

Hydaburg Activity Report

Community Overview

Lead RUBA Staff: Gina Shirey-Potts, Juneau Office

2002 Population: 364

Region: Southeast

Local Governments: First Class City



The City of Hydaburg operates and manages the piped water & sewer system. The City Council is the policy making body for the utility.

The Hydaburg River provides water, which is treated and piped throughout the City. Piped gravity sewage is treated at a secondary treatment plant, with an 800' outfall to Sukkwaw Strait. Over 95% of all homes are plumbed. Funds have been requested to construct a new dam to increase the water supply. The City is exploring options to improve waste disposal. Alaska Power & Telephone Co., based in Skagway, owns and operates diesel power systems in Hydaburg and Craig, which provide electricity to many Prince of Wales Island communities.

RUBA Activity This Reporting Period

The Mayor attended the Financial Utility Management workshop in Ketchikan the week of May 19th. The City Clerk and a council member had planned to attend as well, but they were unable to make it at the last minute.

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 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. |
|--------------------------|-------------------------------------|---|

- 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: The City has not adopted its budget yet for FY04. The City Clerk said the budget was done on paper, but it hasn’t been entered into the computer yet. She said they haven’t had a council meeting yet for her to introduce the budget.

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 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

- 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.

Accounting System Comments: The City has adopted a shut-off policy in ordinance, but appears to not be following it. The ordinance contains no other provisions for collections. The City Clerk sends out past due notices. The past due notices contain an itemized list of unpaid invoices and a request for the customer to contact the office to discuss what they plan to do to settle their account. No other collection action is mentioned in the letter. The utility customers are billed on a monthly basis. The City Clerk generates monthly bills from QuickBooks Pro 2001. The accounts receivable and accounts payable systems are also in QuickBooks. The City utilizes the payroll features in QuickBooks to calculate payroll and payroll tax reports. The utility uses a paper receipt book to record incoming money. The receipts are transferred to QuickBooks. The City uses the checking account program on QuickBooks for its cash disbursement system to record how money was spent.

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 checked="" type="checkbox"/>	<input 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: There may be problems with the calculation of the payroll taxes. The City Clerk reports that she has a credit balance with both the IRS and the Department of Labor and Workforce Development due to calculation errors.

Personnel System

Essential Indicators

Yes	No	
<input 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 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 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: There is no checkmark for workers' compensation insurance. The City mailed the final payment for FY03 to AML/JIA on June 20th. As of June 24th, AML/JIA hasn't received the payment. In addition, the City owes an another \$36,764 for FY04 insurance coverage. If the City's payment is received by June 30th so that their insurance is not cancelled, they are eligible for a payment contract. This requires half down (\$18,382) and the balance paid in equal installments over a five month period (August- December) at 5% interest.

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 a adequately trained manager.
<input type="checkbox"/>	<input checked="" 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 checked="" type="checkbox"/>	<input type="checkbox"/>	The utility has adopted the necessary ordinances (or rules and regulations) necessary to give it the authority to operate.

Sustainable Indicators

<input type="checkbox"/>	<input checked="" type="checkbox"/>	The utility has adopted an organizational chart that reflects the current structure.
<input type="checkbox"/>	<input checked="" type="checkbox"/>	The policy making body meets as required.
<input type="checkbox"/>	<input checked="" type="checkbox"/>	The utility complies with the open meeting act for all meetings.

Organizational Management Comments: The City of Hydaburg owns and operates the water and sewer system. The City Council is the policy making body for the utility. The utility rates are not regularly reviewed. The utility policies are not enforced. The Mayor recently attended a Financial Utility Management class. The City Clerk also acts as the City Treasurer. She is currently taking an online QuickBooks class from the University of Southeast. The utility has adequately trained operators. The main operator is Level I certified for water treatment and water distribution. The back-up operator is OIT certified. The City has adopted the necessary ordinance to give it the authority to operate.

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 type="checkbox"/>	<input checked="" 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 checked="" type="checkbox"/>	<input 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 operators have achieved the necessary certification to operate the utility. The main operator is Level I certified in water treatment and water

distribution. The back-up operator is OIT certified in water treatment and water distribution. The City has a preventative maintenance plan available to them in their Operation and Maintenance Manual, but they are not formally following it.

RUBA Activities For The Coming Quarter

RUBA staff will continue to provide on-demand technical assistance to Hydaburg and will be available to comment on Hydaburg's progress in meeting deficiencies identified in the Assessment for Essential Management Capacity Indicators Report.