

Hooper Bay Activity Report

Community Overview

Lead RUBA Staff: Marita Hansen, Bethel Office

2003 Population: 1,115

Region: Yukon-Kuskokwim Delta

Local Governments: Second Class City, Village Council



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. 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. The new water/sewer project construction was underway and the shell of the building itself was completed. Project continues as long as the community meets the grant condition showing capability of financially supporting this project through a sanitation tariff.

RUBA Activity This Reporting Period

Raphael Murran, City Administrator is back to work from sick leave as of February 23, 2004. Although he is still on crutches, it is good that he is back to work.

A letter was received in March 15 from Roger Burleigh, VSW Engineer, informing the City that the special conditions requiring a business plan and collection rate of 75% or better have been met. The business plan was completed and approved January 27, 2004.

An IRS Tax letter was received in March, informing the City that the IRS has found errors in the 2003 3rd quarter deposits. The City is working with Mr. Moss, IRS Revenue Officer, to resolve this. Currently the City is reviewing the City's tax records regarding the identified quarter in the IRS letter. The IRS has recommended the City change to electronic filing and deposits to eliminate penalties.

Roger Burleigh, VSW Lead Engineer, provided the assistance the quarter. The Hooper Bay Water and Sewer Project installed interior finish wall sheating and coatings to the 90% level of completion. Water treatment pilot studies were completed during this quarter with the completion of the water treatment process design during the second quarter. Water treatment pilot studies were completed and water treatment process design work will be completed next quarter. The city continued to advance toward achieving a 75% collection rate, however, with subsidy funds, the percentage currently at the end of this period showed 90%.

The development of the Environmental and Right-of-Way document continued on the Salmon Road Project. Problems arose when the section crossing the National Guard land was considered. It took a month to determine who owned the land. When ownership was determined, the owner responded that if the land were granted a right-of-way, it would be as a lease to the city. The city cannot afford a lease at this time. That forces the road project to be rerouted at considerable expense. A change in State DOT/PF personnel has also slowed the project.

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

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 checked="" type="checkbox"/> | <input type="checkbox"/> | Budget amendments are completed and adopted as necessary. |

Finances Comments: A final financial report for the month of March has not yet been received. The bookkeeper is currently working on the March figures for ending quarter and will submit the report when completed.

A full payroll every month has not yet stabilized. Administrative staff is the last to get payroll when funds are low. Public safety continues to try to maintain the monthly budgeted expense amount for this department. This department currently has 6 employees. There is only one VPSO position and when this person is on duty, one city employee takes time off to help keep the expenses down and follow the budgeted amount by the month.

The City has seen a decrease in revenues this past quarter. This is not anything new for the City. The City experiences this decline after December. The Insurance monthly payments have been kept up and have about \$8,000 left to pay off.

On the other hand, the City is currently on a payment plan to pay off PERS. It has become a challenge especially since the employer percentage is jumping from 5.42% in FY04 to 10.42% in FY05. With the future cuts in funding by the State, the City will be experiencing revenue short falls and to continue with PERS is unrealistic. The City administrator is definitely thinking about pulling the City out of this benefit program and has brought this to the council’s attention. The council has not yet acted on his recommendation.

Accounting Systems

Essential Indicators

Yes	No	
<input checked="" type="checkbox"/>	<input 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"/>	<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: The City continues to have some computer difficulty. The system tends to freeze and the bookkeeper has to shut down the whole system in order to use it. The City continues to save data on zip disks as a precaution. Last month the City had a visit from Ms. Jackie Agnew, ANTHC/RASC Manager. She informed the City that she maybe able to obtain a new hard drive for the City through her program fund. This program has helped with funds to hire sanitation collection staff in an effort to meet the special collection grant condition.

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 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 has experienced a set back on IRS taxes. In reviewing this report, IRS found errors to the 2003 3rd quarter report. The deposit figures used for this quarter differed from the calculations IRS themselves put together. With this error found, the City owes \$5,129.00. The City is currently in contact with Eldridge Moss, Revenue Officer, in Anchorage and working toward immediate resolution to this notice. Mr. Moss has also informed the City that joining the electronic system would help eliminate penalty to late deposits and filing. He will be sending the City information for this procedure. In speaking with the Administrator, they will make this a high priority. He is assigning Marc Cowart and Jeannie to take care of this as soon as possible.

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 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 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 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 bookkeeper II position remains vacant and the administrator does not have any near future plans to fill it. The City currently has an administrator, city clerk, bookkeeper and Grants coordinator (assistant administrative assistant).

Raphael Murran, City Administrator, attended the Utility Personnel Management training, March 22 – 26, 2004 in Bethel. This 32-hour course provided a Pre and Post-test. The goal for these tests was to measure what participants know before and to gauge how much is learned after presenting the course information. With this, Mr. Murran scored a 62% on the pre-test with a wonderful final score of 84% on the post-test, an increase of 22%. He thoroughly enjoyed this course and brought back with him action plans of amending the current policy that is in place, looking into a time clock for the washeteria employees, and reviewing a safety policy. Once revisions have been included, he plans to have the Utility advisory board and City councils review the policy before finalizing it for adoption.

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 checked="" type="checkbox"/> | <input type="checkbox"/> | The utility has an adequately trained manager. |
| <input checked="" type="checkbox"/> | <input 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 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: There has been a change in the City council this quarter. The vice Mayor’s seat is currently vacant. The person who held this seat currently has to deal with the State criminal justice for labor law violations. He has approached the administrator and verbally informed him of vacating his seat due to this. The administrator informed the Bethel office that the vacancy will be on the next council meeting agenda sometime next month when the Mayor returns from an out of town trip.

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. |

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 type="checkbox"/> | <input checked="" 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 continues to be operational. The few problems from previous quarter were addressed and have since then been resolved. The problem to the clinic line was completed in February 2004. The 2 new dryers have been received but are not yet operational. The City has to comply with the proper uniform building code that requires a licensed electrician to install the equipment. There is no one available in the community that is licensed to install these dryers.

Roger Burleigh has informed the City that the Water/Sewer project will continue on to the next phase per Administrator. The business plan for this project was completed and approved January 27, 2004.

RUBA Activities For The Coming Quarter

Continue to follow up on the progress of the IRS tax situation and copies of 941 forms and deposits.

Bethel has informed the City administrator that once revision and amendments to the personnel policy have been done and reviewed by the Utility advisory board and City council, he will send a copy for our review.

Continue requests for sanitation user fee progress reports.

