

**MINUTES FROM THE
CYPRESS SPRINGS SPECIAL UTILITY DISTRICT
BOARD MEETING
May 10, 2022**

The Cypress Springs Special Utility District Board of Directors met Tuesday, May 10, 2022 in the Board Room of the Cypress Springs Special Utility District Office located at 114 FM 115 for their monthly meeting.

Director's Present: President Neuman Browning, Vice President Larry Daniel, Secretary Treasurer Lloyd Parker, Director Richard Starek, Director Jack Kemp, Director Chad Neal, Director Brad Sears, Director Jerry Hammond, Director Rex Tillery, Director Todd Jagers and Director Richard Hughes

Director's Absent: N/A

Also Present: General Manager Kevin Spence and Office Manager Jean Sparks, Bookkeeper Raegan Swann and Tessa Fowler with Curtis Blakley and Co., PC

President Neuman Browning asked if everyone had read the Minutes from the April 12, 2022 Board Meeting. After reviewing the Minutes, a motion was made by Director Jack Kemp and seconded by Director Jerry Hammond to approve the Minutes from April 12, 2022 as written. Motion carried with no dissent.

President Neuman Browning asked if the Board had reviewed the Treasurer's Report and were there any questions. A motion was made by Director Richard Starek and seconded by Vice President Larry Daniel to approve the Treasurer's Report as shown. Motion carried with no dissent.

President Neuman Browning asked if everyone had reviewed both the Aged Payables and the Petty Cash Checking Account. A motion was made by Vice President Larry Daniel and seconded by Director Todd Jagers to approve the Aged Payables and to replenish the Petty Cash Checking Account to \$20,000.00. Motion carried with no dissent.

President Neuman Browning asked if there are any public comments. No visitors present.

Manager's Reports / Unfinished Business:

Manager Kevin Spence reported office generator is working since the new transfer switch was installed. It is scheduled to come on every Friday and will not interrupt the operations of the office.

Manager Kevin Spence reported due to inflation costs that had been estimated at 7% is now closer to 25%-30% and is causing delays in projects. We are trying to cut back on what we can, including parking trucks.

Manager Kevin Spence reported selling old out of service trailer that has been beyond repair for scrap metal prices.

Manager Kevin Spence reported Cornersville WSC has hired a new Manager. She will start Tuesday learning from and working with Alondra until August when she will become the official Manager. Pickton WSC still has a pending extension on the violation but are still gathering cost information for repairs.

Manager Kevin Spence reported there are no new financial updates.

Manager Kevin Spence reported attending Commissioners Court where the county approved accepting our recommendation to award the only received bid from D&D Pipeline Consulting LLC. for the TCBG Project. Stan Hayes is preparing the construction contracts to deliver to the contractor, hoping to get started mid-summer.

Manager Kevin Spence reported the generator for the North Lake pump is being searched for by several people, including Melissa with Traylor and Associates to ensure requirements are met for grant.

Manager Kevin Spence reported Janet Stanley is retiring as of May 25, 2022. She has been a great employee for 24 years. Trying to get someone in the office as soon as possible. Did give a job offer but was declined so still interviewing.

Manager's Reports / New Business:

Curtis Blakely and Co., Pc Tessa Fowler, Certified Fraud Examiner and Partner of Curtis and Blakely Company Tessa Fowler presented an independent audit report free of any mistakes. Reported financials are good, debt paid off and put into capital expenditures, liabilities increased with added benefits, accounts payable are down, income and revenue were up due to small rate increase and water sold with added customer base, operating expense went up due to cost of materials and supplies to treat and deliver the water, internal control letter due to lack of segregation of duties which is normal for smaller companies. Overall net income for the year was good. President Neuman Browning asked if any board member had any questions, being none, a motion was made by Director Rex Tillery and seconded by Secretary Treasurer Lloyd Parker to approve the audit report as presented. Motion carried with no dissent.

Manager Kevin Spence reported meeting with Chris Coleman, of Master Meter, and Rick Doyle, of Underground Utility to discuss purchasing larger quantities of meters for a discount. They do offer a loyalty discount when you purchase 336 (pallet) meters at a time with the same warranty. President Neuman Browning asked if any board member had any questions. A motion was made by Vice President Larry Daniel and seconded by Director Jack Kemp for Kevin Spence to sign an agreement to purchase a pallet of meters at a time for a discounted rate as needed to do all change outs within the system. Motion carried with no dissent.

Manager Kevin Spence reported Stan Hayes, Hayes Engineering, drew up a non-standard service letter for Mr. Andy Mitchell who is putting in 40 RV lots, retail strip and boat/RV storage in on FM 2723.

Manager Kevin Spence reported when the last inspector left, she said there were no violations and would be doing her calculations back at her office. When we received the letter, we were written up for a pump capacity violation on the South Plant. Previously we had been given credit for the 2 pumps in our raw water system, 1 at the lake pump and 1 at the raw pump house at the plant. The new inspector, says we have to have 2 pumps at each location. Been working with Stan Hayes, Hayes Engineering, to remedy the violation but looking at moving 200 connections to the North Plant from the South Plant to help with the capacity on the South Plant. Also looking at North Plant upgrade since being borderline on capacity, by adding 2-million-gallon treatment capacity at the North Plant. It usually takes 4-5 years to complete from planning to completion time. It wasn't anticipated to have to do any plant upgrades so soon, but with all the new development it took the original projection time for a plant upgrade from 11 ½ years to 4 ½ years. Stan Hayes is starting on plans and right now with Farmers Home we qualify for up to 45% in grant monies for the upgrade.

There being no further business a motion was made by Vice President Larry Daniel and seconded by Director Rex Tillery to adjourn the meeting at 6:45 PM. Motion carried with no dissent.

Approved

Date