

Mekoryuk Activity Report

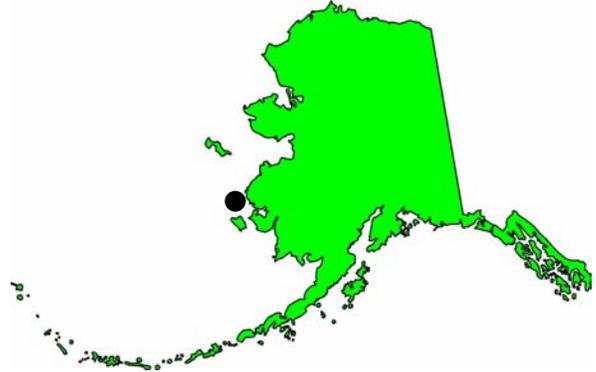
Community Overview

Lead RUBA Staff: Paul Chimiugak, Bethel Office

2002 Population: 204

Region: Lower Kuskokwim

Local Governments: Second Class City



The City of Mekoryuk operates a central watering point for residents to haul their own water. The City also operates a honey bucket haul service to the sewage lagoon. The City Council is the policy making body for the utility.

Water is derived from a well, is treated and stored in a tank. A flush/haul system currently serves about 90% of homes. Funds have been provided to complete the remaining homes, which use honey buckets. The school has its own well, and needs a new water treatment system. The washeteria has piped disposal to a new sewage lagoon.

RUBA Activity This Quarter

The Administrator and Bookkeeper are relatively new employees, having been on less than six months. They have inherited a administrative system that has had significant problems for years. The city has refused to address many of these problems, so they continue to get worse. One example is the Cable TV service. It has operated at a loss since it began service over 10 years ago. The City Council refuses every recommendation to enforce collections, or eliminate the service. Subsidy of this service continues to use general fund revenue. In turn city staff has seen their hours cut, and exceedingly high turnover has resulted. In the past 9 years, it is estimated that there have been over 20 City Clerks.

CRW Engineering is helping City of Mekoryuk complete a business plan. VSW engineer has reminded the current administration that the deadline for meeting the special grant conditions is rapidly nearing. The RUBA staff have attempted to assist the administration in correcting their financial management deficiencies.

During the Quarter, RUBA staff made a trip to the community to work with the Administrator on developing a budget, and with the clerk on creating monthly financial reports.

Capacity Indicators

Finances

Essential Indicators

Yes	No	
<input type="checkbox"/>	<input checked="" 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 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 type="checkbox"/>	<input checked="" 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 type="checkbox"/>	<input checked="" type="checkbox"/>	Budget amendments are completed and adopted as necessary.

Finances Comments: The city has adopted an FY04 budget. It showed an operating deficit. It was also adopted prior to elimination of the State Revenue Sharing (SRS) and Safe Communities (SC) funding. This is creating a larger deficit in their budget. This is occurring at t time when they are undergoing system expansion, which will increase system costs. Without an accurate budget and financial statements, it will be very hard for the residents, council or administration to understand the financial status of the community.

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 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: Despite the staff turnover, the billing for the FTH system has continued. This is due to the billing system being incorporated into the service provision/work order system, rather than integrated into the computerized accounting system. The new clerk/bookkeeper is not using the computer for major transactions, she is using it for payroll accounting instead. She has reverted to using the manual system (Ekonomik Check

registers) to record her transactions. The city has changed their collection policy to allow more delinquencies. This change occurred several months ago, but it is not clear when. Since the change, the delinquency rate for water and sewer has increased from a historical average of less than 10% to about 40%. These are estimates provided by the Mayor since no accurate reports are available.

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 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 problem with past payroll taxes (2001) were due to some of the employees not having their taxes compiled onto a year-end W-4 forms. Some of the employees need corrected 2001 W-4's re-issued to them. The problem stems from employees working in different departments and not having any employee pay records to record them into. This problem may not happen again since the employees now have pay records in their files.

Personnel System

Essential Indicators

Yes	No	
<input type="checkbox"/>	<input checked="" 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 type="checkbox"/>	<input checked="" 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 type="checkbox"/>	<input checked="" 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: RUBA staff verified with the insurance carrier that the city has a current workers compensation insurance policy. A poster for this coverage has not been posted up in the office, as required by state statute. City staff submitted a copy of the WC poster for a policy covering the W/S construction that expired on June 30th, 2003. It is troublesome that they don't seem to understand the difference in policies or understand policy periods.

RUBA staff continues to encourage the city to adopt a personnel policy. Due to high turnover in staff, historically the city has had lots of personnel issues to deal with. The policy would greatly assist them in eliminating many of the problems that occur. Copies have been provided periodically over the past 7 years, but the council has never adopted a policy.

Organizational Management

Essential Indicators

Yes	No	
<input type="checkbox"/>	<input checked="" type="checkbox"/>	The entity that owns the utility is known and the entity that will operate the utility is set.
<input type="checkbox"/>	<input checked="" 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 type="checkbox"/>	<input checked="" type="checkbox"/>	The utility has a adequately trained manager.
<input type="checkbox"/>	<input checked="" type="checkbox"/>	The utility has a adequately trained bookkeeper.
<input checked="" type="checkbox"/>	<input type="checkbox"/>	The utility has a 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 type="checkbox"/>	<input checked="" type="checkbox"/>	The policy making body meets as required.
<input type="checkbox"/>	<input checked="" type="checkbox"/>	The utility complies with the open meetings act for all meetings.

Organizational Management Comments: The city due to financial problems has expressed an interest in possibly contracting with the Tribe to run municipal services. A draft Memorandum of Agreement has been put together. RUBA staff commented on the draft, urging that the Agreement be more specific in certain areas. These areas include insurance of facilities, specific responsibility for critical decisions (such as rate setting), services to be taken over, and reporting requirements. It is expected that any Agreement will have significant discussion and debate before it is implemented.

The Clerk and Administrator are relatively new to the positions, and are still in the learning curve. The curve has been pretty steep due to the past management condition of the city. Both seem capable, given time and 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 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.

- The operator provides status reports to the manager on a routine basis.
- The utility has completed and distributed its Community Confidence Report (CCR).
- The utility is not on the Significant Non-Compliance (SNC) list.
- The utility maintains an inventory control list.
- The utility maintains a critical spare parts list.

Operation of Utility Comments: A Critical Spare Parts List and Inventory List needs to be done for both the Washeteria and FTFS. The washeteria has some spare parts in the building for emergencies. They order or buy parts locally for the haul vehicles when needed. The Administrator is communicating with the Utility Operator on getting O&M reports of the washeteria, there are no reports of from the FTFS Haul Operators due to turnovers in that department.

RUBA Activities For The Coming Quarter

Part of the recent VSW grant conditions are to complete a Business Plan (to be worked on by contractor), and to address any essential management capacity deemed deficient. The assessment was completed over 7 months ago, and the city informed of the status. Since then there has been little progress on meeting any of the essential indicators. The lack of financial records has hindered the development of a business plan.

RUBA will continue to work with the City to address the essential indicators. There is a strong likelihood of providing assistance with implementing a MOA also.