

# Nulato Activity Report

## Community Overview

Lead RUBA Staff: Andy Durny, Fairbanks Office

2003 Population: 342

Region: Interior

Local Governments: 2<sup>nd</sup> Class City,  
Village Council



The City of Nulato operates a piped water system in the new townsite as well as a washeteria. They operate a washeteria at the old townsite. The City Council is the policy making body for the utility. Water is derived from wells and is treated. A piped water and sewer system was completed in 1996 for 53 homes in the Nulato new (upper) townsite, with bathroom and kitchen plumbing. Currently there are approximately 70 homes and 7 public facilities, plus the school and 5 teacher housing units, hooked up to the water/sewer system. The washeteria has recently undergone major renovations. Thirty-four unserved residences in the lower townsite haul water from the lower townsite washeteria or the Nulato River, and use honeybuckets or outhouses. A new sewage lagoon for the lower townsite washeteria was recently constructed. Water and sewer improvements to five teacher housing units were completed last year, but the city has been experiencing repeated problems with that new system. A feasibility study for water/sewer in the lower townsite and for expansion of the new townsite water/sewer system is currently underway. A landfill feasibility study has been completed, and the Tribal Council is planning to request funding from the Denali Commission for a burn box. Electricity is provided by AVEC. There is one school located in the community, attended by approximately 90 students.

## RUBA Activity This Reporting Period

During this quarter, RUBA staff maintained regular contact with the City of Nulato via phone, fax and mail, helping the City identify options and potential funding sources for planning, design and construction of a new city office (multi-use facility). RUBA staff met in the Fairbanks office with the city clerk and with DCA Grants Department staff to provide information and assistance on the Multi-Use Facility Program and the Mini-Grant Program. RUBA staff helped the City recreate 1st Quarter 2005 payroll and tax records which had been destroyed in the March 2005 office fire. RUBA staff also provided information and assistance to help the City deal with skyrocketing fuel prices and other fuel issues, personnel matters, budget issues, financial recordkeeping, utility planning, tax issues and other matters.

**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. |

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**Sustainable Indicators**

- |                                     |                                     |   |
|-------------------------------------|-------------------------------------|---|
| <input checked="" type="checkbox"/> | <input 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 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:**

Following the March 2005 office fire, the City's financial records from prior to June 23, 2004 were restored by using backup disks available in the Fairbanks DCA office. Some of the financial records for the period between June 23, 2004 and March 20, 2005 were restored using bank and vendor records, but much of the data for that period is permanently lost. The City bookkeeper has been keeping financial records since the March 20th fire. Following the March 2005 office fire, the City purchased new computers and installed new software (Quickbooks 2005) in July. According to the City's FY 06 Budget, water/sewer utility expenses will exceed revenues by approximately \$8,000.00: the City will pay the balance out of other available funds. According to available July & August 05 financial reports, it appears that the utility is staying within its budget so far. On the other hand, skyrocketing fuel prices have resulted in increased expenses for the City. The City Council raised the price of gasoline, heating oil and propane sold at the Nulato Fuel Depot to offset some of the higher expense. In July 2005 the City Council recommended closing the old townsite washeteria to help reduce operating expenses, but action on that recommendation was postponed pending public input.

## Accounting Systems

### Essential Indicators

- | Yes                                 | No                                  |  |
|-------------------------------------|-------------------------------------|--|
| <input type="checkbox"/>            | <input checked="" 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 reconciliation's 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 Systems Comments:

The City's accounting system has been restored, with the exception of some of the FY 05 financial data lost in the office fire. In particular, records of customer invoices and payments between June 23, 2004 and March 20, 2005 are permanently lost, so the City is unable to verify accuracy of past due accounts prior to the office fire. Customer accounts since the office fire are satisfactorily maintained by the city bookkeeper. Financial reports for July and August 05 indicate that although the City bills customers regularly, the collection rate is lower than should be expected. The City has a collection policy, but is apparently not assertive in following it.

## Tax Problems

### Essential Indicators

- | Yes                                 | No                       |  |
|-------------------------------------|--------------------------|--|
| <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 checked="" type="checkbox"/> | <input type="checkbox"/> | If there are any past tax liabilities, a repayment agreement has been signed and repayments are current. |

### Tax Problems Comments:

With help from RUBA staff, the City restored and recreated first quarter 2005 payroll and tax records that had been destroyed in the fire. Federal tax deposits had previously been made, but the City just recently submitted its 1st quarter 2005 tax reports and its payment to Alaska Department of labor. The City has submitted its 2nd quarter 2005 tax reports. According to the Alaska Department of Labor, the City has a credit.

**Personnel System**

**Essential Indicators**

- |                                     |                          |   |
|-------------------------------------|--------------------------|---|
| <b>Yes</b>                          | <b>No</b>                |   |
| <input checked="" type="checkbox"/> | <input type="checkbox"/> | The utility has a posted workers compensation insurance policy in effect. |

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**Sustainable Indicators**

- |                                     |                                     |  |
|-------------------------------------|-------------------------------------|--|
| <input checked="" type="checkbox"/> | <input 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 type="checkbox"/>            | <input checked="" 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 checked="" type="checkbox"/> | <input type="checkbox"/>            | The utility has an adequate written hiring process.  |
| <input checked="" type="checkbox"/> | <input 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 checked="" type="checkbox"/> | <input type="checkbox"/>            | The utility provides training opportunities to staff as needed and available.  |

**Personnel System Comments:**

All personnel files were lost in the March 05 office fire. New files have been created since then, but all old data is lost. Copies of job descriptions were also destroyed in the fire. The City needs to provide new job descriptions. The water/sewer operator receives high praise from the TCC-RMW, but there are some local concerns regarding various personnel issues. DCA staff recommended that the City review its personnel policies, and implement a process for dealing with the personnel matters. The City has not performed employee evaluations in many years. In July 2005, the City Council agreed to perform employee evaluations, following recommendations from RUBA staff, but the evaluation timetable has been postponed.

**Organizational Management**

**Essential Indicators**

- |                                     |                          |  |
|-------------------------------------|--------------------------|--|
| <b>Yes</b>                          | <b>No</b>                |  |
| <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. |

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**Sustainable Indicators**

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|-------------------------------------|-------------------------------------|--|
| <input type="checkbox"/>            | <input checked="" 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 current organizational management does not provide for adequate implementation of existing policies. The city council needs to provide clearer direction and authority for dealing with personnel matters and for making management decisions.

## 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 type="checkbox"/> | The utility has a preventative maintenance plan developed for the existing sanitation facilities. This is being revised. |
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### 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 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>Consumer Confidence Report (CCR)</u> .   |
| <input checked="" type="checkbox"/> | <input type="checkbox"/>            | The utility is 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:

The condition of the Old Townsite washeteria has reportedly deteriorated because of vandalism and other factors. The City Council recently proposed closing the Old Townsite washeteria to reduce operating expenses, but action on this proposal has been postponed.

### RUBA Activities For The Coming Quarter

Continue to monitor and assist as needed.

