

Manokotak Activity Report

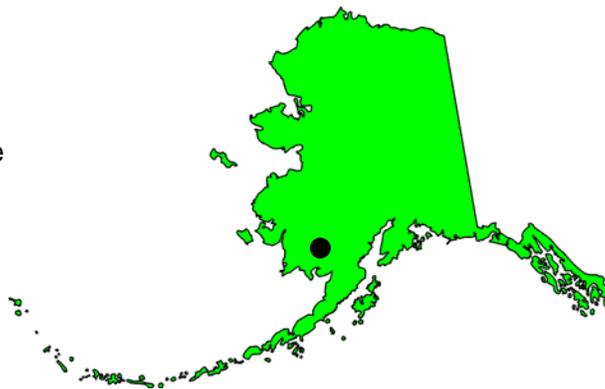
Community Overview

Lead RUBA Staff: Ralph Andrew, Dillingham Office

2003 Population: 405

Region: Dillingham

Local Governments: 2nd Class City



The city operates two water/sewer systems in Manokotak, one at the village site and another at the Manokotak Heights area. Water is derived from two wells, is treated and stored in a 150,000-gallon water storage tank. A piped water and sewer system, constructed in 1972, serves 68 households and the school with complete plumbing. Two homes and a duplex have individual wells. Manokotak Heights, located 4 miles to the south, is served by a well and treatment system, but water shortages have occurred. New HUD housing units were built in 2000, and additional units are planned. The school, located in the Heights area, operates its own water and sewer system serving the school and one teacher housing unit. A feasibility study to examine water, sewer and landfill improvements was completed in late 2004.

RUBA Activity This Quarter

Dillingham Regional Office RUBA staff traveled to Manokotak at the request of city officials November 21 and 22, 2005 to review progress on the city's RUBA Assessment of essential capacity indicators and meet with the city council. RUBA conducted the assessment as a special grant condition in December 2004. The community hopes to see the Village Safe Water renovate the water/sewer system starting summer 2006. City staff made significant progress in addressing deficiencies identified during the assessment but must address new payroll management concerns including delinquent state and federal quarterly reports. RUBA provided ongoing assistance with the draft water/sewer ordinance and gave a presentation about the ordinance during a public meeting. The city is seeking RCA's provisional certification and anticipates receipt of water/sewer renovation design funding via the Village Safe Water program next calendar year. The ordinance, when finalized, will resolve at least one of the outstanding RUBA Assessment deficiencies concerning collections. RUBA will monitor progress and continue to offer support to the new city administrator. The administrator sent shut-off notices to delinquent account holders but is wary to enforce them without an adopted ordinance. Concerning utility finances, RUBA suggested a water/sewer utility rate analysis; the Mayor and council were receptive and are planning to request an analysis by spring 2006. The rates listed in the ordinance schedules appear to be the same rates the city has charged for roughly 20 years - \$40/month for water and sewer for all customers including commercial users. The city's utility remains on the ADEC SNC list for noncompliance with quarterly RADs sampling. Concerning personnel, the council approved leave time for the city administrator and clerk, both of whom expect to be out for several months. RUBA is providing ongoing support to city staff and temporary hires. During the quarter, city staff participated in QuickBooks training; the administrator participated in a RUBA Financial Management training course in Anchorage. The administrator also attended a grant writing workshop. State CDBG monies awarded for the new clinic, a tribal council program, were reprogrammed to the city to facilitate the project going forward. City staff do not anticipate additional workload at this time; RUBA advised verification of responsibilities to ensure funding compliance and project

success. Manokotak's electrical power failed numerous times during the quarter due to mechanical problems later resolved with assistance from AIDEA. Manokotak Power Company, owned by the community's village corporation, provides electricity to roughly 400 residents in Manokotak. Residents reportedly packed water for drinking and manual flushing of toilets. The city's water/sewer lift station and wells are powered by electricity. The city is contemplating the purchase of a small backup power generator for the Heights system which is not gravity fed. RUBA also provided assistance to city staff and the Mayor with bookkeeping, payroll accounting, and personnel policy review. Also notable, VSW anticipates the city will receive State funding January 2006 for a landfill project.

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 current in paying all water/wastewater electric bills. |
| <input checked="" type="checkbox"/> | <input type="checkbox"/> | The utility has on hand a year's adequate fuel supply or it has financial plan to purchase an adequate. |
| <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 checked="" type="checkbox"/> | <input 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 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 city's water/sewer budget for FY 2006 appears to list all revenues and expenses for the utility. The budget appears balanced and realistic. The utility appears current on bills and has fuel sufficient for the winter. RUBA will continue to provide input into the development of a more comprehensive chart of accounts.

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 type="checkbox"/> | <input checked="" 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 type="checkbox"/> | <input checked="" 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 Systems Comments:

The city's draft water/sewer ordinance addresses collections in the Billing and Payment section and is nearly complete. An accounts receivable and accounts payable system are nearly complete; RUBA is awaiting confirmation via written reports. City staff are proficient with QuickBooks and participated in training during the quarter.

Tax Problems

Essential Indicators

- | Yes | No | |
|-------------------------------------|--------------------------|--|
| <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 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 city calculates, tracks, and reports payroll tax liabilities primarily with Quickbooks accounting software. Federal tax payments and reporting appeared timely and are compliant with IRS requirements.

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 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 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 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:

Personnel System Essential Indicators are met.

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 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:

Due to continued turnover in the bookkeeping clerk role, RUBA will continue to recommend QuickBooks training.

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 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 (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 type="checkbox"/> | <input checked="" type="checkbox"/> | The utility maintains a critical spare parts list. |

Operation of Utility Comments:

A preventative maintenance plan is in place. The city's two water/sewer systems remain listed in the ADEC Significant Non-compliance list for RAD's; they are reportedly working toward compliance.

RUBA Activities For The Coming Quarter

RUBA will monitor progress on RUBA Assessment indicators and continue to provide support to city staff. RUBA anticipates travel to conduct Assessment follow up and a possible water/sewer utility rate analysis.

