

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

There were no trips to Goodnews Bay this quarter, however, activity was far from dormant.

Alaska Native Tribal Health Consortium (ANTHC) dismissed the rate study presented at the meeting in Goodnews Bay, discussed in the last quarterly report, as invalid because the design for the system in Goodnews Bay was not complete. However, ANTHC was proceeding to build a shallow bury looped circulating water system and is now redesigning the water system to a deep bury system to reduce operational costs – primarily the high fuel and electric costs associated with a circulating water system. RUBA staff continue to work with ANTHC

Sustained Operation’s staff to fully develop the rate analysis as new design concepts are introduced for the community. The target RUBA staff advocate is a system that can be operated with a user fee of no more than \$70 per month (5% of MHI) without unreasonable subsidies from the city, tribe or school. The \$70 figure is one that the Utility Board has stated several time is the maximum that the community residents are willing to pay for service. A major question that remains unresolved and may be key to the financial sustainability of the system is whether the school will be included on the system. The school has its own well and discharges sewage into the lagoon.

The utility manager attended the RUBA Introduction to Utility Management course in King Salmon in February and then resigned her position in March. Her resignation letter cited low wages as the reason. Apparently, the utility board is now looking to have the City Clerk oversee the management of the utility. A new utility manager, Tia Martin, has been hired. She is the former City Clerk. Tia attended the Introduction to Utility Management course in Dillingham in 2002. She is scheduled to attend the Organizational Management class in King Salmon in April along with a member of the Utility Board.

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 \$1,400 per month. The utility manager who just resigned had been relatively successful in increasing collection of past due honey bucket service accounts from individual residents and getting contributions from the Village Council.

Accounting Systems

Essential Indicators

Yes No

- The utility has adopted a collection policy and actively follows it.
- The utility bills customers on a regular basis.
- An accounts receivable system is in place which track customers and reports past due accounts and amounts.
- An accounts payable system is in place.
- The payroll system correctly calculates payroll and keeps records
- A cash receipt system is in place that records incoming money and what it was for.
- The Utility has a cash disbursement system that records how money was spent.

Sustainable Indicators

- A chart of accounts is used that identifies categories in a reasonable, usable manner.
- Monthly bank reconciliations have been completed for all utility accounts.
- 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: The change of utility manager’s may affect how well these systems are maintained in the next quarter.

Tax Problems

Essential Indicators

Yes No NA

- The utility has a system to accurately calculate, track, and report payroll tax liabilities.
- The utility is current on filing tax reports.
- The utility is current on making tax deposits.
- 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. RUBA staff prepared a release form so that RUBA staff could communicate with the IRS on behalf of the utility. A payment agreement has not been negotiated as far as RUBA staff knows. RUBA staff was advised by the former utility manager that some payments were made and that she has talked with the IRS. W-2’s had not gone out as of February 21st.

Personnel System

Essential Indicators

Yes No

- The utility has a posted workers compensation insurance policy in effect.

Sustainable Indicators

- The utility has adopted and uses a Personnel Policy, which has been reviewed by an attorney, AML, or DCED for topics and language.
- ? The utility has adequate written job descriptions for all positions.
- The utility has adopted and follows a written personnel evaluation process that ties the job description to the evaluation.
- ? The utility has an adequate written hiring process.
- The utility has personnel folders on every employee that contain at least: I-9, Job Application and Letter of Acceptance.
- ? The utility has a probationary period for new hires that includes orientation, job-training/oversight, and evaluations.
- 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. There has been discussion about consolidation/transfer of the utility to either the City or Tribe. At this point it is still in the discussion stages.

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 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</u> (CCR).
<input checked="" type="checkbox"/>	<input type="checkbox"/>	The utility is not on the <u>Significant Non-Compliance</u> (SNC) 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 RUBA staff observed no evidence of written status reports or monthly O&M reports from the operator to the manager.

RUBA Activities for the Coming Quarter

RUBA staff helped resolve debt issues with IRS. Checked 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 Introduction to Utility Management course and payroll training. Advocate for recommendations made in initial trip report for in my opinion the community is not and cannot become financially capable of supporting a piped water and sewer system without external subsidies.