

Goodnews Bay Activity Report

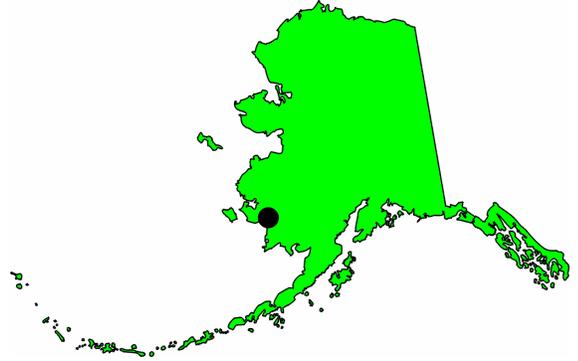
Community Overview

Lead RUBA Staff: Ralph Andrew, Dillingham Office

2003 Population: 230

Region: Dillingham

Local Governments: 2nd Class City



The City of Goodnews Bay contracts with the Goodnews Bay Water and Sewer Utility to operate a washeteria and a central watering point, provide for honeybucket haul, and has a sewage lagoon. The Goodnews Bay Water and Sewer Utility Board, a non-profit corporation, is the policy making body for the utility. Currently, treated well water is hauled from the watering point at the washeteria/clinic facility. Most homes are currently not plumbed. A piped water and gravity sewer system with plumbing for 70 + homes is under construction; homes are expected to be plumbed including installation of fixtures.

RUBA Activity This Quarter

The utility manager left her position late in the quarter and despite efforts by a temporary replacement, the tribal water/sewer utility failed to make progress in addressing deficient RUBA Assessment management indicators. The Alaska Native Tribal Health Corporation (ANTHC) led water/sewer project, anticipated for completion as early as December 2006, is said to be at risk of shut-down according to ANTHC officials due to non-compliance with grant conditions. Dillingham Regional Office RUBA staff made multiple offers to assist utility staff throughout the quarter and shared written and verbal recommendations but saw little response. Utility debt continued to build during the quarter and presently exceeds \$15,000 including unpaid electric bills, delinquent payroll taxes, insurance, among other bills. Honey bucket haul collections were reportedly nonexistent despite the tribe's participation in ANTHC's billing service. Washeteria revenues were often insufficient to cover costs. The temporary utility manager reported per-load laundry rates were raised to \$5 but rates were reduced shortly thereafter in response to public outcry. The utility has not seen a city government local contribution since the beginning of 2006. Late in the quarter RUBA saw a more proactive response from the tribal administrator who expressed interest in following through with a joint RUBA Agreement and an associated draft RUBA work plan to address deficiencies. RUBA participated via teleconference in a tribal council meeting facilitated by the administrator, reiterated recommendations for Assessment resolution, and offered again to provide onsite assistance. The council indicated their intention to invite ANTHC and RUBA to a council meeting in June 2006 but did not follow through with a confirmed meeting date. The busy summer fishing season had many community leaders away from the office although the tribal administrator is back in the office and potential for progress may be improved. Progress on the water/sewer project business plan and draft ordinance is also slow and may be a function of turnover in the tribal administrator position earlier in the year. RUBA encouraged the new administrator to maintain contact with the consultant hired to develop the water/sewer business plan and ordinance. During the quarter RUBA met with ANTHC officials assigned to the water/sewer project and agreed to meet jointly with the tribal council to stress the importance of grant condition compliance. A joint meeting is still planned and will likely take place early next quarter when council officials are available. Concerning present water/sewer operations, the primary water operator returned

to the utility on a call-in basis. Regional health corporation staff drafted Goodnews Bay's Consumer Confidence Report (CCR) and provided it to the water operator for signatures and submittal. Concerning city government matters, the city invited RUBA to provide council training but due to a reported lack of quorum, a meeting was not scheduled. Two vacant seats on the city council and the fishing season may have contributed to the postponed meeting. RUBA still hopes to travel to provide onsite training to the staff and council. The community is presently without a Village Public Safety Officer (VPSO). City finances are in poor condition due to low cash flow and expenditures characterized as steady or growing. Payroll taxes submitted to the IRS were reportedly insufficient. On the positive side, gaming revenues are said to be on the rise and the city is eagerly anticipating receipt of FY 2007 state energy funding.

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 current in paying all water/wastewater electric bills.
<input type="checkbox"/>	<input checked="" 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 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:

Finance indicators have worsened from prior quarters. Anticipated subsidies from the city government did not materialize and as a result, operating expenses are not being covered. The tribal council has still not adopted a utility budget although RUBA has shared drafts over the course of the last year. Utility debt has grown due to unpaid bills including Alaska Village Electric Cooperative debt which is placing the washeteria and other operations at risk of shutdown. The fuel supply is reportedly low and may also force shutdown of laundry operations. Insurance coverage premiums are reportedly delinquent as are ANTHC billing service bills, among others. Water/sewer utility collections are almost nonexistent and laundry revenues have not covered expenses. The city is not making consistent local contributions to the utility. The utility manager has not provided reports to the tribal council, leaving some council members unaware of the poor financial conditions of the utility.

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

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 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:

Upon assumption of utility management, the tribe contracted with ANTHC for customer billing services and bills are reportedly sent consistently. However, collections remain low. Some customers voiced concerns about inaccurate bills. The billing service tracks accounts systematically but collections are not enforced. Although the payroll system in use accurately calculates pay, federal tax obligations have gone unpaid in calendar year 2006 and state ESC taxes may also be delinquent. Both the cash receipt and disbursement systems are not consistently used by staff. Bank reconciliations are not being completed and the procurement system in use has not resulted in budget-compliant purchases. RUBA continues to recommend integration of the utility financial records and practices into the tribal accounting system.

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 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:

Prior to her departure, the water/sewer utility manager, informed RUBA that federal payroll tax deposits were delinquent. The utility uses a manual payroll system that accurately calculates and tracks payroll but based on the manager's report, completed federal and state tax reports and associated payments are not being submitted. It is likely late tax payments will result in penalties. Late in the quarter tribal staff returned an approved Authorization to Request Federal Tax Information to RUBA. The IRS response indicates the tribal council is compliant with federal tax obligations but the utility has not made federal tax deposits in 2006 and owes taxes. RUBA urged the tribal administrator to resolve the utility's federal tax debt and to contact the state Department of Labor to resolve any delinquent ESC tax debt as soon as possible.

Personnel System

Essential Indicators

- | Yes | No | |
|--------------------------|-------------------------------------|--|
| <input type="checkbox"/> | <input checked="" type="checkbox"/> | The utility has a posted workers compensation insurance policy in effect. |
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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 checked="" type="checkbox"/> | <input 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 type="checkbox"/> | <input checked="" 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:

Workers compensation insurance costs have gone unpaid. RUBA recommended consideration of coverage under the tribe's plan as opposed to a separate plan for the utility. The utility's personnel and related policies may benefit from integration into the tribe's existing policies.

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 type="checkbox"/> | <input checked="" 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 type="checkbox"/> | <input checked="" 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 council has not actively established utility policy and does not enforce customer fee collections. The utility does not presently have a trained utility manager; the duties were recently taken over by the tribal administrator. The tribe operates the utility but has failed to establish a utility ordinance. RUBA has provided sample ordinances and honeybucket haul preventative maintenance plans and will continue to recommend review and adoption. Utility bookkeeping is not yet integrated into the tribe's system and with the utility manager position vacant, timely and accurate accounting is at risk. The primary water operator, untrained, receives support from a trained water operator who works on an on-call basis. The policy making body meets and should discuss utility management as a standing agenda item at each meeting.

Operation of Utility**Essential Indicators**

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

The primary water operator does not possess an Alaska Department of Environmental Conservation (ADEC) certificate although the call-in operator possesses both experience and certificates for water treatment, water distribution, and wastewater collection, all at the operator in training level. The water treatment plant utilizes a preventative maintenance plan. The utility can improve operations by adopting a preventative maintenance plan for the laundry and honeybucket haul operations. The operators provide reports to the utility manager and according to the regional remote maintenance worker (RMW), are in possession of a completed CCR that requires signatures and submittal.

RUBA Activities For The Coming Quarter

RUBA will continue to offer assistance, encourage use of a RUBA work plan, and will visit Goodnews Bay upon invitation of the council. RUBA will monitor RUBA Assessment progress and maintain contact with the tribal staff, ANTHC, and the Bristol Bay Area Health Corporation (BBAHC) RMW assigned to the community.

