

Tanana Activity Report

Community Overview

Lead RUBA Staff: Andy Durny, Fairbanks Office

2003 Population: 278

Region: Interior

Local Governments: 1st Class City



Water and sewer utilities are operated by Too'gha, Inc., a non-profit utility board. Water is derived from three wells near the Yukon River, and four watering points are available. In 1970, 55 individual wells were drilled, but due to permafrost and poor water quality, the project essentially failed. Most residents haul their own water from the washeteria and use privies and honeybuckets. In 1976, a piped water and sewer system was constructed to serve the Tanana Hospital, clinic, Regional Elders Residence, and now serves the Tribal council building. A new washeteria and water treatment plant were recently completed. Construction has begun to install pipes in 40 homes downtown. Currently 20 residential units, one commercial unit, the school, and four public facilities are hooked up to the water/sewer system, The landfill uses an incinerator, and provides recycling services. Electricity is provided by Tanana Power Company.

RUBA Activity This Quarter

Staff traveled to Tanana in July 2004 to attend a Too'gha board meeting and provide on-site assistance, and again in August 2004 to provide on-site Quickbooks assistance. The utility purchased a new computer last spring because of frequent problems with the old computer and concerns that the old files were infected with a virus: because of these concerns, data from the old files was not copied and restored into the new computer, so neither file contained a complete and accurate record, and each contained some overlapping and duplicate records. Staff has been able, with assistance, to restore the old files and update them to a Quickbooks 2004 version, thus finally enabling us to access all data. Staff is currently working to create a single up to date file with all available data, in order to provide accurate budgeting and financial reporting capability.

Capacity Indicators

Finances

Essential Indicators

- | Yes | No | |
|--------------------------|--------------------------|--|
| <input type="checkbox"/> | <input type="checkbox"/> | All revenue and expenses for the utility are listed in the utility budget. |
| <input type="checkbox"/> | <input type="checkbox"/> | The utility has adopted a balanced realistic budget. |
| <input type="checkbox"/> | <input type="checkbox"/> | Monthly financial reports are prepared and submitted to the policy making body. |
| <input type="checkbox"/> | <input type="checkbox"/> | The utility is receiving revenues (user fees or other sources) sufficient to cover operating expenses. |

Sustainable Indicators

- | | | |
|--------------------------|-------------------------------------|---|
| <input 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 type="checkbox"/> | <input type="checkbox"/> | YTD revenues are at a level equal to or above those budgeted. |
| <input 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 type="checkbox"/> | Budget amendments are completed and adopted as necessary. |

Finances Comments:

Financial reports are provided by the utility manager to the policy making body, but because of the problems stated above, the reports are incomplete. Because of those same problems, the utility has been unable to accurately gauge whether or not revenues are sufficient to cover all operating expenses and R&R costs. Indications are that expenses during the past year have been exceeding revenues, but that the utility had sufficient funds available to make up the difference. We expect to have the Quickbooks files up to date this coming quarter, at which time we should be able to complete the assessment with confidence.

Accounting Systems

Essential Indicators

- | Yes | No | NA | |
|-------------------------------------|--------------------------|----|--|
| <input 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 type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> | Monthly bank reconciliations have been completed for all utility accounts. |
| <input type="checkbox"/> | <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 Comments:

Monthly bank reconciliations have been completed by the utility manager, but the results have not yet been confirmed or verified. The utility has a loose purchasing system, but without current and accurate budget information, purchases cannot be compared to budgeted

amounts. The utility needs to establish a budget, and to implement some level of internal control.

Tax Problems

Essential Indicators

- | Yes | No | NA | |
|-------------------------------------|-------------------------------------|-------------------------------------|--|
| <input type="checkbox"/> | <input type="checkbox"/> | | The utility has a system to accurately calculate, track, and report payroll tax liabilities. |
| <input type="checkbox"/> | <input checked="" 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:

According to IRS, the utility has been submitting necessary tax reports, with the exception of the first quarter 2003, for which no report has been received yet; on the other hand, the utility has been submitting tax deposits on a regular basis, even for the first quarter of 2003. According to the AK Dept of Labor, the utility is current in its reporting, and has only a small outstanding balance of \$38.00 due. Until the data files are brought up to date as explained above, we cannot verify that the amounts reported have been accurate, and that there are no additional amounts due.

Personnel System

Essential Indicators

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

Sustainable Indicators

- | | | |
|-------------------------------------|--------------------------|--|
| <input 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 type="checkbox"/> | The utility has adequate written job descriptions for all positions. |
| <input type="checkbox"/> | <input 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 type="checkbox"/> | The utility has an adequate written hiring process. |
| <input 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 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:

None

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 checked="" type="checkbox"/>	<input type="checkbox"/>	The policy making body is active in policy making of the utility.
<input 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 type="checkbox"/>	<input checked="" 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.

Sustainable Indicators

<input type="checkbox"/>	<input 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:

One of the strengths of the utility is that it has an active policy-making body. It also has a knowledgeable and well trained operator/manager. The operator/manager is currently also the bookkeeper; although he is relatively knowledgeable about the bookkeeping, I believe that either he needs additional training in the bookkeeping aspects of his job, or preferably, a separate person should be hired as bookkeeper. At present, the utility still cannot provide a complete and accurate picture of its current financial situation, for reasons stated above: we expect to have that problem resolved in the coming quarter.

Operation of Utility

Essential Indicators

Yes	No	NA	
<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 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 checked="" type="checkbox"/>	<input 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 (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 type="checkbox"/>		The utility maintains an inventory control list.
<input type="checkbox"/>	<input type="checkbox"/>		The utility maintains a critical spare parts list.

Operation of Utility Comments:

The utility has a manager/operator. The utility has not yet submitted its Consumer Confidence Report for 2003.

RUBA Activities For The Coming Quarter

Once we complete the update of the utility's available Quickbooks files, we will restore the data on site in Tanana, and enter all new and current data up to the present, giving us--and the utility--a complete up to date record. After that time, we will be able to complete a RUBA assessment. I expect this will take at least a few days on site during the coming quarter.

