

# Golovin Activity Report

## Community Overview

Lead RUBA Staff: Josie Bahnke, Nome Office

2003 Population: 146

Region: Bering Straits

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

Nome RUBA staff traveled to Golovin on August 9th to attend a public meeting with ANTHC staff and explain the status of City operations and review what work is needed to meet RUBA essential indicators. The current water distribution and sewer collection project in the lower village was shut down at the end of August because the City is not meeting special grant conditions required and founders have refused to release remaining funds to the project. The ANTHC is tentatively scheduled to renew construction activities if the City satisfies all the essential capacity indicators identified in the RUBA assessment. RUBA staff drafted a second workplan that prioritizes the deficient essential indicators with timeline to meet ANTHC's January deadline for continued construction. Technical Assistance was also provided via telephone, e-mail, and fax with Elections, Bulk Fuel Loan, ordinance amendment procedure, grant reporting, joint administrative agreement with Chinik Eskimo Community (IRA), FY 06 budget, and other personnel issues. Due to lack of funds, the City laid off the City Administrator in August. There continues to be problems with follow through on the RUBA workplan 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 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 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 July, Nome RUBA staff was informed that Wells Fargo closed the water/sewer account for being overdrawn by \$1,829 for 30 days. Since the W/S utility account was closed, the Gasoline Fund paid for all expenses. With the gasoline fund depleted, the City had to seek the financial assistance of the local IRA to pay off AEA bulk fuel loan and guarantee a new one for fall fuel. Mismanagement of public funds continues to be a problem in Golovin.

**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 type="checkbox"/>            | <input checked="" 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 checked="" type="checkbox"/> | <input type="checkbox"/>            | The Utility has a cash disbursement system that records how money was spent.                               |

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**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 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 W/S utility clerk issues notices 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 Pro). Based on RUBA staff observations, computer and manual records continue to be used inconsistently. At present, there is a temporary utility clerk updating Quickbooks Pro. 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 they are not making regularly scheduled tax deposits. The city owes penalties and interest on the 3rd and 4th Quarters of 2004. In August, the IRS placed a levy and collected on the City's bank account. At present, 2nd quarter payments were made, but no return was filed. The IRS has not received any reports or payments for 3rd quarter. The City of Golovin needs to prioritize regular tax deposits and filing tax reports to avoid penalties and interest.

**Personnel System**

**Essential Indicators**

Yes	No	
<input checked="" type="checkbox"/>	<input 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 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 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:**

The City of Golovin had workers compensation insurance through AML/JIA for 2005. On August 30, the City adopted a resolution to participate in AML/JIA's monthly payment program, but no payments have been made to date. In September, RUBA staff assisted with drafting revised job descriptions for the Utility Clerk and GPU Billing Clerk. A probationary period for new employees is not being implemented. The idea of combining the Golovin Power utility and water/sewer clerk position was recommended to the City Council, but was only implemented with the gasoline sales and inventory. A formal hiring and personnel evaluation process was introduced to the Council in April, but has not been adopted. The City of Golovin continues to be inconsistent with their personnel management policies and procedures.

**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. Due to resignations of three Council members, there were only four members this quarter and often times, a quorum was not established. In mid-September, 2 of the four Council members resigned and two others were appointed. Presently, the utility does not have a manager. The duties of the manager were being performed by the City Administrator, who was laid-off in August. 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. 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 checked="" type="checkbox"/> | <input 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 checked="" type="checkbox"/> | <input type="checkbox"/>            | The utility has completed and distributed its <u>Community Confidence Report (CCR)</u> .  |
| <input checked="" type="checkbox"/> | <input type="checkbox"/>            | The utility is not on the <u>Significant Non-Compliance (SNC)</u> 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. A new secondary operator, Dale Aukongak, was hired last month. He has no certifications on file with the State of Alaska. Wayne attended OIT training in Nome at the end of September 2005, but results of testing was not available at the time of this report. Ultimately, Level 2 certification will be necessary for the new system.

**RUBA Activities For The Coming Quarter**

RUBA staff will schedule trips in the next quarter to confirm that deficient indicators are being met, provide on-site training and assistance to Council and employees. Tasks include working with City Council on conducting effective meetings, utility ordinance revisions, and personnel policies. Assisting with the transfer of Gasoline Sales from Water and Sewer Utility to Golovin Public Utility. Continue work with clerks on improving financial reports, updating water/sewer customer agreements, and other sustainable indicators.