

# Tanana Activity Report

## Community Overview

Lead RUBA Staff: Andy Durny, Fairbanks Office

2003 Population: 290

Region: Interior

Local Governments: 1<sup>st</sup> 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

During this quarter RUBA staff contacted the utility manager to discuss operations of the utility, tax reporting, and financial recordkeeping. In August RUBA staff provided on-site financial management training and assistance to the utility manager and bookkeeper. RUBA staff also provided information and assistance to the city manager regarding utility management, grants, and tax issues. The utility currently meets all essential capacity indicators.

## 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 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 checked="" type="checkbox"/> | <input 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:

Available information indicates that the utility has been generating sufficient revenues to meet expenses, but this situation may be changing, as costs for fuel, electricity and other expenses have been increasing. Utility has sufficient funds to meet expenses, but must improve financial management and reporting to help prevent expenses from exceeding revenues.

### 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.                               |

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#### 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 Comments:**

Monthly bank reconciliation's are completed by the utility manager. All purchases require two check signers, but the utility still needs to implement some level of internal control.

**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:**

The Utility has no major tax debt but has received some notices regarding penalties for late deposits (deposits were made quarterly rather than monthly). According to IRS, the utility still has a small debt for the first quarter 2005. The utility is not in collection notice status. The utility is taking steps to prevent future penalties by making tax deposits on time.

**Personnel System****Essential Indicators**

- | Yes                                 | No                       |   |
|-------------------------------------|--------------------------|---|
| <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 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 type="checkbox"/>            | <input checked="" 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:**

Utility has a personnel policy, but may need to update job descriptions. Utility has not been performing employee evaluations.

**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 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.

**Sustainable Indicators**

<input checked="" 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:**

Last quarter, the assistant operator assumed the duties of the utility manager/operator. Bookkeeping duties are handled by a member of the Tribal Council administrative staff. Both the operator/manager and the bookkeeper demonstrate adequate ability, but some additional training would be helpful.

**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.

**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 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</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 checked="" type="checkbox"/>	<input type="checkbox"/>	The utility maintains a critical spare parts list.

**Operation of Utility Comments:**

The utility has a manager/operator. Preventive maintenance is routinely performed, but a copy of the preventive maintenance plan is not on file. The utility is on the SNC list for not submitting its CCR report (2003 and 2004). TCC/OEH personnel plan to help the utility complete its CCR reports during a site visit scheduled for October 2005. The current operator/manager has a Water Treatment OIT certificate: he is working to get additional certification. The utility is training additional personnel to act as qualified alternate/assistant operators.

**RUBA Activities For The Coming Quarter**

Make site visit to provide additional training. Continue to monitor and assist.

