

CYPRESS SPRINGS SPECIAL UTILITY DISTRICT

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REGULAR BOARD MINUTES

April 14, 2026

The Cypress Springs Special Utility District Board of Directors met on Tuesday, April 14, 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 Vice President Richard Starek

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

Directors Absent: Director Rex Tillery, President Larry Daniel, Director Todd Jagers, and Director Richard Hughes

Also Present: Kevin Spence and Jean Sparks

Public Attendance Consisted of: N/A

Public Comment: N/A

Invocation: Secretary-Treasurer Lloyd Parker

President Larry Daniel requested a motion and a second to approve the consent items. Director Jeff Cohn made a motion, seconded by Director Chad Neal, to accept the Minutes from March 10, 2026, 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 new high-service pump building at the South Plant has been completed. During routine maintenance, which involved draining, power washing, and cleaning the clarifier, Dillon McAdoo discovered that three of the six tethers connecting the outer wall to the bottom of the cone were broken. Additionally, the 10-inch pipe that delivers water from the reservoir has a large crack approximately 8 inches long. A repair company that was here last year will return tomorrow to formulate a plan for the necessary repairs.

Manager Kevin Spence reported that the fence violation at the Northeast Plant, as received from TCEQ, has been brought into code compliance using a commercial-grade, intruder-resistant fence.

Manager Kevin Spence asked for the opinions of the board of directors who attended the TRWA RuralWaterCon. The discussion indicated that it was the best conference in recent times, featuring engaging new topics and enjoyable roundtable discussions.

Manager Kevin Spence reported that Cornersville Water Supply Corporation has announced plans to increase both its minimum charge and the rate per thousand gallons. There are intentions to raise the minimum amount again at the end of the year. Additionally, Cornersville has intensified efforts to address dual connections. Currently, there are seven meter sets and some road bores pending. Overall, it has been a routine month.

Manager Kevin Spence reported that the TexSTAR account is performing well. It has been another good month, with a recommendation to transfer an additional \$10,000 to the TexSTAR account. After discussion, Director Jeff Cohn made a motion, seconded by Director Brad Sears, to transfer \$10,000 to the TexSTAR account in April 2026. Carried with no dissent.

Manager Kevin Spence reported that the CD with an interest rate of 3.75% will mature on May 19, 2026. At the next board meeting, there will be several quotes from different banks to help decide what to do.

Manager Kevin Spence reported that the collectors' performance is improving. The number of manual meter readings continues to decline slowly, though the extenders are aiding.

Manager's Reports / New Business:

Manager Kevin Spence reported that the City of Mount Pleasant is looking to sell the water rights they own in Lake Cypress Springs. Given that our infrastructure is already in place around Lake Cypress Springs, purchasing this water could be a beneficial move, especially with the ongoing developments in and around the area. After discussing this matter, the board believes it would be advisable to contact Erin Marshal at the City of Mount Pleasant to continue discussion and work toward securing the 3,590-acre feet of Mount Pleasant's water in Lake Cypress Springs.

There being no further business, Director Neuman Browning made a motion, seconded by Director Jeff Cohn, to adjourn the meeting at 6:30 PM. The motion carried with no dissent.

Approved

Date