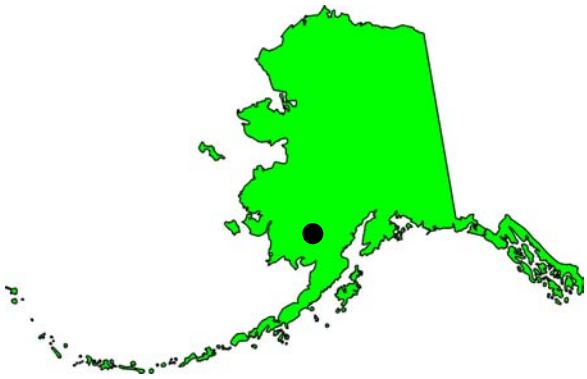
New Stuyahok Activity Report

Community Overview



Lead RUBA Staff: Tim Troll, Dillingham Office

2001 Population: 471

Region: Dillingham

Local Governments: City, Village Council, Utility non-profit

The City of New Stuyahok and DCED executed a RUBA agreement in October of 2002. The City operates a piped water and sewer system that was initially installed in 1971. The system serves some 94 homes and the school.

The City has also executed an agreement with the Alaska Native Tribal Health Consortium (ANTHC) to participate in a water and sewer cooperative. Participation is intended to bring some additional O&M and management assistance from ANTHC and cost savings.

RUBA Activity This Reporting Period

During the last quarter RUBA staff did not travel to the community. Contact with the community was over the phone with the Mayor. The City did send their new Assistant City Clerk to the Introduction to Utility Management course in King Salmon at the city's expense.

Progress and update this quarter on the tasks previously identified:

- Task: Install Quick Books Pro. QB Pro installed, new chart of accounts, water and sewer set up as separate utility, customer accounts entered. Full operation is languishing. The hours of the City Clerk have been sporadic, apparently due to baby sitting problems. An Assistant City Clerk was hired and attended Introduction to Utility Management class in King Salmon. She is inexperienced. She completed the course, but I don't believe she has the training or understanding necessary to take over full operation of bookkeeping, billing and payroll. I have mentioned to the Mayor the idea of possibly contracting with the tribe for bookkeeping services. There seems to be a lack of people in the village with the skills or the desire to take on the city clerk position. I advised the Mayor we would return to work with the City, but really needed to have someone to work with.
- Task: Higher billing to Southwest Area School District. Mayor advises me that school district is now paying $1500 month. Task completed. (note: need to check on this as ANTHC originally recommended $750 / mo.)
- Task: Bill Customers . Bills still have never been sent apparently due to lack of reliable help in the City Clerk position. Mayor continues to urge people over the radio to pay bills and has stated he will be cutting service off to those people who refuse to pay or who do not come into the office to make arrangements for paying. He also created his own newsletter in which

he discussed issues important to the city including the need for people to pay their water and sewer bills

- Task: Initiate Small Claims Actions against worst delinquents. Not completed and should not be undertaken until customer billing starts.
- Task: Review Rate Study. John Spriggs at ANTHC prepared a rate study that I have revised with updated information. At this time the study is preliminary. The annual expenditure projections need to be compared with the expenditures reported by City (if these expenditures can reliably be extracted from the City's accounting system). Based upon preliminary rate review it appears annual operation costs are in the range of $103,000 per year (this seems low). The City currently charges $40 per household per month and $1500 per month to the school. At this rate with a 3% delinquency on collection the utility would only take in about $57,000 per year, about $46,000 short of annual operation costs. Based upon this rough analysis I would say that New Stuyahok needs to be charging around $85 per month. The rate study that John Spriggs prepared suggested a rate of $65 per month.
- Task: Utility Ordinance Enacted. I have been advised the utility ordinance was passed.
- Task: Sales Tax Ordinance Enacted. According to the Mayor the matter has been discussed by the Council and it was also discussed in the Mayor's newsletter. I have sent our Model Code sample to the Mayor. They will need extensive help with the sales tax ordinance, as they did with the utility ordinance. However, I think the rate study should be first, and once completed it may be possible to present the sales tax ordinance to the community in the context of either a tax or a raise in user fees, although it appears the community could really use the revenue from both.
- Task: Set up separate checking account for water and sewer utility. Mayor advises this has been done.
- Task: Clean out the clutter in the City office and bring some order to filing system. Mayor advised he did some of this.

Nick Epchook the utility operator is scheduled to attend the Utility Management workshop in King Salmon in April.

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.
☐	☒	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 City is having problems with the current Clerk/Bookkeeper who shows up to work infrequently. An Assistant Clerk has been hired, but is marginally trained. Few good candidates in the village for the position. No real improvement from last quarter.

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: QuickBooks accounting system has been installed, however, it does not appear it is being used with any frequency because the Clerk is not showing up for work on a regular basis. Cash receipts are done by hand by the Mayor and the Clerk if she is working.

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: The utility had not filed some past quarterly reports. City owes IRS approximately $40,000. Mayor advises RUBA staff that a payment agreement was executed with the IRS. City made $10,000 payment and agreed to $1,500 month. According to Mayor the City is keeping up with current payroll obligations.

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: Have not focused any attention yet on the personnel system.

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 an adequately trained manager.**
☐	☒	**The utility has an adequately trained bookkeeper.**
☒	☐	**The utility has an 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 meetings act for all meetings.

Organizational Management Comments: Utility Ordinance passed.

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: Have not focused much attention yet on this area.

RUBA Activities for the Coming Quarter

Travel to village when there is somebody reliable in the Clerk/Bookkeeper position to get accounting system fully operational.

Need to determine whether Alaska Native Tribal Health Consortium (ANTHC) is still actively interested in pursuing the cooperative program with New Stuyahok. I have not interacted with them, nor to my knowledge have they interacted with the village for well over a quarter.

Travel to village may be necessary during coming quarter to work with Clerk on accounting program.