

CYPRESS SPRINGS SPECIAL UTILITY DISTRICT

114 FM 115 Mount Vernon, Texas

*903-588-2081 * Fax 903-588-2085*

E-Mail office@cssud.org Website: www.cssudpay.com

REGULAR BOARD MINUTES

January 13, 2026

The Cypress Springs Special Utility District Board of Directors met on Tuesday, January 13, 2026, in the Board Room of the Cypress Springs Special Utility District Office located at 114 FM 115 for their monthly meeting.

Call to order and declaration of quorum by President Larry Daniel

Directors Present: President Larry Daniel, Secretary-Treasurer Lloyd Parker, Director Todd Jagers, Director Jerry Hammond, Vice President Richard Starek, Director Jeff Cohen, Director Chad Neal, Director Brad Sears, Director Richard Hughes, Director Rex Tillery, and Director Neuman Browning.

Directors Absent:

Also Present: Kevin Spence and Jean Sparks

Public Attendance Consisted of: N/A

Public Comment: N/A

President Larry Daniel requested a motion and a second to approve the consent items. Director Rex Tillery made a motion, seconded by Director Jerry Hammond, to accept the Minutes from December 15, 2025, as written, the Treasurer's Report, and to Aged Payables/Replenish Petty Cash Checking to \$20,000.00. The motions carried with no dissent.

Manager's Reports / Unfinished Business:

Manager Kevin Spence the South Plant Capital Improvement Plan is now complete. During our last meeting, Stan Hayes mentioned that additional infrastructure grants are available that could assist SUDs. Several areas within the system require replacement or upgrades, which would qualify for these grants. By submitting multiple projects, we could potentially receive funding for one or more of them, depending on how many other SUDs apply for the grants.

Manager Kevin Spence reported that Cornersville W.S.C. had a routine maintenance month.

Manager Kevin Spence reported that the TexSTAR account is performing well. It has been a good month, with a recommendation to transfer an additional \$5,000 to the TexSTAR account. After discussion, Secretary-Treasurer Lloyd Parker made a motion, seconded by Vice President Richard Starek, to transfer \$5,000 to the TexSTAR account in January 2026.

Manager Kevin Spence reported that Guaranty Bank & Trust has scheduled training for the new system used by Glacier Bancorp Incorporated to ensure a smooth transition in February. Raegan Swann, Kayla Green, and I will enroll in the offered training.

Manager Kevin Spence reported that David Rhone and three technicians from Ferguson Enterprises LLC will be on-site on Thursday, January 15, 2026, to begin mitigation work on the collectors and meters. They will bring additional extenders and analyze the communication from units that were installed by their team.

Manager's Reports / New Business:

Manager Kevin Spence reported there are updated requirements from the 89th legislative session regarding cybersecurity and AI training, which went into effect on September 1, 2025. House Bill 150 (HB150) and House Bill 3512 (HB3512) mandate that employees with 25% access to system computers must complete the new cybersecurity and AI training.

Manager Kevin Spence reported that the raw water pumps at the northeast raw water intake are 25 years old. A few weeks ago, one of the pumps burned out, and it took 8 to 10 days to rebuild the large electric motor. This situation has left the plant with only one operational 25-year-old motor, leaving the system vulnerable. To prevent future system vulnerability, a new motor has been ordered and will be installed tomorrow morning, while the rebuilt motor will serve as a backup.

Manager Kevin Spence reported that the 2026 Rural Water Conference will take place from March 25 to March 27, 2026, in Arlington, TX. These conferences are essential for staying up to date and networking with our peers. If you would like to attend, please let Jean Sparks know so she can complete the registration for everyone.

There being no further business, Director Neuman Browning made a motion, seconded by Director Richard Hughes, to adjourn the meeting at 6:00 PM. The motion carried with no dissent.

Approved