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, January 20, 2026
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 – January 6, 2026
   b. Sales Tax Report – December 2025
   c. Financial Reports – December 2025
   d. Water Usage Report – December 2025
7. **Discussion and/or Possible Action:** Order of Election for May 2, 2026 Election
8. **Discussion and/or Possible Action**: FDIC Limits and Moving Operating Funds to TexPool
   a. General Fund
   b. Water Fund
   c. Solid Waste Fund

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DISCUSSION / INFORMATION ITEMS

9. Discussion – City Election May 2, 2026
    a. Candidate Packets – Filing Period January 14-February 13
    b. Open offices: 1 Mayor, 2 Alderpersons
10. Discussion – Water Infrastructure Bond
11. Discussion – Investment Policy Edit Updates
12. Discussion – Additional Attorney Firm(s)
13. Review assignments for the Planning and Zoning Commission
    a. Review of Current Planning and Zoning Assignments
        i. Shoreline and 25' Setback Clarification
    b. The final Comprehensive Town Hall Meeting is Thursday, January 22, 2026 at 6:00 PM.
    c. The next regular P&Z meeting is scheduled for February 12, 2026, at 6:00 pm.
14. Legislative Updates
15. Drainage Issues
16. Review Water System
    a. Maintenance and Operations Issues
    b. Central Texas Groundwater Conservation District
        i. Rules Update
        ii. Pumping Permit
        iii. Drought Status – Stage 2
        iv. 10% Water Reduction Goal
17. Review Solid Waste Services
18. Mayor's Report
    a. TML Resources for Elected Officials: https://www.tml.org/215/Essential-Reading
        i. A Guide to Becoming a City Official
        ii. Handbook for Mayors and Councilmembers
        iii. Understanding Your Personal Liability as a City Official: A Primer
        iv. Thirty Tips for Newly Elected Mayors and Councilmembers
19. Aldermen Comments
20. City Staff Comments
    a. City Administrator
    b. City Secretary

Next Regular meeting – Tuesday, February 3, 2026, at 7:00 p.m., Highland Haven Community Center

Adjournment.

Posted: January 13, 2026

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 JANUARY 13, 2026, 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
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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, January 6, 2026
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 – **Jackie Garrow, Matt Myers, Tom Weaver, Sherry Moore, Judy Kelley, Terry Chase, and Mary Chase.**
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.)

   Tom Weaver commented about a permit application he received that requires a clarification of ordinance language regarding the 25' setback.

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 – December 16, 2025
   b. Sales Tax Report – November 2025
   c. Financial Reports – November 2025
   d. Water Usage Report – November 2025

   Terry Nuss made a motion to accept the consent agenda items, seconded by Terry Smith.
   Vote: 5-0 on all items except "Item a. Meeting Minutes for Regular BOA – December 16, 2025" (Lynn Smith recused from that item resulting in vote of 4-0 for said minutes as she was not in attendance at the meeting.)

7. **Discussion and/or Possible Action:** Ordinance/resolution for a written investment policy, required by the Texas Public Funds Investment Act.
    a. Policy
    b. Resolution

Terry Smith made a motion to approve the Investment Policy, seconded by Lynn Smith.

Terry Smith amended the motion to incorporate the recommended changes proposed, seconded by Bruce Robertson.

Vote on Amendment: 5-0

Vote on Original Motion: 5-0

8. **Discussion and/or Possible Action:** Solid Waste Services

No action taken

9. **Discussion and/or Possible Action:** RFQ for Multiple Attorney Firms

No action taken

DISCUSSION / INFORMATION ITEMS

10. Discussion – City Election May 2, 2026
    a. Candidate Packets – Filing Period: January 14, 2026 - February 13, 2026
    b. Order of Election – January 20, 2026 Board of Aldermen Meeting
11. Discussion – Water Infrastructure Bond
12. 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 January 8, 2026, at 6:00 pm.
    c. Comprehensive Plan Town Hall #4 is scheduled for 6:00 PM on Thursday, January 22, 2026.
13. Legislative Updates
14. Drainage Issues
15. Review Water System
    a. Maintenance and Operations Issues
    b. Central Texas Groundwater Conservation District
        i. Rules Update
        ii. Pumping Permit
        iii. Drought Status – Stage 2
        iv. 10% Water Reduction Goal
16. Review Solid Waste Services
17. Mayor's Report

The Mayor announced Terry Nuss has been re-elected to the Burnet Central Appraisal District Board of Directors for the term 2026-2027.

18. Aldermen Comments
19. City Staff Comments
    a. City Administrator
    b. City Secretary

Next Regular meeting – Tuesday, January 20, 2026, at 7:00 p.m., Highland Haven Community Center

Motion to adjourn made by Terry Nuss, seconded by Bruce Robertson.
Vote: 5-0

Adjournment.

The meeting adjourned at 8:15 PM.

Olan Kelley, Mayor

Sarah Collard, City Secretary

CITY OF HIGHLAND HAVEN TEXAS
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City of Highland Haven Sales Tax

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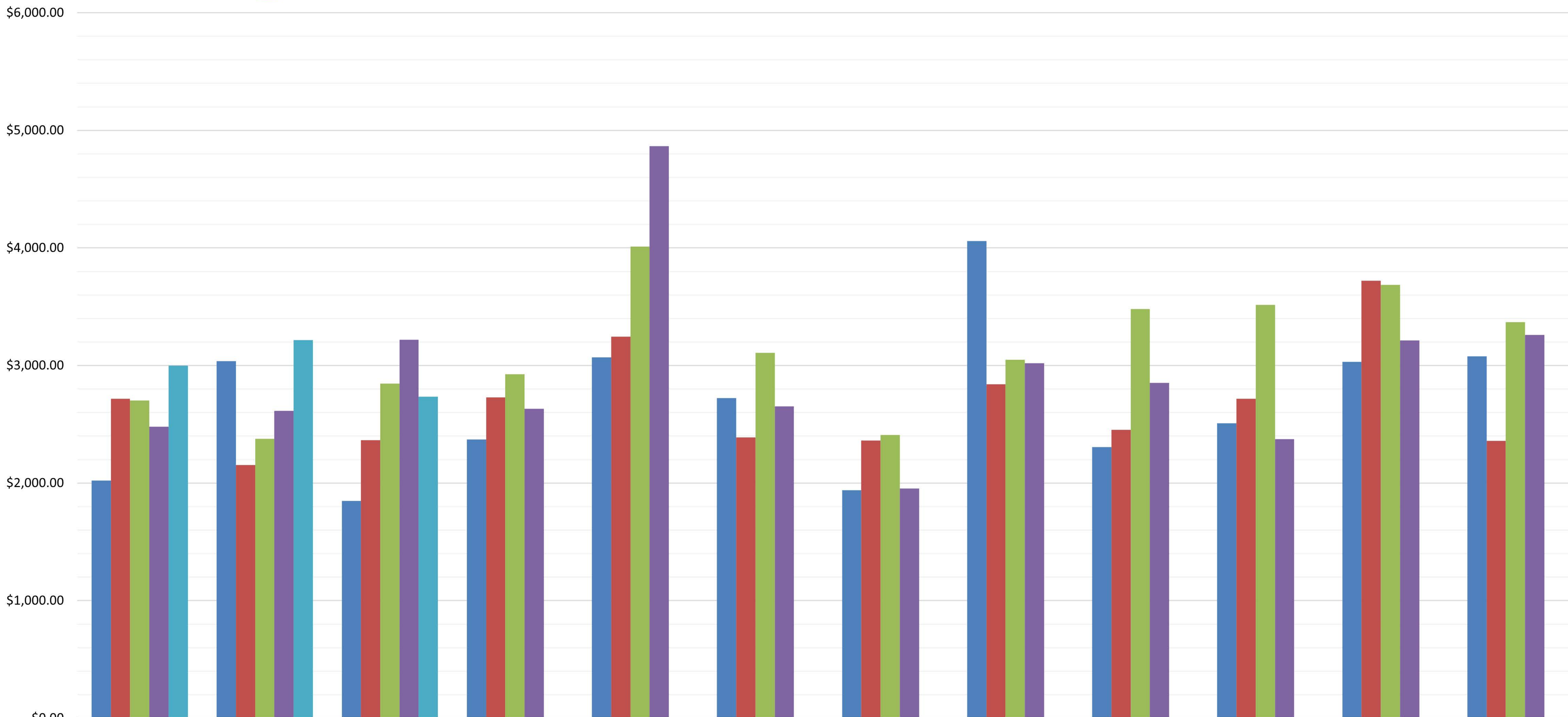

	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	June	July	Aug	Sept
2022	$2,020.88	$3,036.41	$1,848.93	$2,369.89	$3,067.90	$2,721.37	$1,939.03	$4,057.71	$2,305.26	$2,508.50	$3,031.97	$3,078.37
2023	$2,715.96	$2,153.70	$2,364.18	$2,728.03	$3,246.73	$2,388.05	$2,361.84	$2,838.98	$2,453.38	$2,716.50	$3,720.53	$2,357.56
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	$3,216.31	$2,735.22	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00

General Fund
Budget vs. Actuals: Budget_FY26_P&L - FY26 P&L
October - December, 2025

	Total		
	Actual	YTD Budget	Annual Budget
Income			
8000 General Fund Revenue			
8100 Taxes			
8110 Property Taxes Collected	173,441.59	145,500.00	399,247.00
8120 Sales and Use Tax	8,949.92	5,300.00	30,500.00
Total 8100 Taxes	**$ 182,391.51**	**$ 150,800.00**	**$ 429,747.00**
8200 Franchise Fees			
8210 Cable TV	913.81	1,250.00	5,000.00
8220 Electrical	7,447.81	6,000.00	24,000.00
8230 Telephone		50.00	200.00
Total 8200 Franchise Fees	**$ 8,361.62**	**$ 7,300.00**	**$ 29,200.00**
8300 Building Permits / Inspections			
8310 Building Permits	4,200.00	5,300.00	25,000.00
8330 Inspections	2,800.00	3,200.00	15,000.00
Total 8300 Building Permits / Inspections	**$ 7,000.00**	**$ 8,500.00**	**$ 40,000.00**
8400 Other Income			
8410 ROW - License Agreement		500.00	500.00
Total 8400 Other Income	**$ 0.00**	**$ 500.00**	**$ 500.00**
8500 Charges for Services			
8510 Lot Mowing Program Fees		0.00	2,000.00
8520 Copies, FAX & Phone Usage		5.00	30.00
8530 Newsletter Copy Fee	91.34	65.00	250.00
8540 Newsletter Postage Fee	302.00	85.00	350.00
8550 Re-Plat & Variances		300.00	1,200.00
Total 8500 Charges for Services	**$ 393.34**	**$ 455.00**	**$ 3,830.00**
8600 Public Safety			
8610 Child Safety Fund	218.88	200.00	700.00
8620 OPIOID Abatement Fund		0.00	50.00
Total 8600 Public Safety	**$ 218.88**	**$ 200.00**	**$ 750.00**
8800 Donations & Contributions			
8801 Donations	875.00		
Total 8800 Donations & Contributions	**$ 875.00**	**$ 0.00**	**$ 0.00**
8900 Investment Income			
8910 Interest Income	5,984.67	4,935.00	20,000.00
Total 8900 Investment Income	**$ 5,984.67**	**$ 4,935.00**	**$ 20,000.00**
Total 8000 General Fund Revenue	**$ 205,225.02**	**$ 172,690.00**	**$ 524,027.00**
Sales	260.00		
Total Income	**$ 205,485.02**	**$ 172,690.00**	**$ 524,027.00**
Gross Profit	**$ 205,485.02**	**$ 172,690.00**	**$ 524,027.00**
Expenses			
60000 EXPENSES - GENERAL FUND			
61100 Personnel Services			
61101 Aministrative Services	23,874.99	23,874.99	95,500.00
61102 Secretary Salary	12,669.13	15,249.99	61,000.00

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61103 Acccounting / Utility Coord.	12,999.99	12,999.99	52,000.00
61104 Building Permit Officer	3,912.24	3,999.99	16,000.00
61105 Temporary Employee		750.00	3,000.00
61108 Stipend	5,670.00	5,670.00	22,680.00
61110 Payroll Taxes / FICA	4,523.15	4,784.76	19,139.00
61111 Texas Workforce Commission		174.99	700.00
61112 Direct Deposit Fees	233.43	62.49	250.00
61113 Health Insurance/ Stipend		0.00	0.00
61114 Texas Municipal Retirment Cont.	5,369.08	5,292.51	21,170.00
Total 61100 Personnel Services	**$ 69,252.01**	**$ 72,859.71**	**$ 291,439.00**
61200 Administrative & Office			
61201 Miscellaneous Office Supplies	451.32	718.74	2,875.00
61202 Equipment replacement	169.10	1,950.00	7,825.00
61203 Newsletter Copy Charge	43.00	75.00	300.00
61204 Newsletter Postage	78.00	175.00	700.00
61205 Printing, Binding, Reproduction		275.01	1,100.00
61206 Software	6,510.18	1,662.51	6,650.00
61207 Postage	721.60	212.49	850.00
61208 Public Notice Publication	1,404.00	540.00	2,150.00
61209 Variances & Re-plats		275.00	1,100.00
61210 Travel Reimbursement	143.08	120.00	550.00
61211 Schools & Training	3,542.12	600.00	7,300.00
61212 Recognition & Awards		75.00	300.00
61213 Food & Beverage	601.82	75.00	300.00
61214 - Bank Fees	-2.64	37.50	150.00
Total 61200 Administrative & Office	**$ 13,661.58**	**$ 6,791.25**	**$ 32,150.00**
61300 Street Maintenance & Repair			
61301 Contract Repair		1,375.00	5,500.00
61302 Material & Supplies		1,675.00	6,700.00
Total 61300 Street Maintenance & Repair	**$ 0.00**	**$ 3,050.00**	**$ 12,200.00**
61400 Maintenance & Repair			
61401 Equipment Repair & Maintenance		750.00	3,000.00
61402 Buildings / Infastructure		1,250.00	5,000.00
Total 61400 Maintenance & Repair	**$ 0.00**	**$ 2,000.00**	**$ 8,000.00**
61500 Professional Services			
61501 Judge Expenses	300.00	300.00	1,200.00
61502 Accountants Fees-Audit	1,080.00	0.00	8,950.00
61503 Attorneys Fees	945.00	1,350.00	5,750.00
61504 Ordinance Codification	1,730.00	1,200.00	4,350.00
61505 Burnet County Tax Appraisal Fee	2,866.30	1,312.50	5,250.00
61506 I / T Support		1,250.00	5,000.00
61508 Burnet Co Election Fee	1,521.41	2,500.00	5,000.00
61509 Consultant Fees	500.00	550.00	2,200.00
61510 Website Hosting		0.00	3,000.00
61511 Recruitment		262.50	1,050.00
61512 Interactive Web Map Hosting	1,200.00	1,250.00	5,000.00
Total 61500 Professional Services	**$ 10,142.71**	**$ 9,975.00**	**$ 46,750.00**
61600 Utilities			
61601 Electric	272.84	280.00	1,150.00
61605 Communications	2,183.71	1,687.50	6,750.00
Total 61600 Utilities	**$ 2,456.55**	**$ 1,967.50**	**$ 7,900.00**

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61700 Services & Charges			
61701 Janitorial Service		150.00	675.00
61702 Inspection Fees	2,865.00	1,825.00	7,300.00
61705 Contract Mowing		0.00	1,050.00
61706 Landscaping		400.00	2,100.00
61708 Buoy Maintenance		2,000.00	8,000.00
61709 Lot Mowing Program Expense		0.00	2,000.00
61710 Insurance	6,381.76	6,500.00	6,500.00
61711 Notary Public Cert.		400.00	400.00
61712 Treasurers Bond		325.00	325.00
Total 61700 Services & Charges	**$ 9,246.76**	**$ 11,600.00**	**$ 28,350.00**
61800 Membership Fees / Dues			
61801 Capcog		50.00	50.00
61803 Texas Municipal League	684.00	700.00	700.00
61804 CAMPO		0.00	360.00
61805 Texas Municipal Clerks Assoc	125.00	45.00	180.00
61806 Texas City Managers Assoc.		75.00	300.00
Total 61800 Membership Fees / Dues	**$ 809.00**	**$ 870.00**	**$ 1,590.00**
61900 Public Safety			
61901 Security Camera	861.02	1,775.01	7,100.00
61902 Granite Shoals VFD		23,220.00	92,880.00
61903 Marble Falls EMS	3,840.36	3,849.99	15,400.00
61904 Emergency Response Supplies		125.01	500.00
61905 Emergency Management Program		1,250.01	5,000.00
Total 61900 Public Safety	**$ 4,701.38**	**$ 30,220.02**	**$ 120,880.00**
62900 Capital Improvement			
62905 City Vehicle/UTV		5,000.01	20,000.00
62906 City Tools		1,250.01	5,000.00
62907 Fund Accounting Software		5,000.01	20,000.00
62908 Capital Reserve		3,810.51	15,242.00
62909 Bond Interest Payments			46,800.00
Total 62900 Capital Improvement	**$ 0.00**	**$ 15,060.54**	**$ 107,042.00**
Total 60000 EXPENSES - GENERAL FUND	**$ 110,269.99**	**$ 154,394.02**	**$ 656,301.00**
Total Expenses	**$ 110,269.99**	**$ 154,394.02**	**$ 656,301.00**
Net Operating Income	**$ 95,215.03**	**$ 18,295.98**	**-$ 132,274.00**
Other Income			
76000 Interfund Transfers			
76010 Transfers In			
76010.2 Transfer In - HHWS Fund			65,479.00
76010.3 Transfer In - HHSW Fund			20,000.00
Total 76010 Transfers In	**$ 0.00**	**$ 0.00**	**$ 85,479.00**
Total 76000 Interfund Transfers	**$ 0.00**	**$ 0.00**	**$ 85,479.00**
Total Other Income	**$ 0.00**	**$ 0.00**	**$ 85,479.00**
Net Other Income	**$ 0.00**	**$ 0.00**	**$ 85,479.00**
Net Income	**$ 95,215.03**	**$ 18,295.98**	**-$ 46,795.00**

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

	Total		
	Actual	YTD Budget	Annual Budget
Income			
9000 HHWater System Revenue			
9200 Charges for Services			
9210 Water Sales	106,574.05	92,208.51	368,834.00
9220 Tap Fees	8,000.00	2,250.00	9,000.00
Total 9200 Charges for Services	**$ 114,574.05**	**$ 94,458.51**	**$ 377,834.00**
9230 HHWS Miscellaneous Income			
9231 Miscellaneous Income		50.01	200.00
Total 9230 HHWS Miscellaneous Income	**$ 0.00**	**$ 50.01**	**$ 200.00**
9250 Investment Income		0.00	0.00
9251 Interest Income	430.70	375.00	1,500.00
Total 9250 Investment Income	**$ 430.70**	**$ 375.00**	**$ 1,500.00**
Total 9000 HHWater System Revenue	**$ 115,004.75**	**$ 94,883.52**	**$ 379,534.00**
Total Income	**$ 115,004.75**	**$ 94,883.52**	**$ 379,534.00**
Gross Profit	**$ 115,004.75**	**$ 94,883.52**	**$ 379,534.00**
Expenses			
62000 EXPENSES-WATER SYSTEM FUND			
62150 2016 Bond Series Expenses			
62151 2016 Series Bond Interest			4,180.00
62152 2016 Bond Series Principal			105,000.00
Total 62150 2016 Bond Series Expenses	**$ 0.00**	**$ 0.00**	**$ 109,180.00**
62200 Administrative / Office			
62201 Office Supplies		650.01	2,600.00
62206 Software		637.50	2,550.00
62207 Postage	60.00	1,050.00	4,200.00
62208 Public Notice Publication		50.01	200.00
62210 Travel Reimbursement		50.01	200.00
62211 Schools & Training		125.01	500.00
62212 Bank Fees	10.00	18.75	75.00
62213 Food & Beverage		125.01	500.00
Total 62200 Administrative / Office	**$ 70.00**	**$ 2,706.30**	**$ 10,825.00**
62350 Chemicals			
62351 Misc. Chemicals		975.00	3,900.00
Total 62350 Chemicals	**$ 0.00**	**$ 975.00**	**$ 3,900.00**
62400 Maintenance & Repairs			
62402 Repairs & Service Work		7,500.00	30,000.00
62403 Buildings / Infrastructure		1,250.01	5,000.00
62405 Material-pipe,pumps,meters	259.40	5,000.01	20,000.00

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62407 Generator Maint and Repairs		2,124.99	8,500.00
Total 62400 Maintenance & Repairs	$ 259.40	$ 15,875.01	$ 63,500.00
62500 Professional Services			
62502 Accounting/Audit Fees	1,080.00	2,062.50	8,250.00
62503 Attorneys Fees		275.01	1,100.00
62511 Engineering Fees		275.01	1,100.00
62512 Lab Fees	244.00	1,100.01	4,400.00
62513 Contract Operator	15,000.00	22,500.00	90,000.00
Total 62500 Professional Services	$ 16,324.00	$ 26,212.53	$ 104,850.00
62600 Utilities			
62601 Electric	1,930.77	2,000.01	8,000.00
62604 Telephone		249.99	1,000.00
Total 62600 Utilities	$ 1,930.77	$ 2,250.00	$ 9,000.00
62700 Services & Charges			
62705 Contract Mowing Expense		412.50	1,650.00
62712 Tap Installation	1,950.00	774.99	3,100.00
62713 Storage Facilities	5,907.00	1,362.51	5,450.00
62714 Johnston East Well Water Usage		125.01	500.00
62715 TCEQ	999.60	275.01	1,100.00
Total 62700 Services & Charges	$ 8,856.60	$ 2,950.02	$ 11,800.00
62800 Membership Fees/Dues			
62806 TRWA Membership		143.76	575.00
62807 AWWA Membership		106.26	425.00
Total 62800 Membership Fees/Dues	$ 0.00	$ 250.02	$ 1,000.00
Total 62000 EXPENSES-WATER SYSTEM FUND	$ 27,440.77	$ 51,218.88	$ 314,055.00
Total Expenses	$ 27,440.77	$ 51,218.88	$ 314,055.00
Net Operating Income	$ 87,563.98	$ 43,664.64	$ 65,479.00
Other Expenses			
76001 Interfund Transfers			
76020 Transfers Out			
76020.1 Transfer Out to General Fund			65,479.00
Total 76020 Transfers Out	$ 0.00	$ 0.00	$ 65,479.00
Total 76001 Interfund Transfers	$ 0.00	$ 0.00	$ 65,479.00
Total Other Expenses	$ 0.00	$ 0.00	$ 65,479.00
Net Other Income	$ 0.00	$ 0.00	-$ 65,479.00
Net Income	$ 87,563.98	$ 43,664.64	$ 0.00

Home

Solid Waste
Budget vs. Actuals: Budget_FY26_P&L - FY26 P&L
October - December, 2025

	Total		
	Actual	YTD Budget	Annual Budget
Income			
9500 Solid Waste Revenue			
9600 Charges For Services			
9610 SW Residential Collection	21,729.71	34,466.25	137,865.00
Total 9600 Charges For Services	**$ 21,729.71**	**$ 34,466.25**	**$ 137,865.00**
9650 Franchise Fees			
9651 Waste Services Franchise Fee	1,330.31	1,337.49	5,350.00
Total 9650 Franchise Fees	**$ 1,330.31**	**$ 1,337.49**	**$ 5,350.00**
9800 Investment Income			
9801 Interest Income	20.04	6.24	25.00
Total 9800 Investment Income	**$ 20.04**	**$ 6.24**	**$ 25.00**
Total 9500 Solid Waste Revenue	**$ 23,080.06**	**$ 35,809.98**	**$ 143,240.00**
Total Income	**$ 23,080.06**	**$ 35,809.98**	**$ 143,240.00**
Expenses			
63000 EXPENSES - SOLID WASTE FUND			
63500 Professional Services			
63513 Waste Contractor Costs	26,606.38	27,039.99	108,160.00
63514 Houshold Haz Waste Program		500.01	2,000.00
63515 Haz Waste Spill Response Fund		500.01	2,000.00
63516 Bulk Trash Pick-UP		624.99	2,500.00
63517 Document Shredding		187.50	750.00
Total 63500 Professional Services	**$ 26,606.38**	**$ 28,852.50**	**$ 115,410.00**
Total 63000 EXPENSES - SOLID WASTE FUND	**$ 26,606.38**	**$ 28,852.50**	**$ 115,410.00**
Total Expenses	**$ 26,606.38**	**$ 28,852.50**	**$ 115,410.00**
Net Operating Income	**-$ 3,526.32**	**$ 6,957.48**	**$ 27,830.00**
Other Expenses			
76001 Interfund Transfers			
76020 Transfers Out			
76020.1 Transfer Out to General Fund			20,000.00
Total 76020 Transfers Out	**$ 0.00**	**$ 0.00**	**$ 20,000.00**
Total 76001 Interfund Transfers	**$ 0.00**	**$ 0.00**	**$ 20,000.00**
Total Other Expenses	**$ 0.00**	**$ 0.00**	**$ 20,000.00**
Net Other Income	**$ 0.00**	**$ 0.00**	**-$ 20,000.00**
Net Income	**-$ 3,526.32**	**$ 6,957.48**	**$ 7,830.00**

Thursday, Jan 15, 2026 08:35:24 AM GMT-8 - Accrual Basis

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Balance Sheet
General Fund
As of December 31, 2025

Distribution account	Total
Assets	
Current Assets	
Bank Accounts	
100 Gen Fund - First United	265,069.86
106 Gen Fund - TexPool -Investment	585,529.08
Total for Bank Accounts	**$850,598.94**
Accounts Receivable	
1200 Accounts Receivable	14,374.74
Total for Accounts Receivable	**$14,374.74**
Other Current Assets	
1230 Due from Other Funds	0.00
1300 Taxes Receivable	5,158.08
1350 Prepaid Expenses	0.00
1499 Undeposited Funds	0.00
1997 AJE Holding Account	
1997.1 AR	0.00
1997.2 AP	0.00
Total for 1997 AJE Holding Account	**$0.00**
Total for Other Current Assets	**$5,158.08**
Total for Current Assets	**$870,131.76**
Fixed Assets	
15000 Fixed Assets	
15100 City Hall Building	0.00
15101 City Hall Land	0.00
15103 Street & Drainage Improvements	0.00
15105 Furniture & Equipment	0.00
Total for 15000 Fixed Assets	**$0.00**
16000 Accumulated Depreciation	0.00
Total for Fixed Assets	**$0.00**
Total for Assets	**$870,131.76**
Liabilities and Equity	
Liabilities	
Current Liabilities	
Accounts Payable	
Accounts Payable	2,993.15
Total for Accounts Payable	**$2,993.15**
Credit Cards	
25000 TIB- Credit Card	0.00

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Total for Credit Cards	**$0.00**
Other Current Liabilities	
20000 Prior Year Accounts Payable	130.00
21000 Const. Deposits/Permits	
21100 Clean-up Deposits	14,250.00
Total for 21000 Const. Deposits/Permits	**$14,250.00**
2110 Direct Deposit Liabilities	9,636.96
22000 Deferred Revenue	5,158.08
24000 Payroll Liabilities	
2100 Withheld taxes payable	1,814.09
24100 941 Taxes Payable	952.68
24200 TWC - SUI Payable	516.66
24300 FUTA Payable	0.00
Total for 24000 Payroll Liabilities	**$3,283.43**
Total for Other Current Liabilities	**$32,458.47**
Total for Current Liabilities	**$35,451.62**
Total for Liabilities	**$35,451.62**
Equity	
30000 Net Position	0.00
3900 Unrestricted Net Assets	0.00
Total for 30000 Net Position	**$0.00**
39000 Retained Earnings	739,465.11
Net Income	95,215.03
Total for Equity	**$834,680.14**
Total for Liabilities and Equity	**$870,131.76**

Accrual Basis Thursday, January 15, 2026 04:17 PM GMTZ

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Balance Sheet
Water Fund
As of December 31, 2025

Distribution account	Total
Assets	
Current Assets	
Bank Accounts	
203 CNB Water Operating	238,858.93
205 CNB- HHWS (GO Bond Ser)	2,406.13
206 TexPool - HHWS Investment	37,936.49
Total for Bank Accounts	**$279,201.55**
Accounts Receivable	
1200 Accounts Receivable	24,892.68
Total for Accounts Receivable	**$24,892.68**
Other Current Assets	
12100 Inventory Asset	11,250.00
1499 Undeposited Funds	0.00
1996 Deferred Loss on Refunding	20,420.00
1997 AJE Holding Account	
1997.1 AR	0.00
1997.2 AP	0.00
Total for 1997 AJE Holding Account	**$0.00**
Total for Other Current Assets	**$31,670.00**
Total for Current Assets	**$335,764.23**
Fixed Assets	
15000 Fixed Assets	
15200 Highland Haven Water Sys	
15201 HHWS - Infrastructure	992,409.00
15202 HHWS - Building & Structures	45,234.00
15203 Equipment	62,768.00
15205 HHWS-Land	20,000.00
15209 Intangible Assets	170,115.00
15210 Construction in Process	438,231.50
1760 Capital Assets	0.00
Total for 15200 Highland Haven Water Sys	**$1,728,757.50**
Total for 15000 Fixed Assets	**$1,728,757.50**
16000 Accumulated Depreciation	-582,787.22
16001 Accumulated Amortization	-136,537.42
Total for Fixed Assets	**$1,009,432.86**
Total for Assets	**$1,345,197.09**
Liabilities and Equity	
Liabilities	

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Current Liabilities	
Accounts Payable	
Accounts Payable	0.00
Total for Accounts Payable	**$0.00**
Credit Cards	
25000 TIB - Credit Card	90.77
Total for Credit Cards	**$90.77**
Other Current Liabilities	
20000 Prior Year Accounts Payable	1,230.00
2020 Sales Tax Payable	0.00
2021 Due to Other Funds	0.00
2060 Retainage Payable	38,219.60
2140 Accrued Interest Payable	502.00
22200 Bonds Payable - Current	105,000.00
22202 Unearned Revenue	17,282.58
Total for Other Current Liabilities	**$162,234.18**
Total for Current Liabilities	**$162,324.95**
Long-term Liabilities	
26000 Long Term Liabilities	
26200 2016 HHWS Bond Payable	210,000.00
Total for 26000 Long Term Liabilities	**$210,000.00**
Total for Long-term Liabilities	**$210,000.00**
Total for Liabilities	**$372,324.95**
Equity	
30000 Net Position	
3200 Invested in Capital Asset Net o	714,852.86
3810 Net Assets Restricted	0.00
3900 Unrestricted Net Assets	0.00
Total for 30000 Net Position	**$714,852.86**
39000 Retained Earnings	170,455.30
Net Income	87,563.98
Total for Equity	**$972,872.14**
Total for Liabilities and Equity	**$1,345,197.09**

Accrual Basis Thursday, January 15, 2026 04:32 PM GMTZ

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Balance Sheet
Water Fund
As of December 31, 2025

Distribution account	Total
Assets	
Current Assets	
Bank Accounts	
203 CNB Water Operating	238,858.93
205 CNB- HHWS (GO Bond Ser)	2,406.13
206 TexPool - HHWS Investment	37,936.49
Total for Bank Accounts	**$279,201.55**
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Fixed Assets	
15000 Fixed Assets	
15200 Highland Haven Water Sys	
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16000 Accumulated Depreciation	-582,787.22
16001 Accumulated Amortization	-136,537.42
Total for Fixed Assets	**$1,009,432.86**
Total for Assets	**$1,345,197.09**
Liabilities and Equity	
Liabilities	

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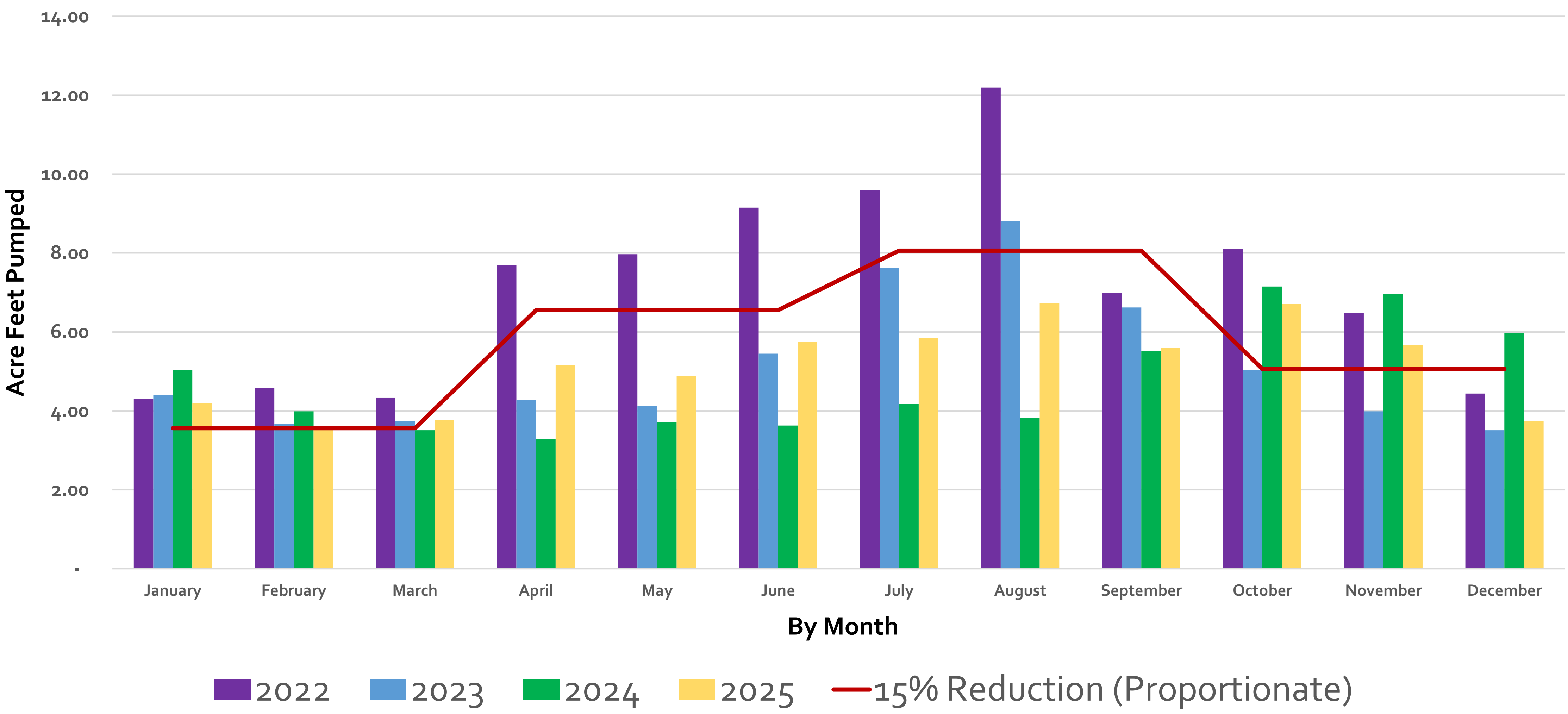
PUMPING – CITY WATER USAGE



1-2
Prescribed by Secretary of State
Sections 3.004, 3.005, 3.006, 85.004, 85.006, 85.007 Texas Election Code
9/2023

ORDER OF ELECTION FOR THE
CITY OF HIGHLAND HAVEN, TEXAS
(ORDEN DE ELECCIÓN PARA LA
CUIDAD DE HIGHLAND HAVEN, TEXAS)

An election is hereby ordered to be held on **May 2, 2026**, for the purpose of:
(Por la presente se ordena celebrar una elección el 2 de mayo de 2026 con el propóosito de votar sobre):

To elect one (1) Mayor and two (2) Aldermen to the City of Highland Haven Board of Aldermen.
(elegir un alcalde y dos concejales de la Junta de concejales de la Ciudad de Highland Haven).

LOCATIONS OF POLLING PLACES:
SITIOS DE LUGARES DE VOTACION:

Highland Haven Community Center
118 Blackbird Drive, Highland Haven, TX 78654
Phone: 830-265-4366
Email: citysecretary@highlandhaventx.com
www.highlandhaventx.com

Centro Comunitario Highland Haven
118 Blackbird Drive, Highland Haven, TX 78654
Teléfono: 830-265-4366
correo electrónico: citysecretary@highlandhaventx.com
www.highlandhaventx.com

Early voting by personal appearance will be conducted each weekday at:
(La votación adelantada en persona se llevará a cabo de lunes a viernes en):

Burnet County Agri-Life Extension Auditorium (Auditorio de Extensi’on de Burnet)
607 N. Vandeveer St., Burnet, TX, and

Marble Falls Texas Tech
806 Steve Hawkins Pkwy, Marble Falls, TX, and

Granite Shoals Community Center
1208 N. Phillips Ranch Rd, Granite Shoals, TX

beginning on **April 20, 2026** and ending on **April 28, 2026**
(comenzando el 20 de abril de 2026 y terminando el 28 de abril de 2026)

between the hours of 8:00 a.m. and 5:00 p.m. Monday through Friday and between the hours of 7:00 a.m. and 7:00 p.m. on April 23, 2026, and April 27, 2026.
(entre las horas de 8:00 a.m. ey 5:00 p.m. de lunes a viernes y entre las horas de 7:00 a.m. y 7:00 p.m. el 27 de abril de 2026, y 28 de abril de 2026).

Applications for ballot by mail should be mailed to:
(Las solicitudes para boletas que se votarán adelantada por correo deberán enviarse a:)

Michael Evans
Elections Administrator, Burnet County
220 S. Pierce, Burnet, TX 78611
Phone: 512-715-5288; Email: elections@burnetcountytexas.org
www.burnetcountytexas.org

Applications for ballots by mail must be received no later than the close of business on April 20, 2026.
(Las solicitudes para votacion por correo tienen que ser recibidas no mas tardar que el fin de horas de negocio el 20 de abril de 2026.)

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Issued this 20th day of January, **2026**.
Emitido el 20 de enero de 2026.

Signature of Mayor
(Firma del Alcalde)

Signature of Mayor Pro Tem
(Firma del Alcalde Interino)

Signature of Alderman
(Firma del Regidor)

Signature of Alderman
(Firma del Regidor)

Signature of Alderman
(Firma del Regidor)

Signature of Alderman
(Firma del Regidor)

CITY OF
HIGHLAND HAVEN
EST. 1995

January 16, 2026

Subject: FDIC Limits and Moving Operating Funds to TexPool

To the City of Highland Haven Board of Aldermen,

Background

As part of the City's ongoing efforts to be prudent stewards of public funds, staff has reviewed current operating fund balances in relation to FDIC insurance limits and potential opportunities to earn additional interest through the City's existing investment account with TexPool.

FDIC insurance generally protects deposits up to $250,000 per financial institution. Staff believes it is a best practice to proactively manage account balances to reduce risk exposure while maintaining adequate liquidity for operations.

The City currently maintains TexPool accounts for investment purposes, which provide daily liquidity, competitive interest earnings, and compliance with Texas public funds investment requirements.

General Fund

The General Fund operating account currently has an approximate balance of $300,000, reflecting the City's annual property tax collection cycle. The majority of the City's property tax revenue is received between December and February, and those funds are then used to support operations throughout the remainder of the fiscal year.

At this time, staff recommends establishing a target operating balance of $175,000 in the General Fund operating account and transferring amounts above that level into the City's TexPool investment account. This approach would:

- Align General Fund balances with the City's annual cash flow cycle,
- Reduce risk associated with maintaining higher-than-needed balances in a single operating account,
- Maintain sufficient liquidity for day-to-day operations, and
- Allow temporarily unused operating cash to earn interest until needed later in the year.

Funds may be transferred back to the operating account as necessary to support operations during periods when property tax revenue has not yet been received.

Water Fund

The Water Fund operating account currently has an approximate balance of $240,000, which is below FDIC limits but exceeds near-term operating needs.

The City's largest anticipated expenditure from this account is the annual bond payment of approximately $105,000, which occurs at the end of August. Staff recommends maintaining a minimum operating balance of $100,000 in the Water Fund operating account and transferring (sweeping) amounts above that level to the City's TexPool account.

This approach would ensure:

- Adequate funds are readily available for operating expenses and the bond payment,
- Improved interest earnings on excess balances, and
- More efficient use of Water Fund revenues.

Interest earned in this account can be use to help offset costs of future infrastructure projects for the water system.

Solid Waste Fund

The Solid Waste operating account currently has a balance of approximately $80,000, which is not approaching FDIC limits and is sufficient for current operational needs.

At this time, the City does not maintain a dedicated investment account for the Solid Waste Fund. Staff believes it is appropriate to begin evaluating whether a portion of these funds could be invested in order to improve interest earnings while maintaining adequate liquidity.

As part of this evaluation, staff will consider:

- Establishing a dedicated TexPool investment account for the Solid Waste Fund, or
- Alternative methods of investing Solid Waste funds while maintaining appropriate fund separation and accounting controls.

Staff is seeking Board direction on whether to explore the creation of a Solid Waste investment account and to develop a recommended approach for future consideration. Staff's preliminary assessment is that a dedicated investment account (with TexPool) for the Solid Waste Fund would provide the greatest clarity and transparency for these funds.

Fiscal Impact

There is no negative fiscal impact associated with these actions. Investing operating funds based on the City's cash flow timing is expected to result in additional interest earnings while maintaining full access to funds needed for operations throughout the year.

If you have any questions or require further assistance, please do not hesitate to contact me.

Sincerely,
Andy Adams
Highland HavenCity Administrator
(830) 265-4366
cityadministrator@highlandhaventx.com

RESOLUTION #376

CITY OF HIGHLAND HAVEN

A RESOLUTION ADOPTING AN INVESTMENT POLICY COMPLIANT WITH THE TEXAS PUBLIC FUNDS INVESTMENT ACT; DESIGNATING THE INVESTMENT OFFICER; PROVIDING FOR ANNUAL REVIEW; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, the City of Highland Haven, Texas (the "City"), is a Type A general-law municipality subject to the Public Funds Investment Act (PFIA), Texas Government Code Chapter 2256; and

WHEREAS, the PFIA requires the City's governing body to adopt a written investment policy by ordinance or resolution to ensure safe, liquid, and prudent management of public funds; and

WHEREAS, the attached Exhibit A constitutes the City's Investment Policy, which emphasizes preservation of capital, liquidity, and yield; authorizes only PFIA-permitted investments (including TexPool); sets maximum maturities and diversification standards; designates the City Administrator as Investment Officer; and requires annual training and reporting; and

WHEREAS, this policy applies to all City funds, including the General Fund, Water Fund, and Solid Waste Fund, and will be reviewed annually by the Board of Aldermen;

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF ALDERMEN OF THE CITY OF HIGHLAND HAVEN, TEXAS:

Section 1. The recitals above are incorporated as findings.

Section 2. The Investment Policy attached as Exhibit A is hereby adopted and incorporated by reference.

Section 3. The City Administrator, Joseph Adams, is designated as the City's Investment Officer, responsible for executing the policy and attending required PFIA training.

Section 4. The Board shall review and approve this policy annually, with any amendments adopted by ordinance or resolution.

Section 5. This Ordinance shall be effective immediately upon passage.

PASSED AND APPROVED on the 6th day of January 2026, at a scheduled meeting by the Board of Aldermen of the City of Highland Haven, Texas.

____

Olan Kelley, Mayor

Attest:

____

Sarah Collard, City Secretary

EXHIBIT A

CITY OF HIGHLAND HAVEN INVESTMENT POLICY

Annual Review Date: October 1st of each fiscal year

I. INTRODUCTION AND PURPOSE

This Investment Policy (the "Policy") is adopted pursuant to the Public Funds Investment Act ("PFIA"), Texas Government Code Chapter 2256, and governs the investment and management of public funds of the City of Highland Haven, Texas (the "City"), a Type A general-law municipality.

This Policy applies to all public funds under the control of the City, including but not limited to the General Fund, Water Fund, Solid Waste Fund, and any reserve or bond-related accounts. Funds held in demand deposit accounts for daily operational purposes are maintained to provide necessary liquidity and are not considered investments for purposes of this Policy while so held. Funds determined to be in excess of immediate cash flow needs may be invested in authorized investment vehicles in accordance with this Policy and applicable state law.

The purpose of this Policy is to ensure the effective, prudent, and lawful management of the City's public funds by prioritizing the preservation of capital, maintaining sufficient liquidity to meet operating and financial obligations, and achieving competitive market returns consistent with these objectives. This Policy establishes guidelines for investment authority, objectives, strategy, and reporting to promote transparency, accountability, and compliance with state law.

The Policy shall be reviewed and approved annually by the Board of Aldermen. Any material amendments shall be adopted by ordinance or resolution.

II. DEFINITIONS

Portfolio
The aggregate of all City investments that are subject to this Policy, excluding funds held solely in demand deposit accounts for daily operating purposes.

Diversification
The allocation of investment funds among various investment types, issuers, and maturities to reduce exposure to credit risk, interest rate risk, and liquidity risk.

Liquidity
The ability to readily convert investments to cash without significant loss of principal in order to meet anticipated and unanticipated cash flow needs.

Investment Officer
The individual designated by the Board of Aldermen to manage and execute the investment of City funds in accordance with this Policy and the Public Funds Investment Act.

Treasurer
The City official responsible for the custody, accounting, and reconciliation of City funds, and who participates in investment decision-making as provided in this Policy.

Public Funds
Funds of the City that are subject to investment under the Public Funds Investment Act, excluding funds held in a custodial or pass-through capacity where investment is prohibited.

III. 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. **Return**: Investments shall seek competitive market returns consistent with the primary objectives of safety and liquidity.
4. **Diversification**: The investment portfolio shall mitigate risk through diversification by investment type, issuer, and maturity.
5. **Compliance and Transparency**: All investment activities shall comply with the PFIA, applicable provisions of the Texas Local Government Code, and this Policy, with full disclosure to the Board of Aldermen.

IV. INVESTMENT OFFICER DESIGNATION AND BOARD APPROVAL

The Board of Aldermen shall designate one or more qualified Investment Officers by resolution. The City Administrator is designated as the Investment Officer and is responsible for the execution and management of all investment transactions in accordance with this Policy.

The Treasurer shall participate in investment decision-making by reviewing proposed investment actions, monitoring cash balances and liquidity needs, and assisting in ensuring compliance with this Policy. The Treasurer shall not execute investment transactions unless separately designated by the Board as an Investment Officer.

Any changes in Investment Officer designation shall be approved by the Board of Aldermen and recorded in the official minutes. (PFIA §2256.005(f))

V. SCOPE

This Policy applies to all City public funds, including operating, reserve, and investment accounts (e.g., TexPool holdings). Funds held in demand deposit accounts for daily operations are maintained for liquidity and are not considered part of the investment portfolio while so held.

Excluded from this Policy are pass-through or custodial funds, such as grant funds, for which investment is prohibited by law or agreement.

VI. 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.

VII. 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
  - No investment shall exceed anticipated cash flow needs of the fund (PFIA §2256.005(b)(4)(C)).
- **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.

VIII. 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.
- Coordinate with the Treasurer regarding cash flow needs, liquidity, accounting, and reconciliation.

IX. REPORTING AND REVIEW

A. Quarterly Reports

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

- 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.

X. TRAINING AND CONFLICTS

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

XI. EMERGENCY PROVISIONS

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

XII. AMENDMENTS

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

XIII. RECORD RETENTION POLICY

All investment transaction records shall be required to be maintained for a minimum period of five (5) years or as otherwise required by state law, and such records shall be available for public inspection and audit. (PFIA §2256.023)

CITY OF
HIGHLAND HAVEN
EST. 1995

January 16, 2026

Subject: Groundwater Permit Strategy and Update on CTGCD Meeting (January 14)

To the City of Highland Haven Board of Aldermen,

Background

The City of Highland Haven continues to work with the Central Texas Groundwater Conservation District (CTGCD) regarding the City's municipal groundwater permit. The City's current permitted amount does not reflect the full build-out of the City's Certificate of Convenience and Necessity (CCN), which predates the creation of the groundwater district.

When CTGCD was formed, the City's initial permit was established based solely on the prior year's water use, rather than the City's system capacity or service obligation. This resulted in an initial permit of 59 acre-feet, which has since been incrementally increased to 82 acre-feet. In 2022, the City slightly exceeded its permitted amount, and rather than adjusting the permit to reflect system design and long-term demand, the City was subjected to a reduction and additional reporting requirements.

The City's water system was designed to serve the full CCN, which includes:
- Approximately 471 acres within the CCN
- 552 platted lots capable of supporting residential development
- A youth camp with documented annual water demand

Based on standard living unit equivalency (LUE) calculations and state-required water usage for the youth camp, the City's estimated full-service demand is approximately 200 acre-feet annually. Historical usage has been lower primarily because a significant portion of homes are used as part-time or vacation residences. The City has no authority to limit when or how frequently property owners occupy their homes.

The City's concern is that under the current permit structure, a shift toward increased full-time residency could place the City in violation of GCD rules, despite having sufficient infrastructure and TCEQ authorization to serve the full CCN.

Private Wells and Local Controls

The City is actively working to identify private wells located within its CCN, including distinguishing between wells that are actively used for domestic supply and those associated with properties that also receive municipal water service. This effort is ongoing and is expected to inform any future regulatory framework proposed by CTGCD.

Since 2014, the City has had an ordinance in place prohibiting the drilling of new wells within city limits, effectively preventing the proliferation of additional private wells within the City. While this ordinance does not apply to portions of the CCN outside city limits, it represents a meaningful local control that limits future groundwater demand and may be relevant to any permit structure adopted by the District.

Home

CITY OF
HIGHLAND HAVEN
EST. 1995

Meeting with CTGCD – January 14
On Wednesday, January 14, the City Administrator and Mayor met with representatives of the Central Texas Groundwater Conservation District, including:

- Mitchell Sodek, General Manager
- Ty Embrey, District Attorney

During the meeting, City representatives discussed:

- The City's CCN acreage and number of platted lots
- Estimated full build-out water demand
- The historical basis for the City's groundwater permit and the arbitrary number permitted
- The City's existing ordinance prohibiting new wells
- The City's limited ability to adjust permit levels under current GCD rules

The discussion included examples of municipal permitting approaches used by other groundwater districts that rely on CCN-based metrics, with potential conditions related to private wells and acreage considerations.

CTGCD staff indicated they are evaluating potential rule options that could be supported by the District's elected board. Any proposal may be contingent on continued local controls, including the City's prohibition on new private wells, and improved identification of existing private wells within the CCN.

As part of this process, the City will be providing CTGCD with a copy of the well ordinance for review.

Next Steps

- City staff will provide CTGCD with the City's well ordinance and other supporting information.
- The City will continue efforts to identify private wells located within the CCN as discussions progress.
- CTGCD staff and legal counsel will evaluate potential rule options for consideration by their Board.
- No immediate action is required by the Board of Aldermen.
- Staff will continue to update the Board as discussions advance.

Key Takeaway for the Board
This effort is intended to correct a historically low groundwater permit so that it aligns with the City's long-standing CCN, system capacity, and service obligations. The City is not seeking to expand service or increase development, but to establish a stable and defensible permit level that reflects existing conditions and protects the City from future compliance risk.

If you have any questions or require further assistance, please do not hesitate to contact me.

Sincerely,
Andy Adams
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