

KREBS UTILITIES AUTHORITY
BOARD MEETING MINUTES
MARCH 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 – Absent, Daulfin Bennett – Present.
3. CONSIDER AND ACT TO APPROVE THE MINUTES OF THE FEBRUARY 21, 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. Tommy Walker – yes, Connie Poole – yes, Daulfin Bennett – yes. Motion passes.
4. CONSIDER AND ACT TO APPROVE THE CLAIMS. Chairman Watkins asked for a motion. Chairman Watkins asked for a motion to approve the claims. Daulfin Bennett made the motion. Connie Poole seconded the motion. Chairman Watkins called for a vote. Tommy Walker – yes, Connie Poole – yes, Daulfin Bennett – yes. Motion passes.
5. FINANCIAL REVIEW WITH MIKE KERN. Turn to Page 3 – Revenues for February were \$82,403.34; Fiscal YTD = \$691,284.07. Projecting to the end of fiscal year should be close to the revenue budget. Expenses for February were \$88,296.65 and 8 months ending were \$647,964.07. Expenses are less than the projection. We did lose \$5,893.31 for the month but that was because we \$27,604.41 in repairs and maintenance. Looking as the supplies and repairs and maintenance together, we are still pretty much on line with the budget. Page 7 – Statement of Cash flows our net increase for the 8 months ending is \$29,328.83. Compared to last year we are slightly ahead of the cash increase. The net cash provided which is \$98,511.93 is more than the 125% covered in the loan agreements with rural development. Any questions or comments? None
6. BUSINESS PREVIOUSLY CONSIDERED. None. Tommy Walker asked about dogs barking. Mayor Watkins stated that he got several tickets.
7. BUSINESS NOT PREVIOUSLY CONSIDERED.
 - A. REVIEW AND ACCEPT THE AUDIT FINDINGS FOR FISCAL YEAR 2015/2016 FROM RALPH OSBORNE, CPA. Chairman Watkins asked for a motion to accept. Tommy Walker made the motion. Daulfin Bennett seconded the motion. Chairman Watkins called for a vote. Daulfin Bennett – yes, Connie Poole – yes, Tommy Walker – yes. Motion passes.
 - B. CONSIDER AND ACT TO ACCEPT A 5 YEAR CONTRACT WITH ALLIED WASTE SERVICES OF ALDERSON DBA REPUBLIC SERVICES OF ALDERSON FOR TRASH SERVICE. CONTRACT WILL HAVE AN ANNUAL ADJUSTMENT INCREASE OF 3% EFFECTIVE ON THE FIRST DAY OF THE ANNIVERSARY MONTH OF THE CONTRACT. Jimmy Skipper, manager at the local landfill for Republic Services addressed the board. Mr. Skipper explained the costs of the trucks (approx. \$350,000), environment costs, etc. Trucks are bigger but they are lighter due to the use of aluminum. Trying to prevent damage to the roadways. Chairman Watkins asked what is the life span of the landfill? Mr. Skipper stated the current area is 11 years. They are looking at purchasing property to the south. Tommy Walker asked Pat Layden, City Attorney, and Mike Kern, City CPA, if they had looked at the contract. Both stated they had and it looked good and has the

language that was requested. Daulfin Bennett asked Mr. Skipper to have his trucks to slow down. He stated he would talk to Jim. Chairman Watkins asked for a motion. Tommy Walker made the motion to accept the contract. Connie Poole seconded the motion. Chairman Watkins called for a vote. Daulfin Bennett – yes, Connie Poole – yes, Tommy Walker – yes. Motion passes.

- C. CONSIDER AND ACT TO SET ASIDE MONIES TO REPLACE OUR OBSOLETE SOFTWARE SYSTEM AND WATER METERS WITH RADIO READ METERS AND TO UPGRADE THE SOFTWARE PROGRAM. Ed Klink that we talked about this at the Audit and Finance meeting. We received a grant in 2002. We had approximately 300 meters on hand and we used the grant money to replace 500 meters. Now the situation is the battery life is 20 years. Last year we started replacing old meters with radio reads. The problem is the software is obsolete. If we go with radio read, it will only take a couple of hours instead of days. The software system is failing now. We can also put a lockable can around the meters. Radio reads cost about \$220 per meter. Jeremy Thomas says it would cost an additional \$225 to install each meter. I am suggesting to put money aside to replace these meters. Costs about \$500 per meter and we have about 800 meters. Asked Mr. Thomas for an estimate so I would have an idea of how much money we are talking about. Chairman Watkins asked how much do you recommend to set aside? Mr. Klink stated \$500 – 700 per month. Mr. Walker asked if this was separate from the IT Fund. Mr. Klink stated the radio read head is about \$80. Mr. Walker stated that shouldn't there be a limit on how many times a department can take money out of the IT Fund. Mr. Kern stated we should explore a flat rate on the water bills of \$1 – 2 per month. We can use the IT Fund but the money has to be given to or loaned to the KUA because the money is generated in the City General Fund. Mr. Klink stated that we need to focus on setting aside money just for replacing the system and meters. Mr. Kern stated that we need to set up a place to start accumulating money. Then we can discuss where the monies are going to come from. Chairman Watkins asked for a motion. Tommy Walker made the motion to set up a fund for replacing the meters. Connie Poole seconded the motion. Chairman Watkins called for a vote. Daulfin Bennett – yes, Connie Poole – yes, Tommy Walker – yes. Motion passes.

8. COMMENTS FROM THE BOARD AND CHAIRMAN. None

9. ADJOURN. Chairman Watkins asked for a motion to adjourn. Daulfin Bennett made the motion. Connie Poole seconded the motion. Chairman Watkins called for a vote. Daulfin Bennett – yes, Connie Poole – yes, Tommy Walker – yes. Motion passes. Meeting adjourned.