

# Kwethluk Activity Report

## Community Overview

Lead RUBA Staff: Johnny Evan, Bethel Office

2003 Population: 730

Region: Lower Kuskokwim

Local Governments: Second Class City, IRA Tribal Council



The Kwethluk Utilities Commission operates the water treatment plant, washeteria, garbage collection, and the honey-bucket haul system for the community. The Kwethluk Utilities Commission Utility Board is the policy making body for the utility.

A new washeteria/water treatment plant is still under construction through Alaska Native Tribal Health Consortium (ANTHC) engineering services. The school and teachers' housing have their own water sewer systems. There are bins located sparingly throughout the community for the container haul system, these are hauled to the sewage lagoon on a concurrent basis. Very few homes have running water or plumbing for showers, but many residents have saunas.

## RUBA Activity This Reporting Period

The Utility Commission invited the RUBA Program to conduct a RUBA Reassessment as they now have a new utility board and a new utility manager. The Kwethluk Utilities Commission, with assistance from Kwethluk IRA Tribal Council, paid off its tax liability with IRS and is current. The Kwethluk Joint Group appointed new utility board members and is now proactive in reorganizing the utility organization. The new Utility Board hired a new Utility Manager on January 2004 and is addressing the deficient indicators on the RUBA Assessment. A RUBA Reassessment was conducted March 2004 and it is evident that the new Utility Board and Manager are proactive.

**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 type="checkbox"/>            | <input checked="" 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 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 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 budget is scheduled for adoption at the next scheduled meeting. The collection rate is at 45%, but the new Utility Board is seeking ways to subsidize the difference. The new Utility Manager reminded the two local governments on the infrequent contribution as depicted on the Utility Services Management Agreement. A portion of the city sales tax is also being considered as a subsidy to cover the concurrent losses.

**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 type="checkbox"/>            | <input checked="" 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 type="checkbox"/>            | <input checked="" 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 Utility Commission tracks the accounting activities through Money Count 7.0. The collection policy needs to be formulated and adopted by the Utility Board. The accounts receivables system is being put together at the time of the RUBA Reassessment and should be completed soon. The Utility Manager is planning to acquire a NEBS System to track revenue coming in. Although the Utility Manager has a verbal purchasing system, it needs to be put in writing.

## Tax Problems

### Essential Indicators

- | Yes                                 | No                       | NA                                  |   |
|-------------------------------------|--------------------------|-------------------------------------|---|
| <input checked="" type="checkbox"/> | <input type="checkbox"/> |                                     | <b>The utility has a system to accurately calculate, track, and report payroll tax liabilities.</b>             |
| <input checked="" type="checkbox"/> | <input type="checkbox"/> |                                     | <b>The utility is current on filing tax reports.</b>  |
| <input checked="" type="checkbox"/> | <input type="checkbox"/> |                                     | <b>The utility is current on making tax deposits.</b>   |
| <input type="checkbox"/>            | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <b>If there are any past tax liabilities, a repayment agreement has been signed and repayments are current.</b> |

**Tax Problems Comments:** The Utility Commission, with the assistance from Kwethluk IRA, paid off its tax liability with IRS and has a credit. The Utility Commission is now current on making tax deposits and filing tax reports with IRS.

## Personnel System

### Essential Indicators

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

### 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 checked="" type="checkbox"/> | <input 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:** The Utility Commission did not know if they still had a Worker's Compensation Policy in effect as the City includes them with their insurance. The City had an outdated Worker's Compensation Policy posted, and will call Alaska National Insurance for a copy of their insurance. Copy of the Worker's Compensation Policy with an expiration date of October 2004 was sent to our office after the Reassessment.

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

### 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 Utility Commission’s new Utility Board members are proactive in the reorganization of the utility organization. It is evident that the new Utility Board has taken appropriate measures by hiring a capable individual to oversee the organizational restructure.

## 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 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 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 type="checkbox"/>            | <input checked="" type="checkbox"/> | The utility is not on the <u>Significant Non-Compliance (SNC)</u> list.   |
| <input type="checkbox"/>            | <input checked="" 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:** A new utility operator was hired, sent to the OIT Class, passed his exam requirements, and is now the Primary Operator. The Alternate operator too attended the OIT Class, but did not pass the exam requirements. Other duties are being considered for the Alternate Operator. A Safety Manual needs to be developed and distributed to the Water Operators to conduct Safety meetings as soon as the Safety Manual is complete. The Utility Organization has not participated in the CCR. An inventory list was not present at the time of the RUBA Reassessment.

**RUBA Activities For The Coming Quarter**

A RUBA Reassessment will be conducted as soon as the Utility Organization can readily pass the Essential and Sustainable indicators.

