

CYPRESS SPRINGS SPECIAL UTILITY DISTRICT

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REGULAR BOARD MINUTES

December 15, 2025

The Cypress Springs Special Utility District Board of Directors met on Monday, December 15, 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, Secretary-Treasurer Lloyd Parker, Director Todd Jaggers, Director Jerry Hammond, Vice President Richard Starek, Director Jeff Cohen, Director Chad Neal, Director Brad Sears, and Director Neuman Browning.

Directors Absent: Director Richard Hughes and Director Rex Tillery,

Also Present: Kevin Spence, Jean Sparks, Raegan Swann

Public Attendance Consisted of: N/A

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 Director Jerry Hammond, to accept the Minutes from November 13, 2025, as written, the Treasurer's Report, and to Aged Payables/Replenish Petty Cash Checking to \$20,000.00. The motions carried with no dissent.

Manager's Reports / Unfinished Business:

Manager Kevin Spence the Vermeer RTX 450 was delivered on December 10, 2025. In addition, we received three extra 10-foot stems for the porta bore attachment, bringing our total to 80 feet. A 2026 Chevrolet ½-ton truck was purchased for the plant division; the 2017 ½-ton truck, which has high mileage and a ticking lifter, is being sold.

Manager Kevin Spence reported that Cornersville W.S.C. had a routine maintenance month. This has been our best financial year with Cornersville W.S.C., excluding the December payment.

Manager Kevin Spence reported that, during the board meeting on November 13, 2025, the board voted to withdraw \$100,000 from the matured Alliance Bank CD and deposit it into the TexSTAR account. This left a remaining balance of \$ 1,382,017.23 to roll into a six-month CD at an interest rate of 3.75%.

Manager Kevin Spence reported that the three Kamstrup collectors previously reported as throwing error codes have been repaired by Ferguson, with the antennas and coaxial cables replaced on all three.

Manager Kevin Spence reported that Kenneth Cannon, a plant employee, is experiencing health issues that may lead to a prolonged absence. Prayers for him would be appreciated.

Manager's Reports / New Business:

President Larry Daniel turned the meeting over to Budget Committee Chairman and Secretary-Treasurer Lloyd Parker to present the 2026 budget. He expressed gratitude to the members of the 2026 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 prepare them for board approval. The Budget Committee recommended increasing the charge from \$6.30 to \$6.40 per 1,000 gallons. These changes will take effect with the January 2026 billing cycle. Other fee increases outlined in the 2026 budget will also become effective on January 1, 2026, pending board approval. After discussion, Director Jeff Cohn made a motion, seconded by Vice President Richard Starek, to approve the 2026 budget, the Administrative and District Service Policy, and the Employee Policies, including fixed legislative language and additional guidelines, as presented. All motions were carried unanimously, with no dissent.

President Larry Daniel, in accordance with Section 2.053a of the Texas Election Code, has issued the Certificate of Unopposed Candidates and the Order of Cancellation for the election scheduled on February 7, 2026, for the following candidates: Chad Neal, Jerry Hammond, Larry Daniel, and Todd Jaggers. Director Neuman Browning made a motion, seconded by Director Brad Sears, to declare Chad Neal, Jerry Hammond, Larry Daniel, and Todd Jaggers as unopposed candidates and to cancel the election for February 7, 2026. The motion passed with no dissent.

President Larry Daniel after discussing, the directors decided to hold the Directors' Dinner at Vaughn's Catfish on January 15, 2026, at 6:00 PM.

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.

Approved
