

**MINUTES FROM THE
CYPRESS SPRINGS SPECIAL UTILITY DISTRICT
BOARD MEETING
November 12, 2024**

The Cypress Springs Special Utility District Board of Directors met on Tuesday, November 12, 2024, in the Board Room of the Cypress Springs Special Utility District Office at 114 FM 115 for their monthly meeting.

Directors Present: President Larry Daniel, Vice President Richard Starek, Director Jerry Hammond, Director Brad Sears, Director Neuman Browning, Director Chad Neal, Director Todd Jagers, Director Richard Hughes, Director Rex Tillery and Director Jack Kemp

Directors Absent: Secretary-Treasurer Lloyd Parker

Also Present: General Manager Kevin Spence and Office Manager Jean Sparks

Public Attendance Consisted of: n/a

Public Comment: n/a

Invocation: Vice President Richard Starek

President Larry Daniel asked for a motion and a second to approve consent items. Director Jack Kemp made a motion, seconded by Director Rex Tillery, to accept the Minutes from October 8, 2024, as written, the Treasurer's Report, and Aged Payables/replenish petty cash checking to \$20,000.00. The motion carried with no dissent.

Manager's Reports / Unfinished Business:

Manager Kevin Spence reported that Bloc Design will install the new SCADA system at the North Plant next week. The next SCADA system that needs to be replaced is at the East Plant and will be addressed and possibly updated next year.

Manager Kevin Spence reported purchasing a 2017 Vactron with only 400 hours of usage and an 800-gallon capacity for approximately \$43,000. This Vactron will be a valuable asset for various projects, including leak repairs, maintenance of water tanks, and repairs and maintenance at the treatment plants.

Manager Kevin Spence reported that the six automatic flush valves installed throughout the distribution system, which help maintain residuals and water quality around the clock, need to be repaired. These mechanical valves require maintenance, including replacement of batteries, gauges, and moving parts. Flow-Tech has provided a quote of \$3,000 to repair each valve. However, our employees can rebuild them for approximately \$200 to \$400 each.

Manager Kevin Spence reported that the well pump in Cornersville WSC is back in production, one of the chlorinators was repaired, and otherwise, it was a standard maintenance month.

Manager Kevin Spence reported Guaranty Bank & Trust CDs are due for renewal, and we have received interest rates for both the 12-month and 6-month terms. Jeff Burns from Alliance Bank offered the highest interest rates. He suggested opting for the 6-month term, especially with the new administration set to be sworn in February 2025. After some discussion, Director Chad Neal made a motion, which was seconded by Vice President Richard Starek, to withdraw \$200,000 from the Guaranty Bank & Trust CDs and transfer the \$200,000 into the existing TexSTAR account, with the remaining amount of \$1,422,659.44 being combined and moved to Alliance Bank into a 6-month term CD at a 4.28% interest rate. The motion was carried without dissent.

Manager Kevin Spence reported there are currently no updates regarding the Rural Development Grant Loan.

Manager Kevin Spence requested the directors who attended the annual District 11 meeting in Emory on October 23, 2024, to provide feedback, noting that he could not attend due to family matters. Director Neuman Browning mentioned that the event was well organized, but he found the speakers, who were retailers, to be lacking in relevant knowledge. He was also disappointed with the food.

Manager Kevin Spence reported having a conference call with a representative from Kamstrup regarding the search for a new collector location to increase reading collection. Following a recent prop study, it was determined that moving an existing collector to a new location on Highway 11, also on a higher tower, would be the best solution.

Manager Kevin Spence reported following a discussion at last month's board meeting, everyone received an additional \$1.50 per hour. Additionally, the starting pay for field and plant personnel has been increased to \$17.50 per hour. On November 8, 2024, Cade Mars was hired for one of the field positions, and another interview is scheduled for tomorrow morning for the other field position.

Manager's Reports / New Business:

Manager Kevin Spence discussed adding a 10% fee for Capital Improvement to our construction rates. In a conversation with Stan Hayes from Hayes Engineering, he mentioned that most utilities have a comprehensive Capital Improvement Plan. This plan would identify undersized or overloaded lines and outline steps to address these issues. Additionally, it will provide a strategy for planning and coating our tanks and replacing worn items and equipment at our water treatment plants. The plan should reduce breakdowns and help maximize our investment dollars.

President Larry Daniel asked for a motion to order the election. Vice President Richard Starek made a motion, seconded by Director Richard Hughes, to order the election for February 1, 2025, for expiring directors' terms consisting of Lloyd Parker, Neuman Browning, and Rex Tillery. The motion carried with no dissent. The deadline to file an application for a place on the ballot for the Board of Directors will be December 4, 2023, at 4:30 at the office location 114 FM 115 Mount Vernon, TX.

Manager Kevin Spence reported that at the North East and South Plants, the media filters are nearing the end of their life expectancy of approximately 25 years. This issue has decreased runtime, requiring more frequent cleaning and leading to shutdowns. Each backwash uses about 10,000 to 12,000 gallons of treated water. The South Plant is scheduled to be addressed next year.

Manager Kevin Spence reported that the agreement with the Franklin County Recreational Facility is up for renewal. After a discussion, Director Richard Hughes made a motion, seconded by Director Todd Jagers, to approve the renewal of the Franklin County Recreational Facility for another year, with a donation change of up to 8,500 gallons a month / 102,000 gallons of water a year. The motion carried with no dissent.

Manager Kevin Spence reported touring the construction sites of Ralph Hall Reservoir. The spillway and pump rooms under construction were unbelievable to see. The reservoir will eventually serve up to 54,000,000 gallons daily to the area's communities.

Manager Kevin Spence reported that Steve Boorman is launching a digital newspaper in Winnsboro. To view the digital newspaper, visit Winnsboro-news.com. We are exploring whether we can publish notices on this platform while complying with Texas guidelines; it is believed that by the end of the year, it will have 10,000 viewers.

There being no further business, Director Neuman Browning made a motion, and Director Chad Neal Director Rex Tillery seconded it, to adjourn the meeting at 6:30 p.m. The motion carried with no dissent.

Approved

Date