

CYPRESS SPRINGS SPECIAL UTILITY DISTRICT

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REGULAR BOARD MINUTES

September 9, 2025

The Cypress Springs Special Utility District Board of Directors met on Tuesday, September 9, 2025, 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, Vice President Richard Starek, Secretary-Treasurer Lloyd Parker, Director Jerry Hammond, Director Chad Neal, Director Richard Hughes, Director Todd Jagers, Director Jeff Cohen, and Director Neuman Browning.

Directors Absent: Director Rex Tillery, Director Brad Sears

Also Present: Kevin Spence, Jean Sparks, and Tony Price

Public Attendance Consisted of:

Public Comment: N/A

President Larry Daniel requested a motion and a second to approve the consent items. Director Chad Neal made a motion, seconded by Vice President Richard Starek, to accept the Minutes from August 9, 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 contract with 120Water is up for renewal. 120Water offers a service that assists with creating a service line inventory in compliance with the new lead and copper regulations. This process includes researching title transfers and the year the service lines were built, as well as ensuring the information is formatted correctly for submission to the Texas Commission on Environmental Quality (TCEQ). The renewal contract will result in a \$2,292.00 increase for all plants. After discussion, Director Jeff Cohn made a motion, seconded by Director Jerry Hammond, to approve the renewal of the 120Water services contract for another year.

Manager Kevin Spence reported that the previously purchased automatic flush valves, which have been strategically placed throughout the system, have worked well. These automatic flush valves free up employee time by allowing the system to flush automatically in the middle of the night when usage is low. They have proven to be a valuable addition for maintaining water quality and stabilizing disinfectant levels. We are looking to add a few more by the end of the year.

Manager Kevin Spence reported Cornersville W.S.C. has been purchasing used master meters that have been replaced by Kamstrup meters in our system. There are still a few master meters left to be replaced in Cornersville W.S.C. The remaining master meters that have not been sold are currently stored in a nearly full roll-off container and will soon be picked up for recycling.

Manager Kevin Spence reported that the TexSTAR account has performed exactly as advertised. The interest rates fluctuate with the market and have ranged from 4.284% in June 2025 to a high of 4.73% in November 2024. I recommend transferring between \$5,000 and \$10,000 monthly to begin growing the account for the next project. Each month, the transfer amount will be discussed to determine the appropriate transfer amount. After discussion, Vice President Richard Starek made a motion, which was seconded by Director Neuman Browning, to transfer \$5,000 into the TexSTAR account in September 2025.

Manager Kevin Spence reported that all the Ferguson collectors are functioning correctly, but the Kamstrup meters are currently operating at approximately 84.5%, which is below the promised 98%. The Ready Manager system has 5,300 meters in total, with 822 of those being read manually by driving past each one with a handheld device. We plan to start troubleshooting the manual read meters to improve the reading percentage by the end of the year.

Manager Kevin Spence reported that the burst or leak codes in Ready Manager that indicate abnormal usage are often triggered by situations that are not actually indicative of an issue. For example, if a customer's account shows a spike in water usage due to a sprinkler system or a weekend home using water, it can flag the account as a burst alert. To streamline this process, the burst and leak alert thresholds have been raised, and an email will be sent to the customer informing them that their account shows signs of abnormal usage and suggesting they investigate.

Manager's Reports / New Business:

Manager Kevin Spence reported that McCarthy Building Company has submitted a non-standard service request for dust control services on FM 71 and CR 1040. They are requesting 3,000 gallons of water per day on FM 71 and 60,000 gallons per day on CR 1040 to manage dust while building roads and performing dirt work. We are currently waiting for a response from Haye Engineering, as we assume that upgrades will be necessary.

Manager Kevin Spence reports that Tony Price from the City of Winfield is in attendance at the meeting to discuss the potential purchase of wholesale water for the city and the aluminum plant's needs that will be built there. He will also be inquiring about any possible financial assistance we could offer Winfield. Price provided an update on his discussions with the aluminum company. He mentioned that their requirements have changed, also stating that they keep insinuating that more developments are possibly going to be moving there. This unpredictability makes it challenging to plan the right-sized water line that would need to be laid from the beginning. It is understood that the plant will have its own fire department and ground storage tank, operating 24 hours a day for 330 days a year. The plant alone will require between 150,000 and 200,000 gallons of water per day, with the total demand potentially reaching 400,000 gallons a day, including the needs of the City of Winfield and Millers Cove. Price discussed exploring various financial options to ensure liability coverage for any associated costs in case something does not go as planned or is left incomplete. He also inquired whether CSSUD could cover any necessary infrastructure costs to facilitate this service. Additionally, he mentioned that guarantees would be established to protect the investment costs for all parties involved. Hayes Engineering is currently reviewing the project request to determine the requirements for its completion. The east plant has the capacity to meet our own water demands, and this project. This project will require approximately 9,800 feet of piping to connect the water line to the city limits of Winfield. After the discussion, the board agreed to explore further supplying the water. Options being considered include a discounted wholesale rate and covering the labor costs for installing the water line to the Winfield City limits.

Manager Kevin Spence reported that Scott Coursen from Brinker Water called again to discuss servicing them with water. Still, they have not yet provided the necessary information to determine if we can accommodate them.

Manager Kevin Spence reported that several plant operators toured the North East Texas Municipal Water District's water treatment plant. This treatment plant serves 8 municipalities and water supply corporations from Longview to Dangerfield, with a capacity of 10 million gallons of water per day. The networking at this event facilitated the sharing of information and experiences regarding various issues.

There being no further business, Director Neuman Browning made a motion, seconded by Vice President Richard Starek, to adjourn the meeting at 7:00 PM. The motion carried with no dissent.