

# Kwethluk Activity Report

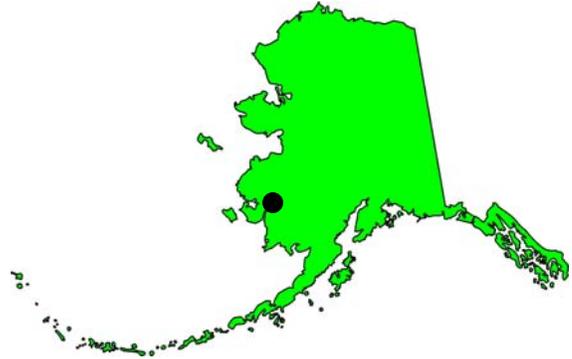
## Community Overview

Lead RUBA Staff: Ken Berlin Bethel Office

2003 Population: 730

Region: Lower Kuskokwim

Local Governments: 2<sup>nd</sup> 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 sauna's.

## RUBA Activity This Reporting Period

RUBA staff traveled to village and met with Kwethluk Utility Commission (KUC) administrative staff and chairman of the board to update the capacity indicator assessment. KUC hired new manager Raymond Nicholai on 4/1/05. Ray has experience in city administrative level and is capable of doing the job. Finance: QuickBooks Pro accounting system is now up to date and should be able to produce reports upon request. Sufficient revenues are not being collected to keep up with KUC's expenditures resulting in cash flow problems. Taxes: Payroll records are reconstructed and all quarterly tax returns were filed with IRS. KUC is working with IRS to set up repayment plan of unpaid taxes. No agreement has been reached yet. RUBA staff met with the IRS agent concerning the missing quarterly reports and lack of payroll tax deposits. RUBA updated IRS on results of recent trip to village and progress report from KUC on 6/7/05. The City of Kwethluk was going through cash flow problems all winter and were not able to make any payments on agreements concerning the water and sewer services.

**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 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 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:**

Financial reports can now be generated through the QuickBooks Pro system. Present staff still need training on QuickBooks Pro.

**Accounting Systems**

**Essential Indicators**

- | Yes                                 | No                       |  |
|-------------------------------------|--------------------------|--|
| <input checked="" type="checkbox"/> | <input 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 Utility Commission tracks the accounting activities through QuickBooks Pro. The new financial software produces Purchase Orders and they are being utilized. But present manager and assistant need onsite training by a certified accountant and QuickBooks Pro trainer to effectively utilize system capabilities. The accounts receivables is fifty percent installed to the new financial software and should be done very soon. The KUC is using the NEBS Cash Receipt System and recorded as data onto their new financial software. Presently, ANTHC is doing billings for the Utility. Once new management gets administrative office in compliance with RUBA essential indicators, it will take over billings.

**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 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:**

Manager reconstructed all payroll and completed and filed all quarterly reports to IRS. Manager working with IRS on repayment plan for unpaid back taxes.

**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 City is insured through the Alaska National Insurance, which includes KUC employees. A copy of the Workers Compensation Policy was received and filed.

## 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. |

### 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:

It is evident the Utility Board has taken appropriate measures by hiring a new Utility manager to oversee the KUC organization. The new manager has prior experience in the city administrative level. The Utility assistant was in acting manager position since September 2004. Both manager and assistant need training on QuickBooks Pro. KUC send both their WTP Operator to OIT training, results are still pending. The utility manager is doing the books for the utility organization.

## 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 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 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:**

Both operators attended the OIT Class, results still pending. Other duties are being considered for the alternate operator.

**RUBA Activities For The Coming Quarter**

Work with KUC manager to improve collection rate on honeybucket haul service and enforce policies. Enforce Utility Management Services Agreement between the City of Kwethluk, the Organized Village of Kwethluk and Kwethluk Utility Commission.

