

Mekoryuk Activity Report

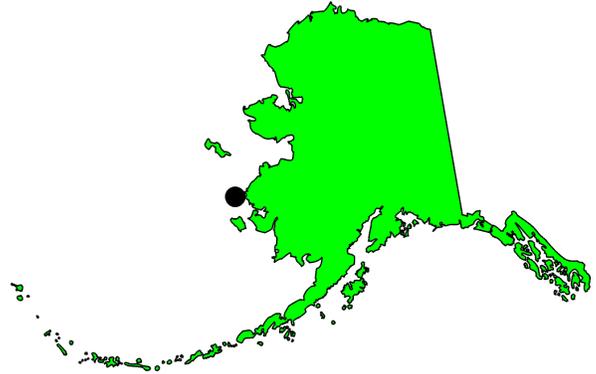
Community Overview

Lead RUBA Staff: Paul Chimiugak, Bethel Office

2002 Population: 204

Region: Lower Kuskokwim

Local Governments: Second Class City



The City of Mekoryuk operates the 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 new 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

There has been a change in the administrator this quarter, the city has no administrator. The mayor is working part-time in the office. The bookkeeper/clerk is now working in the office full-time but will work part-time in the afternoons when the school starts.

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 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. |

Budget amendments are completed and adopted as necessary.

Finances Comments: The budget adopted by the City does not reflect all of the costs of operating the water and wastewater service. One major area it lacks is funding for maintaining the new piped system and lagoon. The engineering firm estimates that this will cost about \$21,000 a year to operate.

The city has taken action to increase collections of the flush/haul system. But it has not billed the school for piped sewage disposal. Under the new system the school should pay approximately \$10,000 a year. The City was suppose to negotiate this over a year ago with the school district, but it has been not been done. Once the piped system comes on line and is fully functional (in the next quarter) it will become a major financial issue.

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 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 System Comments: The city clerk is making improvements to the quality of the accounting system. She is doing a good job in the current transactions, but is finding it difficult to go back and fix past transactions (from previous clerks). This had delayed the development of financial reports.

The City has made a renewed effort to collect past due FTH payments with good success. They do need to start charging the school district, but once they do that collections should not be a problem.

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 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 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: It is unclear if there are any past tax problems, if so it is through to be very minor. The potential problem is with the 2001 taxes. It is 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

The utility has a posted workers compensation insurance policy in effect.

Sustainable Indicators

- The utility has adopted and uses a Personnel Policy, which has been reviewed by an attorney, AML, or DCED for topics and language.
- The utility has adequate written job descriptions for all positions.
- The utility has adopted and follows a written personnel evaluation process that ties the job description to the evaluation.
- The utility has an adequate written hiring process.
- The utility has personnel folders on every employee that contain at least: I-9, Job Application and Letter of Acceptance.
- The utility has a probationary period for new hires that includes orientation, job-training/oversight, and evaluations.
- The utility provides training opportunities to staff as needed and available.

Personnel System Comments: The city has a current workers compensation insurance policy but it has not been posted up in the office. The other personnel problems are a lower priority than the financial and organizational problems.

Organizational Management

Essential Indicators

Yes No

- The entity that owns the utility is known and the entity that will operate the utility is set.**
 - The policy making body is active in policy making of the utility.**
 - The policy making body enforces utility policy.**
 - The utility has a adequately trained manager.**
 - The utility has a adequately trained bookkeeper.**
 - The utility has a adequately trained operator(s).**
 - The utility has adopted the necessary ordinances (or rules and regulations) necessary to give it the authority to operate.**
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Sustainable Indicators

- The utility has adopted an organizational chart that reflects the current structure.
- The policy making body meets as required.
- The utility complies with the open meeting act for all meetings.

Organizational Management Comments: The city administrator was released citing problems with performance of duties. The mayor has stepped in to take control of the administration of the city. The city needs to decide upon an administrative structure.

The council historically has taken a reluctant role in active policy making. Decisions on rate increases and/or level of service changes have been put before them and not decided upon.

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 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.
<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>Consumer Confidence Report (CCR)</u> .
<input checked="" type="checkbox"/>	<input 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 Critical Spare Parts List and Inventory List needs to be done for both the Washeteria and FTTHS. The lists for the washeteria should be done as part of a recent project. In the past, the administrator communicated with the utility operator on getting O&M reports of the washeteria, it is unclear if this is still happening.

RUBA Activities For The Coming Quarter

Work with the city to amend the FY04 budget to produce a realistic budget that covers all of the sanitation operation.

Continue to work with the City on collection issues

Part of the VSW grant conditions are to complete a Business Plan (to be worked on by contractor). The contractor has asked for help in getting adequate financial information to make a good realistic business plan. We will work with the City to help provide this information.

The VSW grant also has as a condition that the city meet all the essential capacity indicators. This will be an ongoing process.