



City Administrator's Update

HIGHLAND HAVEN

August 29, 2025



Budgeting Under New Limits from Austin SB 10, Local Impacts from the Legislature, and the November 4 Bond Election

Dear Highland Haven Residents,

At the last Board of Aldermen meeting on August 19, we identified 26 new bills that were passed during the regular session earlier this year that will require us to update, change or add to our ordinances. The process to complete these changes takes hours of work from our Board, the Planning and Zoning Commission, our City Attorney, and City Staff.

The Texas Legislature is once again considering bills that could have a major effect on cities like ours. During the current second special session, Senate Bill 10 was amended in the House to set a voter approval rate of just 1% for cities and counties. Any tax rate increase above 1% would automatically go to an election.

While this might sound minor, in practice it creates significant challenges for small cities. For Highland Haven, 1% of our budget is only about \$4,000. To put that in perspective, our state-mandated annual financial audit increased by \$7,000 just this past year. That single increase alone is nearly double our entire voter approval margin—meaning that to meet this state requirement, we would either have to cut services elsewhere or go through the cost and delay of holding an election simply to approve the budget.

Bills like this from Austin limit our ability to plan efficiently, adapt to inflation or rises in cost of service, and respond to the needs of our residents. Our city operates on a lean budget (still the lowest tax rate in the area), and when basic required costs go up—like audits, utilities, mandatory elections or insurance—these restrictions make it harder to deliver services without unnecessary hurdles. We will continue to monitor SB 10 closely, as its passage could reshape how cities across Texas handle their budgets.

As we head into the fall, I also want to remind you about the upcoming November 4, 2025 bond election. Voters will be asked to consider a \$1,000,000 General Obligation (GO) Bond to fund property acquisition and infrastructure updates for the city's water system. Information about the bond, including a video presentation and FAQs, is available on our city website at www.highlandhaventx.com. Please feel free to reach out to me directly at cityadministrator@highlandhaventx.com if you would like to discuss the bond in more detail.

Finally, I want to wish everyone a safe and enjoyable Labor Day weekend. Thank you for your continued engagement with your city government.

As always, stay informed, stay involved, and thank you for being an engaged part of our community!

City Administrator
Highland Haven, TX
cityadministrator@highlandhaventx.com



Next BOA Meeting

The Board of Aldermen will have their next regular meeting at 7 p.m. on Tuesday September 2, in the community center.

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

Next P&Z Meeting

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

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

Facts About the Water Investment Bond

1. The proposed bond is a **General Obligation (GO) Bond in the amount of \$1,000,000.**
2. Bond proceeds will be used to **purchase property for the water system** and to **fund some system repairs and/or upgrades.**
3. Once the bond is approved, the Board will **repay the bond using water system revenues (enterprise fund); no debt service tax will be created** and **water rates will not be raised** due to the bond.
4. The first two payments on the bond will be **interest-only** and funded from **General Fund reserves**, as outlined in the City's adopted budget.
5. When the full principal and interest payments begin for the new bond, the City's **current bond will be paid off**, and **principal and interest for the new bond** will be **paid from water fund revenues.**
6. The **annual bond payments** for the **new bond** are estimated to be approximately **\$13,000 less than the current bond payments.**
7. The property intended for purchase is **adjacent to the City's water plant** and contains **two water wells** for which the City currently holds historical lease agreements and pays royalties.
8. The City has planned to purchase this property **since 2004 as part of the Comprehensive Plan**, to ensure full control over its water infrastructure.
9. Acquiring the property will **allow for future water system development if needed** and eliminate royalty payments.
10. Possible **water system upgrades or repairs** potentially funded with this bond include:
 - a. **Replacing the current water system generator** (required by TCEQ)
 - b. **Building out well #6** and connecting it to the system
 - c. **Adding variable frequency drives to distribution pump motors**
(Not all upgrades may be completed with this bond)

Stay in the Loop & Reach Out!

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

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✉ Email: cityadministrator@highlandhaventx.com

🏢 City Hall Address: 510-A Highland Dr., Highland Haven, TX 78654

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