

Village of Iliamna

Assessment of Management Capacity Indicators

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Introduction

The Village of Iliamna report was by Rural Utility Business Advisor program staff Roberta Eleazer as a requirement for a proposed grant-funded sanitation project. The report was completed with the voluntary assistance of the utility staff and based on information provided to the RUBA program. Specific documents provided by the utility staff are in the Anchorage regional office regional office for viewing if requested.

The goal of the RUBA Program is to help small communities implement utility management practices that will improve the utility's ability to provide safe drinking water to their communities on a sustainable basis. The RUBA assessment evaluates essential and sustainable indicators necessary for the managerial and financial health of the utility. These indicators are organized under the following sections:

- Utility Finance
- Accounting Systems
- Tax Problems
- Personnel System
- Organizational Management
- Operation of Utility

Essential Indicators identify policies and practices that are critical to the short-term operation of a utility. *Sustainable Indicators* identify policies and practices that make a utility cost-effective to operate and increase the likelihood of long-term financial success.

The Essential Recommendations are limited to those items needed to meet deficient essential indicators. Only the essential indicators are required to be met under the grant conditions. The Sustainable Recommendations are intended to improve cost effectiveness and sustainability of the utility.

The Village of Iliamna operates and manages the following utility services:

- Landfill
- Wastewater lagoon
- Wastewater tank pumping service

Capacity Indicators

On 4/9/2014, RUBA staff Roberta Eleazer met with Village of Iliamna staff to complete a RUBA Assessment of Management. Village of Iliamna staff provided documentation supporting the conclusions in this report. Specific documents used in this report included:

- Iliamna Village Council March General Meeting Packet
- Administrator's Accounting Reports
- Profit and Loss report for all programs
- Iliamna Village Council Organizational Chart
- Iliamna Village Council Personnel Policies
- Iliamna Village Tribal Constitution
- IRS response to Authorization for Federal Tax information request – March 2014
- DOL response to ESC tax compliance information request – March 2014
- Workers Compensation Certificate

Finances

Essential Indicators

Yes No

- | | | |
|-------------------------------------|--------------------------|--|
| <input checked="" type="checkbox"/> | <input type="checkbox"/> | All revenues 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 board. |
| <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 a financial plan to purchase an adequate supply. |
| <input checked="" type="checkbox"/> | <input type="checkbox"/> | The utility is receiving revenues (user fees or other sources) sufficient to cover operating expenses. |

Sustainable Indicators

Yes No

- | | | |
|-------------------------------------|-------------------------------------|---|
| <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) 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. |

- A monthly manager's report is prepared.
- Budget amendments are completed and adopted as necessary.

The council has adopted a realistic and balanced budget based on a federal fiscal year running from October 1 through September 30. The tribe also has a general budget with each grant identified and costs associated with it listed under expenses. Salaries and wages, internet access, telephone/fax, electric and heating fuel are listed as expenses under the IGAP account. QuickBooks Pro has been utilized for most of the village council's accounting and bookkeeping functions. The tribe bills annually for landfill and wastewater services. The rates are \$200 per year for residential and \$3800 for commercial businesses. Wastewater is pumped and transported to the wastewater lagoon as requested, at a cost of \$150 for residents and \$400 commercial. The sanitation equipment and employee are partly funded through Bureau of Indian Affairs IGAP environmental grants. There are eight commercial enterprises which utilize the landfill services and nineteen residential. The landfill employs a full-time on-site operator and is open from 9-5 daily. The landfill is fenced and gated. Unburnables are buried. The village administrator did express concern that the closing of the Pebble Mine could greatly impact the FY15 budget. Mine employees were local residents or lived in a local lodge and helicoptered into the mine. Pebble paid an annual fee for landfill usage, and supported community projects. Currently there is not a separate account for the Repair and Replacement of the sanitation equipment. Three air taxis utilize the Iliamna airport for an average of six flights a day; therefore there have not been any disruptions in service associated with not having parts on hand for the sanitation truck. The administrator prepares a monthly summary report and profit and loss statement to the council. Each service is partly funded by BIA grants which are closely monitored by staff and the council. Monthly budget vs actual statements are provided to staff and council members.

Accounting Systems

Essential Indicators

Yes No

- The utility has adopted a collection policy and actively follows it.
- The utility bills customers on a regular basis.
- An accounts receivable system is in place which tracks customers and reports past due accounts and amounts.
- An accounts payable system is in place.

- The payroll system correctly calculates payroll and keeps records.
- A cash receipt system is in place that records incoming money and how it was spent.
- The utility has a cash disbursement system that records how money was spent.

Sustainable Indicators

Yes No

- A chart of accounts is used that identifies categories in a reasonable, usable manner.
- Monthly bank reconciliations have been completed for all utility accounts.
- The utility has a purchasing system that requires approval prior to purchase, and the approval process compares proposed purchases to budgeted amounts.

The tribe has a collection policy and bills for the landfill on a yearly basis. Customers pre-pay for the sanitation services. The accounts receivable system tracks customer's payments and reports past due accounts and amount. The tribes purchasing policy requires three quotes for any items over \$500 along with a purchase order request. The tribe's board approves any purchases over \$5,000 beforehand.

Tax Problems

Essential Indicators

Yes No

- 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 due tax liabilities or recorded tax liens, a lien release has been issued or a repayment agreement has been signed and repayments are current.

Payroll expenses are listed under each grant account. RUBA staff received a signed authorization to request tax information clearance from the IRS dated February 28, 2014 and clearance for the tribe on March 12, 2014. According to the state Department of Labor, the utility is current on making state unemployment tax contributions.

Personnel System

Essential Indicators

Yes No

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

Sustainable Indicators

Yes No

- The utility has adopted and uses a Personnel Policy, which has been reviewed by an attorney, AML or Commerce 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.

The tribe's insurance policy is through Travelers Property Casualty Co. Of America and is valid through April 14, 2014. Proof of coverage is posted in the tribal office. The tribe has an extensive personnel policy covering attendance, holidays, travel and reimbursement, and hiring practices. Personnel folders are kept in a locked drawer and includes I-9 forms, letters of acceptance, employment applications, and job descriptions. The administrative assistant is adequately trained to manage personnel issues, having been a human resources director for a large corporation for six years and attending numerous professional workshops and conferences. Employees are required by the BIA to attend training for each grant.

Organizational Management

Essential Indicators

Yes **No**

- The entity that owns the utility is known; 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 an adequately trained manager.
- The utility has an adequately trained bookkeeper.
- The utility has an adequately trained operator or operators.
- The utility has adopted the necessary ordinances (or rules and regulations) necessary to give it the authority to operate.

Sustainable Indicators

Yes **No**

- 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 meeting act for all meetings.

The entity that owns the sanitation services is known. The council has adopted a constitution with rules and regulations necessary to give it the authority to operate. The tribal administrator is well trained and does the bookkeeping. She has held the position for many years. The assistant administrator worked for the council from 1999-2005 but left to become the Human Resource Director for a local mining company. She has been reemployed as the village assistant administrator for one year. The tribe provided their organizational chart that reflects the current structure. The tribal council is the governing body of the community and meets the first Tuesday of every month, as required by the tribal constitution. The meeting agendas are posted at the council building and the local store.

Operation of Utility

Essential Indicators

Yes **No**

- 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

Yes **No**

- 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.
- The utility has a safety manual and holds safety meetings.
- Utility facilities have not suffered any major problems/outages due to management issues that are unresolved.
- The utility is operating at the level of service that was proposed.
- The operator provides status reports to the manager on a routine basis.
- The utility has completed and distributed its "Consumer Confidence Report".
- The utility is not on the "Significant Non-Complier" (SNC) list.
- The utility maintains an inventory control list.
- The utility maintains a critical spare parts list.

The tribe does not own, operate or manage a public water system and therefore is not required to have a certified utility operator. The relevant indicator in this section has therefore been marked N/A. There is a safety manual on record for the landfill. Written reports are not submitted to the administrator; however the council uses the facility regularly, talks with the operator and is active in working to upgrade the facility. The tribe is not required to complete and distribute a Consumer Confidence Report and it is not required to submit water samples. Individuals did state, however, that they test their wells yearly.

Essential Recommendations

The Village of Iliamna has met all of the essential capacity indicators. The Village of Iliamna needs to diligently continue to operate in the efficient and effective manner that meets all essential capacity indicators.

Sustainable Recommendations

The Village of Iliamna has not met all of the sustainable capacity indicators. The Village of Iliamna can work to improve sustainable indicators as follows:

- Create a inventory control list for the wastewater truck.
- Create a critical spare parts list for the wastewater truck.
- Develop a Repair and Replacement account in the wastewater budget.

Conclusion and Next Step

By implementing the above recommendations, the Village of Iliamna will put itself into position to better meet unanticipated financial costs and ensure that employees are aware of their conditions of employment.

The Village of Iliamna staff was open and helpful with providing information to complete this assessment. They realize the importance of community health, financial stability, effective utility management practice and sustainability.

RUBA staff is available to provide assistance for any sustainable capacity indicators that are not being met.