

CYPRESS SPRINGS SPECIAL UTILITY DISTRICT

114 FM 115 (Off South Service Road Mount Vernon

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MINUTES FROM THE BOARD MEETING

April 8, 2025

The Cypress Springs Special Utility District Board of Directors met on Tuesday, March 11, 2025, in the Board Room of the Cypress Springs Special Utility District Office located at 114 FM 115 for their monthly meeting.

Directors Present: President Larry Daniel, Vice President Richard Starek, Secretary-Treasurer Lloyd Parker, Director Jerry Hammond, Director Brad Sears, Director Chad Neal, and Director Neuman Browning.

Directors Absent: Director Richard Hughes, Director Rex Tillery, Director Todd Jagers,

Also Present: Kevin Spence and Jean Sparks

Public Attendance Consisted of: Jeff Cohen

Public Comment: n/a

Invocation: Secretary-Treasurer Lloyd Parker

President Larry Daniel requested a motion and a second to approve the consent items. Director Neuman Browning made a motion, seconded by Director Jerry Hammond, to accept the Minutes from March 11, 2025, as written, the Treasurer's Report, and Aged Payables/Replenish Petty Cash Checking to \$20,000.00. The motions carried with no dissent.

Manager's Reports / Unfinished Business:

Manager Kevin Spence reported that the removal and replacement of the North East Plant filter media is complete, and the performance is exceptional.

Manager Kevin Spence reported that the TCEQ has resolved and rescinded the violation for the South Plant regarding insufficient sampling. They reviewed all the submitted documentation and confirmed that we collected the correct number of samples.

Manager Kevin Spence asked about opinions on the Rural Water Conference. Director Neuman Browning expressed disappointment, stating that it was the most disappointing conference he had attended. He noted that the food was minimal and only available for a limited time. Additionally, he mentioned that he did not see many of the usual TRWA employees there.

Manager Kevin Spence reported receiving a "call to action" request from the Texas Rural Water Association (TRWA) regarding legislative bill SB-1413. This bill will affect counties differently based on specific criteria, if they are impacted at all. The bill aims to expedite the release of land for landowners requesting 25 acres or more from CCN (Certificate of Convenience and Necessity) holders. However, this does not affect us because we do not have a large enough population.

Manager Kevin Spence reported that Cornersville WSC has received a service request for a 2-inch water meter installation for a tree farm located on State Highway 11. This will benefit their water sales and help keep the 8-inch water line fresh, which must be flushed regularly. Other than this request, it has been a routine month.

Manager Kevin Spence reported that the TexSTAR program continues to perform well. Although interest rates fluctuate with the market and have decreased from previous months, they remain higher than the current CD rates. The CDs are set to mature on May 19, 2025, and have shown strong performance at Alliance Bank. If the board is considering transferring more funds into TexSTAR, it may be a good opportunity to assess how withdrawing and reinvesting money affects the account. Vice President Richard Starek made a motion, seconded by Secretary-Treasurer Lloyd Parker, to withdraw \$100.00 and re-deposit \$100.00 back into TexSTAR to ensure the account is set up correctly. The motion passed with no dissent.

Manager Kevin Spence reported speaking with Jacki Brown of the Rural Development Grant Loan regarding the project's progress and the reasons for its slow advancement. Currently, she is the only person in the Mount Pleasant office, as all the others have opted for early retirement. Jacki plans to reach out to the bond attorney again. We are also waiting for Mike Lilly, the new electrical engineer from Hayes Engineering, to conduct a walkthrough and resubmit the plans to the Rural Development engineers again for approval.

Manager Kevin Spence reported that bid quotes are decreasing, and more contractors are submitting their bids. Stan Hays from Hayes Engineering is coordinating an onsite visit with Mike Lilly, allowing Rural Development to move forward with the next steps. Additionally, I learned that they are nearing completion of the modeling for the South Plant as part of the Capital Improvement Plan.

Manager Kevin Spence reported that the contract installers began installing the remaining Kamstrup water meters last week. Completion is estimated to take around two months to finish the installation and address any reading issues to achieve a 98.5% reading rate. Last week's lightning storm knocked out one of the collectors, which needs to be replaced, and we may need to file a claim with insurance. It is also recommended that a grounding wire be installed for all the collectors to provide better protection against similar issues in the future.

Manager's Reports / New Business:

Manager Kevin Spence reported that the North Franklin Fire Department in Hagansport has submitted an application for a new meter to service their new office and operations building. After some discussion, Director Chad Neal made a motion, which was seconded by Director Brad Sears, to provide community support by donating \$1,900 to cover the cost of the meter installation. The fire department will contribute \$100 towards the total expense of \$2,000. The motion passed with no dissent.

Manager Kevin Spence reported that the City of Mount Vernon is upgrading its pump station by adding a generator and installing a new raw water line from Lake Cypress Springs. Construction is expected to start between this summer and next summer. To assist the city engineering firm in planning the route for the new raw water line, we provided a copy of our Diamond Maps along FM 115, from Lake Cypress Springs to the City of Mount Vernon.

Other Business That May Arise:

There being no further business, Director Neuman Browning made a motion, seconded by Director Chad Neal, to adjourn the meeting at 6:15 PM. The motion carried with no dissent.

Approved

Date