this program so that he can provide our office with reports. According to the interim Administrator, the system also has an account payable and receivable that has been used since installation. A NEBS cash receipt system is used for incoming revenue and has been in existence for a long time. Monthly bank reconciliation is kept current. The city also has in place a purchasing system where purchases cannot be pursued without approval from the Administrator.

Tax Problems — Electronic depositing has been used for several years now. Unfortunately, the city continues to make payments monthly instead of after each payroll. This has

resulted in late fee penalties on several occasions. The penalties are paid as soon as they are received. We have requested a copy of the latest IRS notice be sent to our office. We have recommended they make deposits after every payroll and on the same day to eliminate this problem. The interim Administrator said he would notify the bookkeeper to start doing this. The current late penalty fee will be paid by April according to the city clerk. However the first quarter report has yet to be filed. According to the city clerk, he has the paperwork and will file sometime in April. He has been working with Mr. Moss, IRS Agent, on this issue.

**Personnel System** — The City has personnel policies that are utilized daily. Contents include an evaluation and written hiring process. A copy is made readily available for all staff and they are encouraged to review it when questions arise. The city has a majority of their city staff job descriptions on file. Each employee has an individual folder with personnel forms such as I-9, job application and acceptance letter, W-2, etc. The City also has an organizational chart in existence and visible in the office.

**Organizational Management** — The interim Administrator, Frank Chayalkun, who was promoted from the deputy clerk position is learning the duties and responsibilities of the position. It is a learning experience for him and although some required paperwork has gotten behind, he is doing his best to get everything caught up.

The October 2001 municipal elections seated the following people: Ignatius Chayalkun, Mayor; Peter Boy scout, Vice Mayor; William Friday, Secretary; Roy Atchak, Treasurer; Tony Umugak, Member; Richard Slats, Member and Pius Imgalrea, member. The council is active and meetings are scheduled every first Tuesday of the month unless some unforeseen event changes the date and time. They are also the policy making body for the utilities. A utility ordinance is in existence and copy for the Bethel office has been requested.

**Operation of Utility** — The Utility currently has 59 customers on their billing system. There are about 130 more homes yet to be hooked up. Construction is still ongoing in this community. Currently they are lining up pipes for the west loop, part of the community. The North loop has been completed. Residents do have rain catchments and also pack water from the watering point. They still provide their own honey bucket service.

The operation of the utility is stable and functional. The utility has 4 operators, two who are certified and the other two who have been pursuing certification. According to the interim Administrator, these operators attend training with YKHC/RMW when needed to enhance and brush up on their skills and knowledge as operators. The utility is in compliance with the testing requirement and provide reports to the City. The operators also do the Community Confidence Reports. As far as the interim Administrator is aware, the utility has a preventive maintenance plan and maintains inventory and critical spare parts list.

The lead agency for this community is ANTHC. The Engineer is Kim Davis and the field representative is Robert Loren. The interim Administrator has informed RUBA staff that both are keeping in close touch with the City and have made visits to the

community. Construction of the west loop is still in progress. After a two-week break in March for the workers, the work resumed at the beginning of April.

Category	Inadequate	Meets Minimum Requirements	Exceeds Minimum Requirements
Finances	X		
Accounting Systems		X	
Payroll Taxes	X		
Personnel System		X	
Organizational Management	X		
Operation of Utility		X	

### Anticipated Activity

- Request copies for Bethel Office files and then review the State Revenue Sharing (SRS) application, Safe Communities (SC) application, City budget and Certified Financial Statement (CFS) that the City has filed.
- Follow up on collection and billing system once a copy of the financial reports have been received by this office
- Follow up on payroll tax deposits.