

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.

RUBA Activity This Quarter

RUBA staff completed a community assessment of the utility this quarter. After the assessment, a recommendation letter was sent to the city listing areas in financial and administration capacity that the city needs to address.

There has been staff turnover in the administration. An interim administrator was hired early on in the year. Now an interim clerk has been hired to help the administrator gather all necessary financial data for fiscal year 2002.

Homes are still being hooked up to the water/sewer utility. Regular bills are being sent to the customers. However, it has been less than a year since the city started billing the customers and already the delinquency of customer's not paying has reached several thousand dollars.

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 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. |
-

Sustainable Indicators

- | | | |
|--------------------------|-------------------------------------|---|
| <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: The previous administrator had not kept up the city budget. The city hired an interim administrator to help put together the FY2001 budget and other paperwork for the State Revenue Sharing Program such as FY2000 Certified Financial Statement and PILT, Safe Communities resolution. All these have been caught up this quarter and sent to Juneau. Now the preparation and data gathering has been on-going for FY 2002 budget. According to the administrative assistant, they have found some of the financial data that had been previously inputted was done in-correctly. They are having to research through files, checks, etc. to gather correct information.

It has been less than a year since customers began being hooked up to the water and sewer. The mayor has indicated that they have not yet started cutting service to customers who have not kept up their bills. A pattern of customers not paying their bills has started. The Mayor knows and understands that enforcement will need to take place soon. However, he was concerned with those customers who do not have income such as jobs that may fall through the cracks. He is thinking of ways to educate the residents of this system and how the process of collection to this service. Currently delinquent letters and notices are being provided to the customers. RUBA staff offered to send him copies of customer and business service agreements.

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 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. |

Sustainable Indicators

| | | |
|-------------------------------------|-------------------------------------|---|
| <input 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 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 Comments: The city is not yet disconnecting customers for non-payment. The city staff needs in-depth training on the QuickBooks Pro system they have in place. The previous staff did not provide in-house training to the rest of the staff before they left. The clerk does not know how to do bank reconciliation on this system. Therefore the reconciliation has not been completed since 2001. The council has authorized the staff to participate in the introductory to QuickBooks Pro class sponsored by UAF, Kuskokwim Community College this Spring.

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 type="checkbox"/> | <input checked="" 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 city is current with filing and has electronic depositing. However, they have received penalties for late deposits in the past. These have been paid up. A recommendation has been brought to the Mayor and administrative staff to make their deposits the same day as payroll to avoid the penalty fee.

Personnel System

Essential Indicators

- | Yes | No | |
|-------------------------------------|--------------------------|--|
| <input checked="" type="checkbox"/> | <input type="checkbox"/> | The utility has a posted workers compensation insurance policy in effect. |
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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 type="checkbox"/> | <input checked="" 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 personnel system is well written and complete. It is made available for employees. Bethel Regional DCBD office has received permission to use this system as an example for other communities as a guide. The city does not have an organizational chart. A sample has been provided to the council and recommended they develop one for the city.

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 type="checkbox"/> | <input checked="" type="checkbox"/> | The policy making body enforces utility policy. |
| <input type="checkbox"/> | <input checked="" type="checkbox"/> | The utility has a adequately trained manager. |
| <input type="checkbox"/> | <input checked="" type="checkbox"/> | The utility has a adequately trained bookkeeper. |
| <input checked="" 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 type="checkbox"/> | <input checked="" 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 meetings act for all meetings. |

Organizational Management Comments: The interim administrator and clerk have adequate experience and previous training in the duties and responsibilities of the positions. However, these two interim positions are not hired as permanent. The council also hired an administrative assistant who is learning on the job.

Operation of Utility

Essential Indicators

The utility meets all essential indicators.

Sustainable Indicators

The utility meets all sustainable indicators.

Operation of Utility Comments: The utility operators are very adequate and skilled in their duties and responsibilities. The following is a list of the certifications they have:

John Atchak, Primary Operator - First got his certification in 1992. Has updated every time they expire. These are his current certificates.

Water distribution II - 12/31/01 through 2004

Wastewater treatment O.I.T - 12/31/00 through 2003

Wastewater Collection O.I.T - 12/31/00 through 2003

Wastewater Treatment I - 12/31/03 through 2004

Wastewater Collection I - 12/31/03 through 2004

Franklin Ulroan, Operator –

Water Distribution I -12/31/00 through 2003

Water Distribution O.I.T. - 12/31/98

Water Treatment O.I.T. - 12/31/98

Mark Ulroan, Alternate Operator - No certificates yet but will be attending the next training and will pursue certification. Has been receiving on the job training.

James Knight, Alternate Operator - No certificates yet but will be attending the next training and will pursue certification. Has been receiving on the job training.

RUBA Activities For The Coming Quarter

The goal for the coming quarter is to monitor the community for:

- ✓ Completion of FY 2003 budget, FY01 CFS, PILT and Safe community - Request copies for our files.
- ✓ Completion and be up to date with bank reconciliation on QuickBooks Pro.
- ✓ Continue filing of federal quarterly reports and monthly IRS deposits.
- ✓ Monitor the hiring of permanent full time administrator and clerk.
- ✓ Request monthly financial reports for all of FY2002 and FY2003.



Photo taken Spring 2002