

# Chevak Activity Report

## Community Overview

Lead RUBA Staff: Marita Hanson, Bethel Office

2003 Population: 884

Region: Yukon-Kuskokwim Delta

Local Governments: 2<sup>nd</sup> 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

This quarter communication to the RUBA office has been very busy with the City of Chevak. After the October municipal election, officials were finally identified. William Vaudrin is the new Mayor. There are five brand new council members that have been elected. This council is very active and has started an in house investigation to determine the administrative and financial situation of the City. They plan to re-organize the City and are hopeful in restoring the stability of operations and services to the community. Since this new council has started, missing financial reports and some copies of the Employer Federal Liability Tax reports have been received by the Bethel RUBA office. The Mayor has requested assistance from RUBA and invited RUBA to attend the council meeting February 10th. Scott Ruby, Regional Office Manager, Elizabeth Manfred, RUBA Manager and myself made a trip to this community at the request of the Mayor. The City Council is discovering revenue sources are limited. However, they have come up with payment plans for vendors/creditors and the mayor will send a letter explaining the situation with each plan. The council understands that this process may take more than a couple years to resolve.

**Capacity Indicators**

**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 checked="" type="checkbox"/>	<input 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:**

Missing monthly financial reports to date have been received by RUBA. The City has not been able to meet full employee payroll. However, the council and Mayor are reviewing all City employee's work hours and pay rates.

**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 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 reconciliations 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 are still not met. This quarter the City is in the process of sending actual written bills to customers and a letter of explanation regarding the importance of paying their water/sewer accounts. The Mayor has received encouragement from local entities and residents to hold a public meeting. The Mayor has agreed but has yet to set a date for this to take place.

**Tax Problems**

**Essential Indicators**

- | Yes                      | No                                  | NA |   |
|--------------------------|-------------------------------------|----|---|
| <input type="checkbox"/> | <input checked="" type="checkbox"/> |    | <b>The utility has a system to accurately calculate, track, and report payroll tax liabilities.</b>             |
| <input type="checkbox"/> | <input checked="" type="checkbox"/> |    | <b>The utility is current on filing tax reports.</b>  |
| <input type="checkbox"/> | <input checked="" type="checkbox"/> |    | <b>The utility is current on making tax deposits.</b>   |
| <input type="checkbox"/> | <input checked="" type="checkbox"/> |    | <b>If there are any past tax liabilities, a repayment agreement has been signed and repayments are current.</b> |

**Tax Problems Comments:**

Tax liens and a levy are still in effect. RUBA received the Tax authorization release form from the Mayor and sent it to Connie Albertson, IRS. Eldridge Moss, IRS Revenue Officer has informed RUBA that he would like to see a payment plan from the Council toward the tax debt of the City. The Mayor has a written proposed payment plan that was sent to RUBA for review. RUBA has informed the Mayor to call Mr. Moss as well as faxing this letter to him.

**Personnel System**

**Essential Indicators**

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

**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:**

With the Newly Elected Council members in place, communication has increased between the Bethel RUBA office and the Mayor. RUBA was informed that the City Administrator was suspended in January pending internal investigation by the Mayor and the council. As of March 2005, the council had a special meeting to discuss the findings of the investigation. The conclusion of this investigation was to terminate the suspended administrator as of March 21st, 2005. The City does not have worker's compensation insurance coverage. This is one of the payment plans the council is working on. However, the payment plan outcome with IRS regarding the State funding of the Payment in Lieu of Taxes (PILT) has yet to take place. Currently, IRS is already in line to take the PILT funds that are on hold till a budget is received by the Juneau office. If IRS agrees to the plan, the City plans to use some of the funds to pay AML/JIA in order to get re-instated for coverage. According to the Mayor, AML/JIA is still willing to provide coverage once they pay the funds owed to them. The City Administrator position is vacant and posted.

**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 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 checked="" type="checkbox"/>	<input 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 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.

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**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 checked="" type="checkbox"/>	The policy making body meets as required.
<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. The City Council is still in the process of enforcing the utility ordinance. They have plans to increase the Water/Sewer rate from \$50 to \$85, as it is written in the Utility ordinance in the near future. Currently they are sending written letters along with bills to customers with information.

**Operation of Utility**

**Essential Indicators**

Yes	No	
<input checked="" type="checkbox"/>	<input type="checkbox"/>	<b>The utility operator(s) are actively working towards necessary certification.</b>
<input checked="" type="checkbox"/>	<input type="checkbox"/>	<b>The utility has a preventative maintenance plan developed for the existing sanitation facilities.</b>

**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</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:**

Essentials are met.

**RUBA Activities for the Coming Quarter:**

Upon the request of the New Mayor, RUBA has been providing technical assistance. A workplan will be developed for this community. Daily contact and recommendations have been on-going since the election of City officials has taken place.

