

Kwethluk Activity Report

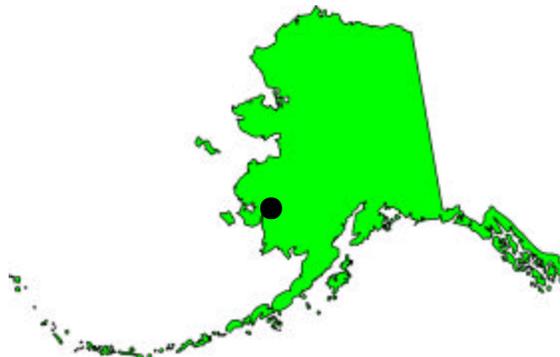
Community Overview

Lead RUBA Staff: Johnny Evan, Bethel Office

2003 Population: 730

Region: Lower Kuskokwim

Local Governments: 2nd 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

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 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 August 2004 and it is evident that the new Utility Board and Manager are proactive. The two local governments are contributing funds to KUC as stated on the Utility Services Management Agreement, and the Health Center is paying an additional \$1,000 for water/sewer and heating services. A portion of the city sales tax is now contributed to KUC. The KUC computerized the accounting functions/activities through QuickBooks Pro, but has only 50% capacity under accounts receivables. This limits their ability to produce a complete financial report

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 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 was recently reviewed by the Utility Board on August 30, 2004, and should be adopted in the near future. The collection rate is still at 45%, but KUC is receiving other funds to subsidize the difference. The City is contributing \$500 per month, \$1,500 per month from the Organized Village of Kwethluk, \$1,000 from the Health Center, and \$2,850 from portion of the Sales Tax. Monthly reports will be generated once the financial software is completely installed.

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. 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 data onto their new financial software.

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 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 checked="" type="checkbox"/>	<input type="checkbox"/>		If there are any past tax liabilities, a repayment agreement has been signed and repayments are current.

Tax Problems Comments:

The Utility Commission is behind on making tax deposits, but has a payment plan with IRS. The KUC is planning to pay \$500 twice a month to pay the tax liability for the 3rd and 4th Quarter of FY03, and to file and pay the 2nd Quarter for DOL.

Personnel System

Essential Indicators

Yes	No	NA	
<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 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 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 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 now is insured through the Alaska National Insurance. A copy of the Workers Compensation Policy was received and filed. Personnel folders need to be reorganized to meet the folder requirements.

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 that the new Utility Board has taken appropriate measures by hiring a capable individual to oversee the organizational restructure. KUC needs to send their WTP Operator to the next scheduled OIT. The utility manager is doing the books for the utility organization. The utility manager would like to hire a part-time bookkeeper to handle the accounting functions for the utility, so he could focus his efforts on management and administration of the utility services.

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 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 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:

The alternate operator 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. The operator need to submit an O&M report to the utility manager.

RUBA Activities For The Coming Quarter

Follow-up on the RUBA Reassessment and provide a Sample Utility Monthly Report.

