

CYPRESS SPRINGS SPECIAL UTILITY DISTRICT

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REGULAR BOARD MINUTES

November 13, 2025

The Cypress Springs Special Utility District Board of Directors met on Thursday, November 13, 2025, 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 Jerry Hammond, Director Richard Hughes, Director Rex Tillery, Vice President Richard Starek, Director Jeff Cohen, Director Chad Neal, Director Brad Sears, and Director Neuman Browning.

Directors Absent: Director Todd Jagers

Also Present: Kevin Spence, Jean Sparks

Public Attendance Consisted of: N/A

Public Comment: N/A

Invocation: Secretary-Treasurer Lloyd Parker

President Larry Daniel requested a motion and a second to approve the consent items. Director Richard Hughes made a motion, seconded by Director Jeff Cohn, to accept the Minutes from October 14, 2025, as written, the Treasurer's Report, and to 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 that after discussing with several individuals in the area, reviewing sample contracts, and calculating our production costs, we have determined that we can sell wholesale water to Tony Price from Winfield at \$3.90 per thousand gallons. This offer would depend on the board's review and approval. If all parties agree, a binding contract will be required for everyone involved.

Manager Kevin Spence reported that the bids received for a new ditching machine are significantly higher than expected. If we consider a smaller model than the 5110, specifically the 2024 VE RTX 450 with a porta-bore attachment, we can acquire it for a significantly lower cost than the current bids for a new 5110. Given that there are immediate jobs to be done, it is advisable to purchase this model now, pending board approval. After discussion, Director Chad Neal made a motion to purchase the 2024 VE RTX 450 with the porta-bore attachment, which was seconded by Director Richard Hughes. Motion carried with no dissent.

Manager Kevin Spence reported that the only bid received for painting the office exterior was from Steve Simmons. His proposal includes applying two coats of Sherwin-Williams paint and caulking all seams for \$2,400.00. He can complete the work over a weekend to avoid interfering with our business hours.

Manager Kevin Spence reported that Cornersville W.S.C. had several additional leaks that we repaired in October, along with purchasing materials for the 5-inch water line repair. Mostly a routine maintenance month.

Manager Kevin Spence reported the CD at Alliance Bank is set to mature this month. We need to decide whether to renew it as is or transfer some funds to the TxSTAR account. After discussing this, Director Brad Sears made a motion, seconded by Director Chad Neal, to transfer \$100,000 from the mature CD to the TexSTAR account. The remaining balance of \$1,382,017.23 from the matured CD will be renewed and rolled into a six-month CD at an interest rate of 3.75% APR, applicable for November 2025.

Manager Kevin Spence reported Ready Manager currently has approximately 5,416 meters installed. However, 560 of these meters are either not being detected by a collector or have reading dates that are too early for the billing period. After discussions with Ferguson, it was observed that three out of the seven collectors are generating error codes. Two of these errors are related to the antennas, while the cause of the third collector's error remains unknown. Ferguson is continuing to troubleshoot these issues and will work to resolve the problems between the 560 outsourced-installed meters that are not communicating correctly with the collectors, to achieve the proposed read rate.

Manager Kevin Spence reported meeting with Matt More and Mr. Brown from Wood County Electric at the North Lake Pump and the North Plant to assess whether the electrical supply requires updating before proceeding with the facility upgrades. The existing power lines at the North Plant are adequate, but minor modifications will be necessary at the North Lake Pump. After discussing this with Stan Hayes, he should have everything submitted to Rural Development for approval by the end of the year.

Manager's Reports / New Business:

President Larry Daniel asked the board to appoint members for the committees overseeing the 2025 audit, the 2026 budget, and the 2026 administrative and district service policies. Director Jeff Cohn made a motion, and Director Richard Hughes seconded to retain the same committee members as last year, except for the alternate. This includes Secretary-Treasurer Lloyd Parker, Vice President Richard Starek, and Director Jerry Hammond, with Director Jeff Cohn as the alternate. The motion was carried with no dissent.

Manager Kevin Spence requested that the board meeting initially scheduled for December 9, 2025, be rescheduled. There were conflicting schedules concerning a proposed move to December 11, 2025. Director Jeff Cohn made a motion to hold the December board meeting on December 15, seconded by Director Richard Hughes. This change allows committee members to meet on December 9, 2025, at 9:00 a.m. The motion was carried with no dissent.

Manager Kevin Spence reported that the agreement with the Franklin County Recreational Facility is up for renewal. After discussion, Director Jeff Cohn made a motion, seconded by Director Richard Hughes, to approve the agreement renewal for another year. The new agreement will be effective from December 1, 2025, to November 31, 2026, and will allocate 102,000 gallons of water per year, with a maximum of 8,500 gallons per month. Any unused portion will be deducted from the annual total of 102,000 gallons. The motion passed with no dissent.

President Larry Daniel asked for a motion to order the election. Vice President Richard Starek made a motion, seconded by Secretary-Treasurer Lloyd Parker, to order the election for February 7, 2026, for expiring directors' terms consisting of Chad Neal, Jerry Hammond, Larry Daniel, and Todd Jagers. The motion carried with no dissent. The deadline to file an application for a place on the ballot for the Board of Directors will be December 8, 2025, at 4:30 p.m., at the office located at 114 FM 115, Mount Vernon, TX.

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.