

**KREBS UTILITIES AUTHORITY  
BOARD MEETING MINUTES  
JUNE 17, 2025**

- 1. MEETING CALLED TO ORDER** by Chairman Tommy Ray Walker
- 2. ROLL CALL** by Cindy J. Cooper, City Clerk
- 3. DISCUSS AND ACT TO APPROVE/DISAPPROVE THE MINUTES OF THE MAY 13, 2025 KUA BOARD SPECIAL BUDGET MEETING**  
**Chuck Nelms makes a motion to approve the minutes.** Larry Coxsey seconds.  
Chairman Walker calls for a vote. Dan Heathcock- yes, Sherry DeFrange- yes,  
Chuck Nelms- yes, Larry Coxsey- yes. **Motion passed**
- 4. DISCUSS AND ACT TO APPROVE/ DISAPPROVE THE MINUTES OF THE MAY 20, 2025 KUA BOARD MEETING**  
**Larry Coxsey makes a motion to approve the minutes.** Sherry DeFrange seconds.  
Chairman Walker calls for a vote. Dan Heathcock- yes, Sherry DeFrange- yes,  
Chuck Nelms- yes, Larry Coxsey- yes. **Motion passed**
- 5. DISCUSS AND ACT TO APPROVE/DISAPPROVE THE CLAIMS**  
**Dan Heathcock,** I've got a question of Michael. Michael. All these claims are the ones shown in this book, right?  
**Micheal Fulgium,** yes.  
**Dan Heathcock makes a motion to approve the claims.** Larry Coxsey seconds. Chairman Walker calls for a vote. Dan Heathcock- yes, Sherry DeFrange- yes, Chuck Nelms- yes, Larry Coxsey- yes. **Motion passed**
- 6. FINANCIAL REVIEW WITH MIKE KERN**  
**Mike Kern,** if you will turn to the income statement, page three of the public works authority. The income statement modified cash for the 11 months ending, our total revenues were \$1,219,066.67. Our operating expenses were \$1,177,648.14. We had an operating income of \$41,000 plus 41,418.53. Then we transferred money over to the general fund of \$35,944. 1. We're showing a net profit of \$5,000. One thing I want to bring to your attention is if you'll turn to page four of the page right behind that, that is the cash flow. And we've had questions about the note pay, note payments and all that. And this shows you where all the cash went for the year. If you go down about the middle of the page and net increase decrease, we have \$86,000 decrease even though we're showing a small profit. And the reason is we've paid acquisition of the notes. That's supposed to be the notes. \$75,966 plus we transferred over to the general

fund, \$35,000. So that's \$110,000. That the reason that there's a decrease in the cash balances. Okay? And the thing we've talked about on the budget is we're talking about raising our fees and on the budget, we were looking at something like 5% altogether. And then we need to concentrate. And that's again, that's where if we had a second meeting, we could concentrate more on the billing over there in the KUA. We need to work on that. But this is the cash flow. And another thing we need to discuss. See we've been paying, as you can see, we paid \$75,966 in note payments. We're done. We don't have our note. We're finished. We paid off our note. What we need to talk about is we still have, and I hate to be flipping back and forth, but I got to show you this while we're on page one on the balance sheet where we're talking about restricted assets. There's a restricted RD CD of \$71,000. That was because whenever you have a note with rural development, they require you to have on hand an amount equal to one year's annual payments. Well, we've got \$71,000, we don't have any more payments. We need to talk about what you want to do with that money. We need to talk to rural development to see if there are any restrictions because we no longer have a no *inaudible*.

**Chuck Nelms** is everything paid back to the general fund or we still owe it?

**Mike Kern** if you'll look over there on page, over on page two, theoretically the KUA still owes the city \$183,000. You see that over there on page two it says, due to City of Krebs \$183,000. And then over on the city books, it shows that they have an accounts receivable from the KUA of \$183,000. Now one thing you can do, you guys being the trustees of the KUA plus being the city council, you can agree to forgive that debt. You can. That's something we would talk about and consider. As you can see, there's a lot of issues that we need to discuss and that's why I say we should consider having a second meeting. That's kind of my report on the KUA. Any questions or comments?

## **7. BUSINESS PREVIOUSLY DISCUSSED**

### **A. DISCUSS AND ACT TO APPROVE/DISAPPROVE INCREASING THE SURCHARGE ON THE WATER BILL FROM \$1 TO \$2 TO BE EFFECTIVE WITH JULY BILLING**

**Chuck Nelms makes a motion to approve the increase.** Larry Coxsey seconds.

Chairman Walker calls for a vote. Dan Heathcock- yes, Sherry DeFrange- yes,

Chuck Nelms- yes, Larry Coxsey- yes. **Motion passed**

**Larry Coxsey** this money goes into what account?

**Mike Kern** It goes into the surcharge account. I didn't bring this. I've got a worksheet and I'm going to talk with Michael about, I mean he's put in a lot of his transfers already. But what I would suggest that we work on having one worksheet that shows all transfers instead of all the separate ones. Just trying to make things a little simple. And the required transfer would be from the public works. All the money that is collected goes into the public works. But we need to transfer an amount equal to the surcharge over into the surcharge account because over there again, on page one on the balance, the surcharge account has \$84,000 in it. And that is for repairs. That's the way it was set up. And that money for surcharge is supposed to go for repair. So there again, there's some more things we would need to,

**Mayor Walker**, that what we use to pay for out there at the Lake?

**Mike Kern**, Yeah, you could use it.

**Mayor Walker** We won't have another *inaudible*. We have to take it out of the water tower deal.  
**Mike Kern**, yeah that's true.

**8. BUSINESS NOT PREVIOUSLY DISCUSSED** None

**9. COMMENTS FROM THE CHAIRMAN AND THE BOARD** None

**10. ADJOURN**

**Dan Heathcock makes a motion to adjourn.** Chuck Nelms seconds.

Chairman Walker calls for a vote. Dan Heathcock- yes, Sherry DeFrange- yes,

Chuck Nelms- yes, Larry Coxsey- yes. **Motion passed**