

# Kake Activity Report

## Community Overview

Lead RUBA Staff: Gina Shirey-Potts, Juneau Office

2001 Population: 710

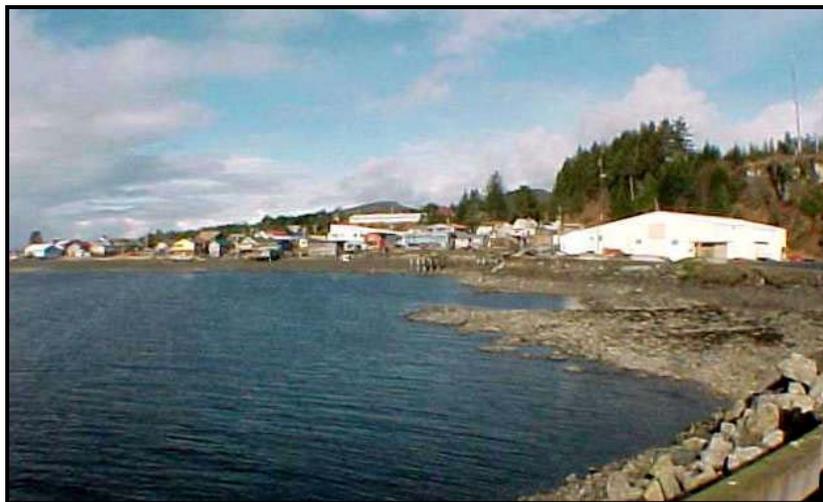
Region: Southeast

Local Governments: First Class City



The City of Kake operates a piped water system. The City Council is the policy making body for the utility.

Water is pumped from a dam at Gunnuck Creek, is treated, stored in a tank, and piped throughout Kake. In July 2000, the dam failed and a make-shift system of pumps



supply City water. The City also operates a piped sewer system and a primary treatment plant. Almost all households are fully plumbed. A new dam at Alpine Lake is under development.

## RUBA Activity This Reporting Period

RUBA staff talked to the Mayor and City staff on August 21-22, 2002. City staff indicated that the City's revenues were in better shape now. They found a grant that they hadn't been reimbursed for. They used the money to pay off some more debts. The bookkeeper estimated that they still owed about \$30,000 in past due accounts, not including the Corps of Engineers. City staff also reported that revenues seem to be up, too. They are getting a few more people to pay their past due accounts. The staff would like to order shut off valves pending council approval. RUBA staff spoke to them about applying for a VSW grant to pay for the shut-off valves and faxed them the paperwork. With regards to other outstanding accounts, the City planned to send out another letter to those businesses with delinquent sales tax. No specific course of action was outlined in the letter, but the plan was to send those who do not respond to small claims court. They were also getting people to pay on their land that the City is holding the note on. They had a candidate for VPSO who was going through a background check.

RUBA staff again spoke with the Mayor on October 15th. The Mayor reported there were problems with this past municipal election, and the Council is working on sorting them out. The Council originally voted to redo the election, but the Mayor vetoed the action on his return to town. The Mayor reported that there was no problem with meeting payroll and that the City is now on stable financial footing. They now have 3 police officers including the new VPSO. As required by the VPSO program, the other two police officers are uncertified.

## 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.

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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. This was not in Johnny' table.
<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 City has not yet passed their budget for FY03. The budget has been introduced to the Council, and the Council will take up final adoption at their next meeting, which still has to be scheduled. Monthly financial reports are still not being provided to the Council since the budget is not finalized and there is nothing to compare expenditures to. The Mayor wasn't sure if the Bookkeeper was able to finish entering all the necessary data into QuickBooks to make it usable for the City. There are not problems with meeting payroll at this point.

## 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 type="checkbox"/>	<input checked="" 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:** With the help of their auditors, the City switched over to QuickBooks earlier this year. The Mayor was unsure if the Bookkeeper has been able to do bank reconciliations yet. The Bookkeeper was out of town when this report was written.

## 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 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 Bookkeeper reports that all outstanding IRS and ADOL past tax liabilities have been paid as of January 5, 2002.

## Personnel System

### Essential Indicators

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

### 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:** The Mayor hasn't seen a posted workers compensation insurance policy. There are no job descriptions and no evaluations. The Mayor believes that the operator has received the required training to be recertified as an operator.

## Organizational Management

### Essential Indicators

- | Yes                                 | No                                  |   |
|-------------------------------------|-------------------------------------|---|
| <input checked="" type="checkbox"/> | <input type="checkbox"/>            | <b>The entity that owns the utility is known and the entity that will operate the utility is set.</b>                             |
| <input type="checkbox"/>            | <input checked="" type="checkbox"/> | <b>The policy making body is active in policy making of the utility.</b>  |
| <input type="checkbox"/>            | <input checked="" type="checkbox"/> | <b>The policy making body enforces utility policy.</b>  |
| <input type="checkbox"/>            | <input checked="" type="checkbox"/> | <b>The utility has a adequately trained manager.</b>  |
| <input type="checkbox"/>            | <input checked="" type="checkbox"/> | <b>The utility has a adequately trained bookkeeper.</b>   |
| <input checked="" type="checkbox"/> | <input type="checkbox"/>            | <b>The utility has a adequately trained operator(s).</b>  |
| <input checked="" type="checkbox"/> | <input type="checkbox"/>            | <b>The utility has adopted the necessary ordinances (or rules and regulations) necessary to give it the authority to operate.</b> |

### 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 checked="" type="checkbox"/> | <input type="checkbox"/>            | The utility complies with the open meeting act for all meetings.                     |

**Organizational Management Comments:** The Council hasn't passed a budget yet for FY03. Utility rates are not reviewed regularly and increased as appropriate. The Utility Manager (either the Mayor or Acting City Administrator) hasn't been to any utility management classes. The Bookkeeper doesn't have any formal bookkeeping training, other than a few college classes, but she seems to be very quick to pick up new skills. The Mayor believes that the operator is now certified. They are currently working on getting a second operator to help him out.

## 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 type="checkbox"/>	<input checked="" type="checkbox"/>	The utility has a preventative maintenance plan developed for the existing sanitation facilities.

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### 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 type="checkbox"/>	<input checked="" 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 type="checkbox"/>	<input checked="" 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 checked="" type="checkbox"/>	<input 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 Mayor believes that the operator is now certified. It is also unknown if the utility has a preventative maintenance plan. (RUBA staff was not able to talk to the Operator for the writing of this report.) The Utility Manager doesn’t receive a monthly O&M report from the operator; however, the City Administrator does visit the water plant on a regular basis. The utility doesn’t hold safety meetings. The Community Confidence Report (CCR) for 2001 was posted in three public places.

## RUBA Activities For The Coming Quarter

RUBA staff and the City have not discussed any goals for the upcoming quarter.