

KREBS UTILITIES AUTHORITY  
BOARD MEETING MINUTES  
DECEMBER 18, 2018

1. Chairman Bobby Watkins called the meeting to order.
2. Julia Casey, City Clerk, called 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 NOVEMBER 20, 2018 KUA BOARD MEETING. Chairman Watkins asks for a motion to approve. Connie Poole makes the motion. Daulfin Bennett seconds the motion. Chairman Watkins takes vote. Daulfin Bennett – yes, Jason Wagnon – yes, Connie Poole – yes, Tommy Walker – yes. Motion passes.
4. CONSIDER AND ACT TO APPROVE THE CLAIMS. Chairman Watkins asked for a motion to approve. Jason Wagnon makes the motion. Connie Poole seconds the motion. Chairman Watkins takes vote. Daulfin Bennett – yes, Jason Wagnon – yes, Connie Poole – yes, Tommy Walker – yes. Motion passes.
5. FINANCIAL REVIEW WITH MIKE KERN. Mike Kern addresses board. Page 1 – Assets. Surcharge cash account \$77,126.75. For repairs and maintenance extra \$1 a month on water bills that is where this money comes from. Water tower account which is set aside for painting/ refurbishing water tower when time comes which we are getting close to the time. 2 CDs listed as well. Page 3 – Income statement. Month of November \$107,587.82. 5 months ending November 30<sup>th</sup> \$481,261.73. On track to exceed our revenues budget. 5 months in and 7 more to go. On expense side, \$96,488.01 was spent. Operating income of \$11,099.81. Year to date expenses \$434,119.54. If things keep going like they have been we will come in under budget. Total transfers \$26,480.21 net profit \$73,622.40. Page 7- Cash flow statement that we talk about every month. Net increase/ decrease in cash have increased out cash in KUA to \$72,729.04. We have been able to build up more money. We have a lot of needs in capitol purchases and at next audit and finance meeting will talk about getting on track paying back city. Questions or Comments. None.
6. BUSINESS PREVIOUSLY CONSIDERED.
  - A. CONSIDER AND ACT TO APPROVE RESOLUTION NO. 18 – 05. ESTABLISHING NEW WATER AND SEWER RATES. Chairman Watkins verified 3%. Mike Kern states yes, it is what they went over in the budgets. Mike asks if rate schedule is in books. Julia Casey advised yes. Chairman Watkins asks for a motion. Jason Wagnon makes motion. Connie Poole seconds motion. Daulfin Bennett – yes, Jason Wagnon – yes, Connie Poole – yes, Tommy Walker – yes. Motion passes.
7. BUSINESS NOT PREVIOUSLY CONSIDERED.
  - A. CONSIDER AND ACT TO APPROVE HIRING RS2 SOLUTION, LLC TO COLLECT ON UNPAID WATER BILLS. Rob Shofner with RS2 Solutions addresses the board. Does the unpaid court fines with his other company Court Solutions. Has been doing that for last 5 years. Started new company to piggy- back on current company. Works under same state statue that the collections. It is a pass thru to the people who owe the money. Does not cost city anything for his services. 35% will be added on to collection of bill due. Wants to go after ones that are not paying. Will locate, send notices and get them on phone to

get them to pay. Statue of limitations is 5 years on utilities. Chairman Watkins asks if can garnish paycheck. Rob states only if we sue them. Would like them to pay without the court costs. Can ding credit for anything over \$50. It is additional process if want to sue and garnish wages. Chairman Watkins verifies not costing city anything. Rob states if he doesn't collect, he doesn't get paid. Julia Casey asks if we send to collections and they come in and pay do we refer them to the collections. Rob states we can. He prefers if they are willing to pay the bill just to take the money and let him know to update his end. Every 2 weeks trust statements will get sent to City so we can update our end. Can always refer to RS2 Solutions. If customer pays off bill with us and collections have started the customer will still owe the 35% to RS2 Solutions. Connie Poole asks about the 30-day old accounts. Kay Scott states all of ours will be older than 30 days. Connie wants to have that removed from the contract. Kay states can be removed. Tommy Walker asks that they get the 30 days any way. Julia states actually they get at least 60 days. States list we have for him will be from years of trying to collect. Connie wants to make sure we are letting customers know. Kay states we can put on back of bill. Julia states we can let them know when they sign up as well. Rob states can send us a form that the customers sign when they are setting up service. Rob talked about an ordinance that he sent. Kay asks if was in books. Julia states if it was given to me it is in there. Ordinance explains 35% that the customer will have to pay if sent to collections. Tommy Walker verifies city does not pay anything. Asks about part of the contract that says municipalities will pay a percentage. Rob explains that is the 35% that the customer pays but it will show as billed to the City in his reports. The 35% that the customer pays gets sent back to use and in return and City will send the fee for RS2 Solutions monthly back to him, the same way that it is done on the court side. Chairman Watkins asks for a motion or any discussion. Connie Poole makes the motion as long as the 30 day is taken out of the contract. Jason Wagnon seconds the motion. Chairman Watkins takes vote. Daulfin Bennett – yes, Jason Wagnon – yes, Connie Poole – yes, Tommy Walker – yes. Motion Passes.

B. CONSIDER AND ACT TO APPROVE TERMINATING SERVICES WITH POE & ASSOCIATES. Ed Klink addresses the board. Have been using Poe & Associates for years. Since the passing of the engineer what we used their abilities to help us with projects have failed, almost non-existing. Would like to terminate any agreements that we have with Poe & Associates. Mr. Layden will have to examine and take care of this. Chairman Watkins asks if we have a contract with them. Ed states kind of. We have a memorandum of understanding. Chairman Watkins asks for a motion. Jason Wagnon makes motion. Connie Poole seconds motion. Chairman Watkins takes vote. Daulfin Bennett – yes, Jason Wagnon – yes, Connie Poole – yes, Tommy Walker – yes. Motion passes.

C. CONSIDER AND ACT TO APPROVE INFRASTRUCTURE SOLUTIONS GROUP, LLC. FEE SCHEDULE. Ed Klink addresses board. Fee schedule is in back of books provided. 10 or 15 items that have different prices. Things are quite different. Wanted to include and get board approval. If there is payment involved on a project the work order would be brought before board. Tommy states he is unclear about what he spoke with Ed earlier. Asking about the fee not to be more than \$1500 which to him sounds like \$1500 per hour. Ed states that has to do with Barbara Crow to fix sewer problem has not worked how it should. That is for the engineering and would cost around \$1500. This would be an example of if "C" passes of what we would do. Ed states it is not to exceed \$1500 for the whole job. Julia Casey states that the item Ed is talking about is for another line item. Line Item "C" is just their fee schedule. \$1500 is for the whole job which they will talk about next item. Kay advises Ed that the work order is

not for Barbara Crow project. This work order is for the waterfront addition project. Ed states he just talked to the engineers today on this. Kay states the work order on the agenda is for the Water front addition off of Main. Ed States we need to stop at this point. Ed thinks wrong work order was put in the council book. More discussion about wrong work order. Ed request that we table this item. We need firm answer because some where some one made a mistake. Chairman Watkins asks for motion to table. Tommy Walker makes motion. Daulfin Bennett seconds motion. Chairman Watkins asks for a vote. Daulfin Bennett – yes, Jason Bennett – yes, Connie Poole – yes, Tommy Walker – yes. Motion tabled.

D. CONSIDER AND ACT TO APPROVE WORK ORDER FOR INFRASTRUCTURE SOLUTIONS GROUP PROJECT NUMBER KRB-18-05, WATER FRONT ADDITION PLAN. AMOUND QUOTED IS ENGINEER TO BE PAID HOURLY NOT TO EXCEED \$1500.00. Ed Klink states this needs to be tabled as well. Chairman Watkins asks for motion to table. Tommy Walker makes motion. Daulfin Bennett seconds motion. Chairman Watkins takes vote. Tommy Walker – yes, Connie Poole – yes, Jason Wagnon – yes, Daulfin Bennett – yes. Motion Tabled.

E. CONSIDER AND ACT TO APPROVE A STIPEND OF \$162.43 GROSS AMOUNT LESS TAX OF \$12.43 = NET OF \$150.00 FOR ALL KUA EMPLOYEES. Chairman Watkins asks wouldn't the City cover all employees. Mike Kern states City covers the City Workers and KUA covers the water. 2 separate accounts. Kay Scott states you have some employees paid out of different accounts. Tommy Walker asks if we have any express employees. Chairman Watkins states no. Asks for a motion. Daulfin Bennett makes motion. Tommy Walker seconds motion. Daulfin Bennett – yes, Jason Wagnon – yes, Connie Poole – yes, Tommy – yes. Motion Passes.

8. COMMENTS FROM THE CHAIRMAN AND THE BOARD. None

9. ADJOURN. Chairman Watkins asks for a motion to adjourn. Tommy Walker makes the motion. Daulfin Bennett seconds the motion. Chairman Watkins takes vote. Daulfin Bennett – yes, Jason Wagnon – yes, Connie Poole – yes, Tommy Walker – yes. Motion passes.

10. Meeting Adjourned.