

KREBS UTILITIES AUTHORITY
BOARD MEETING MINUTES
APRIL 18, 2017

1. Chairman Bobby Watkins called the meeting to order.
2. W. Kay Scott, Clerk/Treasurer called the roll. Bobby Watkins – Present, Tommy Walker – Present, Connie Poole – Present, Jason Wagnon – Present, Daulfin Bennett – Present.
3. CONSIDER AND ACT TO APPROVE THE MINUTES OF THE MARCH 21, 2017 KUA BOARD MEETING. Chairman Watkins asked for a motion. Daulfin Bennett made the motion. Connie Poole seconded the motion. Chairman Watkins called for a vote. Tommy Walker – yes, Connie Poole – yes, Jason Wagnon – yes, Daulfin Bennett – yes. Motion passes.
4. CONSIDER AND ACT TO APPROVE THE CLAIMS. Chairman Watkins asked for a motion. Chairman Watkins asked for a motion to approve the claims. Connie Poole made the motion. Jason Wagnon seconded the motion. Chairman Watkins called for a vote. Daulfin Bennett – yes, Jason Wagnon – yes, Connie Poole – yes, Tommy Walker – yes. Motion passes.
5. FINANCIAL REVIEW WITH MIKE KERN. Turn to Page 3 – Income Statement. Revenues for the month of March 2017 were \$82,151.54 and the 9 months ending were \$773,435.61. Total expenses for March 2017 were \$99,784.23 which is a net loss of \$17,632.69. Repairs & Maintenance were \$26,440.05 which is higher than normal. Supplies for the 9 months were \$30,745.47 and Repairs & Maintenance were \$167,303.67. Between those two the expenses were \$197,000. We estimated on the budget for \$97,000 for the supplies and \$120,000 for repairs & maintenance. Total expenses for the 9 months were \$747,748.30 which gives a profit of \$25,687.31. On Page 7 – Statement of Cash Flows: Net cash provided (used) by operating activities is \$93,309.68; Acquisition of property, plant & equipment – spent \$19,002.16 for the 9 months; Interest on loans – spent \$21,812.34; Principal on loans – spent \$40,341.66; change in customer deposits has increased by \$3,785.52; Investment income has increased by \$1,120.99. So that puts us in a position to have a net increase in cash of \$17,060.03. In the budget process in the past, we have tried to keep the increases at a 3% – 5% level. Keep in mind of our debt, the PWA still owes the City \$213,473.82 and our long-term liabilities to Rural Development is \$582,100.05. We still have to be very frugal and planning for our budget to have the increases. We are laying the ground work to tell our citizens that we need the increases to pay our debts. Connie Poole asked if we were having an increase in July? Mr. Kern stated that we approve it in July or August and put in system in January. We have the fiduciary responsibility to repay our debts.
6. BUSINESS PREVIOUSLY CONSIDERED. None.
7. BUSINESS NOT PREVIOUSLY CONSIDERED.
 - A. DISCUSS KREBS LAKE AND LAKE EUFAULA ISSUES. Ed Klink addressed the board with the issues that have occurred this last year. Lake Eufaula is our primary source of water. We pump 750 gallons per minute to Krebs Lake. From Krebs Lake we pump 192 gallons per hour and within a month or two that will increase to 600 gallons per hour. In a month or so that amount will increase to 600 – 700 gallons per hour. (Talked to Ed Klink about figures for pumped water amounts – corrected to: 192 gal/minute from Lake Eufaula to Krebs Lake and 500 – 600 gal/minute from Krebs Lake to water plant. This occurs during peak times of the year and during

drought situations. This is not an everyday occurrence). Krebs Lake is simply not large enough nor deep enough to sustain the city. At Lake Eufaula, we have a pump site and about a year ago our turbine pump failed (which was in the neighborhood of 40 years old) so we installed a new one at a cost of approximately \$20,000. This spring the new one quit so we called Pumps of Oklahoma and got a replacement pump. It ran for 13 days 6 hours and it quit. We have installed yet another pump and I understand we are going to get a refund on the 2nd pump so this 3rd pump should not cost us anything. As a precaution, I noticed that we had several items on our current pump system that didn't seem to be right. One of the things was the voltage to ground and the third lug on each of the transformers was only one lug installed and all 3 should have that installed since all 3 have a part in that since all 3 are in parallel. Without the center lug being attached to all of them – two transformers do what they want to do and one transformer does what you want it to do. We have been in contact with Kiamichi Electric about the voltage and the transformers. But to be on the safe side, I did call an electrical engineer out of Tulsa and we spent the day at the lake. When we installed the new pump, he took a look at it and took some readings and he said we seem to have an electrical problem. It seems that the weight of the water taxes the pump at its maximum. We haven't received a copy of the results of his inspection. The elevation of the lake has increased but the pump picks up its load in the middle of Mud Creek in approximately 5' of water. The intake line is a 12" line and runs across the lake at about 350' to the pump casing. The casing runs uphill and we have used a vacuum pump to push water 18' to the casing. As we stand right now we are back online. On Krebs Lake we have installed a single phase power drop just in case we need to power our pump. We are rebuilding the barge that was on Krebs Lake so we could raise the intake about 6' so we would stop pulling large quantities of mud into the water plant. Someone cut all the bindings that held the pipes up out of the water. Now we have to clean up all the mess and mud that was created. We have closed that lake to public access. They were going up the backside of the dam with four-wheelers and damaging the dam. We have taken the precaution to minimize the problem that we would have if we kept the lake open. We have talked with Oklahoma Dept of Health and it seems that we are on track or at the later stages to have the water plant approved. We will need to talk in 2 weeks whether we can afford this. The meeting is open and we make no decisions and any decisions that are to be made are brought before the board. We have fail safe plans in place on all points in case we need them such as back up pumps. We have done that in the last 2 years and if something happens the water plant will call you on the phone. We are going to put a floating dock on Lake Eufaula. The foot valve is gone. The only thing we don't have up to date is our emergency generator.

Mayor Watkins asked about the safe room at the school. Mr. Klink stated that he has names of Laramie Snell and Billy Garigan.

8. COMMENTS FROM THE BOARD AND CHAIRMAN. None
9. ADJOURN. Chairman Watkins asked for a motion to adjourn. Connie Poole made the motion. Daulfin Bennett seconded the motion. Chairman Watkins called for a vote. Tommy Walker – yes, Connie Poole – yes, Jason Wagnon – yes, Daulfin Bennett - yes. Motion passes. Meeting adjourned.