

CYPRESS SPRINGS SPECIAL UTILITY DISTRICT

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REGULAR BOARD MINUTES

May 12, 2026

The Cypress Springs Special Utility District Board of Directors met on Tuesday, May 12, 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 Vice President Richard Starek

Directors Present: Secretary-Treasurer Lloyd Parker, Director Jerry Hammond, Vice President Richard Starek, Director Jeff Cohen, Director Brad Sears, Director Chad Neal, Director Todd Jagers, Director Richard Hughes, and Director Neuman Browning.

Directors Absent: President Larry Daniel,

Also Present: Kevin Spence and Jean Sparks

Public Attendance Consisted of: N/A

Public Comment: N/A

Invocation: Secretary-Treasurer Lloyd Parker

Vice President Richard Starek requested a motion and a second to approve the consent items. Director Chad Neal made a motion, seconded by Director Jeff Cohn, to accept the minutes from April 14, 2026, with corrections, 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 having a meeting with Rob Vines, the City Manager of Mt. Pleasant, and Erin Marshall, the Utility Director of Mt. Pleasant, to discuss selling the water they own in Lake Cypress. During our discussion, we confirmed that according to Mt. Pleasant City codes, they need to obtain bids to sell the 3,590 acre-feet of water. They inquired about the possibility of leasing it, but our intention is solely to purchase.

Manager Kevin Spence reported that the South Plant clarifier has not yet been repaired because of the contractor's work schedule. The materials have been ordered and received. Once the contractors are available, they will repair the cables and ensure they are properly tensioned in accordance with the engineered specifications.

Manager Kevin Spence reported currently working on a detailed grant application to apply for funding for up to four distribution projects, which will also help support our North Plant upgrade. Will be reaching out to Stan Hayes at Hayes Engineering to obtain any necessary information. Planning to submit the applications on the first day of July, when they start accepting them.

Manager Kevin Spence reported that the field crew performed a line extension, a highway bore, and a meter set for Cornersville Water Supply Corporation. Overall, it has been a routine month.

Manager Kevin Spence reported that the CD with Alliance Bank is set to mature on May 19, 2026. The renewal rate for this CD will be 3.85% for an additional six-month period. As of the end of April, the TexSTAR account is earning an interest rate of 3.6378%. After a discussion, Director Brad Sears made a motion, seconded by Director Jerry Hammond, to renew the CD with Alliance Bank for an additional six months. Additionally, Director Brad Sears made another motion, also seconded by Director Jerry Hammond, to authorize Kevin Spence to make a payment of \$259,199.76 from the TexSTAR account to Guaranty Bank & Trust for loan number 1130136342. Carried with no dissent.

Manager Kevin Spence reported Kamstrup plans to conduct another prop study to determine if relocating one of the collectors that overlaps with others within a 5.5-mile radius will reduce the number of meters we need to drive to in order to obtain readings for billing. Hope to have more information by next month.

Manager’s Reports / New Business:

Manager Kevin Spence reported that the date of the July board meeting conflicts with the July TRWA conference schedule. After discussion, Director Richard Hughes made a motion, seconded by Director Todd Jagers, to reschedule the July 14, 2026, board meeting to July 9, 2026. Carried with no dissent.

Other Business/ No Action Required:

Manager Kevin Spence reported McIlrath Properties has decided not to proceed with the development on FM 900, located south of I-30 in Saltillo. The guidelines set by Hopkins County were too numerous, making the project too expensive. The project has already incurred expenses and is now requesting a refund. After deducting the costs of purchased materials, the expense of the highway bore, and administrative time, we plan to give them a refund. We are prepared to offer them money for the materials that have already been purchased and stored at the field barn, as we can utilize all the items ordered.

There being no further business, Director Neuman Browning made a motion, seconded by Director Richard Hughes, to adjourn the meeting at 6:20 PM. The motion carried with no dissent.

Approved

Date