

Chevak Activity Report

Community Overview

Lead RUBA Staff: Marita Hanson, Bethel Office

2002 Census Population: 854

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. However due to the growing population, the number of homes will increase. 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 catchment systems.

A new school construction started last year. Construction is nearing completion. Water/sewer has been connected to one teacher housing so far. The remaining five teacher housing should be connected by fall. Once completed, these will be added to the list.

RUBA Activity This Reporting Period

RUBA staff has made several trips this quarter to Chevak. The city continues to be in need of proper financial and administrative management. The status of the essential indicators from the previous quarter remains basically unchanged. Attempts to address these issues has taken place, but administrative disruptions and poor decision making by the current administration have made for very slow and time consuming results.

The Mayor submitted his resignation as both the Mayor and council member effective June 30th. He felt that he had not received enough support from the council in making what he felt were critical changes to the way the city operated and resolving critical financial issues. The Mayor was one of the biggest supporters of working with the RUBA program. His departure has greatly reduced the interaction of the program with the city.

Capacity Indicators

Finances

Essential Indicators

- | 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. |

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 city does not prepare adequate financial reports on a monthly basis. RUBA has worked with the accounting staff to develop formats, but overriding bookkeeping issues has occupied their time. Expenditure reports have been received, but not revenue. Reminders have been given through the Mayor to the city administration staff. This has been on going with little or no results.

During this quarter issues have risen where financial reporting such as COPS grant, Bingo annual reports, etc. were delinquent and suspension notifications have been received by the city. A cease gaming notice was received by the city. Gaming revenue accounts for approximately 20% of the city budget. Although the deadlines were long over due, RUBA assisted in getting the gaming annual report completed. Since the gaming account was used for anything, it made it difficult to sort out expenses as regulated in the charitable gaming directions. The annual report was finally completed and submitted to the state, and gaming activity was restarted. Status of the COPS grant is unknown.

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 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 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: The current city bookkeeper has been making efforts to update and re-organize the computer accounting system. RUBA staff worked with them to implement a cash receipts system. During a follow up visit, it was observed that the accounting distribution of the receipts was not being correctly done, and additional training was provided. RUBA staff has not been able to verify that the system is being maintained properly.

During the most recent visit, we observed the collection policy being enforced. There were 19 customers that were behind in payments that under the ordinances required disconnection. Notices had been sent out several times, and on the day that disconnection was to occur, 17 of the 19 came in and paid or signed repayment agreements. The 2 that did not were disconnected.

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 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: The city has completed the past 4 quarterly reports that were past due. They have paid fully the first quarter 2003 liability. They are in the process of negotiating a repayment agreement with the IRS for the other 3 quarters. In addition, it appears that the city has not kept current with monthly deposits. According to the IRS this severely limits that IRS's ability to accept any repayment agreement.

Personnel System

Essential Indicators

Yes	No	
<input checked="" type="checkbox"/>	<input 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 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: At the beginning of the quarter, the city did not have workers compensation coverage. A worker’s compensation coverage through AML/JIA was acquired with the help of ANTHC to cover to July 1st, 2003.

Individual job descriptions for all positions still remain to be unseen. The city Mayor had updated the posting of administrator position. Two applications were received but the council did not take action to hire a full time person. The Vice-Mayor strongly urged they keep the current interim till all the financial management gets straightened out.

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 checked="" type="checkbox"/>	<input type="checkbox"/>	The policy making body enforces utility policy.
<input type="checkbox"/>	<input checked="" type="checkbox"/>	The utility has an adequately trained manager.
<input type="checkbox"/>	<input checked="" 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.

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 meeting act for all meetings.

Organizational Management Comments: The administrator was appointed over a year ago as an “interim Administrator”. The city has only recently pursued hiring a permanent administrator. During RUBA staff visits to the community, the acting administrator demonstrated a lack of interest in working on management issues. Frequently he was absent from the office, ignored work tasks recommended by us or required by the Mayor. One example was acquisition of workers compensation insurance. The council and mayor told the administrator to do this, after several weeks of “researching” options, and waiting for the administrator to do this, was finally done by the Mayor with help from a past administrator. The city has solicited to fill the position, received two applications, but has in two meetings failed to act on hiring a permanent administrator.

The current bookkeeper is rapidly learning his job. With a directed training schedule, he could become an excellent bookkeeper. However he has a year and a half yet to go in college before getting his accounting degree. He has talked about going back to school to get his degree this fall. The bookkeeper and administrative assistant attended an introduction to quick books pro training session provided by Kuskokwim Community College this quarter.

Operation of Utility

Essential Indicators

Yes	No	
<input checked="" type="checkbox"/>	<input 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 checked="" type="checkbox"/>	<input 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 checked="" type="checkbox"/>	<input type="checkbox"/>	The utility has a safety manual and holds safety meetings.
<input checked="" type="checkbox"/>	<input type="checkbox"/>	Utility facilities have not suffered any major problems/outages due to management issues that are still unresolved.
<input checked="" type="checkbox"/>	<input type="checkbox"/>	The utility is operating at the level of service that was proposed.
<input checked="" type="checkbox"/>	<input type="checkbox"/>	The operator provides status reports to the manager on a routine basis.
<input checked="" type="checkbox"/>	<input 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 checked="" type="checkbox"/>	<input type="checkbox"/>	The utility maintains an inventory control list.
<input checked="" type="checkbox"/>	<input type="checkbox"/>	The utility maintains a critical spare parts list.

Operation of Utility Comments: The Water/Sewer operators have received a lot of training and support from ANTHC throughout the construction project. There are no issues in with their ability or training. Whether the utility will generate enough revenue to continue to pay and support them is the only issue.

RUBA Activities For The Coming Quarter

With the resignation of the Mayor, the relationship between the community and RUBA has become questionable. Statements made by the administrator indicate that he does not want the relationship to continue. We have let the community know that we will not be doing any travel to the community unless it is requested in writing and signed by the majority of the council.