

Iliamna Activity Report

Community Overview

Lead RUBA Staff: Ralph Andrew, Dillingham Office

2003 Population: 90

Region: Dillingham

Local Governments: Unincorporated



Iliamna residents are using individual water wells and septic systems. 85% of homes are fully plumbed. A 270' well provides water to the community building/village office/washeteria. The washeteria is small -- only one washer and dryer are reportedly available. Septic pumping services are provided by the Village. Sewage is transported by the Village or individuals to the sewage lagoon. The INN Electric Cooperative owns a diesel plant in Newhalen and 50 miles of distribution line to connect the three communities. The Tazimina Hydroelectric Project powers Iliamna, Newhalen and Nondalton.

RUBA Activity This Reporting Period

Dillingham Regional Office RUBA received a request for a RUBA Assessment of management and financial indicators from the Village Council of Iliamna. Dillingham Regional Office RUBA traveled to Iliamna August 2-3 to conduct a RUBA assessment of financial and management indicators at the request of the Council, a recipient of state and EPA funding for a sludge disposal site project being managed by ANTHC. ANTHC is managing the sludge disposal site project on the Council's behalf and is reportedly procuring a contractor to develop a business plan as a special grant condition. Council staff indicated the cost of a consultant's work may be mitigated by the fact that much effort has already been put forth by the community and other consultants addressing landfill sanitation matters. The assessment of essential indicators identified several deficiencies including the need for a balanced budget, worker's compensation coverage, and apparent federal payroll tax debt. Periodic contact with council staff indicate some progress is being made addressing deficiencies identified in the assessment. The council, according to staff, has spent considerable time and resources in an effort to comply with ADEC sanitation requirements associated with their landfill which is located adjacent to their sewage lagoon. The Council continues to receive technical assistance from a prior resident with administrative experience. Council staff continue to assemble materials in response to the RUBA assessment. Iliamna tribal council officials attended a workforce and planning summit in late September and requested planning information from RUBA.

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 checked="" type="checkbox"/> | <input type="checkbox"/> | The utility is receiving revenues (user fees or other sources) sufficient to cover operating expenses. |

Sustainable Indicators

- | | | |
|-------------------------------------|--------------------------|---|
| <input checked="" type="checkbox"/> | <input type="checkbox"/> | The utility is receiving revenues (user fees or other sources) sufficient to cover operating expenses and Repair & Replacement (R&R) costs. |
| <input checked="" type="checkbox"/> | <input type="checkbox"/> | YTD revenues are at a level equal to or above those budgeted. |
| <input checked="" type="checkbox"/> | <input type="checkbox"/> | YTD expenditures are at a level equal to or below those budgeted. |
| <input checked="" type="checkbox"/> | <input 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:

The utility operating budget is currently incorporated into the entity budget. RUBA recommended a separate budget to facilitate management of the landfill, sewage lagoon and septic tank pumping/hauling service. Village Council staff are presently assembling a separate budget for RUBA review. The monthly manager report to the governing body appears to be a verbal report. RUBA received a copy of a recent report pulled from a copy of the Village Council meeting minutes. The bookkeeper utilizes Quickbooks Pro for the Village Council accounting and bookkeeping functions.

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

- | | | |
|-------------------------------------|--------------------------|---|
| <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 reconciliation's 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:

Elements of a user fee collection policy for sanitation services appear in an ordinance #2000-1. User fees are listed for landfill, sewage lagoon, and septic pumping/hauling service however payment terms are not explicitly noted. RUBA recommends a written comprehensive collection policy. Staff stated bills are sent monthly. RUBA requested and obtained a copy of an actual invoice for septic pumping and hauling services. Sewage lagoon rates are the same for residents and businesses at \$120/load if hauled by the village council and \$1,000/load if hauled privately. Landfill rates are \$150/year residential, \$1,500 year-round commercial operators, and \$3,500/year for seasonal commercial operators. Staff estimated annual lagoon and landfill revenue at \$25,000. Until a budget along expenditures and revenues can be reviewed, RUBA was unable to determine the current status of collections. Accounts receivable collections are tracked using a detailed invoice form and a Quickbooks billing method that identifies customer accounts and assigns invoice numbers. RUBA reviewed Quickbooks Pro accounts with the bookkeeper. Concerning bank reconciliation's, the bookkeeper indicated the primary bank account is reconciled regularly. Staff utilize a purchase order system and forms. RUBA obtained a copy of an actual purchase order. Staff utilize an accounts payable system and invoice forms. Staff use Quickbooks Pro accounting software to process payroll.

Tax Problems

Essential Indicators

- | Yes | No | |
|-------------------------------------|-------------------------------------|---|
| <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 checked="" type="checkbox"/> | If there are any past tax liabilities, a repayment agreement has been signed and repayments are current. |

Tax Problems Comments:

The Village Council appears to be current on filing federal and state tax reports. RUBA obtained copies of the IRS Form 941 for the last four quarters ending June 2005. RUBA obtained a copy of the Alaska ESC Quarterly Contribution report for 2004, quarter 4 paid January 26, 2005. At RUBAs request, the IRS supplied RUBA with a response to a confirmation of compliance report on August 16, 2005. The response indicates the Village Council is in compliance with filing requirements, does not have any federal tax liens against it, but owes money for the quarter ending June 2005. RUBA alerted Council staff to the correspondence and recommended review and resolution. If required, a repayment agreement should be implemented.

Personnel System

Essential Indicators

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

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|-------------------------------------|-------------------------------------|--|
| <input checked="" type="checkbox"/> | <input 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 checked="" type="checkbox"/> | <input 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 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 checked="" type="checkbox"/> | <input 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:

According to staff, the Village Council recently paid for Workers Compensation insurance. The bookkeeper is expected to provide a copy of the insurance coverage notice to RUBA shortly. The landfill operator job description and duties is incorporated into the draft Operational Plan. RUBA recommended a stand-alone document for the employee files. RUBA recommended a formal, written performance evaluation process for all staff.

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

The Village Council operates sewage lagoon and landfill, co-located and staffed by Council employees. The utility is in the process of reviewing and adopting a revised ordinance for the landfill and sewage lagoon. The draft ordinance identifies general elements of landfill and sewage lagoon operations. RUBA recommends the revision of the ordinance to more clearly identify elements specific to the sewage lagoon including rates, collection policies, and a description of operations. A separate ordinance appears to be in active use concerning personal burn barrels, Ordinance #2000-1. The ordinance identifies landfill use fees. The landfill operator has received HAZWOPR training and certification according to the village administrator. The operator has roughly two years experience in the role, is currently paid \$15.00/hour and works on average 8 hours/week. The bookkeeper, in the role for about one year and paid \$17.00/hour, has prior experience as assistant village administrator and as a bookkeeper for the local electric utility.

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

RUBA obtained a copy of the landfill and sewage lagoon operational plan. The plan, drafted July 29, 2005 by consultant ASCG Incorporated, offers detailed operational and staffing policies and requirements and is to be adopted shortly according to staff. Although the plan's focus is on the landfill, the content includes some material relevant to sewage lagoon operation. RUBA obtained a copy of Village Council minutes pertinent to landfill and sewage lagoon operation. Staff appear to provide verbal reports to the council in a concise fashion. Concerning monthly reports and communications to the governing body, RUBA recommends the use of brief written reports to establish documentation for review purposes. The utility's inventory control and critical spare parts list is identified in the Operational Plan. At this time the Village Council does not provide public drinking water services and as such is not required to produce and distribute a Consumer Confidence Report.

RUBA Activities For The Coming Quarter

RUBA will continue to offer assistance as the Village Council resolves essential indicator recommendations and will develop a workplan with the Council upon request.