

KREBS UTILITIES AUTHORITY  
BOARD MEETING MINUTES  
FEBRUARY 21, 2017

1. Chairman Bobby Watkins called the meeting to order.
2. W. Kay Scott, Clerk/Treasurer called the 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 JANUARY 17, 2017 KUA BOARD MEETING. Chairman Watkins asked for a motion. Connie Poole made the motion. Daulfin Bennett seconded the motion. Chairman Watkins called for a 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. Tommy Walker stated that we buy a lot of blossom and sewer drain stuff at about \$16,000. Ed Klink answered it lasts for several months. Our citizens have a real problem pouring grease down the drain. Mr. Walker asked do we pay the Sensus \$1,600 per year for autoread software. Mrs. Scott answered yes. Mr. Klink also stated the next time we have an Audit and Finance meeting we need to discuss using the IT Fund to start buying radio read water meters. They cost about \$220 a piece and we have over 800 that we will need. We need to start doing this because most of our meters have a lift expectancy of 20 years – the 20 years will be here in approximately 18 months. The older the water meter becomes the less accurate that it actually is. Most of our meters are 89 – 94% accurate. We are taking a loss each month in revenues. We need to collect what the consumer is actually using and we need to do it in such a manner that we save the citizens money. We are going to do that by using the new radio read meters and the software that program demands. Reading the water meters will be about a 3 minute job. We will save water that is currently not being reported and also manpower. The State of Oklahoma has mandated that the usage of water in 2060 will not exceed the usage of water in 2016. I have asked Donny to only order radio read type meters. Chairman Watkins asked for a motion to approve the claims. 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. FINANCIAL REVIEW WITH MIKE KERN. Turn to Page 3 – Revenues for January = \$93,088.39; Fiscal YTD = \$608,880.73. Projecting to the end of fiscal year should be 2% above the revenue budget. Expenses for January = \$72,405.05 and 7 months ending were \$559,670.42. Projecting to the end of the fiscal year should be 3-4% under the expense budget. YTD profit of \$49,210.31. Page 7 Statement of Cash Flows - Cash increase \$28,934.97 for the 7 months ending January 31<sup>st</sup>. Even though it is showing a profit of \$49,000 we have to pay our notes which is principal amount of \$32,448.50 and interest of \$15,893.50 and also acquisition of property, plant, and equipment. We still have to focus on paying the City General Fund back. We put that on hold so we could have money put back for the water tower inspection. When we get to the budget time again, we have to consider notes to be paid back to the city and to rural development. If you look at the financials on Page 2 Liabilities. We don't have a lot of accounts payable but we do have due to the City \$213,000.00. Our Rural Development notes we owe almost \$590,000.00. We are making payments on those but we are not making payments back to the City. So we have to take that into consideration when we think about making rate increases. Even though our profit was \$49,000 our payments for notes were \$28,000. Rural development wants to raise rates for the higher users trying to get them to conserve.

6. BUSINESS PREVIOUSLY CONSIDERED. None

7. BUSINESS NOT PREVIOUSLY CONSIDERED. None

8. COMMENTS FROM THE BOARD AND CHAIRMAN. None

9. ADJOURN. Chairman Watkins asked for a motion to adjourn. Connie Poole 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. Meeting adjourned.