

**CITY OF KREBS
SPECIAL KUA BOARD MEETING
MINUTES
MAY 13, 2025**

1. **MEETING CALLED TO ORDER** by Chairman Tommy Ray Walker

2. **ROLL CALL** by Cindy J. Cooper, City Clerk

Chairman Tommy Ray Walker- present, Larry Coxsey- absent, Sherri DeFrange- present, Chuck Nelms- present, Dan Heathcock- present.

3. **DISCUSS THE KUA 2025-2026 FISCAL YEAR BUDGET**

Jonathan Clifton discusses need for two brush rotor replacements for the waste water treatment plant. Provides copy of project description with cost estimate of \$151,900 and timeframe anticipations of 215 days from Fox Engineering, INC, Civil Engineers. Past five to six years had constant issues, at the end of their service life. Takes two years to get parts from Germany. Company out of Arkansas makes a drop-in replacement. Total of four rotors at plant and two have failed. Failing test. DEQ requires full functionality.

Mike Kern the KUA is not bound by our estimate of we can budget a hundred percent of the revenues that we are projected to get for the 24- 25 year. What I've come up with is 1 million 3 34. What he's talking about there would be classified as a capital item because it's replacement of, what is it?

Jonathan Clifton, aeration brushes.

Mike Kern, we always have a lot of repair issues and supply issues over there in the KUA. I've got budgeted \$200,000 for repair. What I would suggest to say, it's probably best to try to do both these at one time.

Cindy Cooper, should we go ahead and order those or do we have to wait?

Chuck Nelms, I think he could go ahead.

Mike Kern we just need to proceed then. Mike hands out copies of his resignation letter to mayor, council, city clerk and others present. Mike Kern reads letter out loud as follows:

This is to the mayor and the city council. This letter serves as written notification that our firm will not be renewing our professional relationship with City of Krebs and the Krebs Public Works authority as of June 30th, 2025. In accordance with our engagement letter dated July 30th, 2024 for the fiscal year ended June 30th, 2025, we'll complete the following services will prepare May 31st and June 30th. Financial statements. I will attend the June and July scheduled council meetings. I'll prepare the budgets and estimate of needs. The preparation of the budget that we talked about before was up to two special meetings We recommend you engage a successor auditing firm as soon as possible. You will need to engage the firm to prepare monthly financial statements. For the monthly council meetings, prepare the fiscal year ending June 30th compilation report with notes for your auditors. We believe that our relationship is no longer beneficial for either party. As our interests are no longer aligned to the point of becoming a correct, harmonious, and divisive. We believe that it is in both of our best interests to not renew our engagement for the fiscal year ending June 30th, 2026. We previously returned all original records you provided to us in connection with previous engagements. Our working paper files are the property of our firm and will be maintained by, in accordance with our firm record retention policy. We will consider any request for copies of documents in our working paper files from you or the successful firm. However, providing such copies at our discretion. Those are our records. We'll cooperate with any successor you designate to us in writing in accordance with the provisions of A-I-C-P-A code of professional contract. These services and any additional work not

included above, will be provided under a separate engagement letter and billed separately. We appreciate the many years of our professional relationship in which the city of Krebs nothing but the best in the future.

Chuck Nelms, do you have anybody that you would recommend?

Mike Kern, no.

Chuck Nelms, well that's a good start.

Mayor Walker, I got two people recommended

Mike Kern, I guarantee you they're not qualified.

Sherry DeFrange, are you retiring or something.

Mike Kern, I'm not going to say anything

Mayor Walker, well you can do a lot more fishing now. Been good seeing you all these years buddy. Thank you.

4. ADJOURN

Chuck Nelms makes motion to adjourn. Sherri DeFrange seconds.

Chairman Walker calls for a vote. Sherri DeFrange- yes, Chuck Nelms- yes, Dan Heathcock- yes.

Motion passed.