

MINUTES OF THE  
KREBS UTILITY AUTHORITY  
COUNCIL MEETING  
KREBS CITY HALL  
SEPTEMBER 15, 2015  
AFTER REGULAR CITY COUNCIL MEETING

1. Chairman Bobby Watkins called the meeting to order.
2. ROLL CALL. Clerk/Treasurer W Kay Scott called the Roll. Chairman 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 AUGUST 18, 2015 KUA MEETING. Chairman Bobby Watkins asked for a motion. Tommy Walker made a 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.
4. CONSIDER AND ACT TO APPROVE THE MINUTES OF THE AUGUST 27, 2015 KUA SPECIAL MEETING. Chairman Watkins asked for a motion. Tommy Walker 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. CONSIDER AND ACT TO APPROVE THE CLAIMS. Chairman Watkins asked for a motion. Daulfin Bennett made the motion. Connie Poole seconded the motion. Chairman Watkins called for a vote. Daulfin Bennett – yes, Jason Wagnon – yes, Connie Poole – yes, Tommy Walker – yes. Motion passes.
6. REVIEW KREBS UTILITIES AUTHORITY FINANCIAL STATEMENT WITH MIKE KERN.  
Mike Kern stated if the Council would turn to the Balance Sheet Liabilities and Equity page 2. To give some information to the public here because of the questions that have been asked. The KUA owes the General Fund \$217,538.31. That part of the monies that we talked about that RD (Rural Development) required us to subsidize because rates would not pay the notes. The total notes that are due Rural Development are \$669,342.99. So you see we have debt of almost \$900,000. We have to run the KUA so that we have cash requirements to pay these notes back. Tommy Walker asked how long do we have left to pay these notes. Mr. Kern responded we probably have about 22 years left. The interest is low so the 1<sup>st</sup> part of your loan is interest. If you will turn to the Income Statement. The income for the 2 months ending August 31, 2015, we are showing a profit of \$3,109.14. The income statement is based on accrual accounting so we need to look at Statement of Cash Flows. Because of the note payments and acquisition of property, plant and equipment for the 2 months ending August 31, 2015, we have spent \$34,557.15. That's cash out and interest on the notes is \$5,918.84 and the actual principle payment is \$7,893.16. So at the end of 2 months, we have a decrease of \$13, 000. So what that is saying is we have a shortfall of about \$6,000 every month. So it was very necessary to raise rates. Any questions. Mr. Walker stated we are finally making money on the trash. Mr. Kern stated we have that billing under control finally.

7. PUBLIC COMMENTS, QUESTIONS AND ANSWERS CONCERNING THE KREBS UTILITIES AUTHORITY BUSINESS. None.

8. BUSINESS PREVIOUSLY CONSIDERED.

Ed Klink addressed the Board. Today we got some disappointing news. We had applied for a REAP Grant for \$103,000 to take care of a problem in Mr. Walker's ward. The problem was and is a backup of sewage into houses. This year, unfortunately, the OWRB (Oklahoma Water Resources Board) criteria is for cities with a population of 1,750 people or less.

We have also put in for 2 other REAP Grants through KEDDO. We are currently under a NOV order from DEQ for turbidity in our water. We are also verging on one because our filter media has not been replaced in several years. We have built and installed catwalks at the water plant so that the employees won't fall into the water filter basins. We applied for a REAP Grant for a sum of \$10,000 which the City's part will be about \$3,000. Our system is very antiquated.

We also applied for a REAP Grant in the amount of \$14,000 to purchase additional monitors and install a diversion valve when the filters are cleaned we can divert that to the lagoons. We were quite successful to correct the position of one of our manholes. It had been installed backwards so the flow meter would not operate. It has been repositioned and it is operational.

We did take care of Pete's Place and we had some problems. I am proud to tell you that our people stayed with it. Kevin Mick stayed 14 hours and all the hands worked hard. The hydrant is installed. I have sent Tenaska another proposal on how to transport the water. We also asked them to provide some of the engineering details. We are making plans for a fail-safe in case the pump fails or we have problems. Any questions?

Mr. Walker asked if we are going to start back with limbs or trees. Mr. Klink stated no. Honestly, I think there are a lot of people that are not citizens of Krebs that dump everything from apple crates to grand pianos. It took almost 2 days to clean up the last time. Mr. Walker asked if we are having the trash pickup the last Friday. Mr. Klink stated we have clean up the last Friday. You call the City Hall, give us your address and we will pick it up.

Mr. Kern stated that we need to have an Audit & Finance Committee meeting next Tuesday.

Mr. Klink stated we need to move it to 5 p.m.

Mr. Kern stated there will be NO ACTION TAKEN. DISCUSSION ONLY JUST DATA GATHERING.

Mr. Klink stated it will be posted. We ask for volunteers all the time.

Mrs. Scott asked what time is the meeting. Mr. Klink replied at 5:16 p.m.

8. BUSINESS NOT PREVIOUSLY CONSIDERED.

None.

9. COMMENTS FROM THE BOARD AND CHAIRMAN.

Tommy Walker stated he wanted to congratulate Kay on her new permanent position. She has been doing a really good job.

Mrs. Scott thanked the Council and Board. I really do enjoy this job.

10. ADJOURN MEETING. Chairman Watkins asked for a motion to adjourn the meeting. Daulfin Bennett made the motion. Tommy Walker seconded the motion. Chairman Watkins called for a vote. Tommy Walker – yes, Connie Poole – yes, Jason Wagnon – yes, Daulfin Bennett – yes. Motion passes.