

Kasaan Activity Report

Community Overview

Lead RUBA Staff: Nicole Grewe, Juneau Office

2003 Population: 55

Region: Southeast

Local Governments: Second Class City

Tribal Council



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

Water is derived from a water infiltration gallery (impoundment) at Linkum Creek, is treated, and piped to all homes in the core area. Homes use individual septic tanks and 95% are fully plumbed. A feasibility study to examine water and sewer service for a new 121-lot subdivision is underway under the auspices of Alaska Native Tribal Health Consortium (ANTHC). The City collects refuse weekly; the Thorne Bay landfill is used. Electricity is provided by Alaska Power and Telephone Company. Kasaan has an annual operating budget of approximately \$280,000. Kasaan is connected via gravel road to the Prince of Wales Island road system.

NOTICE: KASAAN LAND/DEBRIS SLIDE

On 10/17/2003 a stream debris basin failure caused a large landslide that damaged the City's potable water system located on Linkum Creek. The land/debris slide caused damage to the water treatment facility by washing out the road to the water treatment plant (WTP), filling the stream impoundment with rocks and debris, exposing approximately 50 feet of buried water transmission line, destroying small stringer bridge used to access the stream impoundment with heavy equipment to clean out the facility, and depositing debris around the WTP building restricting access to only a window. The City of Kasaan submitted a local disaster declaration, requested the situation be assessed by a hydrologic engineer, and that the governor declare a disaster and provide emergency and recovery funds.

Although the water treatment plant is still operational and providing minimal adequate potable water; there are concerns that if the intake pipe becomes plugged with debris, that plant operations will come to a halt. During the past, the WTP operator was able to clean out the impoundment by hand or with heavy equipment preventing the intake line from becoming plugged. Currently the lack of accessibility for heavy equipment and the size of the debris in the impoundment area prevent clean out of the intake line. The expose pipe is also in jeopardy as additional erosion may occur causing boulders to break the transmission line further impacting the current situation. If water processing is halted, the city has an estimated 30 to 45 days of water supply in their storage tank. The Department of Military and Veterans Affairs, Division of Homeland Security and Emergency Management utilized a Department of Transportation and Public Facilities engineer to verify damage, estimate water system repair costs, and assess other possible alternatives for the Kasaan water supply. As of 12/29/2003, Kasaan has been operating under a "Boil Water Notice".

During a January 16th teleconference of the Disaster Policy Cabinet (DPC), Kasaan’s emergency request for State disaster declaration was recommended for approval to the Governor after lengthy questioning as to the adequacy of the proposed project to repair the existing facility and resolve the eminent threat to the community. The request for \$425,000 in State Disaster Relieve Act funding was to repair the water treatment facility. Although funding has been approved, the city clerk reports the City of Kasaan has not yet received funding causing the stagnation of progress towards final resolution.

RUBA Activity This Reporting Period

RUBA staff accompanied a contractor on the first and second QuickBooks community visits which occurred during February 9-13, 2004 and February 23-26, 2004 respectively. The third QuickBooks community visit is scheduled for May 17-21, 2004.

On March 9-10, 2004, Ms. Holly Young from the City of Kasaan and Ms. Michelle Stack-Magee from the Organized Village of Kasaan attended the Advanced QuickBooks Pro class in Anchorage.

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 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 checked="" type="checkbox"/> | <input 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 checked="" type="checkbox"/> | <input type="checkbox"/> | Budget amendments are completed and adopted as necessary. |

Finances Comments: The FY04 budget was passed on July 15, 2003. The fiscal year started on July 1, 2003. The budget is balanced, but it is balanced with the carry forward money from FY03. The deficit without the carry forward money is \$6,607.36. After adding the carry forward money, the positive balance is over \$300,000. All revenue and expenses are listed in the utility budget. Attending QuickBooks classes and on-site training have allowed the City Clerk to submit regular monthly reports to the city council, which is an improvement from the past. The utility is receiving revenues sufficient to cover operating expenses, however, user fees (\$40 per month) do not completely cover operating costs causing the City of Kasaan to subsidize the service with other sources of funding.

The City is not placing any funds in a repair and replacement fund. Year-to-date revenues are about what was expected; however, expenses appear to be above those expected due to equipment purchases by the previous city administrator/ clerk. A monthly manager’s report is not prepared. The city clerk reports making budget amendments as needed.

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 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 has requested assistance with their collection policy. Specifically they are looking at adding a policy that anyone who is past due needs to pay 10% of the past due amount in addition to their regular monthly payment. Utility bills are sent out monthly. The City is currently using QuickBooks for their accounts receivable, accounts payable, and payroll. The City doesn't use a receipt book to write receipts for all payments, but they keep track on a list all people who pay them so the city clerk and can reconcile the cash box and deposit slips. The City uses QuickBooks for their cash disbursement system. The City has identified a chart of accounts. QuickBooks training and classes have allowed the city clerk to complete monthly bank reconciliation's for all utility accounts, which is an improvement from the past. All bank accounts are reconciled through January 2004. The City uses a purchase order system for large purchases only (greater than \$1,000).

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: The City uses QuickBooks to calculate, track, and report payroll liabilities. They are current on filing their tax reports and making tax deposits.

Personnel System

Essential Indicators

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

Sustainable Indicators

<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 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 insurance coverage through the Alaska Municipal League/ Joint Insurance Association.

The City has adopted a personnel policy, but it has only been reviewed by the DCED in the distant past and should be re-reviewed. The city clerk reports she will be seeking re-review in the near future. The City has job descriptions for all positions in the employee handbook. The City does not have a formal evaluation process, but the city clerk noted a regular bi-annual \$0.25 pay increase. The city clerk also noted the only time employees are contacted regarding performance is for poor performance. The hiring process is written down in their codebook. There are personnel folders on every employee with the necessary documentation. The city clerk reports the City does not have a probationary period for new hires that includes *systematic* orientation, job training/oversight, and evaluations. The City provides training opportunities as needed.

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

Sustainable Indicators

<input type="checkbox"/>	<input checked="" 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 City of Kasaan owns and operates the water and sewer system. The City Council is the policy making body for the utility. The city council is active in making policy. They are currently reviewing the rates and looking at raising them. The council enforces utility policy and notifies staff on who can and cannot have credit. The duties of the utility manager are split among different staff so it’s hard to evaluate the utility manager. The bookkeeper has no formal training other than what she has learned on the job. (Previously the City contracted with an accounting firm in Ketchikan to keep their books.) The operator appears to be adequately trained. The City Clerk thought he was certified at Level I.

The City doesn’t have a written organizational chart. The city council does meet as required and complies with the Open Meetings Act.

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. |

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 type="checkbox"/> | <input checked="" 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 operators have achieved the necessary certification to operate the utility. The utility does not have a preventative maintenance plan.

Since one person is not designated as the utility manager, the manager does not receive a monthly O&M report and does not “spot check” the facilities. The utility has a safety manual, but does not hold meetings. (There is currently only one operator.) The City is on a boil water notice, but the notice is not necessarily tied to management-related issues. There was a landslide in their watershed during October 2003 that extensively damaged the utility (see prior “Notice”, page 1). Before the landslide occurred, the utility was operating at the level of service that was proposed. The operator does not provide a status report on a routine basis. The CCR (Water Quality Report) was completed last summer. The utility may be on the SNC list due to the boil water notice. The utility does not maintain an inventory control list or a critical spare parts list.

RUBA Activities For The Coming Quarter

The third QuickBooks installation site visit is scheduled for May 17-21, 2004.

