

Golovin Activity Report

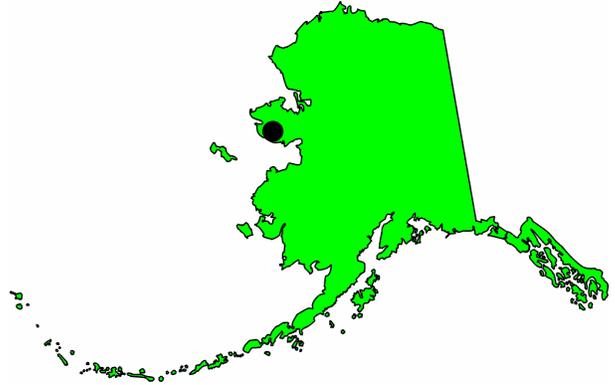
Community Overview

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

This quarter, the City of Golovin does not meet essential indicators. Nome RUBA staff traveled to Golovin on August 8, 2006 to attend a City Council meeting to discuss draft personnel policy amendments and assist with Council re-organization. In July, the third Mayor in a year resigned and two new Council were appointed. High turnover on the Council has created inconsistent personnel and financial management practices resulting in no accountability of the water/sewer account. A second trip was made to Golovin on September 12-14, 2006 to review a piped water and sewer ordinance, user agreements, and rate schedule. At the recommendation of RUBA staff, administrative duties of the water and sewer utility have been transferred from the City Clerk office to the Golovin Power Utility (GPU) office. To this effect, Nome RUBA staff worked with the GPU Bookkeeper and clerk on the transfer of manual and computer records. The transfer of utility financial management to GPU will create a more efficient and sustainable enterprise with qualified staff.

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 checked="" type="checkbox"/> | <input 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 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 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 checked="" type="checkbox"/> | <input type="checkbox"/> | YTD revenues are at a level equal to or above those budgeted. |
| <input checked="" type="checkbox"/> | <input 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 type="checkbox"/> | Budget amendments are completed and adopted as necessary. |

Finances Comments:

The FY07 budget was adopted on July 11, 2006. In an effort to assist with the City Clerk's workload, the Council decided in February to hire a part time Deputy Clerk to handle grant reporting, and financial management of water and sewer utility, including monthly financial reporting. Prior to the transition, the City Clerk had been consistent with monthly financial reporting. This has made it possible for the City to get current on all outstanding bills and pay for fuel and electricity.

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 Deputy City Clerk bills water customers once a month. She also issues notice to delinquent customers when their bill reaches \$200. City staff utilizes both a manual and computerized system (QuickBooks Pro). The newly hired Deputy City Clerk had assumed billing and financial recordkeeping of the utility, but she was terminated in June. It was recommended to the council that a separate NEBS receipt system be ordered for the water/sewer enterprise. With RUBA assistance, the accounts payable system has improved with the use of a separate excel spreadsheet that is incorporated into Monthly Financial reports.

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 checked="" type="checkbox"/> | <input type="checkbox"/> | The utility is current on making tax deposits. |
| <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 of Golovin has prioritized regular tax deposits and filing tax reports to avoid penalties and interest. During second quarter, all payments were made in a timely manner. Penalties and interest from 2nd, 3rd, and 4th quarter of 2005 were paid by check last 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:

The City of Golovin has workers compensation insurance through AML/JIA for 2007 and is in good standing. A formal hiring and personnel evaluation process was introduced to the new Council in early 2006 and is slowly being implemented. In August 2006, Nome RUBA staff reviewed an amended personnel policy that clarified payroll advances, classification of employees, personal leave accrual rates, leave holidays, and travel. The process to adopt the amended ordinance was provided, but has yet to be done.

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

- The utility has adopted an organizational chart that reflects the current structure.
- The policy making body meets as required.
- 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 being performed by the City Clerk who now has the support of a newly hired Deputy. 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. This could include transferring the position to the Golovin Power Utility to create a combined electric and water/sewer enterprise. RUBA staff is working with the new Council on adopting a revised ordinance that includes rules and regulations of the new system.

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. |
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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 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 (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 Certified Level 1 Water Treatment. The secondary operator, Dale Aukongak, was hired 3rd quarter 2005. He recently completed an Operator in Training course offered by Norton Sound Health Corporation in Nome. Ultimately, Level 2 certification will be necessary for the new system. According to their current monitoring summary, their system is overdue for testing chlorine residuals, arsenic, Haloacetic Acids, and TTHM's.

RUBA Activities For The Coming Quarter

RUBA staff will schedule trips in the next quarter to provide on-site training and assistance to the new Deputy City Clerk and Council. Tasks include presenting personnel policy amendments to the City Council and work with Deputy City Clerk on financial reports, accounts payable system, and other sustainable indicators.

