

# Hooper Bay Activity Report

## Community Overview

Lead RUBA Staff: Marita Hansen, Bethel Office

2001 Population: 1,014

Region: Yukon-Kuskokwim Delta

Local Governments: Second Class City



The City of Hooper Bay operates multiple watering points, operates a honeybucket haul service and sewage lagoon. The City Council is the policy making body for the utility.

Residents currently haul treated water from the washeteria or other watering points. Three new wells were drilled in 1997, 3 miles northeast of town. The school uses its own water system. Honeybuckets are dumped at collection points, then hauled by a 4-wheeler and trailer. The large majority of homes are not plumbed, with the exception of the new HUD housing subdivision, which uses a flush/haul system. The City is beginning major improvements for a piped water and sewer system. A new water treatment/washeteria facility is under construction. Access roads and construction pads are completed. The landfill was expanded in 1997, and includes a new sewage lagoon; the combined site is nearly 20 acres in size.



*New Water Treatment Plant  
June 4, 2002*

## RUBA Activity This Reporting Period

RUBA staff made several visits in the last year and a couple this quarter to this community with Village Safe Water (VSW) and Mike Black, RO Manager. The water/sewer project has been halted by VSW. The community has not been able to meet one of the grant conditions of 50% of the residential households paying a water and sanitation fee. The city along with VSW and RUBA has made efforts to convince households to begin paying the fees. Efforts include letters to households, public radio announcement, door to door discussions and public meetings. At this time, a review of the feasibility of getting households to pay the fees is needed.

The city hired a new city administrator, Rafael Murran. He has been working long hours with dedication and determination to develop a balanced city budget. Mike Black, Regional Office Manager and Mardy Hanson, LGS, have been working closely with the administrator in providing assistance to help him in this process. The new administrator understands financial management. His highest priority has been to keep the city operating and to revise the budget utilizing realistic figures. The city was in a financial crisis when he started. Large accounts payable to creditors, substantial projected deficits and lack of revenues to pay for immediate needs such as insurance faced him. He has obtained a bank loan to help pay back the debts to creditors and continue insurance coverage.

## 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 checked="" type="checkbox"/>	<input 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.

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#### 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:** The city council and administrator are revising the FY03 city budget. A public hearing has been set next quarter in January 2003. Budget cuts to washeteria and public safety departments have occurred. More cuts are possible to the public safety department including no overtime and close monitoring of wages of all employees. It has been several years since RUBA has been invited to work with the City. We are encouraged with the approach and attitude of the new administrator. Mr. Murran, city administrator should be applauded for all his hard work.

## 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 type="checkbox"/>	<input checked="" 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 type="checkbox"/>	<input checked="" 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 reconciliations 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:** This QuickBooks system is being kept up to date but the assessment recommendation to implement a smaller and workable chart of accounts has not yet been reviewed. Due to a turnover in the clerk and bookkeeper II, the cash receipt system has not yet been reviewed. A short session was provided to the administrator by Mardy Hanson during her last trip to this community in November. The current City priority is revising the budget, working on the bank loan, paying the city's past due creditors. The QuickBooks system has been adequately maintained and has made the financial planning of the new administrator possible. For the first time in years, RUBA is getting monthly financial reports.

## 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 checked="" type="checkbox"/>	<input 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 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:** The city is still having trouble depositing on time. I have recommended once again to the administrator to look into the electronic depositing system. He will contact the bank the city uses and request information. The weather has been one of the main factors for this along with having cash flow difficulty. This administrator is in agreement with having electronic depositing to eliminate late penalty fees.

## Personnel System

### Essential Indicators

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

### Sustainable Indicators

<input type="checkbox"/>	<input checked="" 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:** The previous administrator was notified of all the above that needed to be addressed. Mardy Hanson did not receive copies of personnel policies and procedures during the previous administrators term. Once the city organization under this administration has stabilized, she will work with the current administrator in preparing these policies. Sample personnel policies were provided to the previous administration. Mardy will check to see if this is still in the office.

## Organizational Management

### Essential Indicators

Yes	No	
<input checked="" type="checkbox"/>	<input type="checkbox"/>	<b>The entity that owns the utility is known and the entity that will operate the utility is set.</b>
<input checked="" type="checkbox"/>	<input type="checkbox"/>	<b>The policy making body is active in policy making of the utility.</b>
<input type="checkbox"/>	<input checked="" type="checkbox"/>	<b>The policy making body enforces utility policy.</b>
<input checked="" type="checkbox"/>	<input type="checkbox"/>	<b>The utility has a adequately trained manager.</b>
<input checked="" type="checkbox"/>	<input type="checkbox"/>	<b>The utility has a adequately trained bookkeeper.</b>
<input checked="" type="checkbox"/>	<input type="checkbox"/>	<b>The utility has a adequately trained operator(s).</b>
<input type="checkbox"/>	<input checked="" type="checkbox"/>	<b>The utility has adopted the necessary ordinances (or rules and regulations) necessary to give it the authority to operate.</b>

### Sustainable Indicators

<input type="checkbox"/>	<input checked="" 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 meetings act for all meetings.

**Organizational Management Comments:** The October 2002 elections seated the following members: David Bunyan-Mayor; Gabe Seton-Vice; Ruth Imagalrea-Sec./Treasurer; Paul Nukusuk-Member; Scott Ballard-Member; David Green-Member; Kenneth Smith-Member. Staff turnover this quarter were: Mamie Tinker-City clerk and Lorraine Tomaganak Moses-Bookkeeper II. Hired to replace them was Michael Joseph-Bookkeeper and Rachel Faltze as part time clerk. However, the clerk resigned in December to find a full time job. Currently the clerk position is vacant.

## 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 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 type="checkbox"/>	<input checked="" type="checkbox"/>	The utility has a safety manual and holds safety meetings.
<input type="checkbox"/>	<input checked="" type="checkbox"/>	Utility facilities have not suffered any major problems/outages due to management issues that are still unresolved.
<input type="checkbox"/>	<input checked="" 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</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 checked="" type="checkbox"/>	The utility maintains an inventory control list.
<input type="checkbox"/>	<input checked="" type="checkbox"/>	The utility maintains a critical spare parts list.

**Operation of Utility Comments:** The washeteria has been closed as of December 2002. They were down to three washers and all dryers were out of order. They city could not support this facility financially. The facility required large subsidies from the general fund to operate. The electric bill and fuel bill alone exceeded any projected revenues from the washeteria operation. The administrator plans to keep this facility closed for 7 months until general fund revenue can purchase more washers and dryers. Some discussion of the need to locate the washeteria in a more efficient building has also occurred.

## RUBA Activities For The Coming Quarter

- Follow up on the amended budget adoption. Contact the administrator to see if any amendments have taken place by the council after the public meeting. Request for a final copy. Encourage the council to have written procedures regarding time sheet approval process. This is very important if the council adopts the revised budget. Overtime has to be eliminated unless approved by the Mayor.
- Provide assistance to the city administrator in obtaining procedures from the bank on starting electronic IRS tax depositing.
- Schedule and provide NEBS cash receipts training to Bookkeeper II and administrator once administrator gives the confirmation of keeping this person on the job.
- Recommend to the administrator to locate the sample copy of Personnel policy manual and schedule time to go over this with the administrator. Have the council review this and develop one suited for the city and employees. This should include job descriptions for all positions, personnel evaluation process and adequate written hiring process.

- Continue working with Village Safe Water and ANTHC on the Water/Sewer project for this community.