

Upper Kalskag Activity Report

Community Overview

Lead RUBA Staff: Jimmy Smith, Anchorage Office

2001 Population: 230

Region: Lower Kuskokwim

Local Governments: Second Class City



The City of Upper Kalskag operates the piped sewer system. The City Council is the policy making board for the utility.

As of November 1997, nearly all homes, the school and the store have individual wells with potable water and indoor plumbing. A new piped gravity sewage system with lift stations, force main and lagoon now serves over 60 households and facilities. The school has requested funds for a new septic tank and leachfield, or connection to the community sewer system. The landfill is located between Upper and Lower Kalskag.



RUBA Activity This Reporting Period

RUBA staff made recommendations to the Utility Clerk and Mayor to start shutting off customers that are behind on their utility payments. Per the past Mayor there were arrangements made for customers to get current or they will be shut off for services.

The RUBA staff met with the City Council several times to discuss the process of disconnecting the customers that are behind on their utility payments. This appears to be a low priority for the staff and council members on disconnecting customers from the utility service. As of March 12, 2003, customers owed the Utility \$9,268.

The city staff have not made any efforts to go house-to-house to work with the customers in establishing a repayment plan or getting the customers current on there utility bill. The

concern the customers have is the water has too much iron and most of the homes have leaking pipes with no one to fix them.

RUBA staff made an assessment of the Utility. Staff and council need to address the collection issue with the customers.

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 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 Utility customers are not making payments for their services. As of March 2003 the customers owed the utility \$9,268. The council needs to amend their FY03 budget to show all revenue and expenditures for the City.

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 type="checkbox"/>	<input checked="" 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 type="checkbox"/>	<input checked="" type="checkbox"/>	A chart of accounts is used that identifies categories in a reasonable, usable manner.
<input type="checkbox"/>	<input checked="" type="checkbox"/>	Monthly bank reconciliations 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 Utility has not followed their collection policy of disconnecting customers that are behind in payment. The reason for this is most of the homes that are behind in payment to the Utility do not have a shut off valve. A system that lists accounts owed to each vendor is necessary for the Utility. The Utility staff has made no efforts in implementing the chart of accounts system that RUBA staff had made recommendations to them. Also monthly bank reconciliation has not been done for the past months.

Tax Problems

Essential Indicators

Yes No NA

- The utility has a system to accurately calculate, track, and report payroll tax liabilities.
- The utility is current on filing tax reports.
- The utility is current on making tax deposits.
- If there are any past tax liabilities, a repayment agreement has been signed and repayments are current.

Tax Problems Comments: The Clerk has been making the quarterly reports and payments to both IRS and DOL. However, she is also making a payment to the IRS with the quarterly report. This results in a double payment to the IRS. Training has taken place to correct this problem.

Personnel System

Essential Indicators

Yes No

- The utility has a posted workers compensation insurance policy in effect.

Sustainable Indicators

- The utility has adopted and uses a Personnel Policy, which has been reviewed by an attorney, AML, or DCED for topics and language.
- The utility has adequate written job descriptions for all positions.
- The utility has adopted and follows a written personnel evaluation process that ties the job description to the evaluation.
- The utility has an adequate written hiring process.
- The utility has personnel folders on every employee that contain at least: I-9, Job Application and Letter of Acceptance.
- The utility has a probationary period for new hires that includes orientation, job-training/oversight, and evaluations.
- The utility provides training opportunities to staff as needed and available.

Personnel System Comments: A personnel policy needs to be in place for the City. Adequate job descriptions need to be implemented for the city and utility employees. Many other personnel issues (job training, evaluation process, etc) need to be implemented by the City Council.

Organizational Management

Essential Indicators

Yes No

- The entity that owns the utility is known and the entity that will operate the utility is set.
- The policy making body is active in policy making of the utility.
- The policy making body enforces utility policy.
- The utility has a adequately trained manager.
- The utility has a adequately trained bookkeeper.
- The utility has a adequately trained operator(s).
- The utility has adopted the necessary ordinances (or rules and regulations) necessary to give it the authority to operate.

Sustainable Indicators

- The utility has adopted an organizational chart that reflects the current structure.
- The policy making body meets as required.
- The utility complies with the open meetings act for all meetings.

Organizational Management Comments: The council and staff have been reluctant to collect past due payments from the customers that owe money to the utility. Even with the notices for disconnects to the customers for their payments on the money they owe the Utility.

Operation of Utility

Essential Indicators

Yes	No
<input type="checkbox"/>	<input checked="" type="checkbox"/>
<input type="checkbox"/>	<input checked="" type="checkbox"/>

The utility operator(s) are actively working towards necessary certification.
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 type="checkbox"/>	<input type="checkbox"/>	The utility has completed and distributed its <u>Community Confidence Report</u> (CCR).
<input type="checkbox"/>	<input 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: A certified operator that has gone to OIT training is currently working for the Traditional Council. The operator does minimum work for the Utility. The Utility needs to make arrangements with the customers on their collection issues and getting the council involved with this process.

RUBA Activities for the Coming Quarter

RUBA staff had made recommendations to the Utility staff to start providing financial reports following the approved budget. Also to have the staff start using the QuickBooks program to keep track of all revenue and expenditures for the utility.