

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

The Cypress Springs Special Utility District Board of Directors met on Thursday, December 12, 2024, 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 Rex Tillery, Director Neuman Browning, and Director Jack Kemp

Directors Absent: Director Chad Neal, Director Richard Hughes, and Director Todd Jagers

Also Present: General Manager Kevin Spence, Office Manager Jean Sparks, and Accountant/Bookkeeper Raegan Swann

Public Attendance Consisted of: n/a

Public Comment: n/a

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 November 12, 2024, 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 the installation of the new SCADA system at the North Plant has been delayed.

Manager Kevin Spence reported that the 2017 half-ton Chevrolet was replaced with a new 2024 GMC half-ton work truck that features a 2.7-liter 4-cylinder turbo engine and is 4x4. The 2017 truck was burning oil and is now eight years old.

Manager Kevin Spence reported Cornersville Water Supply Corporation (WSC) had a fairly routine year. We will assist Cornersville WSC in applying for a \$750,000 grant in Hopkins County to fund water-related infrastructure issues.

Manager Kevin Spence reported that the funds requested for deposit into our TexSTAR account had been successfully transferred.

Manager Kevin Spence reported that Alliance Bank's CDs were opened at an interest rate of 4.28% for six months.

Manager Kevin Spence reported that no updates have been received on the Rural Development Grant Loan, and we are still waiting to hear from Rural Development.

Manager Kevin Spence The new Kamstrup collector was successfully installed on County Road 4430 on December 5, 2024, and it is performing well. Kevin Xiong has been assigned as our direct contact to help streamline the importing and exporting process between the meter reading software, Ready Manager, and the billing software, UMS/CUSI.

Manager's Reports / New Business:

President Larry Daniel, handed over to th Budget Committee Chairman and Secretary-Treasurer Lloyd Parker, presented the 2025 Budget. He thanked the other members of the 2025 Budget and Policy Committees: Director Richard Starek, Director Jerry Hammond, Manager Kevin Spence, and Bookkeeper Raegan Swann for their contributions of financial information. The committees reviewed the figures and policies to present them to the board for approval. The Budget Committee recommended increasing the per 1,000-gallon charge from \$6.05 to \$6.30 and raising all base rates by \$1.00 making them: \$35.50 for a 5/8" meter, \$77.00 for a 1" meter, \$122.00 for a 1 1/2" meter, \$202.00 for a 2" meter, and \$552.00 for a 4" meter. These changes will take effect with the January 2025 billing cycle. Other fee increases in the 2025 budget will also become effective on January 1, 2025, pending the Board's approval. Following a discussion, Director Neuman Browning made a motion, seconded by Director Jack Kemp, to approve the 2025 budget. The 2025 Cypress Springs Special

Utility District Administrative, District Service, and Employee Policies, which include fixed legislative language and additional policies, will be reviewed yearly as presented by the Committee. After further discussion, Director Jerry Hammond made a motion, seconded by Director Jack Kemp, to approve the 2025 Administrative and District Service Policies as written and presented. All motions carried unanimously, with no dissent.

President Larry Daniel in accordance with Section 2.053a of the Texas Election Code, the Certificate of Unopposed Candidates and the Order of Cancellation for the election scheduled on February 1, 2025, have been issued. The following candidates have been certified as unopposed and are thereby elected as directors: Lloyd Parker, Neuman Browning, and Rex Tillery. A copy of this order will be posted at each polling place where the election was originally set to occur. During the meeting, Director Jack Kemp made a motion, seconded by Director Jerry Hammond, to declare Lloyd Parker, Neuman Browning, and Rex Tillery unopposed candidates and cancel the election on February 1, 2025. Motions passed with no dissent.

President Larry Daniel moved to adopt the 2023 updated Hazard Mitigation Action Plan for Franklin County during the meeting. Secretary-Treasurer Lloyd Parker proposed the motion, which was seconded by Director Neuman Browning. The resolution was accepted with no dissent.

Manager Kevin Spence the agreement with the Franklin County Recreational Facility is up for renewal. Since 2017, they have received an allocation of 90,000 gallons of water per year, distributed as 7,500 gallons each month, and were required to pay for any usage beyond this allowance. After discussion, a motion was made by Secretary-Treasurer Lloyd Parker and seconded by Director Neuman Browning to approve the renewal of the agreement with the Franklin County Recreational Facility for another year. The new agreement for November 2024 to October 2025 increases the allocation to 102,000 gallons of water per year, with a maximum of 8,500 gallons per month. Any unused amount will be deducted from the annual total of 102,000 gallons. The motion carried with no dissent.

Manager Kevin Spence reported Franklin County Water District has increased the water rate from \$86.00 to \$98.00 per acre-foot, effective January 1, 2025. This change will result in an additional cost of approximately \$40,000.00 per year.

President Larry Daniel after discussing, the directors decided to hold the Director's Dinner at Vaughn's Catfish on January 16, 2025, at 6:00 PM.

Other Business That May Arise:

There being no further business, Director Jack Kemp made a motion, seconded by Director Jerry Hammond, to adjourn the meeting at 7:30 PM. The motion carried with no dissent.

Approved

Date