

Gambell Activity Report

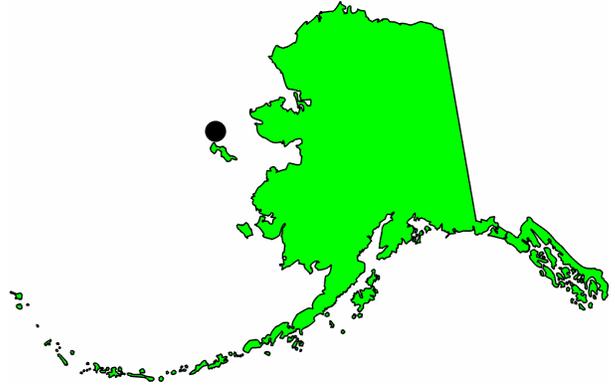
Community Overview

Lead RUBA Staff: Josie Bahnke, Nome Office

2003 Population: 648

Region: Bering Straits

Local Government: 2nd Class City



Water is derived from a shallow aquifer at the base of Sivuokuk Mountain, and is treated and stored in three storage tanks. 121 homes and 13 public and commercial buildings including the school and washeteria are now connected to the piped water and sewer system. Forty three homes in the original townsite still haul water and honeybuckets. A feasibility study is complete. A new water source and additional water storage tanks are needed to ensure no shortages will occur. Significant infrastructure growth is proposed over the next 5 years. The first phase of improvements upgraded the existing infrastructure, including water treatment, lift station upgrades, and a 2.2 million gallon water storage tank. The second phase will be to develop a well field 2 miles outside of town at the south end of Troutman Lake, and construct a summer only raw water transmission line. The third phase will be water and sewer service to Old Town (approximately 43 service connections). Ultimately, there will be 174 residential services. New service connections to 10 new HUD houses and a new clinic are planned for 2005, despite the fact that the aquifer is already being over pumped and will not support the additional development.

RUBA Activity This Reporting Period

Nome RUBA staff planned travel to Gambell on June 13-15, 2006 but due to bad weather, flights were cancelled for 5 days. The City Clerk successfully completed the RUBA sponsored Introduction to QuickBooks training in Nome the week of May 22-26, 2006. CRW Engineering Group was chosen as the contractor for the Water treatment upgrade project. When the FY07 Village Safe Water (VSW) funds are available in late summer or early fall, the first task will be design and permitting.

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 checked="" type="checkbox"/> | <input type="checkbox"/> | Monthly financial reports are prepared and submitted to the policy making body. |
| <input checked="" type="checkbox"/> | <input type="checkbox"/> | The utility is current in paying all water/wastewater electric bills. |
| <input checked="" type="checkbox"/> | <input type="checkbox"/> | The utility has on hand a year's adequate fuel supply or it has financial plan to purchase an adequate. |
| <input checked="" type="checkbox"/> | <input 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 checked="" type="checkbox"/> | <input 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 Common Council has not adopted their FY 07 budget ordinance. The establishment of a Repair and Replacement fund is highly recommended to cover routine and unexpected maintenance costs. Monthly financial reports are prepared by the Utility Clerk and submitted to the Utility Board. Residential customers pay \$75 a month for water and sewer. According to the recommended budget in their business plan, residential customers need to pay \$90 a month and it would gradually increase to \$105. RUBA staff recommends implementing the business plan and considering the appropriate rate adjustment. The Gambell Water and Sewer Utility continues its best to scrape by.

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 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 checked="" type="checkbox"/>	<input type="checkbox"/>	A chart of accounts is used that identifies categories in a reasonable, usable manner.
<input checked="" type="checkbox"/>	<input type="checkbox"/>	Monthly bank reconciliation's 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 System Comments:

The utility has an adopted collection policy, and has been following it more consistently. The utility clerk uses QuickBooks Pro for payroll, accounts receivable, and billing. Bank Reconciliations have been completed this quarter for all of FY 2006. A NEBS cash receipt system is utilized for accounts receivable and Economic Register for tracking expenditure.

Tax Problems

Essential Indicators

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

Tax Problems Comments:

Gambell Water and Sewer has set up an installment agreement of \$1,100 a month with IRS. This was necessary since taxes weren't paid for quarters in 2004 and 2005. They must remain current with reporting and deposits to qualify for the repayment plan. During RUBA's March visit to provide on-site assistance to the new City Clerk, RUBA was told that the City account is in arrears with the IRS. Upon return a phone call was made to Janice Stowell at the IRS. She apprised RUBA that the City account is on auto collection for 2nd quarter 2005. The City was recently placed on 1st notice collections for 3rd and 4th quarter 2005. RUBA feels the City may have calculated the liability incorrectly due to the high amount reported in wages and advised the Mayor and new City Clerk to contact the IRS. Hopefully the issue can be resolved or a repayment agreement signed. Since the City of Gambell is the grantee to all water and sewer projects, this issue will require immediate attention in order for VSW to proceed. Due to lack of resolution with IRS arrearage with the City account, the IRS levied their bank account twice this quarter.

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 checked="" type="checkbox"/> | <input type="checkbox"/> | The utility has adequate written job descriptions for all positions. |
| <input type="checkbox"/> | <input checked="" 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 type="checkbox"/> | <input checked="" 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:

Gambell Water and Sewer is insured by the AML/JIA for FY 06 and are in good standing. The Utility Board passed a resolution and signed a payment contract with AML/JIA to make monthly payments. RUBA staff has prioritized personnel issues in Gambell's workplan. This will include reviewing their personnel policy, job descriptions, and implementing a more effective personnel system.

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 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. |

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 City of Gambell is the owner of the utility. Decision making authority and enforcement of utility policy has alternated from the Utility Board to the City Council. The utility does not have a manager. The current organizational chart for the utility does not show who the operators and clerk report to. In the past, it has been the Mayor, City Administrator, and Utility Board Chairman.

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 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 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 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:

Minor O&M was completed this quarter. VSW through contract with CRW is moving ahead with a \$340,000 water treatment upgrade and they made the FY 07 Governor's budget list for design for a new \$3.4 million water tank. Implementation of a water conservation program to limit consumption and protect the existing water supply has been a success. Late last summer, efforts to achieve conservation goals were met by going house to house to make plumbing repairs.

RUBA Activities For The Coming Quarter

Nome RUBA staff will travel to Gambell to provide on-site assistance to City and Utility staff per the RUBA workplan. Technical assistance will be provided via e-mail, fax, and telephone.

