

# Scammon Bay Activity Report

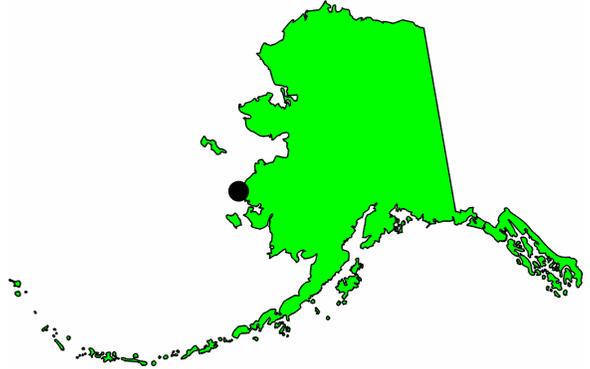
## Community Overview

Lead RUBA Staff: Paul Chimiugak, Bethel Office

2003 Population: 509

Region: Yukon-Kuskokwim Delta

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



The City operates the piped water and sewer system.

Water is derived from an infiltration gallery located on a small stream south of the City, is treated and stored in a 100,000-gal. tank. The City Council is the policy making body for the utility. Nearly all homes and the school are connected to the piped water and sewer system and are plumbed. Only a few residents use honeybuckets, typically due to frozen pipe damage. There is no washeteria. A new landfill and access road were recently completed, but funds are needed for equipment. AVEC and the City are interested in developing a small hydroelectric plant.

## RUBA Activity This Quarter

On August 3, 2006, Paul Chimiugak, Bethel LGS/RUBA met with Scammon Bay staff to complete a RUBA Assessment of Management Capacity Indicators. There are currently 64 homes, 5 institutions connected to the Water and Sewer piped system. The Lower Yukon School District is charged a flat rate of \$3,000.00 a month.

**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 current in paying all water/wastewater electric bills.                                   |
| <input checked="" type="checkbox"/> | <input type="checkbox"/> | The utility has on hand a year’s adequate fuel supply or it has financial plan to purchase an adequate. |
| <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 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 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:**

The Council has adopted the FY07 Budget. The City received their fuel order in September 2006. The City has paid \$16,933.04 and they have about \$8,000 left to pay on the fuel loan. Monthly financial reports are done using a recommended RUBA format. About half of the customers are delinquent on payment for the water/sewer services. The utility is subsidized with general funds. The Water/Sewer rates are as follows: Residential.....\$30 @ Month Commercial.....\$150 @ Month School.....\$3,000 @ Month. The manager said that he makes verbal reports to the Council during meetings and they are recorded in the minutes of the meeting. Bethel RUBA staff recommended to the manager to start making written reports to the Council for the record.

**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 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 Comments:**

About half of the customers are delinquent on payment for the water/sewer services. The City has purchased Dell computers, and use Windows 2003 with QuickBooks Pro Premier 2006 software for accounting transactions. All customer records and files are kept on the computer. Cash receipts are recorded manually using the NEBS system, and then recorded into the computer. Cash disbursement is carried out and documented using the computer. The city needs to set-up a good purchasing procedure. The Bethel staff will provide a procedure for the City to consider.

**Tax Problems****Essential Indicators**

Yes	No	
<input checked="" type="checkbox"/>	<input type="checkbox"/>	<b>The utility has a system to accurately calculate, track, and report payroll tax liabilities.</b>
<input checked="" type="checkbox"/>	<input type="checkbox"/>	<b>The utility is current on filing tax reports.</b>
<input checked="" type="checkbox"/>	<input type="checkbox"/>	<b>The utility is current on making tax deposits.</b>
<input checked="" type="checkbox"/>	<input type="checkbox"/>	<b>If there are any past tax liabilities, a repayment agreement has been signed and repayments are current.</b>

**Tax Problems Comments:**

Bethel staff has a signed IRS Tax information release from the community on file. There are no problems with IRS. The last response from IRS was that the City is in compliance. All quarterly reports are printed automatically through the computer. The City is also current with the State ESC reports.

**Personnel System**

**Essential Indicators**

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

**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 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 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:**

The City will pay for their insurance in the amount of \$17,250.24 as soon as they have funds for it. The hiring of employees is based on merit and the qualifications of the applicant. The notice for a job opening is posted in three different places, which includes job title, duties, minimum qualifications, rate of pay, and end of recruitment period. The notice is posted for at least two weeks or until filled. There is no local preference; the positions are filled based on merit and qualifications of the applicant. There is a three month probationary period from the time of hire. The probationary period is also a time of training and orientation and at the end of the probationary period they are given an evaluation by the immediate supervisor.

**Organizational Management**

**Essential Indicators**

- |                                     |                                     |   |
|-------------------------------------|-------------------------------------|---|
| <b>Yes</b>                          | <b>No</b>                           |   |
| <input checked="" type="checkbox"/> | <input type="checkbox"/>            | <b>The entity that owns the utility is known and the entity that will operate the utility is set.</b>                             |
| <input checked="" type="checkbox"/> | <input type="checkbox"/>            | <b>The policy making body is active in policy making of the utility.</b>  |
| <input type="checkbox"/>            | <input checked="" type="checkbox"/> | <b>The policy making body enforces utility policy.</b>  |
| <input checked="" type="checkbox"/> | <input type="checkbox"/>            | <b>The utility has an adequately trained manager.</b>   |
| <input checked="" type="checkbox"/> | <input type="checkbox"/>            | <b>The utility has an adequately trained bookkeeper.</b>  |
| <input checked="" type="checkbox"/> | <input type="checkbox"/>            | <b>The utility has an adequately trained operator(s).</b>   |
| <input checked="" type="checkbox"/> | <input type="checkbox"/>            | <b>The utility has adopted the necessary ordinances (or rules and regulations) necessary to give it the authority to operate.</b> |
- 

**Sustainable Indicators**

- |                                     |                                     |  |
|-------------------------------------|-------------------------------------|--|
| <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 Council needs to start enforcing the collections policy in order to lower the delinquency rate and meet the essential indicator. The Interim Manager has a B.A. in Humanities, which includes Economics and Sociology, and was a finance specialist in the military. The Bookkeeper is a high school graduate with QuickBooks training, (Introduction and Advanced) and has attended a UTM class in planning management. The Bookkeeper has held the position with the City for the past several years. The Interim Manager is working on the organizational chart.

**Operation of Utility****Essential Indicators**

- | Yes                                 | No                       |  |
|-------------------------------------|--------------------------|--|
| <input checked="" type="checkbox"/> | <input type="checkbox"/> | <b>The utility operator(s) are actively working towards necessary certification.</b>                     |
| <input checked="" type="checkbox"/> | <input type="checkbox"/> | <b>The utility has a preventative maintenance plan developed for the existing sanitation facilities.</b> |
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**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 checked="" type="checkbox"/> | <input 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 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</u> (CCR).   |
| <input type="checkbox"/>            | <input checked="" type="checkbox"/> | The utility is not on the <u>Significant Non-Compliance</u> (SNC) 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 current Water Treatment Plant (WTP) operator is not certified. He went to an Operator in Training (OIT) class, but did not pass the test, and there are plans to send him to another OIT class. The WTP operator actively makes minor repairs on the lines when needed and constantly makes progress reports to the Interim Manager. The City is hoping to renovate the WTP to operate more efficiently. There are two homes without service due to freeze up last winter on their section of the line. Without enough revenue to operate the utility, there are no spare parts to make repairs if there is a break down, other than to rely on outside agencies to assist them, such as Yukon Kuskokwim Health Corporation/Remote Maintenance Worker and Alaska Native Tribal Health Consortium or Village Safe Water. According to the Environmental Specialist for this region, Scammon Bay is on the Significant Non-Compliance list for Total Coliform Rule (TCR), the Surface Water Treatment Rule, Stage 1 disinfectant By-Products Rule, Nitrate, Inorganic, Volatile Organic Chemicals, Arsenic, and Radionuclide's. The Environmental Specialist has written a letter dated March 6, 2006, to the City notifying them of the overdue testing for the Scammon Bay public water system. Under the Surface Water Treatment Rule, the system needs to install necessary treatment equipment (filtration and disinfection) in the water treatment plant. The City has signed a bilateral compliance agreement with DEC to get the utility system into compliance.

**RUBA Activities For The Coming Quarter**

RUBA staff will assist the utility to: ' Enforce the collection policy. ' Establish a Repair and Replacement account. ' Complete and adopt budget amendments as necessary. ' Adopt a purchasing system that requires prior approval and compares purchases to budgeted amounts. ' Return to compliance with all DEC water regulations. ' Draft and adopt an inventory control and critical spare parts list.