

Golovin Activity Report

Community Overview

Lead RUBA Staff: Josie Bahnke, Nome Office

2003 Population: 146

Region: Bering Straits

Local Government: 2nd Class City



The City of Golovin is the policy making body for the utility. Currently, the City is responsible for the management of the water supply and storage system, as well as water treatment plant and washeteria. In conjunction with ANTHC, they are in the process of constructing a community-wide piped water and sewer system. Water is pumped from Chinik Creek, treated, and stored in tanks. Approximately 50% of all households are plumbed. Twenty-eight homes currently have water delivered by truck, 27 haul their own water, and 13 collect rainwater during the summer. Ten homes with septic tanks have experienced drain field failures, 25 households use honey buckets and 21 homes use pit privies. A new 1.2 million-gallon water tank has been built, new washeteria is under construction, and a water/sewer project is underway. To date, two homes, new clinic, school, and Church are hooked up to water and sewer.

RUBA Activity This Reporting Period

The City of Golovin Nome RUBA staff traveled to Golovin on April 27-29,2005 to work with new utility clerk, Gena Amarok, on monthly financial statement and bank reconciliation. The position had been vacant since February. RUBA staff also worked with the City Administrator and clerk on record retention and personnel management. On May 12th, Nome and Anchorage RUBA staff traveled to Golovin to review the city's finances and meet with the City Council with our findings and recommendations. RUBA staff is also working on a combined utility ordinance for piped water/sewer system and electric utility. With the advise of Nome RUBA staff, the City of Golovin's community water system has been removed from the Significant Non-compliance list. The Mayor and City Administrator successfully completed RUBA's 32-hour Introduction to Utility Management workshop held in Gambell, June 13-17,2005. Technical Assistance was also provided via telephone, e-mail, and fax. There continues to be problems with follow through on the RUBA recommendations by the council and some of staff.

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 checked="" type="checkbox"/> | <input 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 FY06 budget has not been adopted. Once it is adopted, RUBA staff will review for accuracy and consistency. Nome and Anchorage RUBA staff worked with the Council on a bare bones budget for FY06 and recommended changing methods of operation by getting by with fewer staff and using money more efficiently. The City clerk has been consistent in updating the excel spreadsheets for their revenues and expenditures, but monthly financial statements are still in need of improvement. In April, RUBA staff reviewed financial records of the water/sewer account and discovered that approximately \$15,000 is owed to the utility from various city accounts. These 'borrowed' funds have not been reimbursed to water and sewer utility. According to a report of all the city's accounts compiled by RUBA staff, city operations are being subsidized by the electric utility and gasoline fund.

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 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 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:

Computer and manual records continue to be used inconsistently. According to the council minutes from April 22nd meeting, the City Administrator reported the account balance to be \$30,000 when in actuality, it was \$-4,500. Bank reconciliations are still not being completed for the utility account. On July 6th, RUBA staff was apprised by City staff that Wells Fargo closed the water and sewer bank account. The W/S utility clerk issues notices of disconnects and reconnects to delinquent customers when their bill reaches \$200. The Utility Clerk bills water customers once a month. City staff utilizes both a manual and computerized system (Quickbooks). However, the computerized system is not being used consistently. It was recommended to the council that a separate NEBS receipt system be ordered for the water/sewer enterprise.

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"/> | | If there are any past tax liabilities, a repayment agreement has been signed and repayments are current. |

Tax Problems Comments:

City staff has been trained to calculate and report payroll tax liabilities, but their current record keeping system is insufficient to carry out this task in a timely manner. The City is behind on IRS reporting and tax deposits. As of 4/1/05, the balance due was \$8,785.29. They will get a notice for 4th quarter 2004 which will add approximately \$1,000 in penalties and interest. No deposits for 1st quarter 2005 will probably be subject to penalties also. No repayment agreement has been signed. In addition to IRS arrearage, the City's ESD report was filed late for 4th quarter, 2004. The City of Golovin needs to start making regular tax deposits and filing tax reports on time.

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

The 2004-2005 workers compensation insurance policy is posted. RUBA staff is working with the Council and staff on improving the personnel system and updating job descriptions. The City of Golovin continues to be inconsistent with their personnel management policies and procedures. There is no formal hiring or evaluation process at this time. Personnel files lack necessary information and a probationary period for new employees is not being implemented. RUBA staff and Council have prioritized this in the workplan and will be providing more training to staff and Council in late April. The idea of combining the Golovin Power utility and water/sewer clerk position was recommended to the city Council in February. This was a timely recommendation due to the recent resignation of a utility clerk. The new position will be in charge of the billing and accounts receivable function for GPU and water/sewer utility.

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 type="checkbox"/> | <input checked="" type="checkbox"/> | The utility has adopted the necessary ordinances (or rules and regulations) necessary to give it the authority to operate. |

Sustainable Indicators

- | | | |
|-------------------------------------|--------------------------|--|
| <input checked="" type="checkbox"/> | <input 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 Golovin is the policy making body for the utility. Presently, the utility does not have a manager. The duties of the manager are essentially performed by the City Administrator, along with many other civic duties. An organizational structure change in the future may be necessary to enable the City to run an upgraded water and sewer/electric utility as efficiently as possible. RUBA staff recommended that the new utility clerk attend the RUBA sponsored workshop in June. Instead, the Mayor attended the course and Accountability, financial management, office organization, personnel management, and conflict of interest continue to be problems among staff and some council members. RUBA staff is working with Council on adopting a revised ordinance that includes new user agreements, rates, due dates, delinquency provisions and penalties.

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

Wayne Henry, Water Operator is OIT Certified in Water Treatment, Wastewater Treatment, Wastewater Collection and Level 1 Water Treatment. The Water Operator, Joe Amaktoolik, has no certifications on file with the State of Alaska. Both need to continue to pursue advanced certifications, including Level 1 water treatment. Ultimately, Level 2 certification will be necessary for the new system. The City of Golovin completed and distributed a Community Confidence Report. VOC compliance samples were sent to DEC. According to the October 2004 SNC list, these were the only rules that Golovin was not in compliance with. RUBA staff was not able to confirm at the time of this report whether the Golovin Community Water System had been removed from the SNC list.

RUBA Activities For The Coming Quarter

RUBA staff will schedule trips in the next quarter to address deficient indicators, provide on-site training and assistance to Council and employees. Tasks include working with City Council on conducting effective meetings, utility ordinance revisions, personnel policies and finalizing a RUBA workplan. Continue work with Anchorage RUBA staff, City administrator, and clerks on budgeting, calculating payroll tax liabilities and making timely payments, creating financial reports, updating water/sewer customer agreements, and other personnel forms.