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 vacuum sewer system, with plumbing for 72 homes, is under construction. The school has requested funds for new water treatment, and has been connected to the City sewage lagoon.

RUBA Activity This Quarter

Tim visited Goodnews Bay for 3 days and has had several follow-up phone conferences and help sessions with both the utility manager and the city administrator. Sine the RUBA visit last quarter the utility manager who was overseeing the utility for the last several years has been replaced. This assessment is for the utility under the management of the previous manager who had received many hours of onsite RUBA assistance, successfully completed two RUBA training sessions and completed the coursework for OIT.

Summary of Activities Performed:

- Toured washeteria and honey bucket collection facilities.
- Observed cash collection procedures.
- Familiarized myself with financial reports generated by the Quicken program and the spreadsheet reports created by previous RUBA.
- Reviewed outstanding bills with utility manager and prioritized them for payment.
- Resolved 941 reporting issue with IRS and created a simple 941 spreadsheet that should help the utility manager avoid addition errors.
- Observed cash and check deposit procedures.
- Added a graph component to the spreadsheet created by previous RUBA to track and bill tribe and city for their respective $1,400 monthly payments. The graph to be used as a visual aid to utility manager's report to the utility board and the city and tribal councils.

- Reviewed with utility manager and ANTHC engineer an RFP from the Denali Commission for Washeteria renovation projects that could make $150,000 available to replace old equipment in the washeteria. It appears Goodnews has done a remarkable job maintaining its washers and dryers. All are original, twelve years old, and still running. It is time for some replacements. I prepared appropriate authorizing resolutions.
- Helped utility manager prepare budget for 2002.
- Prepared one small claims complaint and walked utility manager through the process. Three complaints were to be filed once specifically authorized by the utility board.

Recommendations made to Utility Manager:

- Check accuracy of calculations for 941 quarterly report on the spreadsheet created by RUBA.
- Initiate small claims suits against three delinquent customers. Have the Utility Board President sign the complaints and have the Utility Board approve the actions.
- Provide the City Council and the Traditional Council with monthly written financial reports including the graphic summary of their respective payment performance.
- Plan to conduct an annual meeting of the utility and the three year review with the City Council, Utility Board and Tribal Council required by the Utility Management Agreement, preferably this Spring.

Capacity Indicators –

Note: assessment is based on the operation of the utility under the previous manager who operated the utility for several years and may not accurately portray the operation under the new utility manager.

Finances

Essential Indicators

Yes	No	
☒	☐	**All revenue and expenses for the utility are listed in the utility budget.**
☐	☒	**The utility has adopted a balanced realistic budget.**
☐	☒	**Monthly financial reports are prepared and submitted to the policy making body.**
☐	☒	**The utility is receiving revenues (user fees or other sources) sufficient to cover operating expenses.**

Sustainable Indicators

☐	☒	The utility is receiving revenues (user fees or other sources) sufficient to cover operating expenses and Repair & Replacement (R&R) costs.
☐	☒	YTD revenues are at a level equal to or above those budgeted.
☐	☒	YTD expenditures are at a level equal to or below those budgeted.
☐	☒	A monthly manager's report is prepared.
☐	☒	Budget amendments are completed and adopted as necessary.

Finances Comments: Accounting systems are in place and the utility manager was trained to prepare financial reports. However, lack of revenue from users and from city and village council has created a serious cash shortage. Utility manager was on voluntary lay off

because there was allegedly no money to pay him. He has now been replaced. The abilities of the new utility manager have not been assessed.

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.

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 only tax problem encountered was a 941 underpayment that was the result of a miscalculation. A spreadsheet was developed to help with calculations for 941 reports. The 941 report in question was filed timely.

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.

Organizational Management

Essential Indicators

Yes	No	
☒	☐	**The entity that owns the utility is known and the entity that will operate the utility is set.**
☒	☐	**The policy making body is active in policy making of the utility.**
☐	☒	**The policy making body enforces utility policy.**
☒	☐	**The utility has a adequately trained manager.**
☒	☐	**The utility has a adequately trained bookkeeper.**
☒	☐	**The utility has a adequately trained operator(s).**
☒	☐	**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 meetings act for all meetings.

Organizational Management Comments: Answers based upon the system and procedures that were in place and were being carried out by the utility manager before his layoff.

Operation of Utility

Essential Indicators

Yes	No	
☒	☐	**The utility operator(s) are actively working towards necessary certification.**
☐	?	**The utility has a preventative maintenance plan developed for the existing sanitation facilities.**

Sustainable Indicators

☐	?	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.
☐	?	The utility has a safety manual and holds safety meetings.
☒	☐	Utility facilities have not suffered any major problems/outages due to management issues that are still unresolved.
☒	☐	The utility is operating at the level of service that was proposed.
☒	☐	The operator provides status reports to the manager on a routine basis.
☐	?	The utility has completed and distributed its Community Confidence Report (CCR).
☒	☐	The utility is not on the Significant Non-Compliance (SNC) list.
☐	?	The utility maintains an inventory control list.
☐	?	The utility maintains a critical spare parts list.

Operation of Utility Comments: Answers based upon the system and procedures that were in place and were being carried out by the utility manager before his layoff.

RUBA Activities For The Coming Quarter

RUBA staff has recommended that construction of the new water and sewer system be suspended pending a thorough re-evaluation of the anticipated annual budget for operating the new system and the assumptions used to create that budget. The recommendation is that a team from DCED and ANTHC conduct this review and upon completion of the review to the satisfaction of the agencies that the budget be presented to the community for discussion. A great deal of RUBA and LGS effort has been invested in the Goodnews Bay Water and Sewer Utility and in the City of Goodnews Bay. All that effort has been jeopardized by the lack of cash to run the utility and to run the city. The present condition of the utility and city, if not addressed, will create major difficulties for the new water and sewer system.

The previous utility manager has been replaced and there is a possibility the city administrator may be moving to a position with the school district.

ANTHC continues to move forward with construction. The Alaska Native Health Board has executed a contract with a management consultant who will undertake an independent assessment of Goodnews Bay and will provide services to the community designed to help it increase management capacity. Consultant will also assess the ability of the tribal entity to be an active participant in the operation of the utility system. Consultants work to be complete by end of year.

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.