Home

CITY OF HIGHLAND HAVEN
510 Highland Drive, Suite A
Highland Haven, Texas 78654-8278
Telephone: 830-265-4366

AGENDA – REGULAR BOARD OF ALDERMEN MEETING

DATE: Tuesday, November 18, 2025
TIME: 7:00 p.m.
PLACE: ***Highland Haven Community Center***

1. Open Meeting and Establish Quorum/Roll Call– Mayor

Mayor Pro Tem Terry Nuss	☐Present	☐Absent
Alderperson Don Hagans	☐Present	☐Absent
Alderperson Bruce Robertson	☐Present	☐Absent
Alderperson Lynn Smith	☐Present	☐Absent
Alderperson Terry Smith	☐Present	☐Absent

2. Pledge of Allegiance
3. Recognize Visitors
4. Announcements, Proclamations, or Presentations
5. Public Comment

   (At this time, any person with business before the BOA not scheduled on the agenda may speak to the Board. No formal action can be taken on these items at this meeting. No discussion or deliberation can occur. Comments regarding specific agenda items should occur when the item is called.)

ACTION ITEMS

6. **Consider Consent items:**
   The items listed are considered to be routine and non-controversial by the Board of Aldermen and will be approved by one motion. There will be no separate discussion of these items unless a Board member so requests, in which case the item will be removed from the Consent Agenda prior to a motion and vote. The item will be considered in its normal sequence on the regular agenda.
   a. Meeting Minutes for Regular BOA – October 20, 2025
   b. Meeting Minutes for Special BOA – November 13, 2025
   c. Sales Tax Report – October 2025
   d. Water Usage Report – October 2025
   e. Financials – October 2025
7. **Discussion and/or Possible Action** – Ballot and Resolution of Votes Cast to Elect Directors for the Burnet Central Appraisal District for the Year 2026-27.
8. **Discussion and/or Possible Action** – Discuss and possibly approve 2025 Interlocal Agreement with Burnet County.
9. **Discussion and/or Possible Action –** Consider purchase of easement for "remnant property" located at Willow and Deer Run for existing 10" water main.
10. **Discussion and/or Possible Action –** Discuss and possibly approve the Letter of engagement for Neffendorf & Blocker, P.C. for Fiscal Year 2025 Audit.

11. **Discussion and/or Possible Action** – December meeting and holiday schedule
    a. Meeting schedule – Board of Aldermen
    b. Holiday schedule – City Offices

DISCUSSION / INFORMATION ITEMS

12. Discussion **-** Ordinance/resolution for a written investment policy, required by the Texas Public Funds Investment Act.
13. Discussion – Water Infrastructure Bond
    a. Bond Timeline
14. Marble Falls Area EMS End of Fiscal Year Report
15. Review assignments for the Planning and Zoning Commission
    a. Review of Current Planning and Zoning Assignments
    b. The next regular P&Z meeting is scheduled for December 11, 2025, at 6:00 pm.
    c. Comprehensive Plan Town Hall #3 is scheduled for 6:00 PM on Thursday, November 20, 2025.
16. Legislative Updates
17. Drainage Issues
18. Review Water System
    a. Maintenance and Operations Issues
    b. Central Texas Groundwater Conservation District
        i. Pumping Permit
        ii. Drought Status – Stage 2
        iii. 10% Water Reduction Goal
19. Review Solid Waste Services
20. Mayor's Report
21. Aldermen Comments
22. City Staff Comments
    a. City Administrator
    b. City Secretary

Next Regular meeting – Tuesday, December 2, 2025, at 7:00 p.m., Highland Haven Community Center

Adjournment.

Posted: November 10, 2025

CERTIFICATION OF POSTING

I, SARAH COLLARD, CERTIFY THAT THE FOREGOING AGENDA HAS BEEN POSTED AT HIGHLAND HAVEN CITY HALL, 510 HIGHLAND DRIVE, SUITE A; HIGHLAND HAVEN, TX ON THE INDOOR AND OUTDOOR NOTICE BOARDS OF CITY HALL WHICH ARE ACCESSIBLE TO THE PUBLIC AT ALL TIMES AND THE CITY WEBSITE AT WWW. HIGHLANDHAVENTX.COM ON NOVEMBER 10, 2025, AND REMAINED SO POSTED FOR AT LEAST 3 BUSINESS DAYS PRECEDING THE SCHEDULED DATE OF SAID MEETING.

Sarah Collard

Sarah Collard, City Secretary

CITY OF HIGHLAND HAVEN TEXAS 1995

THIS MEETING SHALL BE CONDUCTED PURSUANT TO THE TEXAS GOVERNMENT CODE SECTION 551.001 ET SEQ. AT ANY TIME DURING THE MEETING THE BOARD RESERVES THE RIGHT TO ADJOURN INTO EXECUTIVE SESSION ON ANY OF THE ABOVE POSTED AGENDA ITEMS IN ACCORDANCE WITH THE SECTIONS 551.071 (Advice of Counsel), 551.072 (Real Property), 551.073 (Gifts or Donations), 551.074 (Personnel), 551.076 (Security), 551.087 (Economic Development) and/or 418.183 (Homeland Security).

CITY OF HIGHLAND HAVEN
510 Highland Drive, Suite A
Highland Haven, Texas 78654-8278
Telephone: 830-265-4366

MINUTES – REGULAR BOARD OF ALDERMEN MEETING

DATE: Tuesday, October 21, 2025
TIME: 7:00 p.m.
PLACE: ***Highland Haven Community Center***

1. Open Meeting and Establish Quorum/Roll Call– **Mayor Kelley called the meeting to order at 7:00 PM.**

Mayor Pro Tem Terry Nuss	☐Present	✓Absent
Alderperson Don Hagans	✓Present	☐Absent
Alderperson Bruce Robertson	☐Present	✓Absent
Alderperson Lynn Smith	✓Present	☐Absent
Alderperson Terry Smith	✓Present	☐Absent

2. Pledge of Allegiance – **Mayor Kelley led the Pledge of Allegiance.**
3. Recognize Visitors – **Terry Chase, Mary Chase, Jackie Garrow, Judy Kelley, and Ken Cooper.**
4. Announcements, Proclamations, or Presentations
5. Public Comment

   (At this time, any person with business before the BOA not scheduled on the agenda may speak to the Board. No formal action can be taken on these items at this meeting. No discussion or deliberation can occur. Comments regarding specific agenda items should occur when the item is called.)
   Mary Chase asked who is in charge of the trees at the end of Blackbird at Camp Champions.

ACTION ITEMS

6. **Consider Consent items:**
   The items listed are considered to be routine and non-controversial by the Board of Aldermen and will be approved by one motion. There will be no separate discussion of these items unless a Board member so requests, in which case the item will be removed from the Consent Agenda prior to a motion and vote. The item will be considered in its normal sequence on the regular agenda.
   a. Meeting Minutes for Regular BOA – October 7, 2025
   b. Water Usage Report – September 2025
   c. Sales Tax Report – September 2025
   d. Financial Reports – September 2025

   Motion to accept Consent Items made by Terry Smith, seconded by Lynn Smith.
   Vote: 3-0
7. **Discussion and/or Possible Action - Discussion and/or Possible Action** – Reschedule the November 4, 2025 Board of Aldermen regular meeting to between November 7, 2025 and November 17, 2025.

   Motion to reschedule the November 4, 2025 Board of Aldermen meeting to Monday, November 10, 2025 made by Lynn Smith, seconded by Don Hagans.
   Vote: 3-0

DISCUSSION / INFORMATION ITEMS

8. Discussion **-** Ordinance/resolution for a written investment policy, required by the Texas Public Funds Investment Act.
9. Discussion – Water Infrastructure Bond
    a. Bond Presentation
    b. Bond Flyer
    c. Communication Update
10. Review assignments for the Planning and Zoning Commission
    a. Review of Current Planning and Zoning Assignments
    b. The next regular P&Z meeting is scheduled for November 13, 2025, at 6:00 pm.
    c. Comprehensive Plan Town Hall #2 is scheduled for 6:00 PM on Thursday, October 23, 2025.
11. Legislative Updates
12. Drainage Issues
13. Review Water System
    a. Maintenance and Operations Issues
    b. Central Texas Groundwater Conservation District
        i. Pumping Permit
        ii. Drought Status – Stage 2
        iii. 10% Water Reduction Goal
14. Review Solid Waste Services
15. Mayor's Report
16. Aldermen Comments
17. City Staff Comments
    a. City Administrator
    b. City Secretary

Next Regular meeting – Monday, November 10, 2025, at 7:00 PM.

Motion to adjourn made by Don Hagans, seconded by Lynn Smith.

Vote: 3-0

Adjournment.

The meeting was adjourned at 7:44 PM.

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Olan Kelley, Mayor

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Sarah Collard, City Secretary

CITY OF HIGHLAND HAVEN
510 Highland Drive, Suite A
Highland Haven, Texas 78654-8278
Telephone: 830-265-4366

AGENDA – SPECIAL BOARD OF ALDERMEN MEETING

DATE: Thursday, November 13, 2025
TIME: 12:30 p.m.
PLACE: ***Roscoe Holt Highland Haven City Hall, 510-A Highland Drive, Highland Haven, TX***

1. Open Meeting and Establish Quorum/Roll Call– **Mayor Kelley called the meeting to order at 12:34 PM.**

Mayor Pro Tem Terry Nuss	✓Present	☐Absent
Alderperson Don Hagans	☐Present	✓Absent
Alderperson Bruce Robertson	☐Present	✓Absent
Alderperson Lynn Smith	✓Present	☐Absent
Alderperson Terry Smith	✓Present	☐Absent

2. Pledge of Allegiance – **Led by Mayor Kelley**
3. Recognize Visitors – **There were no visitors.**
4. Announcements, Proclamations, or Presentations – **None.**
5. Public Comment

   (At this time, any person with business before the BOA not scheduled on the agenda may speak to the Board. No formal action can be taken on these items at this meeting. No discussion or deliberation can occur. Comments regarding specific agenda items should occur when the item is called.)
   There were no public comments.

ACTION ITEMS

6. **Discussion and/or Possible Action** – Ordinance #138 – Ordinance/resolution of the Board of Aldermen of the City of Highland Haven, Texas Canvassing the Election Returns and Declaring the Results of the Special Bond Election of the City of Highland Haven held on November 4, 2025, on Proposition A and Other Matters in Connection Therewith.

   Lynn Smith made a motion to accept Ordinance #138 – Ordinance/resolution of the Board of Aldermen of the City of Highland Haven, Texas Canvassing the Election Returns and Declaring the Results of the Special Bond Election of the City of Highland Haven held on November 4, 2025, on Proposition A and Other Matters in Connection Therewith. The motion was seconded by Terry Nuss.

   Roll call vote:

Mayor Pro Tem Terry Nuss	✓Aye	☐Nay
Alderperson Don Hagans - **ABSENT**	☐Aye	☐Nay
Alderperson Bruce Robertson - **ABSENT**	☐Aye	☐Nay
Alderperson Lynn Smith	✓Aye	☐Nay
Alderperson Terry Smith	✓Aye	☐Nay

   Vote: 3-0

7. **Discussion and/or Possible Action** – Approve City Secretary to Complete the Certificate for Ordinance.

   Terry Smith made a motion to approve City Secretary to complete the Certificate for Ordinance. Terry Nuss seconded the motion.

   Roll call vote:

Mayor Pro Tem Terry Nuss	✓Aye	☐Nay
Alderperson Don Hagans - **ABSENT**	☐Aye	☐Nay
Alderperson Bruce Robertson - **ABSENT**	☐Aye	☐Nay
Alderperson Lynn Smith	✓Aye	☐Nay
Alderperson Terry Smith	✓Aye	☐Nay

   Vote: 3-0

DISCUSSION / INFORMATION ITEMS

8. Aldermen Comments
9. City Staff Comments
   a. City Administrator
   b. City Secretary

Next Regular meeting – Tuesday, November 18, 2025, at 7:00 p.m., Highland Haven Community Center

Motion to adjourn made by Terry Smith, seconded by Lynn Smith.
Vote: 3-0

Adjournment.

The meeting adjourned at 12:39 PM.

Olan Kelley, Mayor

Sarah Collard, City Secretary

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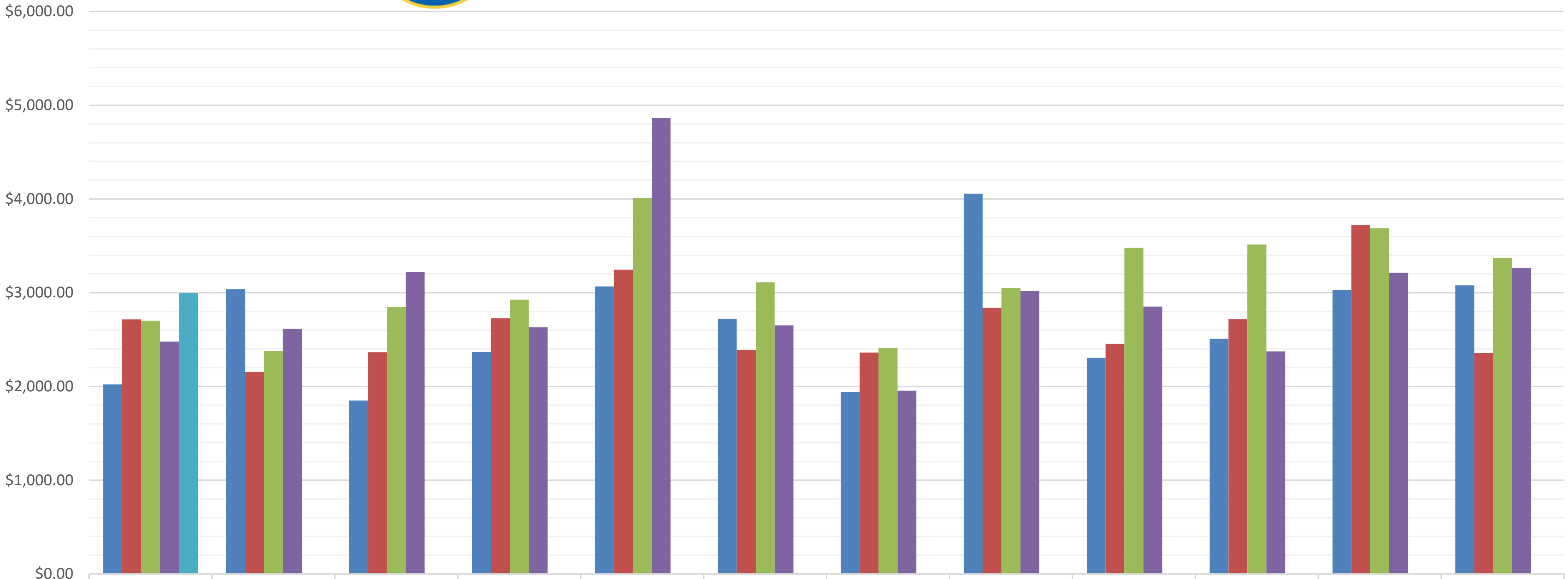
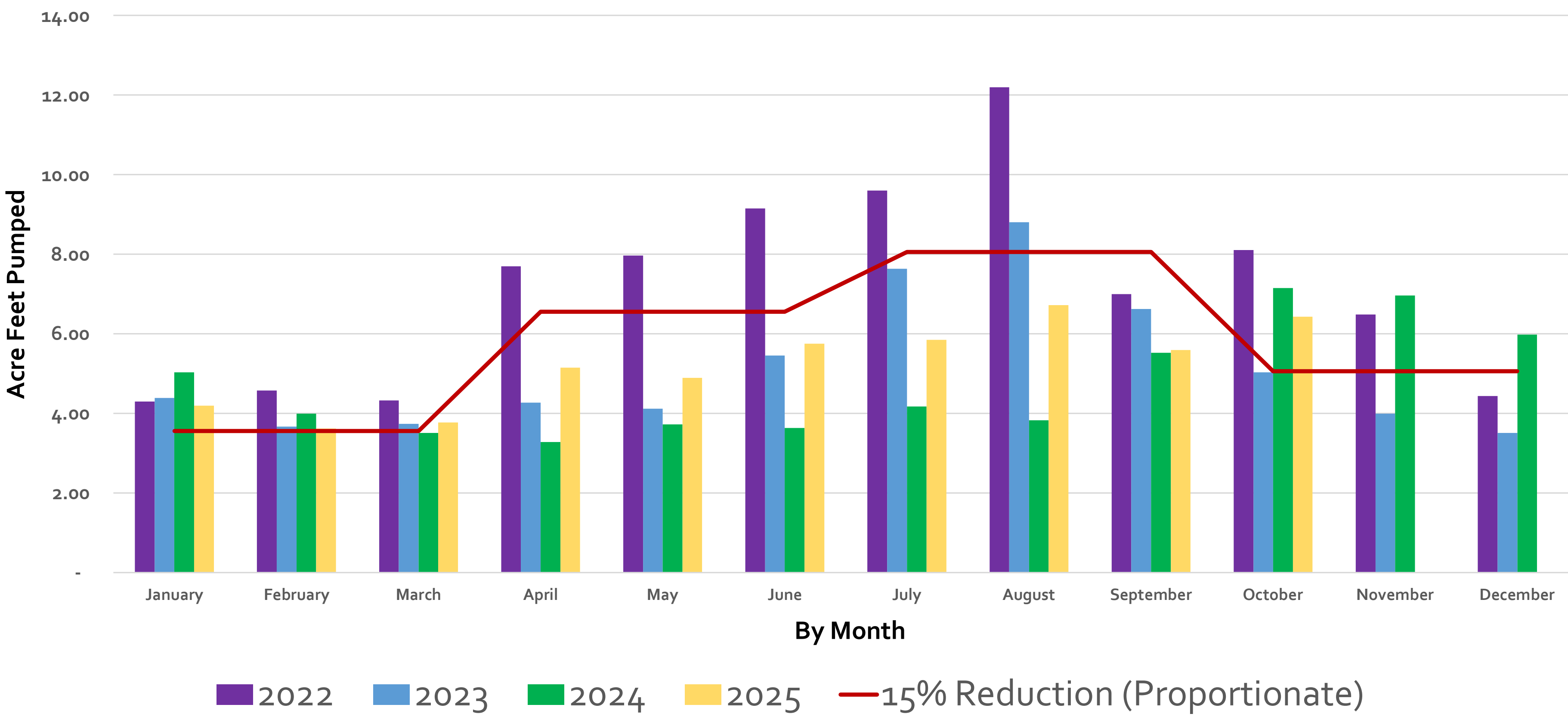
City of Highland Haven Sales Tax



	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	June	July	Aug	Sept
2022	$2,020.88	$3,036.41	$1,848.93	$2,369.89	$3,067.90	$2,721.37	$1,939.03	$4,057.71	$2,305.26	$2,508.50	$3,031.97	$3,078.37
2023	$2,715.96	$2,153.70	$2,364.18	$2,728.03	$3,246.73	$2,388.05	$2,361.84	$2,838.98	$2,453.38	$2,716.50	$3,720.53	$2,357.56
2024	$2,701.28	$2,377.70	$2,847.22	$2,924.52	$4,011.63	$3,108.80	$2,409.33	$3,047.22	$3,481.26	$3,514.60	$3,685.36	$3,369.76
2025	$2,478.94	$2,614.17	$3,219.00	$2,631.93	$4,864.60	$2,651.26	$1,954.35	$3,019.03	$2,850.69	$2,373.32	$3,211.69	$3,260.18
2026	$2,998.39	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00

PUMPING – CITY WATER USAGE



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General Fund
Budget vs. Actuals: FY_2025_2026 - FY26 P&L
October 2025 - October 2025

	Total		
	Actual	YTD Budget	Annual Budget
Income			
8000 General Fund Revenue			
8100 Taxes			
8110 Property Taxes Collected	881.90	0.00	399,247.00
8120 Sales and Use Tax	2,998.39	2,541.67	30,500.00
Total 8100 Taxes	**$ 3,880.29**	**$ 2,541.67**	**$ 429,747.00**
8200 Franchise Fees			
8210 Cable TV	842.12	1,250.00	5,000.00
8220 Electrical	0.00	0.00	24,000.00
8230 Telephone	0.00	50.00	200.00
8240 Solid Waste (deleted)	0.00	0.00	0.00
Total 8200 Franchise Fees	**$ 842.12**	**$ 1,300.00**	**$ 29,200.00**
8300 Building Permits / Inspections			
8310 Building Permits	1,100.00	2,083.33	25,000.00
8330 Inspections	150.00	1,250.00	15,000.00
8340 Forfeited Compliance Deposit	0.00	0.00	
Total 8300 Building Permits / Inspections	**$ 1,250.00**	**$ 3,333.33**	**$ 40,000.00**
8400 Other Income			
8410 ROW - License Agreement	0.00	0.00	500.00
8420 Miscellaneous Income	0.00	0.00	0.00
8430 NSF Check Charge	0.00	0.00	0.00
Total 8400 Other Income	**$ 0.00**	**$ 0.00**	**$ 500.00**
8500 Charges for Services			
8510 Lot Mowing Program Fees		166.67	2,000.00
8520 Copies, FAX & Phone Usage		0.00	25.00
8530 Newsletter Copy Fee	91.34	250.00	250.00
8540 Newsletter Postage Fee	302.00	350.00	350.00
8550 Re-Plat & Variances		100.00	1,200.00
Total 8500 Charges for Services	**$ 393.34**	**$ 866.67**	**$ 3,825.00**
8600 Public Safety			
8610 Child Safety Fund		175.00	700.00
8620 OPIOID Abatement Fund		0.00	50.00
Total 8600 Public Safety	**$ 0.00**	**$ 175.00**	**$ 750.00**
8800 Donations & Contributions			
8801 Donations	0.00	0.00	0.00
8805 Sale of Assets (deleted)	0.00	0.00	0.00
Total 8800 Donations & Contributions	**$ 0.00**	**$ 0.00**	**$ 0.00**
8900 Investment Income			0.00
8910 Interest Income	2,089.38	1,666.67	20,000.00
Total 8900 Investment Income	**$ 2,089.38**	**$ 1,666.67**	**$ 20,000.00**
Total 8000 General Fund Revenue	**$ 8,455.13**	**$ 9,883.34**	**$ 524,022.00**
Total Income	**$ 8,455.13**	**$ 9,883.34**	**$ 524,022.00**
Gross Profit	**$ 8,455.13**	**$ 9,883.34**	**$ 524,022.00**
Expenses			
60000 EXPENSES - GENERAL FUND			
61100 Personnel Services			
61101 Aministrative Services	7,958.33	7,958.33	95,500.00
61102 Secretary Salary	2,502.47	5,083.33	61,000.00
61103 Acccounting / Utility Coord.	4,333.33	4,333.33	52,000.00
61104 Building Permit Officer	1,304.08	1,333.33	16,000.00
61105 Temporary Employee	0.00	250.00	3,000.00
61106 City Administrator (deleted)	0.00	0.00	0.00
61108 Stipend	1,890.00	0.00	0.00
61110 Payroll Taxes / FICA	1,376.10	1,594.92	19,139.00

61111 Texas Workforce Commission		0.00		58.33		700.00
61112 Direct Deposit Fees		77.81		20.83		250.00
61113 Employee Health Insurance (deleted)		0.00		1,890.00		22,680.00
61114 Texas Municipal Retirment Cont.		1,249.31		1,764.17		21,170.00
Total 61100 Personnel Services	**$**	**20,691.43**	**$**	**24,286.57**	**$**	**291,439.00**
61200 Administrative & Office						
61201 Miscellaneous Office Supplies		260.59		239.58		2,875.00
61202 Equipment replacement		89.11		652.08		7,825.00
61203 Newsletter Copy Charge				25.00		300.00
61204 Newsletter Postage				58.33		700.00
61205 Printing, Binding, Reproduction				91.67		1,100.00
61206 Software		3,885.41		554.17		6,650.00
61207 Postage		97.60		70.83		850.00
61208 Public Notice Publication		1,404.00		179.17		2,150.00
61209 Variances & Re-plats				91.67		1,100.00
61210 Travel Reimbursement				45.83		550.00
61211 Schools & Training		635.00		608.33		7,300.00
61212 Recognition & Awards				25.00		300.00
61213 Food & Beverage		262.10		25.00		300.00
61214 - Bank Fees		-2.64		12.50		150.00
Total 61200 Administrative & Office	**$**	**6,631.17**	**$**	**2,679.16**	**$**	**32,150.00**
61300 Street Maintenance & Repair						
61301 Contract Repair				458.33		5,500.00
61302 Material & Supplies				558.33		6,700.00
Total 61300 Street Maintenance & Repair	**$**	**0.00**	**$**	**1,016.66**	**$**	**12,200.00**
61400 Maintenance & Repair						
61401 Equipment Repair & Maintenance				250.00		3,000.00
61402 Buildings / Infastructure				416.67		5,000.00
Total 61400 Maintenance & Repair	**$**	**0.00**	**$**	**666.67**	**$**	**8,000.00**
61500 Professional Services						
61501 Judge Expenses		100.00		100.00		1,200.00
61502 Accountants Fees-Audit		360.00		745.83		8,950.00
61503 Attorneys Fees		437.50		479.17		5,750.00
61504 Ordinance Codification		0.00		362.50		4,350.00
61505 Burnet County Tax Appraisal Fee		1,278.84		437.50		5,250.00
61506 I / T Support		0.00		416.67		5,000.00
61507 Lobbying Expense		0.00		0.00		0.00
61508 Burnet Co Election Fee		0.00		416.67		5,000.00
61509 Consultant Fees		0.00		183.33		2,200.00
61510 Website Hosting		0.00		250.00		3,000.00
61511 Recruitment		0.00		87.50		1,050.00
61512 Interactive Web Map Hosting		0.00		416.67		5,000.00
61520 Fund Accounting Software (deleted)		0.00		0.00		0.00
Total 61500 Professional Services	**$**	**2,176.34**	**$**	**3,895.84**	**$**	**46,750.00**
61600 Utilities						
61601 Electric		98.50		95.83		1,150.00
61602 Fax (deleted)		0.00		0.00		0.00
61603 Internet Service (deleted)		0.00		0.00		0.00
61604 Telephone (deleted)		0.00		0.00		0.00
61605 Communications		604.72		562.50		6,750.00
Total 61600 Utilities	**$**	**703.22**	**$**	**658.33**	**$**	**7,900.00**
61700 Services & Charges						
61701 Janitorial Service				56.25		675.00
61702 Inspection Fees		1,240.00		608.33		7,300.00
61703 Clean Up Deposit Fees		0.00		0.00		0.00
61704 Flood Control Labor & Service		0.00		0.00		0.00
61705 Contract Mowing		0.00		87.50		1,050.00
61706 Landscaping		0.00		175.00		2,100.00
61708 Buoy Maintenance		0.00		666.67		8,000.00
61709 Lot Mowing Program Expense		0.00		166.67		2,000.00
61710 Insurance		6,381.76		541.67		6,500.00

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61711 Notary Public Cert.		0.00		33.33		400.00
61712 Treasurers Bond		0.00		27.08		325.00
Total 61700 Services & Charges	**$**	**7,621.76**	**$**	**2,362.50**	**$**	**28,350.00**
61800 Membership Fees / Dues						
61801 Capcog		0.00		4.17		50.00
61802 Flood Plain Coalition (deleted)		0.00		0.00		0.00
61803 Texas Municipal League		0.00		58.33		700.00
61804 CAMPO		0.00		30.00		360.00
61805 Texas Municipal Clerks Assoc		125.00		15.00		180.00
61806 Texas City Managers Assoc.		0.00		25.00		300.00
Total 61800 Membership Fees / Dues	**$**	**125.00**	**$**	**132.50**	**$**	**1,590.00**
61900 Public Safety						
61901 Security Camera		316.76		591.67		7,100.00
61902 Granite Shoals VFD		0.00		7,740.00		92,880.00
61903 Marble Falls EMS		1,280.12		1,283.33		15,400.00
61904 Emergency Response Supplies		0.00		41.67		500.00
61905 Emergency Management Program		0.00		416.67		5,000.00
Total 61900 Public Safety	**$**	**1,596.88**	**$**	**10,073.34**	**$**	**120,880.00**
62900 Capital Improvement						
62902 3cGeo Mapping		400.00		0.00		0.00
62905 City Vehicle/UTV		0.00		1,666.67		20,000.00
62906 City Tools		0.00		416.67		5,000.00
62907 Fund Accounting Software		0.00		1,666.67		20,000.00
62908 Capital Reserve		0.00		1,270.17		15,242.00
62909 Bond Interest Payments		0.00		3,900.00		46,800.00
Total 62900 Capital Improvement	**$**	**400.00**	**$**	**8,920.18**	**$**	**107,042.00**
Total 60000 EXPENSES - GENERAL FUND	**$**	**39,945.80**	**$**	**54,691.75**	**$**	**656,301.00**
66000 Payroll Expenses		0.00		0.00		0.00
6777 Disposal Fee-Waste Management		0.00		0.00		0.00
Total Expenses	**$**	**39,945.80**	**$**	**54,691.75**	**$**	**656,301.00**
Net Operating Income	**-$**	**31,490.67**	**-$**	**44,808.41**	**-$**	**132,279.00**
Other Income						
76000 Interfund Transfers						
76010 Transfers In						
76010.2 Transfer In - HHWS Fund		0.00		5,456.58		65,479.00
76010.3 Transfer In - HHSW Fund		0.00		1,666.67		20,000.00
Total 76010 Transfers In	**$**	**0.00**	**$**	**7,123.25**	**$**	**85,479.00**
Total 76000 Interfund Transfers	**$**	**0.00**	**$**	**7,123.25**	**$**	**85,479.00**
Total Other Income	**$**	**0.00**	**$**	**7,123.25**	**$**	**85,479.00**
Other Expenses						
76001 Interfund Transfers.						
76020.4 Transfer Out - General Fund CIP (deleted)		0.00		0.00		0.00
Total 76001 Interfund Transfers.	**$**	**0.00**	**$**	**0.00**	**$**	**0.00**
Total Other Expenses	**$**	**0.00**	**$**	**0.00**	**$**	**0.00**
Net Other Income	**$**	**0.00**	**$**	**7,123.25**	**$**	**85,479.00**
Net Income	**-$**	**31,490.67**	**-$**	**37,685.16**	**-$**	**46,800.00**

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Water Fund
Budget vs. Actuals: FY_2025_2026 - FY26 P&L
October 2025 - October 2025

	Total		
	Actual	YTD Budget	Annual Budget
Income			
9000 HHWater System Revenue			
9200 Charges for Services			
9210 Water Sales	41,567.89	30,736.17	368,834.00
9211 WS Residential Collection (deleted)	0.00	0.00	0.00
Total 9210 Water Sales	**$ 41,567.89**	**$ 30,736.17**	**$ 368,834.00**
9220 Tap Fees	0.00	750.00	9,000.00
Total 9200 Charges for Services	**$ 41,567.89**	**$ 31,486.17**	**$ 377,834.00**
9230 HHWS Miscellaneous Income			
9231 Miscellaneous Income	0.00	16.67	200.00
Total 9230 HHWS Miscellaneous Income	**$ 0.00**	**$ 16.67**	**$ 200.00**
9250 Investment Income			0.00
9251 Interest Income	147.57	125.00	1,500.00
Total 9250 Investment Income	**$ 147.57**	**$ 125.00**	**$ 1,500.00**
9900 Grant Funding			
9910 CLREF Funding	0.00	0.00	0.00
Total 9900 Grant Funding	**$ 0.00**	**$ 0.00**	**$ 0.00**
Total 9000 HHWater System Revenue	**$ 41,715.46**	**$ 31,627.84**	**$ 379,534.00**
Total Income	**$ 41,715.46**	**$ 31,627.84**	**$ 379,534.00**
Gross Profit	**$ 41,715.46**	**$ 31,627.84**	**$ 379,534.00**
Expenses			
62000 EXPENSES-WATER SYSTEM FUND			
62150 2016 Bond Series Expenses			
62151 2016 Series Bond Interest	0.00	348.33	4,180.00
62152 2016 Bond Series Principal	0.00	8,750.00	105,000.00
Total 62150 2016 Bond Series Expenses	**$ 0.00**	**$ 9,098.33**	**$ 109,180.00**
62200 Administrative / Office			
62201 Office Supplies	0.00	216.67	2,600.00
62206 Software	0.00	212.50	2,550.00
62207 Postage	60.00	350.00	4,200.00
62208 Public Notice Publication	0.00	16.67	200.00
62210 Travel Reimbursement	0.00	16.67	200.00
62211 Schools & Training	0.00	41.67	500.00
62212 Bank Fees	0.00	6.25	75.00
62213 Food & Beverage	0.00	41.67	500.00
Total 62200 Administrative / Office	**$ 60.00**	**$ 902.10**	**$ 10,825.00**
62350 Chemicals			
62351 Misc. Chemicals	0.00	325.00	3,900.00
Total 62350 Chemicals	**$ 0.00**	**$ 325.00**	**$ 3,900.00**
62400 Maintenance & Repairs			
62402 Repairs & Service Work	0.00	2,500.00	30,000.00
62403 Buildings / Infrastructure	0.00	416.67	5,000.00
62405 Material-pipe,pumps,meters	0.00	1,666.67	20,000.00
62407 Generator Maint and Repairs	0.00	708.33	8,500.00
Total 62400 Maintenance & Repairs	**$ 0.00**	**$ 5,291.67**	**$ 63,500.00**
62500 Professional Services			
62502 Accounting/Audit Fees	360.00	687.50	8,250.00
62503 Attorneys Fees	0.00	91.67	1,100.00
62511 Engineering Fees	0.00	91.67	1,100.00
62512 Lab Fees	0.00	366.67	4,400.00
62513 Contract Operator	0.00	7,500.00	90,000.00
62520 Fund Accounting Software (deleted)	0.00	0.00	0.00

Home

Total 62500 Professional Services	**$**	**360.00**	**$**	**8,737.51**	**$**	**104,850.00**
62600 Utilities						
62601 Electric		687.63		666.67		8,000.00
62604 Telephone		0.00		83.33		1,000.00
62605 Answering Service (deleted)		0.00		0.00		0.00
Total 62600 Utilities	**$**	**687.63**	**$**	**750.00**	**$**	**9,000.00**
62700 Services & Charges						
62705 Contract Mowing Expense		0.00		137.50		1,650.00
62712 Tap Installation		0.00		258.33		3,100.00
62713 Storage Facilities		0.00		454.17		5,450.00
62714 Johnston East Well Water Usage		0.00		41.67		500.00
62715 TCEQ		0.00		91.67		1,100.00
Total 62700 Services & Charges	**$**	**0.00**	**$**	**983.34**	**$**	**11,800.00**
62800 Membership Fees/Dues						
62806 TRWA Membership				47.92		575.00
62807 AWWA Membership				35.42		425.00
Total 62800 Membership Fees/Dues	**$**	**0.00**	**$**	**83.34**	**$**	**1,000.00**
62900 Capital Projects						
62901 Water Tank Project		0.00		0.00		0.00
Total 62900 Capital Projects	**$**	**0.00**	**$**	**0.00**	**$**	**0.00**
Total 62000 EXPENSES-WATER SYSTEM FUND	**$**	**1,107.63**	**$**	**26,171.29**	**$**	**314,055.00**
6777 Disposal Fee-Waste Management		21.09				
Total Expenses	**$**	**1,128.72**	**$**	**26,171.29**	**$**	**314,055.00**
Net Operating Income	**$**	**40,586.74**	**$**	**5,456.55**	**$**	**65,479.00**
Other Expenses						
76001 Interfund Transfers						
76020 Transfers Out						
76020.1 Transfer Out to General Fund		0.00		5,456.58		65,479.00
Total 76020 Transfers Out	**$**	**0.00**	**$**	**5,456.58**	**$**	**65,479.00**
Total 76001 Interfund Transfers	**$**	**0.00**	**$**	**5,456.58**	**$**	**65,479.00**
Total Other Expenses	**$**	**0.00**	**$**	**5,456.58**	**$**	**65,479.00**
Net Other Income	**$**	**0.00**	**-$**	**5,456.58**	**-$**	**65,479.00**
Net Income	**$**	**40,586.74**	**-$**	**0.03**	**$**	**0.00**

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Solid Waste
Budget vs. Actuals: FY_2025_2026 - FY26 P&L
October 2025 - October 2025

	Total		
	Actual	YTD Budget	Annual Budget
Income			
9500 Solid Waste Revenue			
9600 Charges For Services			
9610 SW Residential Collection	0.00	11,488.75	137,865.00
Total 9600 Charges For Services	$ 0.00	$ 11,488.75	$ 137,865.00
9650 Franchise Fees			
9651 Waste Services Franchise Fee	441.83	445.83	5,350.00
Total 9650 Franchise Fees	$ 441.83	$ 445.83	$ 5,350.00
9800 Investment Income			
9801 Interest Income	6.81	2.08	25.00
Total 9800 Investment Income	$ 6.81	$ 2.08	$ 25.00
Total 9500 Solid Waste Revenue	$ 448.64	$ 11,936.66	$ 143,240.00
Total Income	$ 448.64	$ 11,936.66	$ 143,240.00
Expenses			
63000 EXPENSES - SOLID WASTE FUND			
63500 Professional Services			
63513 Waste Contractor Costs	8,836.62	9,013.33	108,160.00
63514 Houshold Haz Waste Program	0.00	166.67	2,000.00
63515 Haz Waste Spill Response Fund	0.00	166.67	2,000.00
63516 Bulk Trash Pick-UP	0.00	208.33	2,500.00
63517 Document Shredding	0.00	62.50	750.00
Total 63500 Professional Services	$ 8,836.62	$ 9,617.50	$ 115,410.00
Total 63000 EXPENSES - SOLID WASTE FUND	$ 8,836.62	$ 9,617.50	$ 115,410.00
Total Expenses	$ 8,836.62	$ 9,617.50	$ 115,410.00
Net Operating Income	-$ 8,387.98	$ 2,319.16	$ 27,830.00
Other Expenses			
76001 Interfund Transfers			
76020 Transfers Out			
76020.1 Transfer Out to General Fund	0.00	1,666.67	20,000.00
Total 76020 Transfers Out	$ 0.00	$ 1,666.67	$ 20,000.00
Total 76001 Interfund Transfers	$ 0.00	$ 1,666.67	$ 20,000.00
Total Other Expenses	$ 0.00	$ 1,666.67	$ 20,000.00
Net Other Income	$ 0.00	-$ 1,666.67	-$ 20,000.00
Net Income	-$ 8,387.98	$ 652.49	$ 7,830.00

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Balance Sheet
All Funds
As of October 31, 2025

	General Fund		Water Fund		Solid Waste		Total	
Assets								
Current Assets								
Bank Accounts								
100 Gen Fund - First United	$	142,701.79	$	-	$	-	$	142,701.79
106 Gen Fund - TexPool -Investment	$	581,725.07	$	-	$	-	$	581,725.07
203 CNB Water Operating	$	-	$	192,149.71	$	-	$	192,149.71
205 CNB- HHWS (GO Bond Ser)	$	-	$	2,405.73	$	-	$	2,405.73
206 TexPool - HHWS Investment	$	-	$	37,689.96	$	-	$	37,689.96
300 CNB- HH Solid Waste	$	-	$	-	$	71,857.14	$	71,857.14
Total for Bank Accounts	**$**	**724,426.86**	**$**	**232,245.40**	**$**	**71,857.14**	**$**	**1,028,529.40**
Accounts Receivable								
1150 Accounts Receivable	$	14,768.08	$	24,892.68	$	12,075.75	$	51,736.51
Total for Accounts Receivable	**$**	**14,768.08**	**$**	**24,892.68**	**$**	**12,075.75**	**$**	**51,736.51**
Other Current Assets								
1230 Due from Other Funds	$	-	$	-	$	-	$	-
1300 Taxes Receivable	$	5,158.08	$	-	$	-	$	5,158.08
1350 Prepaid Expenses	$	-	$	-	$	-	$	-
1499 Undeposited Funds	$	-	$	-	$	-	$	-
12100 Inventory Asset	$	-	$	11,250.00	$	-	$	11,250.00
1996 Deferred Loss on Refunding	$	-	$	20,420.00	$	-	$	20,420.00
1997 AJE Holding Account								
1997.1 AR	$	-	$	-	$	-	$	-
1997.2 AP	$	-	$	-	$	-	$	-
Total for 1997 AJE Holding Account	**$**	**-**	**$**	**-**	**$**	**-**	**$**	**-**
Total for Other Current Assets	**$**	**5,158.08**	**$**	**31,670.00**	**$**	**-**	**$**	**36,828.08**
Total for Current Assets	**$**	**744,353.02**	**$**	**288,808.08**	**$**	**83,932.89**	**$**	**1,117,093.99**
Fixed Assets								
15000 Fixed Assets								
15100 City Hall Building	$	-	$	-	$	-	$	-
15101 City Hall Land	$	-	$	-	$	-	$	-
15103 Street & Drainage Improvements	$	-	$	-	$	-	$	-
15105 Furniture & Equipment	$	-	$	-	$	-	$	-
15200 Highland Haven Water Sys							$	-
15201 HHWS - Infrastructure	$	-	$	992,409.00	$	-	$	992,409.00
15202 HHWS - Building & Structures	$	-	$	45,234.00	$	-	$	45,234.00
15203 Equipment	$	-	$	62,768.00	$	-	$	62,768.00
15205 HHWS-Land	$	-	$	20,000.00	$	-	$	20,000.00
15209 Intangible Assets	$	-	$	170,115.00	$	-	$	170,115.00
15210 Construction in Process	$	-	$	438,231.50	$	-	$	438,231.50
1760 Capital Assets	$	-	$	-	$	-	$	-
Total for 15000 Fixed Assets	**$**	**-**	**$**	**-**	**$**	**-**	**$**	**-**
Total for 15200 Highland Haven Water Sys	**$**	**-**	**$**	**1,728,757.50**	**$**	**-**	**$**	**1,728,757.50**
16000 Accumulated Depreciation	$	-	$	(582,787.22)	$	-	$	(582,787.22)
16001 Accumulated Amortization	$	-	$	(136,537.42)	$	-	$	(136,537.42)
Total for Fixed Assets	**$**	**-**	**$**	**1,009,432.86**	**$**	**-**	**$**	**1,009,432.86**

Home

Other Assets				$ -
Total for Assets	**$ 744,353.02**	**$ 1,298,240.94**	**$ 83,932.89**	**$ 2,126,526.85**
Liabilities and Equity				
Liabilities				
Current Liabilities				
Accounts Payable				
Accounts Payable	$ 6,450.77	$ -	$ 8,394.79	$ 14,845.56
Total for Accounts Payable	**$ 6,450.77**	**$ -**	**$ 8,394.79**	**$ 14,845.56**
Credit Cards				
25000 TIB- Credit Card	$ -	$ 90.77	$ -	$ 90.77
Total for Credit Cards	**$ -**	**$ 90.77**	**$ -**	**$ 90.77**
Other Current Liabilities				
20000 Prior Year Accounts Payable	$ 130.00	$ 1,230.00	$ 8,442.68	$ 9,802.68
21000 Const. Deposits/Permits				
21100 Clean-up Deposits	$ 11,900.00	$ -	$ -	$ 11,900.00
Total for 21000 Const. Deposits/Permits	**$ 11,900.00**	**$ -**	**$ -**	**$ 11,900.00**
2110 Direct Deposit Liabilities	$ 9,636.96	$ -	$ -	$ 9,636.96
22000 Deferred Revenue	$ 5,158.08	$ -	$ -	$ 5,158.08
24000 Payroll Liabilities				
2100 Withheld taxes payable	$ 1,633.43	$ -	$ -	$ 1,633.43
24100 941 Taxes Payable	$ 952.68	$ -	$ -	$ 952.68
24200 TWC - SUI Payable	$ 516.66	$ -	$ -	$ 516.66
24300 FUTA Payable	$ -	$ -	$ -	$ -
Total for 24000 Payroll Liabilities	**$ 3,102.77**	**$ -**	**$ -**	**$ 3,102.77**
2020 Sales Tax Payable	$ -	$ -	$ -	$ -
2021 Due to Other Funds	$ -	$ -	$ -	$ -
2060 Retainage Payable	$ -	$ 38,219.60	$ -	$ 38,219.60
2140 Accrued Interest Payable	$ -	$ 502.00	$ -	$ 502.00
22200 Bonds Payable - Current	$ -	$ 105,000.00	$ -	$ 105,000.00
22202 Unearned Revenue	$ -	$ 17,282.58	$ -	$ 17,282.58
22000 Sales Tax Payable	$ -	$ -	$ 6.68	$ 6.68
Total for Other Current Liabilities	**$ 29,927.81**	**$ 162,234.18**	**$ 8,449.36**	**$ 200,611.35**
Total for Current Liabilities	**$ 36,378.58**	**$ 162,324.95**	**$ 16,844.15**	**$ 215,547.68**
Long-term Liabilities				
26000 Long Term Liabilities				
26200 2016 HHWS Bond Payable	$ -	$ 210,000.00	$ -	$ 210,000.00
Total for 26000 Long Term Liabilities	**$ -**	**$ 210,000.00**	**$ -**	**$ 210,000.00**
Total for Long-term Liabilities	**$ -**	**$ 210,000.00**	**$ -**	**$ 210,000.00**
Total for Liabilities	**$ 36,378.58**	**$ 372,324.95**	**$ 16,844.15**	**$ 425,547.68**
Equity				
30000 Net Position				
3900 Unrestricted Net Assets	$ -	$ -	$ -	$ -
3200 Invested in Capital Asset Net o	$ -	$ 714,852.86	$ -	$ 714,852.86
3810 Net Assets Restricted	$ -	$ -	$ -	$ -
Total for 30000 Net Position	**$ -**	**$ 714,852.86**	**$ -**	**$ 714,852.86**
39000 Retained Earnings	$ 739,465.11	$ 170,455.30	$ 75,476.72	$ 985,397.13
Net Income	$ (31,490.67)	$ 40,607.83	$ (8,387.98)	$ 729.18
Total for Equity	**$ 707,974.44**	**$ 925,915.99**	**$ 67,088.74**	**$ 1,700,979.17**
Total for Liabilities and Equity	**$ 744,353.02**	**$ 1,298,240.94**	**$ 83,932.89**	**$ 2,126,526.85**

BURNET CENTRAL APPRAISAL DISTRICT
P. O. BOX 908 / 223 SOUTH PIERCE
BURNET, TEXAS 78611
PHONE (512) 756-8291
FAX (512) 756-7873

City of Highland Haven
OCT 23 2025
Received

October 20, 2025

City of Highland Haven
510-A Highland Drive
Highland Haven TX 78654

Dear Mayor:

The enclosed Official Ballot and Resolution are submitted for the purpose of selecting the Board of Directors for the Burnet Central Appraisal District for 2026 – 2027. The ballot and resolution must be returned to the Appraisal District Office by December 15, 2025.

Should you have any questions regarding this ballot and resolution, or if I may be of any assistance in this process, please let me know.

Sincerely yours,

Stan Hemphill
Stan Hemphill
Chief Appraiser

Enclosure: Official Ballot & Resolution

City of Highland Haven
OCT 23 2025
Received

Home

OFFICIAL BALLOT

City of Highland Haven

TO ELECT

BOARD OF DIRECTORS FOR THE BURNET CENTRAL APPRAISAL DISTRICT
FOR THE YEAR 2026 – 2027

DIRECTIONS: Please enter the number of votes cast in the blank space opposite the name of the candidate. You may cast all of your votes for one candidate, or you may divide your votes among any number of candidates that you desire.
You have 9 total votes you may cast.

NAMES OF CANDIDATES	NUMBER OF VOTES
JOHNSON, CARY	
JONES, BRUCE	
NUSS, TERRY	
OOSTERMEYER, DARLENE	
THURMAN, PHILIP	

City of Highland Haven
OCT 23 2
Received

Home

City of Highland Haven
RESOLUTION OF VOTES CAST TO ELECT DIRECTORS FOR THE BURNET CENTRAL APPRAISAL DISTRICT FOR THE YEAR 2026 – 2027

WHEREAS, SB 621, Section 6.03 (g) requires that each taxing unit entitled to vote, cast their vote by resolution and to submit to the Chief Appraiser of the Burnet Central Appraisal District by December 15, 2025.

THEREFORE, Ballot, The City of Highland Haven submits the attached Official as issued by the Chief Appraiser, stating our vote for candidates for election of the Board of Directors for Burnet Central Appraisal District for 2026 –2027.

ACTION TAKEN, _______ day of _____________, 2025 in Open Session of the Board of the above mentioned taxing unit, which is entitled under SB 621 to cast votes to elect the Board of Directors of the Burnet Central Appraisal District of Burnet County.

By :_________________________________

____
TITLE

ATTEST:

By: _________________________________

____
TITLE

Interlocal Agreement Between Burnet County, Texas and the City of Highland Haven

This Agreement is made on the ____day of_____________ 2025, by and between the County of Burnet a Political subdivision of the State of Texas, hereinafter referred to as “Burnet County” and the “City of Highland Haven”, hereinafter referred to as “the City”.

WHEREAS, the Interlocal Cooperation Act, Chapter 791 of the Texas Government Code authorizes units of local government to contract with one or more units of local government to perform government functions and services; and

WHEREAS, this Agreement is entered into pursuant to the authority, under the provisions of, and in accordance with, Chapter 791 of the Texas Government Code, for the performance of governmental functions and services; specifically, the use of County manpower and equipment for road patches by applying chip and seal paving patches on City owned streets, and for such other and further acts of cooperation as the parties may subsequently agree to by the execution of a separate and specific agreement ratified by the governing bodies of each contracting party, specifically the Commissioners Court of Burnet County and the City; and

WHEREAS, Burnet County provides these services to the citizens of Burnet County, and has the capacity to service the needs of the City; and

WHEREAS, Burnet County and the City have investigated and determined that it would be advantageous and beneficial to both the City and Burnet County and its inhabitants for Burnet County to provide the manpower and equipment for the application services to the City; and

WHEREAS, The City wishes to engage Burnet County to allow for use of County manpower and equipment to apply road patch chip and seal paving on City streets and the City desires to engage Burnet County to provide such services; and

WHEREAS, from time to time the City may wish to engage Burnet County in various additional services, such as hauling, dispensing, spreading, building, paving, or improving real property by the use of county-owned earth-moving equipment, together with the labor and the City and to the people of Burnet County, Texas, and:

WHEREAS, the governing bodies of the City and Burnet County desire to foster goodwill and cooperation between the two entities; and

WHEREAS, the City and Burnet County have a long history of cooperation on projects that are beneficial to the two entities and their citizens; and

WHEREAS, Burnet County recognizes that the citizens of the City contribute property tax funds yearly to fund the County budget, including to the Road and Bridge Fund; and

WHEREAS, the City and Burnet County, deem it to be in the best interest of both entities to enter into this Agreement relative to apply road patches in the form of chip and seal paving patches to City owned streets, and for such other and additional services as the parties may subsequently agree to by the execution of separate and specific agreements, and in consideration of the mutual covenants contained herein, the City and Burnet County agree as follows:

Services to be Performed

The City agrees to engage Burnet County to utilize County manpower and equipment to apply roadwork patches in the form of chip and seal paving to City-owned streets, and setting a limit of $15,000.00, by Burnet County to the City, together with all incidental acts, procedures, and methods necessary to accomplish the ends of such project. Prior approval shall be sought with an independent order from the Commissioners Court pursuant to Texas Government Code, section 791.014.

Duration of Agreement

Unless mutually initiated, cancelled, or terminated earlier with thirty (30) days written notice this Agreement shall commence on the _____day of _____________, 2025. This contract may be extended for Three (3) annual renewals with the renewal fees and payments for each successive year to be negotiated and agreed to by the parties annually. This contract expires at midnight 30 days thereafter.

Compensation

By execution of this contract, the City agrees to continue providing Burnet County the following in kind services: providing water to County for any County road projects in the area or other required County business; provide temporary parking area on City property for County equipment and material storage used on any project in the southern portion of the county; provide City building for use as an Emergency Operations Center upon need by the County; provide City building area for use for County elections; provide available City buildings and/or property for meeting space for county training or meetings. Both parties have agreed this is adequate compensation for the anticipated expenditures by the county for the manpower and equipment used by Burnet County in the application of patchwork repairs to City owned streets.

Relationship of Parties

The parties intend that Burnet County, in performing services specified in this Agreement, shall act as an independent contractor and shall have control of its work and the manner in which it is performed. Neither Burnet County, its agents, employees, volunteer help or any other person operating under this Agreement, shall be considered an agent or employee of the City and shall not be entitled to participate in any pension or other benefits that Burnet County provides its employees.

Notice to Parties

Any notice given hereunder by either party to the other shall be in writing and may be affected by personal delivery in writing or by certified mail, return receipt requested. Notice to Burnet County shall be sufficient if made or addressed to the office of the County Judge Bryan Wilson.

Notice to the City shall be sufficient if made or addressed to the office of the Mayor, Olan Kelley. Each party may change the address for notice to it by giving notice of such change in accordance with the provisions of this paragraph.

Miscellaneous Provisions

Indemnification

The City agrees to promptly defend, indemnify and hold Burnet County harmless from and against any and all claims, demands, suits, causes of action, and judgment's for (a) damages to the loss of property of any person; and/or (b) death, bodily injury, illness, disease, loss of services, or loss of income or wages to any person, arising out of incident to, concerning or resulting from the negligent or willful act or omissions of the City, its agents, officers, and or employees in the performance of activities of duties pursuant to this Agreement.

Entire Agreement

This Agreement contains the entire Agreement between the parties relating to the rights herein granted and the obligations herein assumed. Any oral representations or modifications concerning this instrument shall be of no force or effect except in a subsequent modification in writing signed by both parties.

This Agreement shall be governed by and constructed in accordance with the laws of the State of Texas. No assignment of this Agreement or of any right accrued hereunder shall be made, in whole or in part, by either party without the prior written consent of the other party. Venue shall be in Burnet County, Texas.

The undersigned officer and/or agents of the parties hereto are the properly authorized officials of the party presented and have the necessary authority to execute this Agreement on behalf of the parties hereto and each party hereby certifies to the other that any necessary resolutions extending said authority have been duly passed and approved and are now in full force and effect.

EXECUTED by the parties hereto, each respective entity acting by and through its duly authorized official as required by law, on the date specified on the multiple counterpart executed by such entity.

The City of Highland Haven	Burnet County, Texas
By:______________________________	By:______________________________
Olan Kelley, Mayor	Bryan Wilson, County Judge
Date: ___________________________	Date: ____________________________

N|B NEFFENDORF & BLOCKER, P.C.

November 6, 2025

To the Honorable Mayor
and Board of Alderman
City of Highland Haven, Texas
Highland Haven, Texas 78654

We are pleased to confirm our understanding of the services we are to provide City of Highland Haven, Texas for the year ended September 30, 2025.

Audit Scope and Objectives

We will audit the financial statements of the governmental activities, the business-type activities, each major fund, and the disclosures, which collectively comprise the basic financial statements of City of Highland Haven, Texas as of and for the year ended September 30, 2025. Accounting standards generally accepted in the United States of America (GAAP) provide for certain required supplementary information (RSI), such as management's discussion and analysis (MD&A), to supplement City of Highland Haven, Texas' basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. As part of our engagement, we will apply certain limited procedures to City of Highland Haven, Texas' RSI in accordance with auditing standards generally accepted in the United States of America (GAAS). These limited procedures will consist of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We will not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient appropriate evidence to express an opinion or provide any assurance. The following RSI is required by GAAP and will be subjected to certain limited procedures, but will not be audited:

1) Management's Discussion and Analysis
2) Budgetary Comparison Schedule- General Fund.
3) Schedule of Changes in Net Pension Liability and Related Ratios.
4) Schedule of Contributions.
5) Schedule of Changes in the Total OPEB Liability and Related Ratios.

We have also been engaged to report on supplementary information other than RSI that accompanies City of Highland Haven, Texas' financial statements. We will subject the following supplementary information to the auditing procedures applied in our audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with GAAS, and we will provide an opinion on it in relation to the financial statements as a whole in a report combined with our auditor's report on the financial statements:

1) Budgetary Comparison Schedule- Solid Waste Utility Fund.
2) Budgetary Comparison Schedule- Water Utility Fund.

The objectives of our audit are to obtain reasonable assurance as to whether the financial statements as a whole are free from material misstatement, whether due to fraud or error; issue an auditor's report that includes our opinion

TEL: 830 997 3348 **EMAIL:** info@nb-cpa.com
P.O. Box 874 · 512 S Adams Street, Fredericksburg, TX 78624
MEMBER AMERICAN INSTITUTE OF CERTIFIED PUBLIC ACCOUNTANTS & TEXAS SOCIETY OF CPAs

about whether your financial statements are fairly presented, in all material respects, in conformity with GAAP; and report on the fairness of the supplementary information referred to in the second paragraph when considered in relation to the financial statements as a whole. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. Misstatements, including omissions, can arise from fraud or error and are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment of a reasonable user made based on the financial statements.

The objectives also include reporting on internal control over financial reporting and compliance with provisions of laws, regulations, contracts, and award agreements, noncompliance with which could have a material effect on the financial statements in accordance with *Government Auditing Standards*.

Auditor's Responsibilities for the Audit of the Financial Statements

We will conduct our audit in accordance with GAAS and the standards for financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and will include tests of your accounting records of City of Highland Haven, Texas and other procedures we consider necessary to enable us to express such opinions. As part of an audit in accordance with GAAS and *Government Auditing Standards*, we exercise professional judgment and maintain professional skepticism throughout the audit.

We will evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management. We will also evaluate the overall presentation of the financial statements, including the disclosures, and determine whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation. We will plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether from (1) errors, (2) fraudulent financial reporting, (3) misappropriation of assets, or (4) violations of laws or governmental regulations that are attributable to the government or to acts by management or employees acting on behalf of the government. Because the determination of waste and abuse is subjective, *Government Auditing Standards* do not expect auditors to perform specific procedures to detect waste or abuse in financial audits nor do they expect auditors to provide reasonable assurance of detecting waste or abuse.

Because of the inherent limitations of an audit, combined with the inherent limitations of internal control, and because we will not perform a detailed examination of all transactions, there is an unavoidable risk that some material misstatements may not be detected by us, even though the audit is properly planned and performed in accordance with GAAS and *Government Auditing Standards*. In addition, an audit is not designed to detect immaterial misstatements or violations of laws or governmental regulations that do not have a direct and material effect on the financial statements. However, we will inform the appropriate level of management of any material errors, fraudulent financial reporting, or misappropriation of assets that comes to our attention. We will also inform the appropriate level of management of any violations of laws or governmental regulations that come to our attention, unless clearly inconsequential. Our responsibility as auditors is limited to the period covered by our audit and does not extend to any later periods for which we are not engaged as auditors.

We will also conclude, based on the audit evidence obtained, whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the government's ability to continue as a going concern for a reasonable period of time.

Our procedures will include tests of documentary evidence supporting the transactions recorded in the accounts, tests of the physical existence of inventories, and direct confirmation of receivables and certain assets and liabilities by correspondence with selected customers, creditors, and financial institutions. We will also request written representations from your attorneys as part of the engagement.

We have identified the following significant risks of material misstatement as part of our audit planning:

> According to GAAS, significant risks include management override of controls, and GAAS presumes that revenue recognition is a significant risk. Accordingly, we have considered these as significant risks.

We may, from time to time and depending on the circumstances, use third-party service providers in serving your account. We may share confidential information about you with these service providers but remain committed to maintaining the confidentiality and security of your information. Accordingly, we maintain internal policies, procedures, and safeguards to protect the confidentiality of your personal information. In addition, we will secure confidentiality agreements with all service providers to maintain the confidentiality of your information and we will take reasonable precautions to determine that they have appropriate procedures in place to prevent the unauthorized release of your confidential information to others. In the event that we are unable to secure an appropriate confidentiality agreement, you will be asked to provide your consent prior to the sharing of your confidential information with the third-party service provider. Furthermore, we will remain responsible for the work provided by any such third-party service providers.

Our audit of financial statements does not relieve you of your responsibilities.

Audit Procedures—Internal Control

We will obtain an understanding of the government and its environment, including the system of internal control, sufficient to identify and assess the risks of material misstatement of the financial statements, whether due to error or fraud, and to design and perform audit procedures responsive to those risks and obtain evidence that is sufficient and appropriate to provide a basis for our opinions. Tests of controls may be performed to test the effectiveness of certain controls that we consider relevant to preventing and detecting errors and fraud that are material to the financial statements and to preventing and detecting misstatements resulting from illegal acts and other noncompliance matters that have a direct and material effect on the financial statements. Our tests, if performed, will be less in scope than would be necessary to render an opinion on internal control and, accordingly, no opinion will be expressed in our report on internal control issued pursuant to *Government Auditing Standards*. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentation, or the override of internal control. An audit is not designed to provide assurance on internal control or to identify significant deficiencies or material weaknesses. Accordingly, we will express no such opinion. However, during the audit, we will communicate to management and those charged with governance internal control related matters that are required to be communicated under AICPA professional standards and *Government Auditing Standards*.

Audit Procedures—Compliance

As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we will perform tests of City of Highland Haven, Texas' compliance with the provisions of applicable laws, regulations, contracts, agreements, and grants. However, the objective of our audit will not be to provide an opinion on overall compliance and we will not express such an opinion in our report on compliance issued pursuant to *Government Auditing Standards*.

Responsibilities of Management for the Financial Statements

Our audit will be conducted on the basis that you acknowledge and understand your responsibility for designing, implementing, establishing, and maintaining effective internal controls relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error, and for evaluating and monitoring ongoing activities to help ensure that appropriate goals and objectives are met; following laws and regulations; and ensuring that management and financial information is reliable and properly reported. Management is also responsible for implementing systems designed to achieve compliance with applicable laws, regulations, contracts, and grant agreements. You are also responsible for the selection and application of accounting principles, for the preparation and fair presentation of the financial statements and all accompanying information in conformity with accounting principles generally accepted in the United States of America, and for compliance with applicable laws and regulations and the provisions of contracts and grant agreements.

Management is responsible for making drafts of financial statements, all financial records, and related information available to us; for the accuracy and completeness of that information (including information from outside of the general and subsidiary ledgers); and for the evaluation of whether there are any conditions or events, considered in the aggregate, that raise substantial doubt about the government's ability to continue as a going concern for the 12 months after the financial statements date or shortly thereafter (for example, within an additional three months if currently known). You are also responsible for providing us with (1) access to all information of which you are aware that is relevant to the preparation and fair presentation of the financial statements, such as records, documentation, identification of all related parties and all related-party relationships and transactions, and other matters; (2) additional information that we may request for the purpose of the audit; and (3) unrestricted access to persons within the government from whom we determine it necessary to obtain audit evidence. At the conclusion of our audit, we will require certain written representations from you about your responsibilities for the financial statements; compliance with laws, regulations, contracts, and grant agreements; and other responsibilities required by GAAS and *Government Auditing Standards*.

Your responsibilities include adjusting the financial statements to correct material misstatements and for confirming to us in the written representation letter that the effects of any uncorrected misstatements aggregated by us during the current engagement and pertaining to the latest period presented are immaterial, both individually and in the aggregate, to the financial statements of each opinion unit taken as a whole.

You are responsible for the design and implementation of programs and controls to prevent and detect fraud, and for informing us about all known or suspected fraud affecting the government involving (1) management, (2) employees who have significant roles in internal control, and (3) others where the fraud could have a material effect on the financial statements. Your responsibilities include informing us of your knowledge of any allegations of fraud or suspected fraud affecting the government received in communications from employees, former employees, grantors, regulators, or others. In addition, you are responsible for identifying and ensuring that the government complies with applicable laws, regulations, contracts, agreements, and grants and for taking timely and appropriate steps to remedy fraud and noncompliance with provisions of laws, regulations, or contracts or grant agreements that we report.

You are responsible for the preparation of the supplementary information, which we have been engaged to report on, in conformity with accounting principles generally accepted in the United States of America (GAAP). You agree to include our report on the supplementary information in any document that contains, and indicates that we have reported on, the supplementary information. You also agree to include the audited financial statements with any presentation of the supplementary information that includes our report thereon. Your responsibilities include acknowledging to us in the written representation letter that (1) you are responsible for presentation of the supplementary information in accordance with GAAP; (2) you believe the supplementary information, including its form and content, is fairly presented in accordance with GAAP; (3) the methods of measurement or presentation have not changed from those used in the prior period (or, if they have changed, the reasons for such changes); and (4) you have disclosed to us any significant assumptions or interpretations underlying the measurement or presentation of the supplementary information.

Management is responsible for establishing and maintaining a process for tracking the status of audit findings and recommendations. Management is also responsible for identifying and providing report copies of previous financial audits, attestation engagements, performance audits or other studies related to the objectives discussed in the Audit Scope and Objectives section of this letter. This responsibility includes relaying to us corrective actions taken to address significant findings and recommendations resulting from those audits, attestation engagements, performance audits, or other studies. You are also responsible for providing management's views on our current findings, conclusions, and recommendations, as well as your planned corrective actions, for the report, and for the timing and format for providing that information.

Other Services

We will also assist in preparing the financial statements and related notes of City of Highland Haven, Texas in conformity with accounting principles generally accepted in the United States of America based on information provided by you. These nonaudit services do not constitute an audit under *Government Auditing Standards* and such services will not be conducted in accordance with *Government Auditing Standards*. We will perform the services in accordance with applicable professional standards. The other services are limited to the financial statement services previously defined. We, in our sole professional judgment, reserve the right to refuse to perform any procedure or take any action that could be construed as assuming management responsibilities.

You agree to assume all management responsibilities relating to the financial statements and related notes and any other nonaudit services we provide. You will be required to acknowledge in the management representation letter our assistance with preparation of the financial statements and related notes and that you have reviewed and approved the financial statements and related notes prior to their issuance and have accepted responsibility for them. Further, you agree to oversee the nonaudit services by designating an individual, preferably from senior management, with suitable skill, knowledge, or experience; evaluate the adequacy and results of those services; and accept responsibility for them.

Compliance with SB 1851 (180 Deadline for Filing Audited Financial Statements)

Under Senate Bill 1851 (effective September 1, 2025), Texas municipalities are required to:

1. Have their records and accounts audited annually,
2. Prepare an annual financial statement based on that audit and
3. File the financial statements and auditor's opinion with the municipal secretary or clerk no later than the 180th day after the end of the municipality's fiscal year.

Failure to comply may result in a determination of noncompliance by the Attorney General, which could prohibit the City from adopting a property tax rate exceeding the no-new-revenue tax rate until compliance is restored.

To support compliance with SB 1851:

Our Firm's Responsibilities: We will design the audit plan and schedule to allow for timely completion of the audit, delivery of the financial statements, and issuance of the auditor's opinion within the statutory deadlines, provided that management fulfills its responsibilities in a timely manner. We will promptly communicate any known or anticipated issues that may jeopardize compliance with the 180-day requirement.

Management's Responsibilities: The City agrees to provide all records, documentation, and responses to audit inquiries promptly and within the timeframes agreed upon in the audit schedule. Management must also ensure timely review of draft reports and provide necessary approvals to allow for final issuance before the statutory deadline.

Limitations: Neffendorf & Blocker, P.C. will not be responsible for delays caused by factors outside our control, including but not limited to delayed responses from the City, unavailable records, or extraordinary circumstances.

Engagement Administration, Fees, and Other

We understand that your employees will prepare all cash, accounts receivable, or other confirmations we request and will locate any documents selected by us for testing.

We will provide copies of our reports to the City; however, management is responsible for distribution of the reports and the financial statements. Unless restricted by law or regulation, or containing privileged and confidential information, copies of our reports are to be made available for public inspection.

The audit documentation for this engagement is the property of Neffendorf & Blocker, P.C. and constitutes confidential information. However, subject to applicable laws and regulations, audit documentation and appropriate individuals will be made available upon request and in a timely manner to a regulator or its designee, a federal agency providing direct or indirect funding, or the U.S. Government Accountability Office for the purposes of a quality review of the audit, to resolve audit findings, or to carry out oversight responsibilities. We will notify you of any such request. If requested, access to such audit documentation will be provided under the supervision of Neffendorf & Blocker, P.C. personnel. Furthermore, upon request, we may provide copies of selected audit documentation to the aforementioned parties. These parties may intend or decide to distribute the copies or information contained therein to others, including other governmental agencies.

The audit documentation for this engagement will be retained for a minimum of five years after the report release date or for any additional period requested by the regulator. If we are aware that a federal awarding agency or auditee is contesting an audit finding, we will contact the party(ies) contesting the audit finding for guidance prior to destroying the audit documentation.

Hayley Blocker, CPA is the engagement partner and is responsible for supervising the engagement and signing the reports or authorizing another individual to sign them. We expect to begin our audit on approximately January 1, 2026 and to issue our reports no later than March 31, 2026.

Our fee for services will be at our standard hourly rates plus out-of-pocket costs (such as report reproduction, word processing, postage, travel, copies, telephone, confirmation service provider fees, etc.) except that we agree that our gross fee, including expenses, will not exceed $15,000. Our standard hourly rates vary according to the degree of responsibility involved and the experience level of the personnel assigned to your audit. The above fee is based on anticipated cooperation from your personnel and the assumption that unexpected circumstances will not be encountered during the audit. If significant additional time is necessary, we will discuss it with you and arrive at a new fee estimate before we incur the additional costs.

In the event that we are requested or authorized by the City or are required by any government regulation, subpoena, or other legal process to produce our documents or our personnel as witness with respect to our engagement for the City, the City shall reimburse us for our professional time and expenses, as well as the fees and expenses of our legal counsel, incurred in responding to such requests. Any public request for documents, records or reports shall be forwarded to the City for proper response pursuant to the Texas Public Information Act.

In a legal action in which the firm or its partners are not the defendants, we shall also be entitled to fees at $400.00 per hour and reimbursements for testimony if we are subpoenaed as a witness in subsequent litigation by third parties and such testimony involves the work we performed pursuant to this agreement. If we are ordered by a state or federal judge to permit the subsequent inspection and/or reproduction of files, records and other documents relating to work performed by us pursuant to this agreement, then you agree that we may comply with these orders without prior notice to you.

Reporting

We will issue a written report upon completion of our audit of City of Highland Haven, Texas' financial statements. Our report will be addressed to the Honorable Mayor and Board of Alderman of City of Highland Haven, Texas. Circumstances may arise in which our report may differ from its expected form and content based on the results of our audit. Depending on the nature of these circumstances, it may be necessary for us to modify our opinions, add a separate section, or add an emphasis-of-matter or other-matter paragraph to our auditor's report, or if necessary, withdraw from this engagement. If our opinions are other than unmodified, we will discuss the reasons with you in advance. If, for any reason, we are unable to complete the audit or are unable to form or have not formed opinions, we may decline to express opinions or issue reports, or we may withdraw from this engagement.

We will also provide a report (that does not include an opinion) on internal control related to the financial statements and compliance with the provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a material effect on the financial statements as required by *Government Auditing Standards*. The report on internal control and on compliance and other matters will state (1) that the purpose of the report is solely to describe the scope of testing of internal control and compliance, and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control on compliance, and (2) that the report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. The report will also state that the report is not suitable for any other purpose. If during our audit we become aware that City of Highland Haven, Texas is subject to an audit requirement that is not encompassed in the terms of this engagement, we will communicate to management and those charged with governance that an audit in accordance with U.S. generally accepted auditing standards and the standards for financial audits contained in *Government Auditing Standards* may not satisfy the relevant legal, regulatory, or contractual requirements.

We appreciate the opportunity to be of service to City of Highland Haven, Texas and believe this letter accurately summarizes the significant terms of our engagement. If you have any questions, please let us know. If you agree with the terms of our engagement as described in this letter, please sign the attached copy and return it to us.

Very truly yours,

Neffendorf & Blocker, P.C.

NEFFENDORF & BLOCKER, P.C.

RESPONSE:

This letter correctly sets forth the understanding of City of Highland Haven, Texas.

Management signature: ______________________________
Title: ______________________________
Date: ______________________________

Governance signature: ______________________________
Title: ______________________________
Date: ______________________________

Sarah Collard

From: Hayley Blocker <hayleyb@nb-cpa.com> on behalf of Hayley Blocker
Sent: Friday, July 25, 2025 9:15 AM
To: Sarah Collard
Cc: Keith Neffendorf; Olan Kelley; Andy Adams
Subject: RE: 2025 Audit Fee

Hi Sarah,

Documentation requirements on audits have been more and more time consuming over the past few years on our end due to the new GASB Statements that have been issued and SASs (Statements on Auditing Standards). These requirements apply to all of our audits regardless of the size of the government unfortunately. The increased documentation requirements along with increased software costs and competitive wages to be able to maintain staff have also led to our firm's overall higher cost of audits. After a client profitability analysis of the past 4 years of the City's audits, it was determined that it was necessary to do a fee increase to be able to continue performing the City audit. How the City provides the information and the response times has been great on your end! We have really enjoyed working with the City over the years!

Kind Regards,

HAYLEY BLOCKER
CERTIFIED PUBLIC
ACCOUNTANT

NEFFENDORF & BLOCKER, P.C.
PO BOX 874
512 S ADAMS
FREDERICKSBURG, TEXAS 78624
830 997 3348
hayleyb@nb-cpa.com

From: Sarah Collard <citysecretary@highlandhaventx.com>
Sent: Tuesday, July 22, 2025 4:28 PM
To: Hayley Blocker <hayleyb@nb-cpa.com>
Cc: Keith Neffendorf <keithn@nb-cpa.com>; Olan Kelley <mayor@highlandhaventx.com>; Andy Adams <cityadministrator@highlandhaventx.com>
Subject: RE: 2025 Audit Fee

Good afternoon, Hayley.

Thank you for your message. I have a few questions about the rate increase notice, as it is an 88% fee increase for our city for the coming year over this year's fee of $8,000.00.

- Did our audit this year require time or hardship than in years past?
- Is there a better method to provide you the information or streamline the process to reduce the cost?
- Is there an industry standard for percentage of audit fees vs. total budget for a municipality? In other words, what is the industry standard criteria for calculating audit fees for a city?

We certainly understand the rising costs of doing business, and we very much enjoy working with your firm. Your promptness and professionalism are much appreciated and valued.

Thank you,
Sarah Collard

Home

CITY OF
HIGHLAND HAVEN

Sarah Collard
City Secretary

510-A Highland Drive
Highland Haven TX 78654
Office: 830-265-4366
Fax: 512-366-9721
citysecretary@highlandhaventx.com www.highlandhaventx.com

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Attention Public Officials: ***Do not reply all*** to this email as doing so may be a violation of the Texas Open Meetings Act. Only reply directly back to the Sender if needed.

From: Hayley Blocker <hayleyb@nb-cpa.com>
Sent: Tuesday, July 22, 2025 9:51 AM
To: Sarah Collard <citysecretary@highlandhaventx.com>; City Administrator <cityadministrator@highlandhaventx.com>
Cc: Keith Neffendorf <keithn@nb-cpa.com>
Subject: 2025 Audit Fee

Good morning,

Attached is a letter regarding an audit fee increase.

We have really appreciated your business over the years!

Hope all is well!

Kind Regards,

HAYLEY BLOCKER
CERTIFIED PUBLIC ACCOUNTANT

NEFFENDORF & BLOCKER, P.C.
PO BOX 874
512 S ADAMS
FREDERICKSBURG, TEXAS 78624
830 997 3348
hayleyb@nb-cpa.com

Home

December 2025

SUNDAY	MONDAY	TUESDAY	WEDNESDAY	THURSDAY	FRIDAY	SATURDAY
30	1	2	3	4	5	6
7	8	9	10	11	12	13
14	15	16	17	18	19	20
21	22	23	24 Christmas Eve	25 Christmas Day	26	27
28	29	30	31	1 January 2026 New Year's Day	2 January 2026	3 January 2026
4 January 2026	5 January 2026	*Notes*				

DRAFT CITY OF HIGHLAND HAVEN INVESTMENT POLICY

Effective Date: [month] [day], [year]

Approved by: Board of Aldermen, Resolution/Ordinance No. [XX-2025]

Annual Review Date: October 1 of each fiscal year

Investment Officer: City Administrator, Andy Adams

I. INTRODUCTION AND PURPOSE

This Investment Policy (the "Policy") is adopted pursuant to the Public Funds Investment Act (PFIA), Texas Government Code Chapter 2256, to govern the investment of all public funds of the City of Highland Haven, Texas (the "City"), a Type A general-law municipality. The Policy ensures that all investments prioritize the preservation of capital, liquidity, and yield, while promoting diversification and compliance with state law. It applies to all funds under the City's control, including but not limited to the General Fund, Water Fund, Solid Waste Fund, and any bond or reserve accounts.

The Policy will be reviewed and approved annually by the Board of Aldermen. Any material changes require adoption by ordinance or resolution. The City Administrator is designated as the Investment Officer, responsible for implementing this Policy and completing PFIA-required training annually (at least once every two years for the officer and biennially for the governing body).

II. OBJECTIVES

In order of priority, the City's investment objectives are:

1. **Safety of Principal**: Investments shall preserve capital and avoid undue risk.
2. **Liquidity**: Funds must be available when needed for operations, debt service, or emergencies.
3. **Yield**: Investments shall seek competitive market rates consistent with the above objectives.
4. **Diversification**: The portfolio shall mitigate risks through diversification by type, issuer, and maturity.
5. **Compliance and Transparency**: All activities shall adhere to PFIA, Texas Local Government Code, and this Policy, with full disclosure to the Board.

III. SCOPE

This Policy applies to all City public funds, including operating, reserve, and investment accounts (e.g., TexPool holdings). Excluded are pass-through funds held in a custodial capacity (e.g., grant funds with restrictions prohibiting investment).

IV. AUTHORIZED INVESTMENT INSTRUMENTS

The City is authorized to invest in the following instruments, as permitted by PFIA §2256.004 (updated as of October 2025). Investments must be investment-grade (minimum BBB/Baa or equivalent) and purchased at par or below.

Authorized Investment	Maximum Maturity	Maximum % of Portfolio	Minimum Rating	Notes
Obligations of the U.S. Government or Agencies (e.g., Treasury bills, notes)	3 years from date of purchase	100%	N/A	Fully collateralized by U.S. full faith and credit.
Direct Obligations of Texas or Its Agencies (e.g., Texas Treasury notes)	2 years	100%	N/A	Backed by the State of Texas.
Fully Collateralized Certificates of Deposit (FDIC-insured banks)	1 year	25% per issuer	N/A	Collateralized at 102% of market value; daily mark-to-market.
Secured Repurchase Agreements (backed by U.S./Texas obligations)	7 days (overnight preferred)	50%	N/A	Third-party custody; collateral at 102%.
Local Government Investment Pools (e.g., TexPool, TexSTAR)	N/A (daily liquidity)	100%	AAAm (or equivalent)	Rated by S&P/Moody's; complies with SEC Rule 2a-7.
Money Market Mutual Funds (SEC-registered, no-load)	N/A	50%	AAAm	Invested in short-term, high-quality securities.
Bankers' Acceptances	6 months	15%	A-1/P-1	Issued by domestic banks.
Commercial Paper	270 days	15%	A-1/P-1 (short-term)	Non-subordinated; max 10% per issuer.
Corporate Bonds/Debentures	5 years	25%	A (long-term)	Max 5% per issuer.
No-Load Mutual Funds (investing in authorized types)	N/A	50%	AAAm	Prospectus review required annually.

- **Prohibitions**: No derivatives, structured notes, inverse floaters, or investments with principal at risk (e.g., mortgage-backed securities beyond U.S. agencies). No investments exceeding 30% of issuer's outstanding obligations.

V. INVESTMENT STRATEGIES AND METHODS

A. Portfolio Management

- **Diversification**: No more than 25% of the portfolio in any single issuer (except U.S./Texas obligations or pools). Limit sector exposure (e.g., max 20% financials).
- **Maturity Limits**: Individual securities ≤2 years (3 years for U.S. obligations); weighted average maturity (WAM) ≤1 year; weighted average life (WAL) ≤3 years.
- **Liquidity**: At least 50% of the portfolio in overnight or ≤90-day maturities to meet cash flow needs.

B. Selection Process

- **Competitive Bidding**: For CDs and repurchase agreements, solicit bids from at least three qualified providers (e.g., via phone/email; document for audit).
- **Broker/Dealer Selection**: Maintain a pre-qualified list of 5–10 brokers (e.g., those registered with the SEC, no felony convictions). Annual review; prioritize those with municipal experience.
- **Pools**: Default to TexPool (or similar AAAm-rated pools) for simplicity and daily liquidity.

C. Safekeeping and Custody

- All securities held in third-party safekeeping (e.g., via TexPool or bank custodian). No bearer form. Monthly confirmations reconciled by staff.

VI. INVESTMENT OFFICER RESPONSIBILITIES

The Investment Officer (City Administrator) shall:

- Execute all transactions in compliance with this Policy.
- Complete annual PFIA training (e.g., via Texas Municipal League).
- Monitor market conditions, credit ratings, and portfolio performance.
- Ensure diversification and maturity limits are maintained.

VII. REPORTING AND REVIEW

A. Quarterly Reports

The Investment Officer shall provide the Board a written report within 30 days of each quarter-end, including:

DRAFT

- Portfolio inventory (par value, cost, market value).
- Income earned, realized/unrealized gains/losses.
- Compliance certification (e.g., "All investments conform to Policy").
- Weighted average yield, WAM/WAL, and maturity distribution.

B. Annual Review

- The Board shall review and approve the Policy annually (by October 1).
- Submit updates to brokers/pools.
- Conduct an independent audit of investments in the annual CAFR (GASB-compliant).

C. Exceptions

Any deviation requires prior Board approval and documentation of rationale.

VIII. TRAINING AND CONFLICTS

- **Training**: Investment Officer: Annual; Governing Body/Delegates: Biennial.
- **Conflicts**: Disclose any personal financial interests; no self-dealing (PFIA §2256.020).

IX. EMERGENCY PROVISIONS

In crises (e.g., market disruption), the Investment Officer may liquidate holdings for liquidity, with immediate Board notification.

X. AMENDMENTS

This Policy may be amended by majority vote of the Board via ordinance or resolution.

Adopted this [day] day of [month], [year].

Joseph Adams, Investment Officer

Approved by the Board of Aldermen:

Olan Kelley, Mayor

ATTEST:

Sarah Collard, City Secretary

DRAFT

CITY OF
HIGHLAND HAVEN
EST. 1995

To: Board of Aldermen
From: Andy Adams, City Administrator
Date: November 14, 2025
Subject: Update on Timeline for Issuance of $1,000,000 General Obligation Bond for Water System Improvements

Purpose

This memo provides a high-level update on the next steps for our voter-approved $1,000,000 general obligation (GO) bond, authorized in the recent election and canvassed on [insert canvass date, e.g., November 10, 2025]. The bond will fund the acquisition of land (~$750,000) for water system expansion and remaining proceeds (~$150,000-$250,000 after fees) for infrastructure upgrades, such as a new generator, AMI meters, well buildout, and variable frequency drives. As a general law city under Texas Local Government Code Chapters 101-125, we are coordinating with our bond counsel and municipal advisor to ensure compliance with Government Code Chapter 1251 and Attorney General (AG) certification requirements.

The repayment structure, as confirmed by bond counsel, will prioritize net revenues from our water system (a "revenue pledge" first, with ad valorem taxes as backup only if needed). This avoids an immediate debt service tax increase, with the pledge language incorporated into the authorization ordinance.

Timeline Overview

The process is triggered by the land seller's confirmation that they are ready to negotiate (whether that is 6 weeks or 6 months). From that point, we anticipate **6-12 weeks** to bond closing and land purchase—aligning with standard Texas timelines for small GO issues. This range accounts for clean due diligence, AG review (target: 20 business days), and market conditions; the fast end assumes prompt seller documents and no revisions.

Land negotiations and bond preparation will run in parallel to minimize delays: we'll secure a non-binding Letter of Intent (LOI)/Preliminary Purchase Agreement early, while drafting the bond ordinance. Infrastructure bidding follows immediately after closing, with no strict same-fiscal-year spending deadline (funds can be expended over 1-3 years per IRS rules, with at least 85% obligated within 3 years).

Please see table on next page.

Step	Key Actions	Responsible	Est. Duration	Cumulative Timeline from Seller Go-Ahead
1. Negotiate & Secure Initial Seller Docs	Finalize LOI (price ~$750K, contingencies like bond funding); obtain title commitment, disclosures, property docs. Start city due diligence (appraisal, survey, etc.).	City staff/city attorney	1-2 weeks	End of Week 2
2. Adopt Bond Authorization Ordinance	Board passes ordinance authorizing issuance (terms, maturity up to 30 years), revenue pledge (water revenues first, taxes backup), and OS outline. Post agenda notice (72 hours); publish summary in newspaper (2 weeks pre-meeting).	Board of Aldermen/bond counsel	1 week	End of Week 3
3. Submit to AG for Certification	Compile/submit election transcript (already canvassed/filed), ordinance, preliminary OS (land/infra details), and opinions. AG reviews for compliance/validity.	Bond counsel	2-4 weeks (AG target: 20 business days)	End of Week 5-7
4. Finalize Docs & Market Bonds	Update OS with AG approval; select underwriter (negotiated sale likely for $1M); price bonds (~3.5-4.5% yields based on market).	Municipal advisor/underwriter	1-2 weeks	End of Week 6-9
5. Close Bond Sale	Execute sale; receive proceeds in escrow (pay fees ~$50K-$100K first).	Full team	1 week	End of Week 7-10 (bonds sold)
6. Close Land Purchase	Finalize binding contract; wire payment, record deed in city name.	City attorney/city staff	1-2 weeks (post-proceeds)	End of Week 8-12 (land purchased)

Next Steps and Recommendations

- **Immediate**: Monitor seller communications; upon their go-ahead, schedule a special board meeting within 1 week for ordinance adoption (draft forthcoming from bond counsel).
- **Preparation**: Budget $10,000-$15,000 from general funds for initial due diligence (reimbursable from bond proceeds).
- **Risks**: Potential AG revisions or market rate shifts could extend to 12+ weeks—staff will monitor and advise.

This timeline positions us for efficient execution while maintaining flexibility.

Andy Adams
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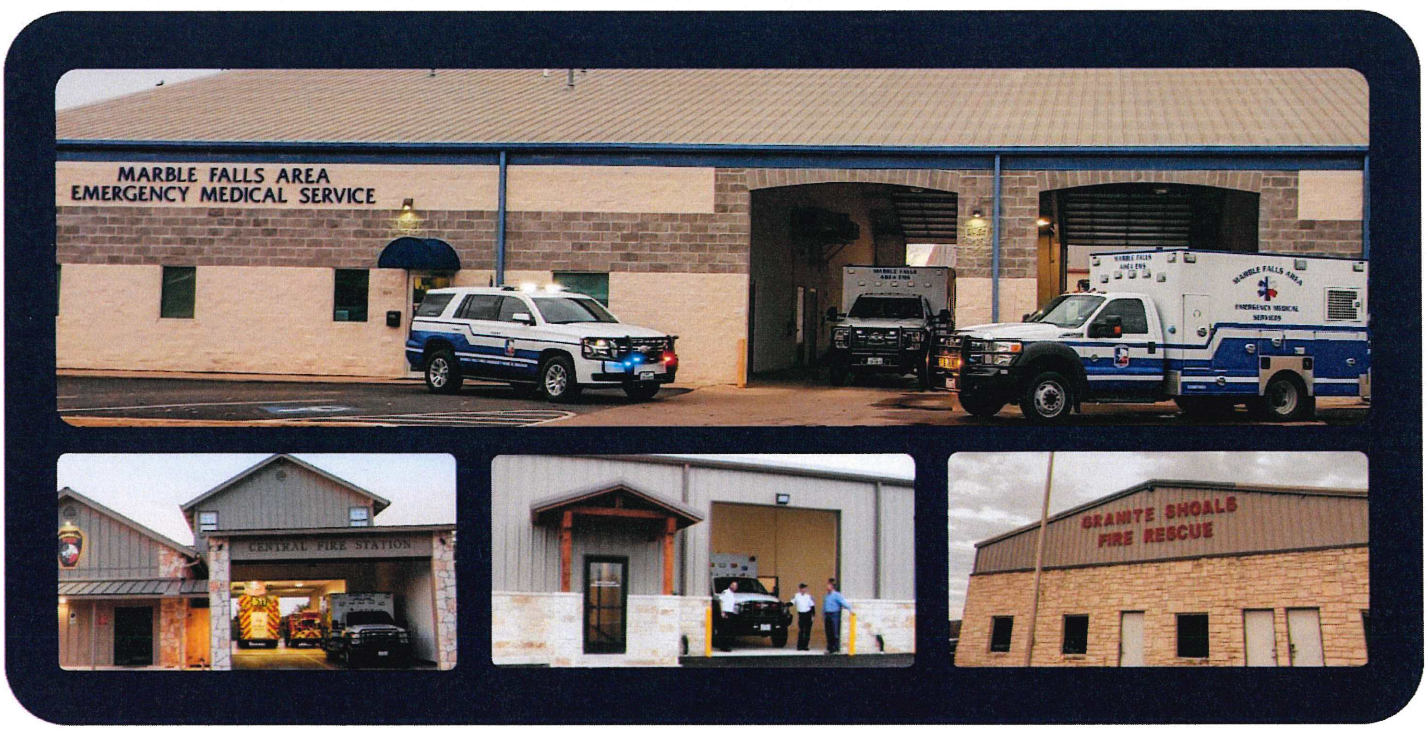
MARBLE FALLS AREA EMS

CITY OF HIGHLAND HAVEN UPDATE
NOVEMBER 4, 2025



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Marble Falls Area EMS
FY - 25

City of Highland Haven	#	
Priority 1 Response	43	
Priority 2 Response	12	
Total Calls For Service	**55**	

Priority 1 Response	Priority 2 Response	Total Response	On Scene
7.55	8.40	7.72	21.56

Medic 21,22,23,25 - Marble Falls	10	18.18%
Medic 24 - Granite Shoals	42	76.36%
Medic 26 - Horseshoe Bay	2	3.64%
Medic 28 - ESD 9	1	1.82%
Command Only	0	0.00%
Total Medic Unit Responses	**55**	100.00%

Of Calls That Required Multiple MFAEMS Unit Response 0

Total Calls Transported	**37**	**67.27%**
No Treatment No Transport	11	
Treatment No Transport	0	
Unfounded	0	
Call Cancelled	7	
Dead On Scene	0	
Total Calls Not Transported	**18**	**32.73%**

Baylor Scott & White Marble Falls	28		75.68%
Seton Highland Lakes	6		16.22%
South Austin Medical Center	1		2.70%
Midcoast Medical Center	1		2.70%
Dell Seton Medical Center	0	8.11%	0.00%
Dell Children's Hospital	0		0.00%
Dell Children's Medical Center North	0		0.00%
Baylor Scott & White Lakeway	1		2.70%
Total Patients Transported	**37**	**75.51%**	**100.00%**

No Treatment No Transport	12	
Treatment No Transport	0	
Dead On Scene	0	
Total Patients Not Transported	**12**	**24.49%**
Total Patient Contacts	**49**	**100.00%**

Patients - Male	17
Patients - Female	32
Total	**49**
Average Patient Age	74
Non-Emergent Transport	33
Emergent Transport	4
Total Transports	**37**
Air Medical Transports	0

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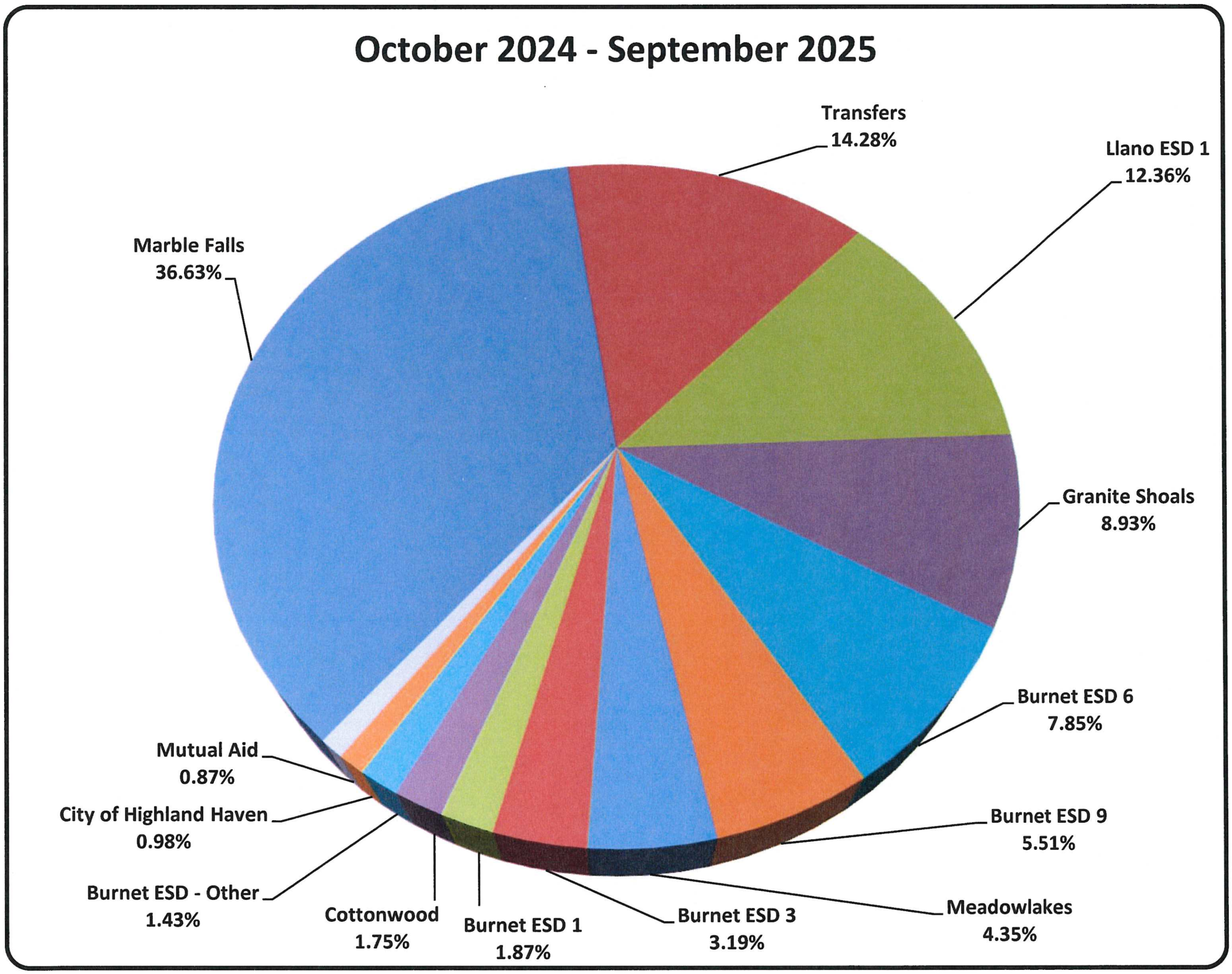
Marble Falls Area EMS

Call Volume Location

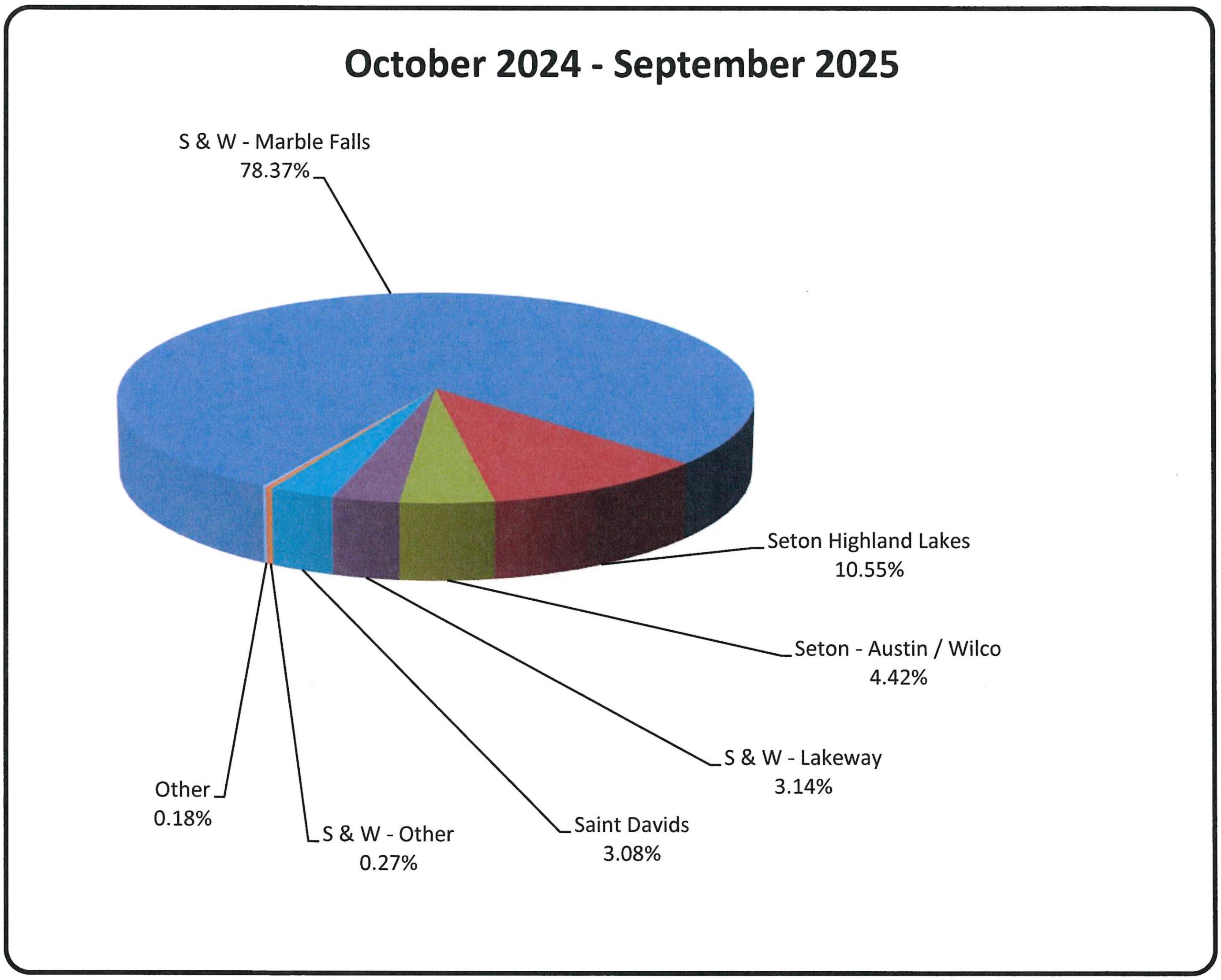
FY - 2025

Marble Falls	2054	36.63%	City of Marble Falls
Transfers	801	14.28%	BSWMF / SHL / Other
Llano ESD 1	693	12.36%	Horseshoe Bay Llano County Area
Granite Shoals	501	8.93%	City of Granite Shoals
Burnet ESD 6	440	7.85%	Marble Falls VFD Area
Burnet ESD 9	309	5.51%	Spicewood VFD Area
Meadowlakes	244	4.35%	City of Meadowlakes
Burnet ESD 3	179	3.19%	Unincorporated Granite Shoals
Burnet ESD 1	105	1.87%	Horseshoe Bay Burnet County Area
Cottonwood	98	1.75%	City of Cottonwood Shores
Burnet ESD - Other	80	1.43%	Other Burnet County / ESD's / City of Burnet
City of Highland Haven	55	0.98%	City of Highland Haven
Mutual Aid	49	0.87%	Mutual Aid Responses
Total	**5608**	**100.00%**	



MARBLE FALLS AREA EMS
911 Patient Destinations
FY-2025

S & W - Marble Falls	2623	78.37%
Seton Highland Lakes	353	10.55%
Seton - Austin / Wilco	148	4.42%
S & W - Lakeway	105	3.14%
Saint Davids	103	3.08%
S & W - Other	9	0.27%
Other	6	0.18%
Total	**3347**	**100.00%**



ISSUE #23

City Administrator's Update

HIGHLAND HAVEN

November 14, 2025

Preparing for Town Hall #3: Shaping Highland Haven's Future

We Want Your Feedback: A mini survey on Aquatic Vegetation and Parks

Dear Highland Haven Residents,

Good afternoon! With Thanksgiving just around the corner and the crisp November air inviting us to gather and reflect, I'm excited to invite you to our third and Town Hall for the Comprehensive Plan update on November 20 at 6:30 p.m. at the Community Center. This session is a vital opportunity to continue our community conversations and refine the vision that will guide Highland Haven through the next decade—building on the insights from our initial survey and the first two town halls.

To spark even more dialogue and ensure every voice is heard, we've launched a quick mini survey focused on two emerging priorities that residents have flagged: managing aquatic vegetation on Lake LBJ and enhancing our community parks.

First, on **aquatic vegetation management:** The arrival of zebra mussels has led to rapid shoreline and channel growth, making it tougher for waterfront property owners to keep things clear. Our mini survey asks whether the city should take a lead role in treatment within city limits—and if so, whether property taxes could support it—along with space for your ideas on the best approach.

Second, **community park improvements:** Our parks, owned and maintained by the Property Owners Association (POA), provide essential boat ramps and benches, but our initial survey had over 20 comments asking for more. The survey explores if the city could partner through grants or advocacy (while ownership stays with the POA) and invites your wishlist for space-smart additions. Importantly, the intention of this Comprehensive Plan update and mini-survey is not for the city to take over ownership, operation, or management of the parks—that responsibility remains with the POA. Including parks ensures the plan comprehensively covers all aspects of life in Highland Haven, even those outside city management. By clarifying roles and responsibilities, we can pass along resident recommendations directly to the POA for their consideration, helping align park management with community desires for enhanced recreation and well-being. **Incorporating all elements of community life into a comprehensive plan, even those beyond the city's direct authority, creates a complete blueprint for sustainable development, delineates accountability among partners like the POA, and empowers resident input to drive meaningful, collective progress.**

The survey takes just 2-3 minutes and is anonymous to encourage open sharing—responses will be summarized and presented at the town hall to fuel discussion. You can complete it here: **Town Hall #3 Mini Survey.**

Mark your calendars for November 20, and if you have questions about the town hall, survey, or plan process, please reach out at cityadministrator@highlandhaventx.com.

As always, stay informed, stay involved, and warm wishes for a wonderful November!

Andy Adams

City Administrator
Highland Haven, TX
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Next BOA Meeting

The Board of Aldermen will have their next regular meeting at 7 p.m. on Tuesday November 18, in the community center.

A copy of the agendas will be available online, as well as the packets.

Next P&Z Meeting

The next regular Planning and Zoning Commission meeting will take place at 6 p.m. on Thursday December 11, at the Community Center.

A copy of the agenda will be available online, as well as the packet.

Town Hall #3 November 20

As we continue our series of town halls to gather your valuable insights for updating our Comprehensive Plan, we're excited to host **Town Hall #3** on **Thursday, November 20, at 6 p.m. at the Community Center**. This session will center on key environmental priorities: Lake LBJ Water Quality, Open Space Preservation, Stormwater Management, and Groundwater Management. Your feedback will help us envision a sustainable future for our lakeside community.

We'll dive into two important discussion topics to spark your thoughts:

- **Aquatic Vegetation Management:** Should the City take the lead on programs to address aquatic vegetation in our waterways, or should this remain the responsibility of individual homeowners? We'd love to hear your perspectives on balancing community-wide efforts with personal stewardship.
- **Parks in the City:** What features would you like to see (or avoid) in our parks to enhance enjoyment for all? While the City does not own or manage any parks—that role belongs to the Property Owners Association (POA)—your ideas will be shared directly with them to inform future enhancements. We'll include a clear overview of current park management and responsibilities during the meeting.

To encourage even more input, we've created distribute a brief 4-5 question survey next Friday, November 14, on these two items. It's a quick way to share your views from home, and responses will directly guide our planning and may be brought up during the Town Hall. Please click on the link below to fill out the survey.

Survey on Aquatic Vegetation and Parks

Together, we're building a plan that reflects our shared values. See you there!

Stay in the Loop & Reach Out!

We appreciate you taking the time to stay informed about what's happening in Highland Haven. If you have any questions, concerns, or just want to chat about city matters, we're always happy to hear from you! Feel free to reach out, and we'll do our best to provide answers and keep you in the know.

📞 Phone: (830) 265-4366
✉️ Email: cityadministrator@highlandhaventx.com
🏢 City Hall Address: 510-A Highland Dr., Highland Haven, TX 78654

Stay engaged, stay involved, and thank you for being a part of what makes Highland Haven a great place to live!