

Nightmute Activity Report

Community Overview

Lead RUBA Staff: Paul Chimiugak, Bethel Office

2001 Population: 394

Region: Lower Kuskokwim

Local Governments: Second Class City



The City of Nightmute provides a Small Water Facility, which is the central watering point for residents to haul their own water. The City of Nightmute also provides water and sewer haul service. The City Council is the policy making body for the utility.

The city utility system has 37 residential units, 5 Commercial/residential and 6 commercial units. The school has its own sewage lagoon that it discharges waste into. A washeteria is not available. The Nightmute Power Plant was acquired by AVEC in March 1998.

RUBA Activity This Reporting Period

RUBA staff traveled to Nightmute to conduct a payroll and payroll taxes training to the city bookkeeper, clerk and administrator. The tribal bookkeeper was also invited to sit in and participate in the training.

A feasibility study for additional water source, washeteria and a possible piped water system is being discussed.

The tribal council has made several inquiries as to the possibility of taking over the utility from the city and/or dissolving the city entirely. These discussions have caused a tension in the city administration.

Ken Berlin received a call from the Nightmute Traditional Council office wanting to know what forms to order for yearend reports. Ken recommended W-2s, W-3s, 1099s, and 1096 forms. She sounded like a new Clerk so I told her we were planning a yearend reporting workshop in mid January 2003. The Bingo Clerk called wanting to know what bingo funds could be used for. She said the funds were being used to pay for certain bills incurred by the City. I told her the City Council determines where to put the bingo contributions and one is the City general fund. I also went over the process of how the contributions are transacted from the bingo funds to the charity fund accounts. She should not pay for City bills straight out of the bingo funds unless it is related to the operation of the bingo.

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 Administrator said the utility has been operating comfortably and has not required any subsidies from the city departments. The revenues received have covered all expenses of the utility. However, there have been no monthly financial reports to the council or sent to the Bethel regional office, since the previous bookkeeper resigned. Since we cannot verify the revenue's we have had to mark "No" to these capacity indicators. The new bookkeeper is still working on monthly financial reports starting in April of 2002.

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 checked="" type="checkbox"/> | <input type="checkbox"/> | Monthly bank reconciliations have 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 administrator, bookkeeper and clerk will be going to Intro to Quickbooks 2002 classes at the Bethel Kuskokwim College on January 22-24, 2003. This class is the basic entry level into Quickbooks accounting. The transaction entries are currently done through the Ekonomik Check Registers and the payroll is entered both through the check register and computer accounting. The customers are billed on a regular basis.

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: The clerk and bookkeeper were trained by the RUBA staff on Payroll and Payroll Taxes. The administrator said that they have not received any letters or notices from the IRS and DOL, so this is an indication that the training was successful and very well received.

Personnel System

Essential Indicators

Yes	No	
<input checked="" type="checkbox"/>	<input 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 checked="" type="checkbox"/>	<input 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 type="checkbox"/>	<input checked="" type="checkbox"/>	The utility has personnel folders on every employee that contain at least: I-9, Job Application and Letter of Acceptance.
<input checked="" type="checkbox"/>	<input type="checkbox"/>	The utility has a probationary period for new hires that includes orientation, job-training/oversight, and evaluations.
<input type="checkbox"/>	<input checked="" type="checkbox"/>	The utility provides training opportunities to staff as needed and available.

Personnel System Comments: The city has workers compensation insurance in place for its employees. A Personnel Policy has been done but is not in effect at this time since it is still under review by the council.

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 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 type="checkbox"/>	<input checked="" 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 went through elections last October 2002 and this election was declared invalid by the canvass committee due to electioneering. They have written a preclearance letter to U.S. Department of Justice to reschedule an election on January 14, 2003.

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 type="checkbox"/>	<input checked="" type="checkbox"/>	Utility facilities have not suffered any major problems/outages due to management issues that are still unresolved.
<input type="checkbox"/>	<input checked="" type="checkbox"/>	The utility is operating at the level of service that was proposed.
<input type="checkbox"/>	<input checked="" type="checkbox"/>	The operator provides status reports to the manager on a routine basis.
<input checked="" type="checkbox"/>	<input 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 water operator attended a Small Water Systems OIT workshop in Bethel to get certified. The Alternate Water Operator will also attend the January 2003 QuickBooks Pro workshop. The sewage haul operator has not been certified, however the administrator said that he has the most experience on the job and has had no complaints from him. There has been no turnover in this position and they are satisfied with his performance. The administrator as the utility manager receives reports from his operators as to the status of the water and sewer operation.

RUBA Activities For The Coming Quarter

The RUBA staff will continue to request monthly financial reports in order to complete the assessment of their financial status. The City loaned money to the corporation store, and there has been no payback of the loan to date. We will work with the city to enforce payback of the loan.

The last RUBA agreement with Nightmute was signed in 1996. We will be requesting a new RUBA agreement be signed by the utility.