

Mountain Village Activity Report

Community Overview

Lead RUBA Staff: Ken Berlin, Bethel Office

2003 Population: 750

Region: Lower Yukon

Local Governments: Second Class City, Tribal Council



The City Council operates and maintains the Piped Water and Sewer system to 142 households and commercial users. This system was built in the 1970s. It has four wells from which it gets its water supply. Water is distributed by two loops, a lower and upper loop. Two main pumps, middle and upper pump houses circulate water. Water is stored in two 100,000 gallon storage tanks. The wastewater system is a Rotating Biological Contactor (RBC) but currently not functional. Wastewater is being drained into the Yukon River.

RUBA Activity This Reporting Period

Ken called Joyce Brown-Rivers, Mayor/Acting Manager, and requested the monthly financial report and accounts receivables. I did not receive either report. Joyce set a meeting for the Utility Board on 1/21/04.

Joyce called about one of City's employee's recent conviction and judgement on embezzlement of public funds. I recommend she review her personnel policies and to consult with the City Council members and attorney.

Mr. Moss, IRS Agent, called and updated me on the payroll tax liability (941 quarterly reports) for 2000, 2002 and 2003. Tax year 2000 needs reconciliation between IRS and SSI. 2002 has unpaid payroll tax liabilities and an installment agreement was signed but is now delinquent. 2003 also has delinquent penalties.

Ken traveled on 1/21/04 and met with Utility Board. I worked with Joyce Brown-Rivers, Mayor/Manager, Kate Thompson, Finance Director, and Toni Wilde, Accounts Receivables Clerk, on the following: Tax years 2000, 2002, and 2003; Payroll tax deposits; Quarterly reports; QuickBooks Pro update; RUBA assessment update; Financial reports; and Water/Sewer collection rate.

Doug Poage, VSW, called and I updated him on my recent trip to Mountain Village. The Utility Board held their first meeting but the Tribal members did not attend. Main topics discussed were what to do with old delinquent water and sewer bills and beefing up the collection section of the water and sewer utility ordinance. Joyce is going to send out billings with notice of delinquency and possible small claims court. The Board needs to work on tougher wording on the collection policy and get City Council approval.

Ken traveled on 2/25/04 to attend a General Public meeting. I worked with Joyce Brown-Rivers, Mayor/Acting Manager on improving City – Tribal relations; Hiring of a City Manager; Development of a Preventive Maintenance Plan, Critical Spare Parts list, and Safety meetings and manuals; Inaccurate Accounts Receivable report; and report by Andrea Daro, CPA consultant for City.

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: City Acting Manager and Finance Director prepares and manages the City of Mountain Village’s financial information. The City of Mountain Village adopted their FY04 budget by ordinance on June 03. The fiscal year that this budget covers began on July 1, 2003.

Accounting Systems

Essential Indicators

- | Ye | 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 type="checkbox"/> | <input checked="" 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 reconciliation has 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 Systems Comments: The City does follow its collection policy as evidenced by its collection rate of 95%. The utility customers are billed on a monthly basis including delinquency and shut off notices.

Tax Problems

Essential Indicators

Yes No NA

- The utility has a system to accurately calculate, track, and report payroll tax liabilities.
- The utility is current on filing tax reports.
- The utility is current on making tax deposits.
- If there are any past tax liabilities, a repayment agreement has been signed and repayments are current.

Tax Problems Comments: Installment payments are behind several months, but City is confident they will catch up.

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 is currently insured by the Alaska Municipal League/ Joint Insurance Association, Inc.

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: The City of Mountain Village owns and operates the piped water and sewer system. The City Council is the policy making body for the utility. The Utility Board members recently appointed will act as overseers and make recommendations to the City Council. The Utility Board held their first meeting on 1/21/04. The FY04 budget was passed before the start of FY04.

The City Mayor/Acting Manager started working for the City in 2002. She worked in the City office in prior years and has experience. The utility has adequately trained operators. The main operator is certified for water treatment, water distribution, Level 1 and Certificates of completion for Introduction to Small Water Systems and Electrical Controls course. They have two back-up operators; one is OIT certified in water distribution and a certificate to Introduction to Small Water Systems. The other backup has a certificate to Introduction to Small Water Systems and Water Treatment Plant Maintenance Training.

The City has adopted a water utility ordinance that gives it the authority to operate, and it covers most of the aspects needed in a utility ordinance. Along with a collection policy, the ordinance includes policies on service area, level of service, customer agreements, the utility’s responsibilities, the customers’ responsibilities, billing procedures, shut-off procedures, and penalties for violating provisions of the ordinance. This ordinance was passed in 1989 and needs to be updated.

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

Operation of Utility Comments: The operators have achieved the necessary certification to operate the current utility. The City Mayor is not aware of any existing preventive maintenance plan, inventory control list, or spare parts list.

RUBA Activities For The Coming Quarter

- Assist in hiring a City Manager.
- Assist in hiring a Finance Director.
- Enroll Water and Sewer operators for OIT certification at according to VSWs requirements.
- Obtain training in QuickBooks Pro for Finance Director and Accounts Receivable Clerk.
- Update Utility Ordinance and strengthen collection policy.

