Napakiak Activity Report

Community Overview

Lead RUBA Staff: Ken Berlin, Bethel Office

2001 Population: 353

Region: Lower Kuskokwim

Local Governments: Second Class City, Tribal Council

The City Council operates the Flush Tank and Haul System (FTHS). 56 residents are using the FTHS, including sinks and low flush toilets. Water is derived from a well and is treated. The school has its own well, but needs a water treatment system. The flush haul system is being expanded to all unserved homes, and the washeteria, which is owned by the city, has been remodeled and the city office is located there.

Taken June 6, 2002

RUBA Activity This Quarter

The City has hired Deanna Paul back as the administrator, this is good news as Ms. Paul is already trained. Mr. Parka also informed me that the city took back the Flush tank and haul system from the Tribal Council October 2nd. We requested copies of financial reports, the city budget and list of creditors they owe funds to and any IRS or DOL notices.

Received an update on RUBA recommendations sent to the City in June 2002. The back taxes are paid in full and the IRS have verified it. FY 03 budget is done but needs some amendments. No monthly financial reports on file yet, staff just started working on them. Worker's compensation insurance through AML/JIA effective September 2002 to June 2003. Payroll tax deposits up-to-date so are the quarterly reports. Spot checked employee files, need I-9 forms. State revenue sharing applications all in.

RUBA staff met with Paul Parka Jr. and interviewed him using the RUBA assessment form. Paul showed me what he started with the monthly financial reports. He completed July to September 02 detailed monthly reports. The format he used was understandable but I told him I would send him our sample format that is easier to put together and follow.

City is using a receipt book for service orders for water and sewer. Took me several minutes to figure this out since one receipt book was used for service orders and another receipt book for payments, both had figures recorded as payments. I told him I would make a sample service order form and send it to him.

RUBA staff met with Deana Paul, administrator, and Paul Parka Jr. and went over the following forms: Monthly financial report forms for revenues and expenditures. I showed them how to set up and use based on budget figures for FY 03. A sample customer agreement between the City and customers. Gave them the I-9 form and instructed them to have all the City employees fill out and put in personnel files. Sample Chart of Accounts, showed them how to use the coding system when writing checks and recording on journals. Also based on FY 03 budget. Sample service order form I made up, Deana made an addition for customer signature after the service is delivered. Deana said sometimes customers complain their bills include services not delivered. Their signature should verify that particular service was delivered and payment is due.

Deana was interviewed on the rest of the RUBA assessment not completed on the previous trip. A rate study on the water and sewer service has not been done for the City. It was recommended that Deana bring this up to the council meeting. RUBA can assist her with a rate study to determine the costs of making water, delivery of and vacuuming and disposing of sewer. City currently charges $15 each for delivery of 100 gallons of water and vacuuming and disposing of same amount of sewer. City does not charge for water at the watering point at the pump house. City charges .75 per 5 gallons at the washeteria.

In December, the assigned Local Government Specialist (LGS) changed to Ken Berlin. At the last elect voters ratified an increase in sales tax and Paul wanted to know how to implement the increase. Ken informed him to give written notice to the business owners affected by this tax increase with an effective date.

RUBA staff accompanied Jim Patterson, VSW to meet with City of Napakiak regarding utilities related projects including the new landfill site, business plan, change order for Flush Tank & Haul, closure of old landfill site.

Capacity Indicators

Finances

Essential Indicators

Yes	No	
☐	☒	**All revenue and expenses for the utility are listed in the utility budget.**
☐	☒	**The utility has adopted a balanced realistic budget.**
☐	☒	**Monthly financial reports are prepared and submitted to the policy making body.**
☐	☒	**The utility is receiving revenues (user fees or other sources) sufficient to cover operating expenses.**

Sustainable Indicators

☐	☒	The utility is receiving revenues (user fees or other sources) sufficient to cover operating expenses and Repair & Replacement (R&R) costs. This was not in Johnny' table.
☐	☒	YTD revenues are at a level equal to or above those budgeted.
☐	☒	YTD expenditures are at a level equal to or below those budgeted.
☐	☒	A monthly manager's report is prepared.
☐	☒	Budget amendments are completed and adopted as necessary.

Finances Comments: The copy of the FY 03 budget that I received did not have any revenues under Water and Sewer or the Washeteria. But there was an attachment titled, Amendments, and it had figures under revenues for the above, but not reflected in the budget itself. Monthly financial reports are just being worked on. Reporting format needs amendments. A rate study is needed to determine true cost of operations, currently City charges $15 for both water and sewer haul per 100 gallons. No charge for water at pump house, .75 per 5 gallons at the washeteria. However, no signs of cash flow problems.

Accounting Systems

Essential Indicators

Yes	No	
☒	☐	**The utility has adopted a collection policy and actively follows it.**
☒	☐	**The utility bills customers on a regular basis.**
☒	☐	**An accounts receivable system is in place which track customers and reports past due accounts and amounts.**
☒	☐	**An accounts payable system is in place.**
☒	☐	**The payroll system correctly calculates payroll and keeps records**
☒	☐	**A cash receipt system is in place that records incoming money and what it was for.**
☒	☐	**The Utility has a cash disbursement system that records how money was spent.**

Sustainable Indicators

☒	☐	A chart of accounts is used that identifies categories in a reasonable, usable manner.
☒	☐	Monthly bank reconciliations have been completed for all utility accounts.
☒	☐	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 billing and collection needs written procedures and some changes made to forms. Bookkeeper needs more training and the accounting systems need to

be changed to conform to current operations. City just took over operations of the Utilities and needs to work it into their accounting system. A separate account is recommended.

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: City paid off IRS back taxes in August 02. Current on payroll tax deposits and quarterly reports.

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 workers compensation insurance through AML/JIA effective Sept 02 to June 03. They have said they have a personnel policy, but have not been able to find it.

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.**

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's policies regarding the Utilities needs to be reviewed and updated. No customer agreements, provided City with our sample.

Operation of Utility

Essential Indicators

Yes	No	
☒	☐	**The utility operator(s) are actively working towards necessary certification.**
☐	☒	**The utility has a preventative maintenance plan developed for the existing sanitation facilities.**

Sustainable Indicators

☐	☒	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.
☐	☒	The utility has a safety manual and holds safety meetings.
☒	☐	Utility facilities have not suffered any major problems/outages due to management issues that are still unresolved.
☒	☐	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: The operators need to get certified. A preventive maintenance plan is being sought through YKHC.

RUBA Activities For The Coming Quarter

- ✓ FY 03 budget needs amendments on revenue sources.
- ✓ The Code of Ordinances needs to be reviewed and updated including the Utilities.
- ✓ Billings and collections system needs to be reviewed.

- ✓ Rate study to determine true cost of Utilities operations.
- ✓ Filing and record keeping system needs to be set up.
- ✓ Personnel Policies need to be set up.
- ✓ City grants need to reviewed and worked on.
- ✓ City has 11 customers on the black list (not paid) of whom 4 have moved out of village and delinquent for more than 6 months. I recommend Deana bring this up to the Council to settle either through small claims court or collection agency or through other means. The other 7 customers on the black list are people who moved out and recently moved back or delinquent for a month or two and have contacted the City with a payment plan.