

**MINUTES FROM THE
CYPRESS SPRINGS SPECIAL UTILITY DISTRICT
BOARD MEETING
May 11, 2021**

The Cypress Springs Special Utility District Board of Directors met Tuesday, May 11, 2021 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 Joyce Weatherford, Director Jack Kemp, Director Jerry Hammond, Director Rex Tillery, Director Richard Hughes, Director Chad Neal and Director Todd Jagers

Director's Absent: N/A

Also Present: General Manager Kevin Spence and Office Manager Jean Sparks, Bookkeeper Raegan Swann and Curtis Blakely and Co., Pc Auditor Kody Chapman

Invocation Given by Secretary Treasurer Lloyd Parker

President Neuman Browning asked if everyone had read the Minutes from the April 13, 2021 Board Meeting. After reviewing the Minutes, a motion was made by Secretary Treasurer Lloyd Parker and seconded by Director Chad Neal to approve the Minutes from April 13, 2021 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 Rex Tillery and seconded by Director Jerry Hammond 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 Secretary Treasurer Lloyd Parker and seconded by Director Richard Hughes 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.

Curtis Blakely and Co., Pc Auditor Kody Chapman, certified fraud examiner and Vice President of Curtis and Blakely Company notified us our past auditor Charlie Albert had passed two weeks ago suddenly. Auditor Kody Chapman presented independent audit report free of any mistakes. Reported financials are good, debt paid off and put into capital expenditures, liabilities are up with increase with new billing system and added benefits, accounts payable are down, income and revenue were up due to small rate increase and water sold with added customer base, when most others lost money last year, operating expense went up due to cost of materials and supplies to treat the water and sludge removal, 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. A motion was made by Director Richard Starek and seconded by Director Jack Kemp to approve the audit report as presented. Motion carried with no dissent.

Manager's Reports / Unfinished Business:

Manager Kevin Spence reported 50th Anniversary celebration went excellent. Mount Vernon Optic-Herald was here, one of C.S.U.D.'s oldest customers was able to make it, had the drawing for the four winners of \$50.00 account credits, door prizes and food.

Manager Kevin Spence reported there are still problems going on with the billing system. UMS has assigned a liaison to us for the next 60 days to work all issues that we are still encountering and answer questions we may have. The agreement between us and CUSI has been scanned over to our attorney Larry Fleishman, just as a precaution, for him to look over. Hopefully by next month all issues will be resolved.

Manager Kevin Spence reported finding customer stealing water, by illegally tapping into our main water line from inside their empty meter box. The Sheriff's office was called to the property and report filed. May allow customer to do a payout agreement, even though we have never allowed this previously.

Manager Kevin Spence reported we are on loaner cards for one of the RTU's at the east lake pumps, been having trouble with it just going off randomly with no reason or pattern. The loaner cards have not fixed the problem but has slowed it down to shutting off once a week and it cycles four times a day. The Scada team is trying to figure out what's causing the glitch in the Scada system.

Manager Kevin Spence reported maintenance agreements going well. Will be needing to attend Pickton WSC board meeting this month to discuss questions they have about the quote that was given to them to fix the violations with the TCEQ. There is a problem with getting materials lately and the cost of materials being much higher. They are on the new fill lines and working perfect.

Manager Kevin Spence reported the CD'S renewed at .20% if went 6 months could have done 3.5%. Will re-evaluate at time of next renewal.

Manager Kevin Spence reported If we modify our current loan at a lower percentage rate of 2.99% from 3.5% plus increasing the monthly payment it would cut our loan time and interest in half. After discussion a motion was made by Director Richard Hughes and seconded by Director Jerry Hammond to approve the modification of our loan number 1130011638. Motion carried with no dissent.

Manager's Reports / New Business:

Manager Kevin Spence reported will be phasing out the old-style radio read meters with next generation Sonata radio read meters. The Sonata meters have the same warranty as the old style, they have no moving parts to wear out, will register water flow/usage more accurately and the whole unit will need to be replaced instead of just a transmitter. This year we will need to update the Master Meter software and these meters comply with the updated software. After discussion a motion was made by Vice President Larry Daniel and seconded by Director Todd Jagers to increase line tap fees to \$1,550.00 up from \$1,500.00. Motion carried with no dissent.

Manager Kevin Spence asked the July board meeting to be moved from July 13, 2021 to July 8, 2021 due to Tech Conference in Galveston Texas. A motion was made by Director Chad Neal and seconded by Director Rex Tillery to move board meeting from July 13 to July 8, 2021. Motion carried with no dissent.

There being no further business a motion was made by Vice President Larry Daniel and seconded by Director Richard Hughes to adjourn the meeting at 6:30 PM. Motion carried with no dissent.

Approved

Date