

Hydaburg Activity Report

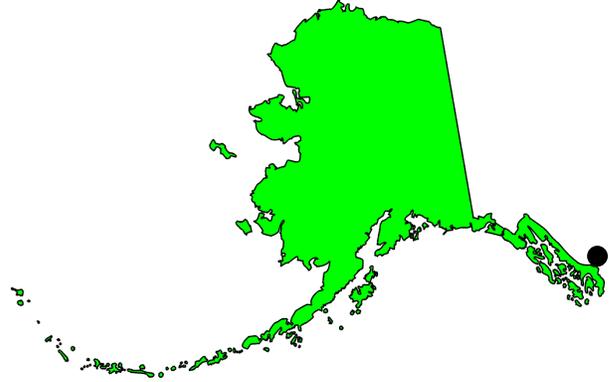
Community Overview

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

On September 30, 2003, RUBA staff spoke with the City Clerk. She has resigned her position effective October 22nd. After subsequent conversations with the City Clerk, her last day will be October 15th. As of October 8, 2003, no replacement has been found.

On October 7, 2003, RUBA staff sent a letter to Mayor Dilts informing him that the City of Hydaburg has been terminated from the RUBA program due to non-performance.

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. |
| <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 FY04 budget was passed on August 27, 2003. The fiscal year started on July 1, 2003. The budget as written is a balance budget with revenues exceeding expenses by about \$30,000. It is difficult to tell if the budget is realistic since the Department of Community and Economic Development only received a budget summary and not a detailed budget. \$112,824.80 is budgeted for other local revenues. This probably includes water and sewer fees, but it is not broken down. \$16,301.05 is budgeted for water and sewer with no breakdown of what it includes. \$24,480 is budgeted separately for water treatment operator. There is no expense line for school contribution.

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 type="checkbox"/> | <input checked="" 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 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 System Comments: The City is still using QuickBooks for their accounting system.

Tax Problems

Essential Indicators

- | Yes | No | NA | |
|-------------------------------------|-------------------------------------|-------------------------------------|--|
| <input type="checkbox"/> | <input checked="" 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: RUBA staff spoke with AML/JIA staff. They have received neither a payment nor payment contract from Hydaburg. They are scheduled to have their insurance cancelled ASAP.

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 checked="" type="checkbox"/> | <input type="checkbox"/> | The utility has an 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

- The utility has adopted an organizational chart that reflects the current structure.
- The policy making body meets as required.
- 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

- 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.
- The utility has a safety manual and holds safety meetings.
- Utility facilities have not suffered any major problems/outages due to management issues that are still unresolved.
- The utility is operating at the level of service that was proposed.
- The operator provides status reports to the manager on a routine basis.
- The utility has completed and distributed its Consumer Confidence Report (CCR).
- The utility is on the Significant Non-Compliance (SNC) list.
- The utility maintains an inventory control list.
- 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

There will be no further RUBA activity at this time. Hydaburg has been terminated from the RUBA program due to non-performance.