

Goodnews Bay Activity Report

Community Overview

Lead RUBA Staff: Tim Troll, Dillingham Office

2001 Population: 230

Region: Dillingham

Local Governments: City, Village Council,
Utility non-profit



The City of Goodnews Bay operates the central watering point, provides for honeybucket haul and has a sewage lagoon. The Goodnews Bay Water & Sewer Utility Board, a non-profit corporation, is the policy making body for the utility. Currently, treated well water is hauled from the new watering point. Honeybuckets are hauled by the City. Most homes are currently not plumbed. A piped circulating water and gravity sewer system, with plumbing for 72 homes, is under construction. The status of any school request for funds for new water treatment is currently unknown. School has been connected to the City sewage lagoon.



December 2002

RUBA Activity This Reporting Period

Activity this quarter has included several meetings with ANTHC engineering staff Paul Gabbart and Sheri Hadley, Scott Ruby, RUBA Supervisor, and Anthony Caole a management consultant brought in to review management issues in Goodnews Bay. Anthony Caole is funded by the Alaska Native Health Board. The purpose of these meetings was to review and agree upon the method and results of the rate study RUBA prepared for Goodnews Bay. This group then traveled to Goodnews Bay for three days from December 11 to 15, 2002.

A meeting with the community and leaders of the city council, traditional village council and the utility board was conducted on December 14 to discuss the rate study. The meeting was

not well attended by the public, but key representation from each entity was present. The key message of the meeting was that projected costs for operating the new system were \$158,000 per year compared to projected income of \$88,000 per year (using an affordability cap of 5% of Median Household Income). The difference of \$70,000 per year was the issue that needed to be resolved before the new system comes on line in about 2 years.

During the meeting some options for closing the gap were discussed including direct subsidies from both governing entities and indirect subsidies that might be achieved by combining the administration of the city and the tribe and eliminating the utility as an independent entity. An outline for how the latter might be achieved was presented by Mr. Caole.

While in Goodnews Bay Scott Ruby and I worked for a brief time with Vivian Kirk the new utility manager who has been working for about 4 months. I did not have the opportunity to work with Vivian as much as I hoped. We organized the office, tried to determine the extent of indebtedness, discovered IRS quarterly reports and payments had not be filed for the last 4 quarters. We did correcting entries on the computer, prepared a budget for 2003 operations and completed a workers compensation audit. I also communicated with the utility’s insurer to change the insurance period to run with the fiscal year. Also noted that all employees were coded to the most expensive workers comp category. Adjusted coding on the audit to reflect job functions.

Sheri Hadley, the ANTHC engineer and I helped assemble the information and filed a revised application for funding to the Denali Commission on behalf of the utility and city for needed improvements to the Washeteria.

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 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: Balancing the budget depends upon continuing direct subsidies from both the City and the Traditional Village Council. Payments from the Village Council have been sporadic and payments from the City have been virtually non-existent. Neither is keeping up with its initial agreement to subsidize at the rate of \$1400 per month. New utility manager Vivian Kirk has been very successful in increasing collection of past due honey bucket service accounts from individual residents

Accounting Systems

Essential Indicators

Yes	No	
<input type="checkbox"/>	<input checked="" 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"/>	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 Systems Comments: Accounting system is in place but the new utility manager does not have the familiarity of the previous manager. Many entries on the computer were missing or miscoded. Manager was apparently unfamiliar with IRS reporting requirements and a sizeable debt to IRS now exists. Good record keeping with resident accounts. Collection of past due accounts significantly

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 utility has not paid 941's for the last four quarters. I prepared a release form so that I could communicate with the IRS on behalf of the utility. A payment agreement has not been negotiated

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 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 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: No evaluations were observed in personnel files.

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 type="checkbox"/>	<input checked="" 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 type="checkbox"/>	<input checked="" type="checkbox"/>	The policy making body meets as required.
<input checked="" type="checkbox"/>	<input type="checkbox"/>	The utility complies with the open meetings act for all meetings.

Organizational Management Comments: Primary change from last report is the training level of the new utility manager. She needs training on her Quicken Accounting system and training on payroll responsibilities. Utility manager doubles as bookkeeper.

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 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 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 checked="" type="checkbox"/>	The operator provides status reports to the manager on a routine basis.
<input 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 type="checkbox"/>	<input type="checkbox"/>	The utility maintains an inventory control list.
<input type="checkbox"/>	<input type="checkbox"/>	The utility maintains a critical spare parts list.

Operation of Utility Comments: The primary change from last report is that I observed no evidence of written status reports or monthly O&M reports from the operator to the manager

RUBA Activities For The Coming Quarter

Help resolve debt issues with IRS. Check to see if utility manager is correctly dealing with year-end reporting requirements from IRS. Return trip for 2 to 3 days may be advisable. Utility manager should be targeted for Intro Utility Management course and Payroll training.

Advocate for recommendations made in initial trip report because, in my opinion, the community is not and cannot become financially capable of supporting a piped water and sewer system without external subsidies.

RUBA staff expects at least one trip to community during the next quarter to resolve unknown capacity indicators, to follow-up on recommendations from last visit, and to work with and provide assistance to the new utility manager.