

**MINUTES FROM THE
CYPRESS SPRINGS SPECIAL UTILITY DISTRICT
BOARD MEETING
December 14, 2023**

The Cypress Springs Special Utility District Board of Directors met on Thursday, December 14, 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, 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. A motion was made by Director Rex Tillery and seconded by Director Jerry Hammond to accept the Minutes from November 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 the installation of the 8-inch water line on FM 115 has been finished. The first mile of the line has been pressurized and is currently undergoing flushing. However, the necessary highway bore to connect the new 8-inch line to the existing 6-inch water line has been submitted to the state for approval, but it has not yet been approved.

Manager Kevin Spence reported the construction of the elevated tank foundation has been rescheduled to January 8, 2024, followed by the construction of the steel tank on February 14, 2024.

Manager Kevin Spence reported the maintenance for the North Plant ground storage tank and clarifier is still ongoing. Currently, the ground storage tank has been drained and the old baffles and supports have been eliminated. As there is significant corrosion, sandblasting is underway. Additionally, a portion of the fill pipe will be converted to PVC, and everything else that is possible will be replaced with low-carbon steel and stainless steel.

Manager Kevin Spence reported meters are still being changed out to Kamstrup meters, but installation has been slowed due to programming issues and the volume of locates submitted by phone contractors working to improve broadband service in rural areas.

Manager Kevin Spence reported Cornersville Water Supply Corporation (WSC) has connected the fill line to the 6-inch water line at Highway 11. However, they still need to install a valve at the well before putting it back into operation. The board of directors of Pickton WSC recently held a meeting with Brinker WSC to discuss the possibility of them taking over the current operations and maintenance that are being handled by C.S.S.U.D. The current agreement will expire at the end of this month. After discussing the matter, the board requested Kevin to meet with them to discuss giving notice of not renewing the operations and maintenance agreement.

Manager Kevin Spence reported revenue was up in 2023, providing flexibility to cover necessary upgrades, improvements, and maintenance without having to borrow money and pay interest.

Manager Kevin Spence reported Hayes Engineering is finalizing the structural, soil boring, and electrical quote to obtain approval from TCEQ. They plan to commence the bid process in late spring or early summer.

Manager Kevin Spence since last month's board meeting the field position has been filled twice now. Cody Barret will start on December 21, 2023. He is coming from A1 Water Wells and we hope his knowledge will benefit the District.

Manager's Reports / New Business:

President Larry Daniel turned it over to the Budget Committee Chairman, Secretary-Treasurer Lloyd Parker. Chairman Lloyd Parker thanked the other members of the 2024 Budget and Policy Committees - Director Richard Starek, Director Jerry Hammond, Manager Kevin Spence, and Bookkeeper Raegan Swann for providing financial information to the committees. The committees spent time going over figures and policies to present to the Board for their approval. The 2024 Budget was presented to the Board for their review and approval. The Budget Committee recommended an increase in the per 1,000-gallon charge from \$5.95 to \$6.05 and an increase in all base rates: 5/8" meter to \$34.50, 1" meter to \$76.00, 1 1/2" meter to \$121.00, 2" meter to \$201.00 and 4" meter to \$551.00. These changes will be effective on the January 2024 billing cycle. Additionally, employee employment benefits will include changes to TCDRS of an employer match of 250% and retirees will get an annual cost of living adjustment of 2% as budget allows starting January 2024. Other fee increases that were in the 2024 budget will also go into effect on January 1, 2024, with the Board's approval. The 2024 Cypress Springs Special Utility District Administrative Policy & District Service Policy and Employee Policy with fixed legislative language and added policies will be reviewed yearly as presented by the Committee. After discussion, a motion was made by Vice President Richard Starek and seconded by Director Neuman Browning to approve the 2024 budget, Administrative Policy & District Service Policy, and Employee Policy as written and presented. The motion carried with no dissent.

Secretary-Treasurer Lloyd Parker by Section 2.053a of the Texas Election Code, the Certificate of Unopposed Candidates and Order of Cancellation of Election for February 3, 2024, has been issued. The following candidates have been certified as unopposed and are therefore elected as directors: Richard Hughes, Jack Kemp, Brad Sears, and Richard Starek. A copy of this order will be posted at each polling place where the election was scheduled to take place. After a motion was made by Director Jerry Hammond and seconded by Director Rex Tillery, the candidates were declared unopposed and the cancellation of the election was accepted and Richard Hughes, Jack Kemp, Brad Sears, and Richard Starek were declared elected. The motion carried with no dissent.

Manager Kevin Spence reported that the search for a used low-hours Vac-Tron with an 800-gallon tank was still ongoing. However, a one-ton truck was found and purchased from Sandlin Chevrolet after speaking with President Larry Daniel and Vice President Richard Starek. During last month's board meeting, the Kabota KX080 that was available had already been sold. But Scott Graham from Pittsburgh Tractor informed me they could have another one delivered from another store. After discussing the matter, a motion was made by Vice President Richard Starek and was seconded by Director Jack Kemp, to order the Kabota KX080 from Pittsburgh Tractor. The motion carried with no dissent.

President Larry Daniel discussed scheduling the Director's Christmas dinner in January 2024. Scheduling was postponed until the January board meeting when all directors should be present.

Other Business That May Arise:

There being no further business a motion was made by Director Neuman Browning and seconded by Vice President Richard Starek to adjourn the meeting at 7:30 PM. Motion carried with no dissent.

Approved

Date