

# Hooper Bay Activity Report

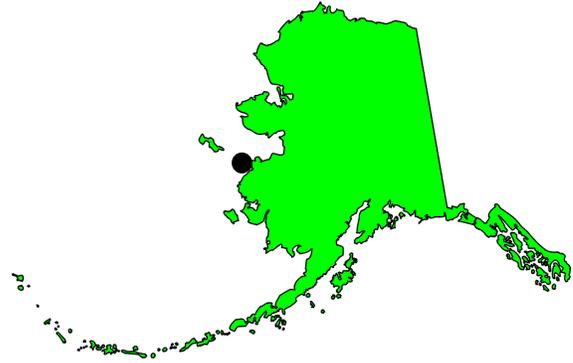
## Community Overview

Lead RUBA Staff: Marita Hansen, Bethel Office

2002 Census Population: 1,075

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. 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 has been completed.

## RUBA Activity This Reporting Period

This quarter the water/sewer project started up again in July. The sanitation collection rate reached the 50% level required in the special conditions. One of the incentives to educated and help raise the collection percentage was done by hiring a person to go house to house and explain the importance of paying this fee in order for the project to continue. The Alaska Native Health Board (ANHB) provided funding for this position.

The City continues to struggle with trying to increase the collection rate of the sanitation tariff. Despite all the efforts and processes that are implemented to increase the collection rate, it continues to hover around the 45-55% level. One of the special grant conditions in the VSW grant is that the collection rate be at least 75% by February 2004. If it does not reach this level, the project will again be stopped.

RUBA staff traveled to this community this quarter along with the DCED Commissioner, Director, and staff. A tour of the community and facilities including the water/sewer project was done. A public meeting was held and community officials and elders got a chance to voice their concerns. The importance of having the water/sewer project completed was the main topic.

## 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. |

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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:** With the State funding cuts and city expenditures rising, the financial situation of the community is not good. Full payroll has not been made in the last couple months. Public Safety expenditures continue to be an issue. The FY04 budget will have to be reviewed and amended in the next quarter. Cuts to reduce expenditures are being revisited once again. The administrator has been providing reports to this office on proposed changes and cuts. He plans to present these changes to the council to help keep the expenditures down.

Bingo and Pull-tabs have not generated revenue as they had hoped it would these past couple months. The administrator is hopeful in a climb after State of Alaska permanent fund dividends are received in October.

The city is still working to resolve the vendor delinquency list from previous years. A key ingredient in this will be the Temporary Fiscal Relieve Payment, and the PILT payment. When these are received, the debt list will be significantly reduced.

## 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.                               |

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#### 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 meets all indicators in this category. City is currently utilizing the NEBS cash receipt journal. A separate regular receipt book is used just for sanitation user fee.

**Tax Problems**

**Essential Indicators**

- | Yes                                 | No                       | NA                                  |   |
|-------------------------------------|--------------------------|-------------------------------------|---|
| <input checked="" type="checkbox"/> | <input type="checkbox"/> |                                     | <b>The utility has a system to accurately calculate, track, and report payroll tax liabilities.</b>             |
| <input checked="" type="checkbox"/> | <input type="checkbox"/> |                                     | <b>The utility is current on filing tax reports.</b>  |
| <input checked="" type="checkbox"/> | <input type="checkbox"/> |                                     | <b>The utility is current on making tax deposits.</b>   |
| <input type="checkbox"/>            | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <b>If there are any past tax liabilities, a repayment agreement has been signed and repayments are current.</b> |

**Tax Problems Comments:** All essentials are met. The City continues to work with the bank on the final stages of getting the electronic system in place. Due to summer activities, this preparation was set a side. Mr. Michael Joseph plans to proceed to get this set up. He has stated that there is a lot more paperwork than what he anticipated in order to get this set up. I requested he keep me informed of the progress.

The city is up to date with all deposits and filing. One overpayment notice was received. City bookkeeper, Jeannie Smith called IRS and told them to apply this to quarter ending September 30, 2003.

**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> |
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**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 city has their insurance through AML/JIA. They have negotiated a new policy for the new fiscal year. The personnel policy has been reviewed but is to be adopted by the council. The administrator is hoping that the new council after the October election will finalize this. Informed him to have either a professional outfit or send it to DCA for review.

## 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 a adequately trained manager.
<input checked="" type="checkbox"/>	<input type="checkbox"/>	The utility has a adequately trained bookkeeper.
<input checked="" type="checkbox"/>	<input type="checkbox"/>	The utility has a 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.

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### 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:** For the upcoming October elections, there will be two seats open for election. The council meets at least monthly, and the VSW project is a major topic of conversation at every meeting.

## 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>Consumer 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 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 operational since last quarter. The council set up a new schedule to have clean up and repairs that may be needed. The first week of each month the washeteria is open for 6 days out of that week. The remaining weeks of the month, it will be open only 4 days out of the week. The washer rates have been raised to \$4.00 a load.

### **RUBA Activities For The Coming Quarter**

Continue to work with the City on collection issues as they arise. Work with the city to amend the FY04 budget.

Continue to follow up on the progress of the 1<sup>st</sup> National Bank of Anchorage business link system.

Review the personnel policy once the October elections have taken place and the council has a chance to review this.

Attend a public meeting currently scheduled for October 14 regarding the Water/Sewer project. Senator Don Olson is expected to attend this meeting.