

CYPRESS SPRINGS SPECIAL UTILITY DISTRICT

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REGULAR BOARD MINUTES

March 10, 2026

The Cypress Springs Special Utility District Board of Directors met on Tuesday, March 10, 2026, 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 Jagers, Director Jerry Hammond, Vice President Richard Starek, Director Jeff Cohen, Director Richard Hughes, Director Brad Sears, and Director Neuman Browning.

Directors Absent: Director Chad Neal and Director Rex Tillery

Also Present: Kevin Spence and Jean Sparks

Public Attendance Consisted of: N/A

Public Comment: N/A

Invocation: Vice President Richard Starek

President Larry Daniel requested a motion and a second to approve the consent items. Vice President Richard Starek made a motion, seconded by Director Jerry Hammond, to accept the Minutes from February 10, 2026, 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 on the construction of a new building over the high-service pumps at the South Plant to replace the existing small fiberglass structure, which is too small. The new building will be larger and will feature roll-up doors on each side to regulate airflow, ensuring the pumps remain cool. Additionally, it will have enough space to accommodate the backup pumps for those currently in operation.

Manager Kevin Spence reported that after the scrap metal cleanup at the North Plant, approximately \$1,000 was generated from the sales. It was suggested that this amount be donated to the Texas Rural Water Foundation, which uses donations for scholarships, veteran employment programs, and other deserving causes. Director Neuman Browning made a motion, seconded by Director Richard Hughes, to donate \$1,000 to the Texas Rural Water Foundation for their programs. The motion passed with no dissenting votes.

Manager Kevin Spence reported on completing a line extension for Cornersville Water Supply Corporation at the boundary of the Pickton Water Supply Corporation's service area. I advised management to have a formal agreement drafted and signed by the board of directors of Pickton Water Supply Corporation. This agreement would authorize the line extension in case future board members raise any questions about the area. Other than that, it was a routine month.

Manager Kevin Spence reported several issues during the transition of Guaranty Bank & Trust to Glacier Bank's Guaranty Bank & Trust Division. When the final transition occurred on February 23, 2026, some deposits from an earlier issue on December 5, 2025, resulted in duplicate checks being withdrawn from accounts belonging to our customers and other companies. Since the bank is not currently answering phone calls, Raegan Swann and Jean Sparks visited the bank to consult with representatives and ensure the issue was resolved. They are working on the website and app to address all the problems. When processing bank drafts on March 5, 2026, we had to contact the bank again. This resulted in the bank having to set up our entire account again to draft our customers.

Manager Kevin Spence reported that the TexSTAR account is performing well. It has been another good month, with a recommendation to transfer an additional \$10,000 to the TexSTAR account. After discussion, Secretary-Treasurer Lloyd Parker made a motion, seconded by Vice President Richard Starek, to transfer \$10,000 to the TexSTAR account in March 2026. Carried with no dissent.

Manager Kevin Spence reported the operational performance of the meters and collectors improves each month, with reception rates fluctuating, especially when extenders are added. Troubleshooting the other meters is ongoing and is helping to improve the reading percentages.

Manager Kevin Spence reminded that TRWA RuralWaterCon will be held March 25th – 27th. Attendees are reminded that travel will be on Wednesday, March 25, 2026, and the conference will start at noon.

Manager's Reports / New Business:

Manager Kevin Spence: reported that during recent repairs of a leak in front of the Lowe's Distribution Center, a longstanding issue was discovered with the water line serving the facility and the surrounding area in North Franklin. Originally, a 10-inch water line was intended to be replaced with a 12-inch water line under the interstate. However, it appears that the contractors did not install a casing large enough to accommodate the 12-inch line that was supposed to be installed. As a result, the new 12-inch line only connects at both ends to the existing 10-inch water line bore, creating a bottleneck. This bottleneck must be addressed to ensure adequate water service, especially as the demand increases with the possible addition of Winfield. To resolve this issue, the interstate will need to be bored to accommodate a larger casing for the new water line. Stan Hayes has submitted this project for consideration under a newly available grant in hopes of securing funding to cover the necessary upgrades.

Manager Kevin Spence reported that the Wex fuel card was compromised, prompting a report to the Franklin County Sheriff's Department and a dispute with ExxonMobil over fraudulent charges.

Manager Kevin Spence reported that changes were needed to the Non-Standard Service Application information packet. After a discussion, Director Jeff Cohn motioned, seconded by Director Neuman Browning, to include the following requirements: a septic design accompanied by a county approval letter, a fire suppression system design and layout if required by the county in which the property is located, and a 10% development fee that will be added to the final invoice based on the total cost of serving the development. The motion carried with no dissent.

There being no further business, Director Neuman Browning made a motion, seconded by Vice President Richard Starek, to adjourn the meeting at 6:30 PM. The motion carried with no dissent.

Approved

Date