

**KREBS UTILITIES AUTHORITY  
BOARD MEETING MINUTES  
JULY 15, 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- present,            Chuck Nelms- present,  
Sherry DeFrange- present,                            Dan Heathcock- present.

**3. DISCUSS AND ACT TO APPROVE/DISAPPROVE THE MINUTES OF THE JUNE 12, 2025 KUA BOARD SPECIAL BUDGET MEETING (2)**

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

**Chairman Walker** calls for a vote. Larry Coxsey- yes, Chuck Nelms- yes,  
Sherry DeFrange-yes, Dan Heathcock- yes. **Motion passed.**

**4. DISCUSS AND ACT TO APPROVE/ DISAPPROVE THE MINUTES OF THE JUNE 17, 2025 KUA BOARD MEETING**

**Sherry DeFrange makes a motion to approve the minutes.** Larry Coxsey seconds.

**Chairman Walker** calls for a vote. Larry Coxsey- yes, Chuck Nelms- yes,  
Sherry DeFrange-yes, Dan Heathcock- yes. **Motion passed.**

**5. DISCUSS AND ACT TO APPROVE/DISAPPROVE THE CLAIMS**

**Dan Heathcock makes a motion to approve the claims.** Sherri DeFrange seconds.

**Chairman Walker** calls for a vote. Larry Coxsey- yes, Chuck Nelms- yes,  
Sherry DeFrange-yes, Dan Heathcock- yes. **Motion passed.**

**6. FINANCIAL REVIEW WITH MIKE KERN**

**Mike Kern**, turn to the Krebs Public Works authority financial statements. Page number three, the total revenues for the fiscal year ending June 30th, 2025 \$1,315,253.24. Our total expenses \$1,224,663.12. We have operating income of \$90,59.12. We did transfer over to the general fund \$156,664.11. There's nothing unusual right now.

**Chairman Walker**, we're at a loss of \$57,974.41 and \$66,073.99?

**Mike Kern**, yeah.

**7. BANK TRANSFERS REVIEW WITH MIKE KERN**

**Mike Kern**, the one main transfer that we're going to be making every month is the transfer from the operating account to the surcharge account. That needs to be done every month. We will have it on the agenda every month to get that approved.

**Larry Coxsey**, have they been done before? Have the transfers been done prior?

**Mike Kern**, up to up to this point? Not all of them. I've got the year end stuff and we will have a, I will have a full worksheet for you next month to show what all I reconciled the whole year for the capital

improvements for the vehicle, for the police department, the IT fund, and the training. I'll give you all those things next month. I went through the whole year.

**Larry Coxsey** So when we get for next month, it will include the prior months. So, all that will be transferred at one time.

**Mike Kern**, yeah, there's all different transfers, all those, like I said, the vehicle registration, I mean the vehicle replacement account and the IT fund and the training fund, those monies again come out of the court bond first. And then over here on the KUA, the money that gets deposited for all the water and sewer sales that goes into the operating account for the KUA. But then the transfer will need to be made each month for the surcharge amount. It goes into the surcharge account. We have a surcharge cash account.

**Dan Heathcock**, and in the past, that's always been done. The transfers have always been done in the past. Is that correct?

**Cindy Cooper**, yes.

**Mike Kern**, yeah, for the most part, yes.

**Dan Heathcock**, so we just have to give you authorization to do it now?

**Mike Kern**, no, no, no, no. Alls I'm going to do is, well, it's up to the council. What I planned on doing was, like I say, give you a worksheet each month to say this, these are the transfers that need to be made. You don't have to approve it because the capital improvement has already been approved by the...

**Cindy Cooper**, it's an ordinance. Those are ordinances that it has to go in there.

**Mike Kern**, well, the sales tax wasn't an ordinance, it was a vote of the people. So, it has to be done. But those other deals are ordinances. The ones for the police department monies.

**Cindy Cooper**, right. So that means they have to be done.

**Mike Kern**, right. They have to be done. I just want the council to be aware of what transfers are being done.

**Cindy Cooper**, so they don't actually don't have the option to disapprove doing that.

**Mike Kern** I just want them to see the numbers.

**Cindy Cooper**, okay, so you just want them to acknowledge it.

**Mike Kern**, correct. Yeah, I want them to review it. We'll have a block that says reviewed and I would ask you to initial it so that everybody's aware of what the transfers are and how much.

**Dan Heathcock**, so if for some reason the money doesn't show up later for what it was supposed to you can say we were aware of it?

**Mike Kern**, I'll come and get Michael. We will keep you apprised and everything going on. That's the whole deal.

## **8. BUSINESS PREVIOUSLY DISCUSSED**

### **A. DISCUSS AND ACT TO APPROVE/DISAPPROVE RESOLUTION 25-02. A RESOLUTION INCREASING THE MISCELLANEOUS CHARGE ON THE WATER BILL FROM \$1.11\* TO \$2.00 TO BE EFFECTIVE WITH JULY BILLING. THIS IS SHOWN AS SPECIAL SURCHARGE ON THE FINANCIALS.**

**Cindy Cooper**, last month y'all voted to raise it from specifically \$1 to \$2, but it already had been raised twice in the past, but apparently nobody knew. So, it was already one \$1.11. Ronnie May said we need to clarify this since that one was done just last month.

**Chairman Walker**, how come that was done.

**Dan Heathcock**, it never was voted on, was it?

**Ronnie May**, last month you approved it to go for a dollar \$2, but it turns out afterwards she told me that they've been charging \$1.11 for a while, so I said, just to clarify the record, you need to go ahead and show the approval of \$1.11 to \$2 because you've already done the 11 cent raise or whatever previous. But I'm saying for future actions starting July 1, 2025. I just told her put it on the agenda so the records clear that it was a dollar \$1.11 to \$2 rather than a dollar. I told her to put it on just to clear the record.

**Chairman Walker**, whenever it's passed to do this and everything, how do we know it's actually done? Since we didn't know about the 11 cents?

**Ronnie May**, I don't know.

**Chairman Walker**, you'd have to go through the Jamie, I guess, isn't it?

**Cindy Cooper**, that's how we figured out the 11 cents Jayme's been charging that 11 extra cents all this time, but she didn't realize it before the meeting. When she went to change it to \$2 is when she realized it had been the extra 11 cents.

**Chairman Walker**, who puts it 11 cents on it?

**Cindy Cooper**, we don't know. I guess she did it last year. She said Mike told her to do it last year, but there's nothing in writing saying it was supposed to be raised.

**Dan Heathcock**, it was talked about but never got approved

**Jayme Busby**, apparently. Yeah, I did not enter into the program for 2024, but in 24 in January of 24, it got raised to \$1.05. And then when I was doing the rates for 2025 and I spoke to Mike and it was already \$1.05, that's when we went ahead and went up the 5% like everything else did across the board and it went up to one \$1.11. There was no vote.

**Chairman Walker**, the question I got though, who told you to do that?

**Jayme Busby**, Mike.

**Chairman Walker**, Mike Kern?

**Jayme Busby**, yes

**Chairman Walker**, okay, so there's kind of miscommunication here or something. So, from now on you need to be told that the council voted on it. You need to do, it's not what Mike said, but what the council voted on.

**Cindy Cooper**, it'll be a resolution. It should be a resolution.

**Sherry DeFrange** makes a motion to approve Resolution 25-02 and put a cap on it. McAlester water is cheaper than Krebs. I think it's ridiculous that the water bill is what it's, it keeps going up and up and up.

**Chairman Walker**, McAlester is cheaper?

**Jayme Busby**, yeah, but how big is McAlester? They have more people to pay for it?

**Chairman Walker**, if you look at all the costs of all the chemicals, they probably spend like \$30,000 a month on chemicals for water, sewer, all the lift stations with all kinds of money. just as long as we know from now on what's voted on. Okay, so if they've been charged at 11 cents more, shouldn't they get a rebate on it or some or what? It hadn't been made a law yet.

**Chuck Nelms**, yeah, but it was raised 5% by the water bill rate. That surcharge was raised at the same rate.

**Mike Kern**, there you go, that's exactly...

**Cindy Cooper**, but it wasn't included in there. It wasn't specifically voted on. So, from now on, it's like everything else, we're going to forgive the past, we're moving forward? From now on we're going to do it right and legal.

**Sherry DeFrange**, and make everybody pay it.

**Dan Heathcock, makes a motion to pass Resolution 25-02 as presented.** Sherry DeFrange seconds.

**Chairman Walker** calls for a vote. Larry Coxsey- yes, Chuck Nelms- yes, Sherry DeFrange-yes, Dan Heathcock- yes. **Motion passed.**

## **B. DISCUSS AND ACT TO APPROVE/DISAPPROVE THE 2025/2026 KUA FISCAL YEAR BUDGET**

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

**Chairman Walker** calls for a vote. Larry Coxsey- yes, Chuck Nelms- yes, Sherry DeFrange-yes, Dan Heathcock- yes. **Motion passed.**

## **9. BUSINESS NOT PREVIOUSLY DISCUSSED**

### **A. DISCUSS SEWER SURCHARGE AND MISCELLANEOUS FEES**

**Jayme Busby**, on the financials that Mike Kern gives you it says surcharge. On the bills that go out, it says miscellaneous. The people that have sewer, have a sewer surcharge and it says SS on their bill for sewer surcharge. When people call me, which I get calls every month, and they want to know what the miscellaneous, and what the sewer surcharge is, I just want you all to know that there's two different items on the bills for people that have water and sewer and the word surcharge gets confusing when Mike talks to you about your financials. The wording needs to be cohesive so everybody knows what we're talking

**Larry Coxsey**, what is this used for? Is it for maintenance purposes and stuff like that? I know people's asking about yes, what that is. And in the past people said, I don't know.

**Jayme Busby**, yes, the sewer surcharge is for the upkeep of the sewer it helps offset the cost for the plant and the chemicals and all that. But the miscellaneous is more towards the water and it's for the infrastructure

**Mike Kern**, on that billing. When are you going to do your billing again?

**Jayme Busby** you guys tell me; we did it in January and I sure wish you guys would do it when you do the budget.

**Cindy Cooper**, he is asking about when you send the bills out.

**Jayme Busby**, I try to get them ready around the 25th of every month between the 23rd and 25th

**Mike Kern**, on the summary. I'll need to sit down with you and make sure that we've got that nomenclature right as to the, is the water surcharge, and then the sewer surcharge? I don't think it's set out separate. I think it's just part of the sewer.

**Jayme Busby** it's separate. They're all separate line items. Because the miscellaneous goes to every customer no matter what. But the sewer surcharge only goes to customers who have sewer.

**Dan Heathcock**, I only see one surcharge on here for water and sewer on page three.

**Jayme Busby**, that's what I'm saying. That's why everybody is confused on the financials.

**Mike Kern**, I'm going to talk to her. I'm going to change that. because the council, do you want the sewer surcharge put in a separate account? You've got sewer expenses and you've got water expenses. It's up to you all. I can present it any way you would like it. I mean, we want to make sure that the people do understand what they're getting charged for. We want to make sure they understand that. What I'll do is I'll set up on the financials to have the sewer surcharge or I mean the water...

**Jayme Busby** water miscellaneous. Water miscellaneous

**Mike Kern**, water miscellaneous is going to be the surcharge or the water surcharge because that goes into separate checking account. And it's not on the agenda, but you've got a sewer surcharge sewer surcharge at \$3.87 cents. Do you want that set up in a separate account? We can do it. I think we probably should do it to show the people and we probably need to set up a separate checking account because we want to try to allocate sewer expenses because the sewer supply that Momar every month is a very large bill and that's just supplies. That's not basic repair things. So maybe we need to put this on the agenda next month and talk about it a little more. That would be fine. But we want to be transparent to the people. We want them to know what the deal is.

**Chairman Walker**, is Alderson paying that charge?

**Dan Heathcock**, the total here with the surcharge is 21.2 K approximately, does that get cut in half of water and half a sewer?

**Mike Kern**, no, no, no. The sewer charge will be a separate line item from everything that's in there

**Jayme Busby**, right now in your financials, you do not see the sewer surcharge separately at all.

**Dan Heathcock**, it shows it together.

**Mike Kern**, Yeah, it's all together in the sewer number.

**Dan Heathcock**, 21.2 K total.

**Mike Kern**, no, that's water.

**Jayme Busby** that's just the water. The miscellaneous shows are miscellaneous on your bills?

**Mike Kern**, like I say, I think we need to put those on the agenda so that we can talk about it some more.

## **B. DISCUSS AND ACT TO APPROVE/DISAPPROVE RESOLUTION 25-03. A RESOLUTION RATIFYING THE SEWER SURCHARGE OF \$3.87**

**Cindy Cooper** this one's on here because again, with that miscellaneous, the sewer was also raised without being voted on, but it was done. Since we didn't say anything about it, Ronnie said just ratify it so that there is something showing that that's the rate.

**Jayme Busby** up to 2024 you were paying \$3.50. In 2024 it was entered as \$3.68, and then in 2025 it was raised another 5% to \$3.87. We just need to ratify that you all acknowledged that. That's why we need you to approve of this amount to go forward.

**Chairman Walker**, y'all voted to raise that? Somebody had to raise it.

**Chuck Nelms**, what it's done is when we increased the water bill by 5%, we did all of it.

**Cindy Cooper**, but you only did that the last two years. That's the thing from 2014. \*(not on computer from before then.)

**Jayme Busby**, yeah, we only raised the miscellaneous and the surcharge fees the last two years in 2024 and in 2025. I did it in 2025 because I saw it was done in 2024 and I asked Mike if I was supposed to do that and he said yes.

**Mike Kern**, what we need to do is on page three of the KUA budget, that's where I've built a schedule of the rate increases. We need to look at that and we need to clarify just what we're talking about, what water is surcharge and what's sewer surcharge. So please look at that page three of those rate increases. What I always try to do every year is raise the total water expense and the total sewer expense. Try to keep those. You can see there the total combined is 2.76%. We always try to look at three to 5%. That's what we try to look at, but we want the people to know. Exactly. So, we need to put this on the agenda and we'll look at this rate schedule and I'll change it according to whatever we decide. Whatever you all decide.

**Larry Coxsey**, I think like the 5% rate increase on the sewer that's set in there automatic, but as far as the surcharge, I don't think that should have been straight across on that either.

**Mike Kern**, we just need to separate that out because again, in financial accounting we only look at the sewer fees and the water fees for management purposes. We want to separate any special charge so that the people know what they're paying for and we need to probably, not probably you should look at how specifically we want to spend that money. Do you want to spend it on supplies? Do you want to spend it on repairs? We need to talk about it.

**Dan Heathcock makes a motion to approve Resolution 25-03.** Chuck Nelms seconds.

**Chairman Walker** calls for a vote. Larry Coxsey- no, Chuck Nelms- yes, Sherry DeFrange- no, Dan Heathcock- yes.

**Cindy Cooper**, you're voting no on the resolution to ratify that It's not a rate increase. That's already what you're paying That's already what you're paying. That's what they've been paying since last year. It's just to acknowledge that that's what they're paying instead of the,

**Larry Coxsey**, But I'm concerned on why it went up the 5% the past two along with the other stuff. Whenever the surcharge is a separate fee that I think should be voted on any time it's increased.

**Cindy Cooper**, they're both separate fees and they should both be voted on.

**Larry Coxsey**, right.

**Cindy Cooper**, exactly. And they hadn't been raised before.

**Larry Coxsey**, and that's why I voted. No.

**Mike Kern**, one thing I would caution you on, that means you're telling her that she's going to have to reduce the bills by \$3.87 cents.

**Larry Coxsey**, what did it go up? What was the original surcharge?

**Jayme Busby**, originally it was \$3.50 until 2024. In 2024 it went up to \$3.68 with no vote. It was just done. I do not know who entered those rates in 2025 it was raised to \$3.87.

**Larry Coxsey** when it was \$3.50? Was that voted on? Can they find where that's been voted on?

**Jayme Busby**, we could not find anywhere where the surcharge or the miscellaneous was ever voted on. They just started,

**Cindy Cooper**, never created or anything.

**Jayme Busby** it just started appearing on my, I look back in history to 2014. That's all I can see.

**Mayor Walker**, I guess they got a ghost down here.

**Sherry DeFrange** it just started appearing on your computer?

**Jayme Busby** at some point in 2013 or 14, somebody talked about it somewhere and it started being separate on the bills. I don't know.

**Cindy Cooper**, and it may have been discussed in a council meeting, but I have not read every single minute. But there's no resolution, there's no ordinance, there's no act that was shown.

**Sherry DeFrange**, so she'll have to change everyone's bill?

**Dan Heathcock**, so I understand that in 2025 it reversed back to \$3.68?

**Cindy Cooper**, will they have to refund that?

**Ronnie May**, no.

**Jayme Busby**, in January of 2024 it went from \$3.50 to three to \$3.68.

**Dan Heathcock**, the approval, it got voted down though. so does your surcharge go back to \$3.68?

**Cindy Cooper**, Mr. May said no.

**Dan Heathcock**, what does the surcharge go to?

**Cindy Cooper**, it sticks where it's at \$3.87.

**Ronnie May**, \$3.87

**Jayme Busby**, it's \$3.87. It's going to stay \$ 3.87.

**Dan Heathcock**, it got voted down.

**Cindy Cooper**, that's already what it is. You weren't approving to raise it. You were just acknowledging you were just voting to acknowledge that that's what it is.

**Dan Heathcock, I have made a motion to approve resolution 25-03**

**Larry Coxsey**, I'll change mine to yes.

**Sherry DeFrange**, if that's what it is that's what it is.

**Cindy Cooper**, so that from now on, if that rate gets raised, you'll have to vote on it and it'll be a resolution.

**Ronnie May** any raises going to add income like that? Like I said, transparency, you need to have a vote. And like I said, maybe it was a little lax or they didn't keep a good record or whatever, but try and go back 10 or 15 years to when that popped up on a bill. It wasn't just made up and it wasn't one person that did it. What I'm saying to try and locate that so much complicate things. If we go back and say, okay, you might set up a situation if somebody comes and say, I want my money back for the last 15 years if you did that and got that started. Got to go forward, I just wanted it on the record that, because like I said, somebody's going to look at in the future and say, well what did they do? Now you now have a record that you proved it was previously done, but you've acknowledged that it is \$3.87 as of this day going forward. That's what the bill is like I said, and anything changes any additional, not you don't have an escalation clause, it automatically goes up 5% a year. If you could vote on that and do that if you wanted to, but I wouldn't see why you'd want to do it. If you're going to ask for more money from the citizens, you probably need to vote on it. And even if it's a dollar vote on it.

**Mike Kern** that's why I say put it on the agenda next time because I want to set this out separately and you technically do need to vote on whatever scheduled sewer and water increases. I'll need to rework that worksheet and that's okay. We want everybody to know what's right and I want the council to know exactly what it is. Okay. So, we need to talk about that at the next meeting or we can talk about it at a finance committee meeting and come up with a recommendation. But it would have to come before the full council to approve any increases or adjustments

**Ronnie May** you always put a motion to reconsider. There's a motion to reconsider and Robert's rules that you can do the back and say; I want to call the vote or reconsider the vote. You can do that. So procedurally you can go back and reconsider that. Yes.

**Cindy Cooper**, it has to be one of them that's changing their vote.

**Larry Coxsey, I'll make a motion to reconsider.** Sherry DeFrange seconds.

**Chairman Walker** calls for a vote. Larry Coxsey- yes, Chuck Nelms- yes, Sherry DeFrange- yes Dan Heathcock- yes. **Motion to reconsider passed.**

**Dan Heathcock makes a motion to approve a resolution 25-03.** Sherry DeFrange seconds.

**Chairman Walker** calls for a vote. Larry Coxsey- yes, Chuck Nelms- yes, Sherry DeFrange- yes, Dan Heathcock- yes. **Motion passed.**

**Mike Kern**, but like I say, I just want the council to be aware that we need to make it more transparent as to what the charges are. And I want to put that on the worksheet that I do for the rate. We'll look at that at either a finance committee meeting or the next council meeting. Whichever you all want to do.

**Ronnie May** if you make the changes you can ask to be put on the agenda that way because you've got finality now of this. If you change the wording from surcharge to sewer surcharge on a line item, you can do that.

**Mike Kern**, we just need to discuss it more because I do want to present it separately on the financials.

**C. DISCUSS AND ACT TO APPROVE/DISAPPROVE THE CONTRACT FOR ACCOUNTANT SERVICES PERFORMED BY GEORGE M KERN, CPA. FOR THE KREBS UTILITY AUTHORITY FOR THE FISCAL YEAR ENDING JUNE 30, 2026**

**Dan Heathcock makes a motion to approve the contract.** Chuck Nelms seconds.

**Chairman Walker** calls for a vote. Larry Coxsey- yes, Chuck Nelms- yes, Sherry DeFrange- yes, Dan Heathcock- yes. **Motion passed.**

**10. COMMENTS FROM THE CHAIRMAN AND THE BOARD**

**Larry Coxsey**, I just had a question. of Billy and Jonathan, where do things stand on finding the infiltration that's causing the sir to go from behind the Choctaw housing back that way, blowing off the manholes and stuff like that.

**Jonathan Clifton**, we're going to start a smoke test in the next week.

**Larry Coxsey**, smoke testing in next week.

**Dan Heathcock**, the lady did call me about it, said that it was still flooding and that she had to take off the cap or top of her sew line and keep it from possibly going against her backfill.

**Larry Coxsey**, y'all got a pretty good idea of where it's at, right?

**Billy Robinson**, I got sense of where it's at.

**Chuck Nelms**, yeah. I'd like to have an agenda item put on next month to rebuild anybody's water bill that was adjusted other than the approved council voted 20% for the last two years. Jamie, if you could prepare who's been adjusted outside that 20%.

**Cindy Cooper**, say it again, flora, so I can write all that down. You want agenda item to rebill?

**Chuck Nelms**, any water bills that were adjusted above the approved counsel. 20% outside the policy.

**Chairman Walker**, had the engineer was down here today over on Bocci Street where all this flooding was going on. He's got a plan here and everything to fix it and all that. In about two weeks he'll have it completely where y'all can vote it. He said he can get the bids on it and get that fixed over there

**11. ADJOURN**

**Larry Coxsey makes a motion to adjourn.** Chuck Nelms seconds.

**Chairman Walker** calls for a vote. Larry Coxsey- yes, Chuck Nelms- yes, Sherry DeFrange- yes, Dan Heathcock- yes. **Motion to adjourn passed.**