

CYPRESS SPRINGS SPECIAL UTILITY DISTRICT

114 FM 115 (Off South Service Road, Mount Vernon)

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MINUTES FROM THE BOARD MEETING

May 13, 2025

The Cypress Springs Special Utility District Board of Directors met on Tuesday, May 13, 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 Richard Hughes, Director Rex Tillery, Director Todd Jagers, and Director Neuman Browning.

Directors Absent: Director Chad Neal

Also Present: Kevin Spence and Jean Sparks

President Larry Daniel requested a motion and a second to appoint Jeff Cohen to fill the board director vacancy. Director Richard Hughes made a motion, seconded by Director Neuman Browning, to appoint Jeff Cohen to fill the vacancy left by Jack Kemp until the next election.

Public Attendance Consisted of: Jeff Cohen, Mike Rabin, Carolyn Tillery

Public Comment: Mike Rabin discussed receiving information from the Environmental Working Group (EWG), which compiled data from the TCEQ and EPA on various contaminants detected in produced water. He expressed the belief that the current guidelines are outdated and should be revised. General Manager Kevin Spence explained that we are in the fifth round of UCMR (unregulated contaminants) testing, which identifies new contaminants in the drinking water. The EPA uses this information to set and update contaminant levels in the produced water.

President Larry Daniel requested a motion and a second to approve the consent items. Vice President Richard Starek made a motion, seconded by Director Jerry Hammond, to accept the Minutes from April 8, 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 Capital Improvement Plan for the South Plant is nearly complete. The report will be very detailed, outlining each road with undersized or overloaded lines to identify areas for future improvements.

Manager Kevin Spence reported that the North Plant SCADA system is functioning well. A new auto-dialer has been purchased for the system to ensure that alerts about any plant problems are delivered to the on-call operator via text, email, and phone call.

Manager Kevin Spence reported that Hayes Engineering is currently reviewing the Cornersville WSC system map to determine how to reduce the amount of flushing needed for the new 8" water line installed a few years ago.

Manager Kevin Spence reported that the CD with Alliance Bank is set to mature on May 19, 2025. The renewal rate for this CD will be 4.00% for an additional six-month period. As of the end of April, the TexSTAR account is earning an interest

rate of 4.3288%. Following a discussion, Director Brad Sears proposed a motion, which was seconded by Secretary-Treasurer Lloyd Parker, to renew the CD with Alliance Bank for an additional six months. Additionally, Director Brad Sears made a motion, seconded by Secretary-Treasurer Lloyd Parker, to authorize Kevin Spence to transfer up to \$100,000 between the TexSTAR account and other Cypress Springs SUD bank accounts.

Manager Kevin Spence reported there is no additional news about the Rural Development Grant/Loan.

Manager Kevin Spence reported that the meter installation crew has installed approximately 1,900 meters. Adding this to the 1,941 already installed brings the total meter change-outs to around 3,800 meters.

Manager's Reports / New Business:

The appointment of Jeff Cohen to fill the vacancy was made at the beginning of the meeting.

Manager Kevin Spence reported recently having several meetings with Tony Price from the City of Winfield. He has requested a quote for our company to supply wholesale water to the Winfield community, which consumes approximately 60,000 to 80,000 gallons of water per day, around 300 meters. There are discussions about Winfield expanding with new businesses and homes. To facilitate this, they will need to install approximately 9,800 feet of piping to connect to our water line. I will send the details to Hayes Engineering for a quote and to outline the requirements.

Manager Kevin Spence reported that the annual TCEQ inspection was completed after a week-long examination with no issues. The official report should be sent promptly, reflecting a clean result.

Manager Kevin Spence reported that 20 Twenty Construction has completed a non-standard service investigation for a property on the South Service Road near County Road 3020 to construct two large buildings, each with four offices.

Other Business That May Arise:

There being no further business, Director Richard Hughes made a motion, seconded by Vice President Richard Starek, to adjourn the meeting at 6:20 PM. The motion carried with no dissent.

Approved

Date