

**MINUTES FROM THE
CYPRESS SPRINGS SPECIAL UTILITY DISTRICT
BOARD MEETING
April 11, 2023**

The Cypress Springs Special Utility District Board of Directors met Tuesday, April 11, 2023, 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, Secretary Treasurer Lloyd Parker, Vice President Richard Starek, Director Jerry Hammond, Director Neuman Browning, Director Brad Sears, and Director Richard Hughes, Director Rex Tillery and Director Jack Kemp

Directors Absent: Director Todd Jagers and Director Chad Neal

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

Public Attendance Consisted of: No Attendance

Invocation: Secretary Treasurer Lloyd Parker

Public Comment: No Visitors Present

President Larry Daniel asked for a motion and second to approve consent items. A motion was made by Director Jack Kemp and seconded by Director Jerry Hammond to accept the Minutes from March 14, 2023, as written, Treasurer's Report and Aged Payables/Replenish Petty Cash Checking to \$20,000.00. Motion carried with no dissent.

Manager's Reports / Unfinished Business:

Manager Kevin Spence reported Kamstrup meter change outs are progressing well with 143 being installed. Still working out not receiving data from some meters. Secure Vision of America representative will be coming next week to review and fix any issues.

Manager Kevin Spence reported Water Utility Maintenance will be starting on the sandblasting schedule next week with the clarifier at the East Plant then go to the North Plant to recoat the older clarifier. Then will return to the East Plant to recoat the second clarifier. Hopefully in the fall will recoat the inside and outside of the older ground storage at the North Plant. Some repairs will be needed as the work progresses.

Manager Kevin Spence reported Pickton WSC are having to redo lead samples for the TCEQ. TCEQ does not show receiving the samples and requires them to change some of their sampling/collection sites. They have had three highway bores this last month which is a high number for them. Nothing to report on Cornersville WSC.

Manager Kevin Spence reported President Larry Daniel and Secretary Treasurer Lloyd Parker signed a letter of intent with USDA/Rural Development for the loan/grant on April 3, 2023. A motion was made by Vice President Richard Starek and seconded by Director Richard Hughes to approve the letter of intent with the USDA/Rural Development for estimated cost of \$8,314,000.00 for the loan/grant with the loan portion estimated around \$4,584,000.00 and estimated around \$3,730,000 grant at 3% interest rate. Motion carried with no dissent.

Manager Kevin Spence reported needing to obtain a bond attorney per Rural Development requirements. A motion was made by Director Neuman Browning and seconded by Director Jerry Hammond to approve letter of engagement to Rodolfo Sequra Jr. with McCall Parkhurst & Horton out of Dallas as representative for bond attorney for USDA Rural Development loan/grant. Motion carried with no dissent.

Manager Kevin Spence asked if anyone would like to report on attending the TRWA Rural Water Conference in Austin March 29th through the 31st with Texas Rural Water Day at the Capital. Secretary Treasurer Lloyd Parker reported on the different sessions he attended. He enjoyed the round table discussions that covered three topics to discuss, rate structure/financial track, and generators were a big topic this year.

Manager's Reports / New Business:

Manager Kevin Spence reported Tim Seymore, RV Park on Hwy 37S had went to the city for information to run sewer lines to his development. Initially Mr. Seymore was going to have 33 tiny home sites and 100 RV pads, but with having to have a meter set for each tiny home Mr. Seymore is only putting in 100 RV pads. The city offered at no cost to him to run water lines and supply him with water. For that to happen the city would have to annex that property. Spoke with the Mount Vernon Interim City Manager, Craig Lindholm, and he would like to know if we would voluntarily give up the area. After discussion the board decided they would not voluntarily give up that area without going through the proper channels that would decertify our CCN to be served by the city.

Other Business That May Arise/Old Business

Manager Kevin Spence reported there needs to be a vote on the loan resolution approval for Rural Development loan. Motion was made by Vice President Richard Starek and seconded by Director Richard Hughes to approve the Loan Resolution for the Rural Development loan/grant. Motion carried with no dissent.

There being no further business a motion was made by Director Richard Hughes and seconded Director Neuman Browning to adjourn the meeting at 6:15 PM. Motion carried with no dissent.

Approved

Date