



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, February 3, 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
Alderpersn Don Hagans	☐ Present	☐ Absent
Alderpersn Bruce Robertson	☐ Present	☐ Absent
Alderpersn Lynn Smith	☐ Present	☐ Absent
Alderpersn 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 20, 2026

7. Discussion and/or Possible Action: Petition for voluntary annexation – Lots 176 and 177

a. Accept Petition for Lots 176 and 177

b. Set date for public hearing – March 3, 2026

DISCUSSION / INFORMATION ITEMS

8. Discussion – City Election May 2, 2026

a. Candidate Packets – Filing Period January 14-February 13

b. Open offices: 1 Mayor, 2 Alderpersns

9. Discussion – Water Infrastructure Bond

10. Discussion – Investment Policy

a. Open TexPool account for Solid Waste Fund to maintain FDIC security

b. Draft resolution outlining financial internal controls including authorized signatories

11. Discussion – **Additional Attorney Firm(s)**
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 February 12, 2026, at 6:00 pm.
13. Legislative Updates
14. Drainage Issues
15. Review Water System
 - a. **Maintenance and Operations Issues**
 - i. Generator update
 - ii. Winter storm update
 - 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
18. Aldermen Comments
19. City Staff Comments
 - a. City Administrator
 - b. City Secretary

Next Regular meeting – Tuesday, February 17, 2026, at 7:00 p.m., Highland Haven Community Center

Adjournment.

Posted: January 27, 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 27, 2026, AND REMAINED SO POSTED FOR AT LEAST 3 BUSINESS DAYS PRECEDING THE SCHEDULED DATE OF SAID MEETING.



Sarah Collard, City Secretary



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 20, 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
Aldersperson Don Hagans	☒ Present	☐ Absent
Aldersperson Bruce Robertson	☒ Present	☐ Absent
Aldersperson Lynn Smith	☒ Present	☐ Absent
Aldersperson Terry Smith	☒ Present	☐ Absent

2. Pledge of Allegiance – **Led by Mayor Kelley**

3. Recognize Visitors – **There were no 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.)

There were no public comments.

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.

- Meeting Minutes for Regular BOA – January 6, 2026
- Sales Tax Report – December 2025
- Financial Reports – December 2025
- Water Usage Report – December 2025

Lynn Smith made a motion to approve the Consent Items, seconded by Terry Smith.

Vote: 4-0

7. **Discussion and/or Possible Action:** Order of Election for May 2, 2026 Election

Terry Smith moved to approve the Order of Election for May 2, 2026 for one (1) Mayor and two (2) Aldermen, seconded by Bruce Robertson.

Vote: 4-0

8. **Discussion and/or Possible Action:** FDIC Limits and Moving Operating Funds to TexPool

- General Fund
- Water Fund

c. Solid Waste Fund

Terry Smith made a motion move funds to Texpool on an as-needed basis for the General Fund and Water Fund to keep the accounts under FDIC limits. The motion was seconded by Bruce Robertson.

Vote: 4-0

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

A motion to adjourn was made by Don Hagans, seconded by Terry Smith.

Vote: 4-0

Adjournment.

The meeting adjourned at 8:19 PM.

Olan Kelley, Mayor

Sarah Collard, City Secretary



RESOLUTION NO. 377

A RESOLUTION OF THE CITY OF HIGHLAND HAVEN, TEXAS, ACCEPTING THE PETITION FOR ANNEXATION OF PROPERTY LOCATED IN BURNET COUNTY, TEXAS; SETTING AN ANNEXATION SCHEDULE; PROVIDING FOR OPEN MEETINGS AND OTHER RELATED MATTERS.

WHEREAS, the owners of certain property located within Burnet County, Texas, said property, more particularly described in Exhibit A attached hereto and incorporated by reference herein (the, "Subject Property") has submitted a petition to the City of Highland Haven, Texas, (hereinafter, the "City") for annexation into the City limits; and

WHEREAS, the Subject Property is contiguous and adjacent to the corporate limits of the City; and

WHEREAS, after review and consideration of such request and petition for annexation of the Subject Property, the City Council finds that the Subject Property may be annexed pursuant to §43.0671 of the *Local Government Code*; and

WHEREAS, the petitioner has agreed and consented to the annexation of the Subject Property by the City and further agreed to be bound by all acts, ordinances, and all other legal action now in force and effect within the corporate limits of the City and all those which may be hereafter adopted.

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

Section 1. Findings. The foregoing recitals are hereby found to be true and correct and are hereby adopted by the City Council and made a part hereof for all purposes as findings of fact.

Section 2. Proceedings. The petition for annexation, attached hereto as Exhibit B, of the Subject Property described in Exhibit A and the service plan attached hereto as Exhibit C, are hereby accepted (all exhibits described herein are incorporated by reference herein for all purposes).

Section 3. Public Hearing. A public hearing has been set for the date of **March 3, 2026**. Notice of such hearing shall be posted and the hearing shall be open to the public to accept public comment on the annexation request.

Section 4. Severability. Should any section or part of this Resolution be held unconstitutional, illegal, or invalid, or the application to any person or circumstance thereof ineffective or inapplicable, such unconstitutionality, illegality, invalidity, or ineffectiveness of such section or part shall in no way affect, impair or invalidate the remaining portion or portions thereof; but as to such remaining portion or portions, the same shall be and remain in full force and effect and to this end the provisions of this Resolution are declared to be severable.

Section 4. Open Meetings. It is hereby officially found and determined that the meeting at which this Resolution is passed was open to the public as required and that public notice of the time, place, and purpose of said meeting was given as required by the Open Meetings Act, *Chapt. 551, Tex. Gov't. Code*.

PASSED AND APPROVED this the ____ day of _____, 2026.

ATTEST:

THE CITY OF HIGHLAND HAVEN, TEXAS

Sarah Collard, City Secretary

Olan Kelley, Mayor

Exhibit A

SUBJECT PROPERTY

Being Lots Nos. One Hundred Seventy-Six (176) and One Hundred Seventy-Seven (177) in Shady Acres Section Two, in Burnet County, Texas, according to plat recorded in Volume 1, Page 56, of the Plat Records of Burnet County, Texas, LESS AND EXCEPT any property already within the city limits of the City of Highland Haven, Texas.

Willis - Sherman Associates, Inc.



FIRM NUMBER: 10027600
LAND SURVEYORS AND PLANNERS
310 MAIN • MARBLE FALLS, TEXAS • 78654
(830) 693-9566 FAX (830) 693-6362

NOTES:

MONUMENTS OF DIGNITY ARE ALL
1/2" STEEL STAKES FOUND

CABINET 2, SLIDE 70-D
P.R.B.C.T. [] DENOTES RECORD

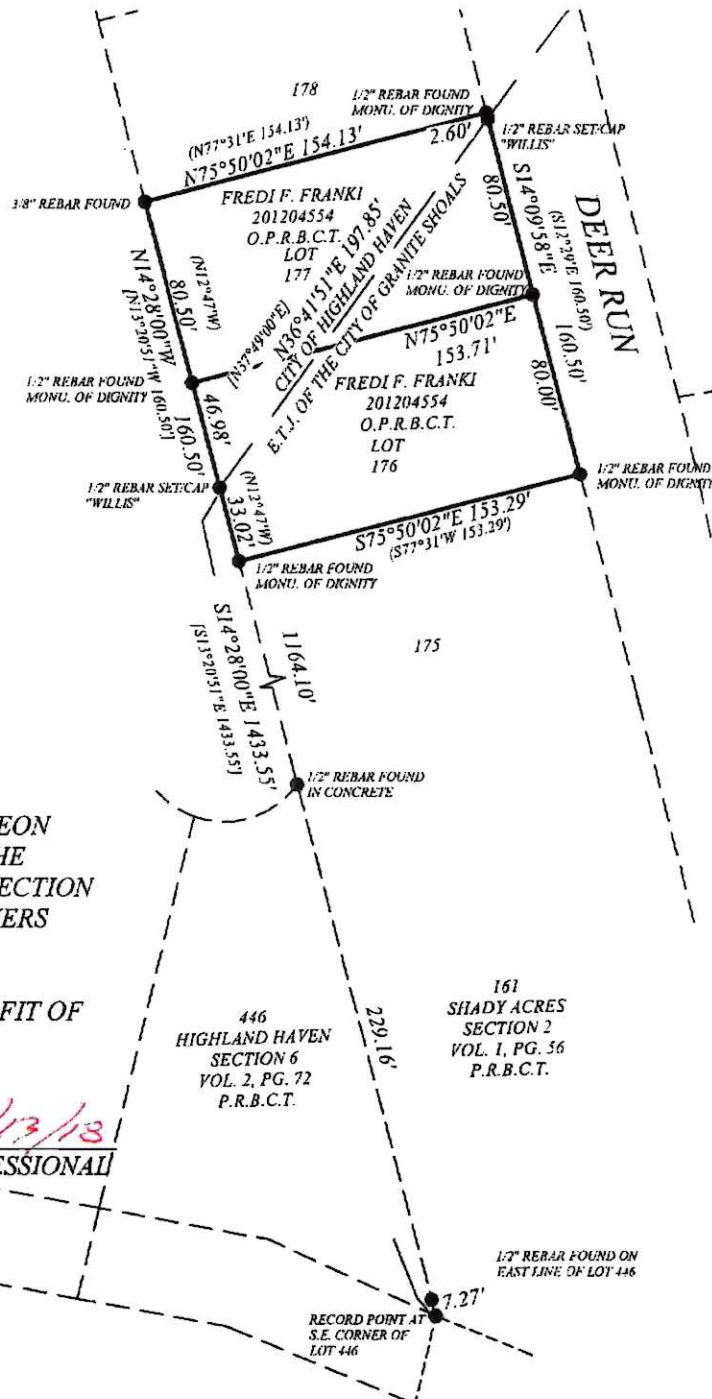
CABINET 1, SLIDE 66-D
P.R.B.C.T. () DENOTES RECORD

A SURVEY PLAT OF
THE CITY LIMIT LINE OF
THE CITY OF
HIGHLAND HAVEN
CABINET 2, SLIDE 70-D
P.R.B.C.T.

AS IT PERTAINS TO LOTS 177 AND 176
SHADY ACRES, SECTION 2
CABINET 1, SLIDE 66-D
PLAT RECORDS
BURNET COUNTY, TEXAS



SCALE: 1" = 80'



I HEREBY CERTIFY THAT THE PLAT HEREON
REPRESENTS THE RESULTS OF AN ON THE
GROUND SURVEY MADE UNDER MY DIRECTION
AND SUPERVISION AND THAT ALL CORNERS
ARE AS DESCRIBED HEREON.

THIS SURVEY WAS MADE FOR THE BENEFIT OF
FREDI F. FRANKI

Donald Sherman DATE *8/13/13*
DONALD SHERMAN REGISTERED PROFESSIONAL
LAND SURVEYOR NO. 1877

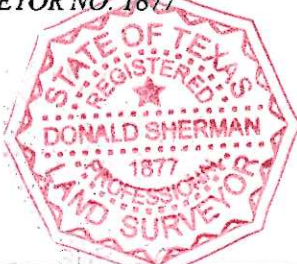


Exhibit B
PETITION
[SEE ATTACHED]

STATE OF TEXAS

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§
§

COUNTY OF BURNET

**REQUEST & PETITION TO THE BOARD OF ALDERMEN OF THE CITY OF
HIGHLAND HAVEN FOR ANNEXATION OF PROPERTY**

WHEREAS, the undersigned is the owner of a certain area of land located within Burnet County, Texas, such property being more particularly described hereinafter by true and correct legal description attached hereto as **Exhibit A** (the "Subject Property"); and

WHEREAS, the undersigned has sought the annexation of the Subject Property by the City of Highland Haven, Texas, (hereinafter sometimes referred to as "City"), in order to obtain the benefits of City services to the Subject Property by the City; and

WHEREAS, the Subject Property is contiguous and adjacent to the corporate limits of the City; and

WHEREAS, the City, pursuant to §43.003, *Tex. Loc. Gov't. Code* and the request of the property owner, is authorized to annex the Subject Property; and

WHEREAS, pursuant to §43.0672, *Tex. Loc. Gov't. Code*, the City, and the undersigned have negotiated and entered into a written agreement for the provision of services to the Subject Property, said agreement being attached hereto as **Exhibit B** and incorporated by reference herein; and

WHEREAS, the undersigned agrees and consents to the annexation of the Subject Property by the City and further agrees to be bound by all acts, ordinances, and all other legal action now in force and effect within the corporate limits of the City and all those which may be hereafter adopted.

NOW THEREFORE, the undersigned, by this Petition and Request:

SECTION ONE: Requests the Board of Aldermen of the City to commence annexation proceedings and to annex into the corporate limits of the City of Highland Haven, Texas, of all portions of the Subject Property.

SECTION TWO: Requests that after annexation the City provide such services as are legally permissible and provided by the City, including sanitation, water, and general governmental services as set forth in the written agreement regarding the provision of services attached hereto as **Exhibit B**.

SECTION THREE: Acknowledges executing and entering into the agreement, attached hereto as **Exhibit B**, and that such agreement is wholly adequate and acceptable to the undersigned who hereby requests the Board of Aldermen to proceed with the annexation and to publish notice and hold the requisite public hearing thereon, in accordance with the applicable laws of the State of Texas.

SECTION FOUR: Acknowledges that the undersigned understands and agrees that all City services to the Subject Property will be provided by the City on the same terms and conditions as provided to other similarly situated areas of the City and as provided in the written agreement regarding the provision of services attached hereto as **Exhibit B.**

SECTION FIVE: Agrees that a copy of this Request and Petition may be filed of record in the offices of the City of Highland Haven and in the real property records of Burnet County, Texas, and shall be notice to and binding upon all persons or entities now or hereafter having any interest in the Subject Property.

FILED, this ____ day of _____ 20____, with the City Secretary of the City of Highland Haven, Burnet County, Texas.

Petitioners:

By: _____
Name: _____
Title: _____

By: _____
Name: _____
Title: _____

STATE OF TEXAS §
 §
COUNTY OF _____ §

This instrument was acknowledged before me on the _____ day of _____,
20____ by _____.

GIVEN UNDER MY HAND AND SEAL OF OFFICE on this the __ day of _____ 20__.

(SEAL)

Notary Public - State of Texas

STATE OF TEXAS §
 §
COUNTY OF _____ §

This instrument was acknowledged before me on the _____ day of _____,
20____ by _____.

GIVEN UNDER MY HAND AND SEAL OF OFFICE on this the __ day of _____ 20__.

(SEAL)

Notary Public - State of Texas

Exhibit C

SERVICE AGREEMENT

[SEE ATTACHED]

AGREEMENT REGARDING POST-ANNEXATION PROVISION OF SERVICES FOR PROPERTY TO BE ANNEXED INTO THE CITY OF HIGHLAND HAVEN

This Agreement is entered into by and between the City of Highland Haven, Texas, a municipal corporation (hereinafter, the “Landowner”), and Fredi F. Franki (hereinafter, the “Owner”). The City and the Landowner may be referred to herein singularly as “Party” or collectively as the “Parties.”

RECITALS

WHEREAS, upon the request of the Owner, the City intends to institute annexation proceedings for an area of land described more in **Exhibit A** and attached hereto and incorporated by reference herein, less and except any property previously annexed by the City (the “Subject Property”); and

WHEREAS, Section 43.0672, Loc. Gov’t. Code, requires the Parties to enter into a written agreement identifying a list of public services to be provided to the Subject Property and a schedule for the provision of those services that are not otherwise provided on the effective date of the annexation; and

WHEREAS, this Agreement shall be deemed effective on the effective date of an ordinance approved by the City annexing the Subject Property (hereinafter, the “Effective Date”); and

WHEREAS, the infrastructure provided for herein and that are existing are sufficient to service the Subject Property on the same terms and conditions as other similarly situated properties currently within the City limits and no capital improvements are required to offer municipal services on the same terms and conditions as other similarly situated properties within the City; and

WHEREAS, it is found that all statutory requirements have been satisfied and the City is authorized by *Chapter 43, Loc. Gov’t. Code*, to annex the Subject Property into the City; and

NOW, THEREFORE, in consideration of the mutual covenants and agreements contained herein and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties agree as follows:

The following services and schedule represent the provision of services agreed to between the Landowner of the Subject Property and the City establishing a program under which the City will provide municipal services to the Subject Property, as required by section 43.0672 of the Texas Local Government Code. The services detailed herein will be provided at a level consistent with service levels provided to other similarly situated areas within the City.

The following services will be provided for the Subject Property on the Effective Date of annexation:

(1) **General Municipal Services.** Pursuant to the requests of the owner and this Agreement, the following services shall be provided immediately from the effective date of the annexation:

A. Police protection as follows:

Routine patrols of areas, radio response to calls for police service and all other police services now being offered to the citizens of the City. Upon annexation, police protection will be provided to the Subject Property at a level consistent with the service to other areas of the City with similar population density and characteristics.

B. Fire protection and Emergency Medical Services as follows:

Fire protection now being offered to the citizens of the City through the contracted firefighting force and the volunteer firefighting force. Emergency Medical Services is consistent with services now being offered to the citizens of the City.

C. Solid waste collection services as follows:

Residential solid waste collection and services are now being offered to the citizens of the City. The City provides residential solid waste collection services within the City CCN (Certificate of Convenience and Necessity) limits for a fee under a contract between the City and private refuse collection operator. This service will be provided for a fee to any person within the Subject Property requesting the service after the Effective Date of annexation.

D. Animal control as follows:

Service by present personnel, equipment and facilities or by contract with a third party, consistent with services now being offered to the citizens of the City.

E. Inspection services in conjunction with building permits and routine City code enforcement services by present personnel, equipment and facilities. Municipal Court and General Administration services will also be available to property owners and residents in the Subject Property on the same basis those facilities are available to current City property owners and residents.

F. Maintenance of other City facilities, buildings, and service.

G. Land use regulation as follows:

On the effective date of annexation, the zoning jurisdiction of the City shall be extended to include the annexed area, and the use of all property therein shall be grandfathered; and shall be temporarily zoned "District R1" with the intent to rezone the Subject Property upon request of the landowner or staff. The Planning & Zoning Commission and the City Council will consider rezoning the Subject Property at future times in response to requests submitted by the Landowners or authorized city staff. The City will impose and enforce its adopted ordinances, including but not limited to, zoning, subdivision development, site development and building code regulations within the Subject Property upon the Effective Date of the annexation. Enforcement will be in accordance with City ordinances. Development plans and plats for projects within the Subject Property will be reviewed for compliance with City standards.

(2) **Scheduled Municipal Services.** Due to the size and vacancy of the Subject Property, the plans and schedule for the development of the Subject Property, the following municipal services will be provided on a schedule and at increasing levels of service as provided herein:

A. Water service and maintenance of water facilities as follows:

(i) Inspection of water distribution lines as provided by statutes of the State of Texas.

(ii) In accordance with the applicable rules and regulations for the provision of water service, water service will be provided to the Subject Property, or applicable portions thereof, by the utility holding a water certificate of convenience and necessity ("CCN") for the Subject Property, or portions thereof as applicable, or absent a water CCN, by the utility in whose

jurisdiction the Subject Property, or portions thereof as applicable, is located, in accordance with all the ordinances, regulations, and policies of the City in effect from time to time for the extension of water service. If connected to the City's water utility system, the Subject Property's owner shall construct the internal water lines and pay the costs of line extension and construction of such facilities necessary to provide water service to the Subject Property as required in City ordinances. Upon acceptance of the water lines within the Subject Property and any off-site improvements, water service will be provided by the City utility department on the same terms, conditions and requirements as are applied to all similarly situated areas and customers of the City; subject to all the ordinances, regulations and policies of the City in effect from time to time. The system will be accepted by the City in accordance with its usual acceptance and maintenance policies. New water line extensions will be installed and extended upon request under the same costs and terms as with other similarly situated customers of the City. The ordinances of the City in effect at the time a request for service is submitted shall govern the costs and request for service. The continued use of a water well that is in use on the effective date of the annexation and is in compliance with applicable rules and regulations shall be permitted and such use may continue until the Subject Property's owner requests and is able to connect to the City's water utility system.

B. The City does not own or operate a sewer system. On-site septic systems must be approved by LCRA. The continued use of a septic system that is in use on the effective date of the annexation and is in compliance with all applicable rules and regulations shall be permitted and such use may continue until the Subject Property owner requests and is able to connect to the City's wastewater utility system.

C. Maintenance of streets and rights-of-way as appropriate as follows:

(i) Provide maintenance services on existing public streets within the Subject Property and other streets that are hereafter constructed and finally accepted by the City. The maintenance of the streets and roads will be limited as follows:

1. Emergency maintenance of streets, repair of hazardous potholes, measures necessary for traffic flow, etc., and

2. Routine maintenance as presently performed by the City.

D. The City will maintain existing public streets within the Subject Property, and following installation and acceptance of new roadways by the City as provided by city ordinance, including any required traffic signals, traffic signs, street markings, other traffic control devices and street lighting, the City will maintain such newly constructed public streets, roadways and rights-of-way within the boundaries of the Subject Property, as follows:

(i) As provided in C(i)(1) and C(i)(2) above;

(ii) Reconstruction and resurfacing of streets, installation of drainage facilities, construction of curbs, gutters and other such major improvements as the need therefore is determined by the governing body under City policies;

(iii) Installation and maintenance of traffic signals, traffic signs, street markings and other traffic control devices as the need therefore is established by appropriate study and traffic standards; and

(iv) Installation and maintenance of street lighting in accordance with established policies of the City;

E. The outer boundaries of the Subject Property abut existing roadways. The Landowner agrees that no improvements are required on such roadways to service the Subject Property.

(3) **Capital Improvements.** Construction of the following capital improvements shall be initiated after the effective date of the annexation: None. Upon development of the Subject Property or redevelopment, the Landowner will be responsible for the development costs the same as a developer in a similarly situated area under the ordinances in effect at the time of development or redevelopment. No additional capital improvements are necessary at this time to service the Subject Property the same as similarly situated properties. When deemed necessary, capital improvement acquisition or construction will occur in accordance with applicable ordinances and regulations and the adopted capital improvement plans of the City, as applicable and amended, which are incorporated herein by reference.

(4) **Term.** If not previously expired, this agreement expires at the end of ten (10) years.

(5) **Property Description.** The legal description of the Subject Property is as set forth in the Annexation Ordinance and exhibits attached to the Annexation Ordinance to which this Agreement is attached.

(6) **Binding Effect/Authority.** This Agreement binds and inures to the benefit of the Parties and their respective heirs, successors, and permitted assigns. Each Party further warrants that each signatory to this Agreement is legally authorized to bind the respective individual or entity for the purposes established herein.

(7) **Choice of Law.** This Agreement will be construed under the laws of the State of Texas, without regard to choice-of-law rules of any jurisdiction. Venue for any dispute shall lie exclusively in Burnet County, Texas.

(8) **Counterparts.** This Agreement may be executed in any number of counterparts with the same effect as if all signatory Parties had signed the same document. All counterparts will be construed together and will constitute one and the same instrument.

(9) **Legal Construction.** If any provision in this Agreement is for any reason found to be unenforceable, to the extent the unenforceability does not destroy the basis of the bargain among the Parties, the unenforceability will not affect any other provision hereof, and this Agreement will be construed as if the unenforceable provision had never been a part of the Agreement. Whenever context requires, the singular will include the plural and neuter include the masculine or feminine gender, and vice versa. Headings in this Agreement are for reference only and are not intended to restrict or define the text of any section. This Agreement will not be construed more or less favorably between the Parties by reason of authorship or origin of language.

(10) **Entire Agreement.** This Agreement contains the entire Agreement between the Parties relating to the rights herein granted and the obligations herein assumed and cannot be varied except by written agreement of the Parties. Any oral representation or modification concerning this instrument shall be of no force and effect except for any subsequent modification in writing, signed by the Party to be charged.

EXECUTED and AGREED to by the Parties this the ____ day of _____, 20__.

ATTEST:

THE CITY OF HIGHLAND HAVEN, TEXAS

Sarah Collard, City Secretary

Olan Kelley, Mayor

LANDOWNER(S):

Name (print): _____

Title: _____

Date: _____

Name (print): _____

Title: _____

Date: _____

STATE OF TEXAS §

§
COUNTY OF _____ §

This instrument was acknowledged before me on the ____ day of _____,
20__ by _____.

GIVEN UNDER MY HAND AND SEAL OF OFFICE on this the __ day of _____ 20__.

(SEAL)

Notary Public - State of Texas



January 30, 2026

Subject: Discussion on Investment Policy

To the City of Highland Haven Board of Aldermen,

Background and Recommendation

The City's current investment practices include TexPool accounts tied to the General Fund and Water Fund, allowing idle balances in those funds to earn modest, low-risk returns while helping keep operating account balances at or below FDIC insurance limits (\$250,000 per depositor, per insured bank). The Solid Waste Fund currently lacks a dedicated TexPool account, resulting in idle balances in its operating account that earn no interest.

To promote consistency, prudent cash management, and alignment with the Texas Public Funds Investment Act (PFIA, Texas Government Code Chapter 2256), staff recommends:

- Opening a dedicated TexPool account for the Solid Waste Fund (creating uniform investment accounts across all three major operating funds: General, Water, and Solid Waste).
- Adopting updated internal controls via resolution, including designation of authorized representatives for TexPool and a dual-approval process for transfers/redemptions, as well as minimum and maximums for each investment account.

Rationale for Opening a TexPool Account for the Solid Waste Fund (Item A)

- **Uniform Structure Across Funds:** Establishes a consistent approach by providing each operating fund (General, Water, Solid Waste) with its own TexPool investment account, simplifying administration, reporting, and oversight.
- **Prudent Stewardship of Public Resources:** Allows idle balances in the Solid Waste operating account (which are typically stable and not subject to large seasonal fluctuations) to earn competitive, low-risk returns through TexPool, rather than sitting uninvested.
- **Enhanced Safety and Liquidity:** While TexPool investments are not FDIC-insured, they are managed conservatively (primarily in U.S. Treasury and agency securities) with daily liquidity and strong state oversight. Pairing this with sweeps from operating accounts helps minimize uninsured deposits in bank accounts while preserving ready access to funds for operations.
- **Low Administrative Burden:** TexPool offers minimal fees, online access, and straightforward setup. This aligns with common practices among Texas cities and complies with PFIA priorities (safety first, then liquidity, then yield).

Staff will coordinate enrollment using the standard TexPool Participation Agreement and Resolution (templates available from TexPool), designating the same authorized representatives as outlined below.



Proposed Internal Controls and Authorized Signatories (Item B)

To maintain strong segregation of duties consistent with our existing banking procedures (where checks require one staff and one elected official signature), staff recommends requiring dual approval for all TexPool transfers/redemptions. TexPool itself does not mandate dual signatures for transactions, but we can enforce this internally via a simple Transfer Authorization Form signed by two individuals before execution. The proposed resolution (detailed below) designates authorized representatives and establishes fund-specific liquidity guidelines to guide prudent transfers:

- **General Fund:** Monitor regularly; transfer funds above FDIC limits promptly while maintaining ~3 months of average operating expenditures as a minimum balance.
- **Water Fund and Solid Waste Fund:** Retain ~3 months of average operating expenditures in the operating account at the start of each fiscal year; transfer amounts above this minimum periodically as available funds beyond prudent liquidity needs allow.

This approach emphasizes careful management of taxpayer resources, ensures adequate working capital, and optimizes modest earnings on idle balances without unnecessary complexity for our small staff.

Recommended Action

Staff recommends the Board discuss these items and, if appropriate, at the next Board of Aldermen meeting on February 17:

1. Approve opening a TexPool account for the Solid Waste Fund.
2. Adopt the attached Resolution, with any edits made by the board, authorizing participation, designating authorized representatives, and establishing internal controls for transfers.

Please see the draft resolution on the next page

Draft Resolution

RESOLUTION NO. [Insert Number] A RESOLUTION OF THE CITY OF HIGHLAND HAVEN, TEXAS, AUTHORIZING PARTICIPATION IN THE TEXPOOL INVESTMENT POOL, DESIGNATING AUTHORIZED REPRESENTATIVES, AND ADOPTING INTERNAL CONTROLS FOR TRANSFERS

WHEREAS, the City of Highland Haven seeks to manage public funds prudently in accordance with the Texas Public Funds Investment Act (Texas Government Code Chapter 2256); and

WHEREAS, TexPool, administered by the Texas Treasury Safekeeping Trust Company, provides a safe, liquid, and compliant investment option for local governments; and

WHEREAS, establishing consistent investment accounts across all major funds and implementing internal controls will enhance stewardship of public resources;

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

1. **Authorization to Participate:** The City is authorized to participate in TexPool and open a dedicated TexPool account for the Solid Waste Fund (in addition to existing accounts for the General Fund and Water Fund).
2. **Authorized Representatives:** The following individuals are designated as Authorized Representatives for TexPool accounts, with authority to transmit funds for investment, request redemptions, and manage accounts per TexPool requirements:
 - City Administrator
 - City Secretary
 - Mayor
 - Treasurer (Alderman)
 - Any additional Board of Aldermen member as designated by future board resolution
- Designations may be amended by subsequent board resolution.
3. **Internal Approval Process for Transfers/Redemptions:** To ensure strong internal controls and consistency with banking procedures:
 - All transfers to or from TexPool accounts shall require prior dual approval documented on an internal Transfer Authorization Form.
 - The form shall be signed by two individuals (ideally one staff member and one elected official, such as the City Administrator or City Secretary paired with the Mayor, Treasurer, or another Alderman).
 - The form shall specify the purpose, amount, fund source/destination, and compliance with liquidity guidelines.
 - One Authorized Representative shall then execute the transaction in TexPool, with the signed form retained in city records for audit and reconciliation.
4. **Fund-Specific Liquidity and Transfer Guidelines:**
 - **General Fund:** Operating account balances shall be monitored regularly. Funds above the FDIC insurance limit of \$250,000 shall be transferred to the General Fund TexPool account as promptly as practical to limit uninsured exposure, while maintaining a minimum operating balance equivalent to approximately three (3) months of average operating expenditures for liquidity.
 - **Water Fund and Solid Waste Fund:** At the beginning of each fiscal year, a minimum balance equivalent to approximately three (3) months of average operating expenditures shall be retained in the respective operating account to support day-to-day and anticipated needs. Any amounts above this minimum shall be transferred to the corresponding TexPool account periodically (e.g., monthly or quarterly, or as cash flow analysis indicates available funds beyond prudent liquidity needs).
5. **Monitoring and Compliance:** The designated investment officer shall monitor balances at least monthly, prepare Transfer Authorization Forms as needed, reconcile TexPool statements along with the Treasurer, and ensure compliance with this resolution and the City's Investment Policy (to be reviewed annually).

PASSED AND APPROVED this [date] day of [month], 2026.



January 30, 2026

Subject: Discussion on Additional Attorney Firm(s)

To the City of Highland Haven Board of Aldermen,

Background and Recommendation

The City currently contracts with one primary law firm for legal services. Over the past year, response times for feedback on city matters have occasionally been longer than ideal, which can delay timely decision-making on operational, regulatory, or compliance issues.

An Alderman has suggested exploring contracts with one or two additional firms to provide greater flexibility and ensure more prompt legal opinions when needed. Staff recommends discussing this option as a potential enhancement to our legal support structure.

Before pursuing additional firms, staff proposes first engaging directly with our current attorney to identify ways to improve response efficiency. This collaborative approach demonstrates our appreciation for the existing relationship while addressing the practical need for faster turnaround.

Proactive Steps with Current Attorney

To strengthen our current arrangement, staff will:

- Schedule a meeting (or series of discussions) with the primary attorney to review communication preferences and processes.
- Seek feedback on the most effective formats for requests (e.g., concise email summaries with bullet points, attached background documents, or a standardized template to streamline review).
- Establish agreeable timetables for responses, including guidelines for indicating urgency (e.g., requesting a response by a specific date when time-sensitive).
- Clarify who should submit requests (e.g., routing through the City Administrator or City Secretary for consistency and tracking).
- Explore any internal firm adjustments (e.g., assigning a secondary contact or dedicated municipal team member) that could help maintain momentum without changing providers.

These steps aim to enhance efficiency within our existing partnership and will be documented and reported back to the Board for review. If improvements are achieved, additional firms may not be necessary; if not, we can proceed to explore supplements. At the end of this memo is a draft email prepared to send to our current attorney for scheduling a meeting to discuss these steps.



Legal Justification for Multiple Firms

Texas law provides cities broad authority to contract for professional services as needed to support efficient operations (Texas Local Government Code Chapters 51–271). There is no statutory requirement to use a single firm or attorney. Small/general-law cities like Highland Haven commonly rely on outside counsel, and engaging multiple firms (or attorneys) is permissible to address workload, specialization, potential conflicts, or timeliness needs. This aligns with guidance from the Texas Municipal League (TML) and ethical standards under the Texas Disciplinary Rules of Professional Conduct (provided conflicts are properly managed). It supports prudent use of taxpayer resources by ensuring reliable, timely legal guidance.

Is This Common? Examples

Yes, it is a standard and practical practice among Texas municipalities, particularly smaller ones without in-house legal staff:

- Many small Texas cities use a primary municipal law firm but supplement with additional firms or attorneys for overflow work, specialized matters (e.g., litigation, utilities, or land use), or faster responses when the primary counsel is backlogged. Some cities prefer relationships with firms that have multiple specialized attorneys to handle diverse needs efficiently.
- Smaller cities often use a combination of staff (if any) and outside counsel, or rely exclusively on outside firms, including turning to separate litigation counsel for complex cases while keeping general counsel primary.
- This is noted as a common approach in resources discussing municipal legal practices in Texas, where small cities benefit from flexibility and access to varied expertise without the overhead of full-time in-house staff.

In the Burnet County/Hill Country area (e.g., Marble Falls, Burnet, Bertram), cities typically engage outside municipal attorneys from Central Texas firms. While specific multi-firm arrangements are not always publicly detailed for small cities, the regional and statewide pattern supports using multiple providers as a common flexibility tool.

Potential Benefits and Considerations

- Improved response times and redundancy for urgent or complex matters.
- Broader access to expertise without the cost of full-time in-house staff.
- Maintained strong relationship with current counsel through proactive dialogue.

Recommended Action

Discuss the proposal, including the planned outreach to our current attorney via the draft email below. If appropriate, direct staff to:

1. Send the email and initiate discussions with the current firm on efficiency improvements.
2. Report back on outcomes (including any agreed-upon process changes) at a future meeting.
3. If needed, prepare options for additional legal support.

This approach positions us as thoughtful stewards of city resources while addressing the identified need collaboratively.



Draft Email to Current Attorney

The following is a proposed draft email that staff intends to send to our current attorney to initiate this discussion. It frames the conversation positively and collaboratively:

Subject: Request for Discussion: Enhancing Our Communication Process for Timely Legal Guidance

To the Knight Law Firm,

I hope this email finds you well.

First, I want to thank you sincerely for the excellent legal support you've provided to the City of Highland Haven over the years. Your expertise and guidance have been invaluable in helping us navigate various municipal matters, and we truly value our ongoing partnership.

As our small staff continues to handle a steady volume of operational, compliance, and board-related issues, we've noticed that response times on some requests have occasionally been longer than ideal for our needs—particularly when time-sensitive decisions arise (e.g., agenda preparation, regulatory questions, or urgent operational clarifications). We understand the demands on your practice and appreciate the thoroughness you bring to each matter.

To help ensure we continue receiving the prompt, reliable input that supports efficient city operations, I'd like to schedule a brief call or meeting to discuss ways we might refine our communication process collaboratively.

Specifically, we're open to your feedback and suggestions on the following areas:

- Preferred formats for submitting requests (e.g., concise email summaries with bullet points, attached background documents, or a standardized template to streamline review).
- Agreeable response timetables or guidelines (e.g., aiming for initial acknowledgment within 24–48 hours and substantive responses within a mutually realistic timeframe, such as 3–5 business days for non-emergency items).
- Best practices for indicating urgency (e.g., clearly noting "Requesting response by [specific date]" in the subject line or body when deadlines are involved).
- Routing of requests (e.g., channeling them primarily through me as City Administrator or the City Secretary for consistency and tracking).
- Any internal adjustments on your end (e.g., designating a secondary contact for overflow or routine matters) that could help maintain momentum without overburdening your primary team.

Our goal is to make the process as efficient as possible for both sides while preserving the high quality of advice we've come to rely on. We're not looking to make major changes but rather to align expectations and tools in a way that better fits our small-city pace and your workload.

Would you be available for a 20–30 minute call next week? Please let me know a few times that work for you, or if you'd prefer to discuss via email first or provide written thoughts in advance. I'm happy to prepare a short agenda or examples if helpful.

Thank you again for your continued dedication to Highland Haven. We look forward to your thoughts and to strengthening our working relationship.



January 30, 2026

Subject: Discussion on Reviewing Water System (Maintenance and Operation Issues)

To the City of Highland Haven Board of Aldermen,

Background and Update

The City's water system continues to operate reliably, with ongoing proactive maintenance and effective response to recent weather challenges. This update covers key recent activities related to the emergency generator at the water plant and the City's handling of the January 2026 winter storm/ice event that affected the Highland Lakes region (including Highland Haven). Overall, the system performed well, with no major disruptions to City operations or widespread service impacts.

i. Generator Update

The water plant's emergency generator underwent its annual comprehensive preventive maintenance (PM) service on January 20, 2026. Our generator services provider performs routine quarterly PMs, with this larger annual service including a thorough inspection, testing, and component upgrades.

During the PM, the provider installed a new recommended part to address recurring issues observed during weekly operational exercises (required to keep the generator in optimal condition and ensure reliable performance). These weekly tests simulate real-world conditions, verify automatic startup, and help prevent mechanical failures during actual power outages.

Prior to this repair, the generator required manual intervention to start during tests or outages, which reduced reliability. Following the January 20 work, the weekly test this week completed successfully without issues—the first seamless automatic operation since March 2025. The system is now fully restored to automatic startup mode in the event of power loss at the water plant, enhancing readiness and compliance with operational standards.

This proactive investment ensures the generator remains dependable for protecting water supply continuity during emergencies.

ii. Winter Storm Update

The Highland Lakes area, including Highland Haven, experienced a significant ice storm and prolonged winter weather event over the past weekend (lasting approximately 3–4 days), consistent with statewide reports of freezing rain, sleet, and sub-freezing temperatures in January 2026. While the storm caused challenges regionally (e.g., icy roads, scattered power outages, and some infrastructure strain), the City's water system handled it effectively with no severe operational issues.



Key highlights:

- At the request of some part-time/non-resident customers, water service was temporarily shut off to a limited number of properties to help prevent freeze-related damage to their homes/pipes.
- A couple of customer-side burst pipes occurred due to the cold, requiring staff to shut off service to affected homes for safety. All impacted homeowners were promptly notified by City staff.
- Our water operator responded quickly to any storm-related issues affecting City infrastructure or operations.
- One notable incident involved a burst outdoor faucet near the meter in Shady Acres—this faucet serves as one of our state-mandated TCEQ (Texas Commission on Environmental Quality) testing sites for water quality compliance (e.g., routine sampling points). The property owner indicated they would cap the line if repairing it themselves, as it is unused. To preserve this critical testing site for ongoing regulatory compliance, staff directed the water operator to repair it at City expense rather than risk losing the designated sampling location. The work on this should be completed by the Board of Aldermen meeting on February 3, 2026.

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Pre-storm preparations were strong: Staff proactively sent out updates to residents regarding expected weather impacts, potential delays in solid waste collection, instructions for reporting issues, and general safety tips. These communications helped minimize surprises and supported community preparedness.

In summary, the City experienced only minor, customer-side issues—no major breaks in City mains, no widespread outages, and no loss of water production or pressure. The water operator continues to monitor and address any lingering effects.

Overall Assessment

Both the generator repair and winter storm response demonstrate the effectiveness of our maintenance program and emergency preparedness. The water system remains in good condition, with staff's quick actions helping to avoid larger problems and maintain compliance with TCEQ requirements.

Recommended Action

This is provided for Board review and discussion. No formal action is required at this time, but staff welcomes any questions, feedback, or directives related to ongoing water system operations, maintenance priorities, or future preparedness enhancements.

Thank you for your continued support of these critical infrastructure efforts.