



**LOWER BRUSHY CREEK WCID**  
**Regular Called Meeting of the Board of Directors**

**Edmond S Komandosky, *President***  
**Scott Ging, *Vice President***  
**Monica P Masters, *Secretary/Treasurer***  
**Allen R David, *Director***  
**Laine Holman, *Director***

**LOWER BRUSHY CREEK WCID**

Notice is hereby given for a regular called meeting of the Board of Directors of the Lower Brushy Creek WCID to be held on **Monday, August 4, 2025 at 8:00am** at the Greater Taylor Chamber of Commerce at 1519 North Main Street Taylor, Texas 76574 for the purpose of considering the following agenda items. The Board of Directors will meet, consider, deliberate and may take action on all agenda items.

**AGENDA**

1. Welcome, Call to Order, and determination of a Quorum;
2. Citizens Communications- *an opportunity for the public to address the Board on agenda items or concerns not on the agenda (limited to 3 minutes each);*
3. CONSENT AGENDA: *The items on the consent agenda are considered routine by the District and will be enacted by one motion. There will be no separate discussion of the items unless requested by a Board member, in which event the item will be removed from the consent agenda and considered during the meeting.*
  - 3a. Consideration and approval of Minutes for the Regular Called Meeting Minutes of June 2, 2025;
  - 3b. Consideration and approval of Financial Reports: Account Register for May 2025, June 2025 and FY25 Third Quarter Report;
4. Presentation by General Manager of proposed FY26 Budget and FY25 Tax Rate;
5. Public Hearing regarding FY26 Tax Rate; consider adoption of an order setting the property tax rate of \$.0165 per one hundred dollars valuation of property;
6. Public Hearing regarding proposed FY26 Annual Budget;
7. Presentation by General Manager of proposed FY26 Employee Benefits and Handbook;

8. Consider approval for the General Manager to execute the Agreements with Texas County & District Retirement System (TCDRS) to provide Employee Retirement Benefits and Zesch & Pickett Insurance, LLP to provide Employee Health Care Benefits for FY26.
9. Consider approval for the General Manager to execute the Engagement Letter from Maxwell Lock and Ritter, LLC to perform auditing services for FY25 for the not-to-exceed amount of \$12,000;
10. Consider approval for the General Manager to execute a Service Agreement with Jerdon Enterprise, L.P. to provide services on the Principal Conduit Repairs for Site 3, 10 and 30 Project to a not-to-exceed amount of \$948,080.00;
11. Agency Reports;
12. Consideration and Discussion of the General Manager's Report and updates;
13. Executive Session as authorized by Section 551.072 (Deliberations regarding Real Property) of Chapter 551, Title 5 of the Texas Local Government Code: easements and land values associated with LBC Site 18 Upgrade Project;
14. Reconvene to open session to take-action, if any, on matters discussed in the Executive Session;
15. Director's Comments;
16. Adjournment.

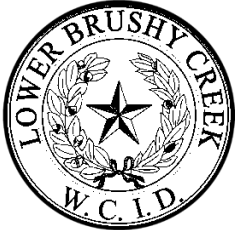
"The Lower Brushy Creek Water Control & Improvement District Board of Directors reserves the right to adjourn into executive session at any time during the meeting to discuss any of the matters listed above, as authorized by Texas Local Government Code Sections 551.071 (Consultation with Attorney), 551.072 (Deliberations regarding Real Property), 551.073 (Deliberations regarding Gifts and Donations), 551.074 (Personnel Matters), 551.076 (Deliberations regarding Security Devices), and 551.087 (Deliberations regarding Economic Development Negotiations)."

### **CERTIFICATION**

I certify that a copy of the August 4, 2025, Lower Brushy Creek WCID agenda of items to be considered by the Board of Directors of the Lower Brushy Creek WCID was posted on/or before 5:00 pm before August 1, 2025.

*Sue Lilly*

Sue Lilly, District Clerk



**LOWER BRUSHY CREEK**  
**Water Control Improvement District**  
MINUTES OF THE REGULAR CALLED MEETING OF THE BOARD OF DIRECTORS  
June 2, 2025

**CALL TO ORDER & DETERMINATION OF A QUORUM:** President Ed Komandosky called the Regular Meeting of the Board of Directors of the Lower Brushy Creek WCID to order at 8:03am on Monday June 2, 2025 and announced that a Quorum was present.

**ATTENDANCE:** Board members present included President Edmund Komandosky, Vice President Scott Ging, Treasurer/Secretary Monica Masters, Director Laine Holman and Director Allen Ray David. Others present included, General Manager Jim Clarno, Operations Manager Matt May, District Clerk Sue Lilly, Board Attorney Mark Schroeder, Bott & Douthitt, PLLC representative Tyler Douthitt, M&E Consultants representative Trent Street, K. Frieze and Associates representative Carolina Lara, NRCS representative Jess Anderson and citizens Rita Kay Pavlicek and Carl League.

**CITIZENS COMMUNICATIONS:** Carl League asked questions regarding easement updates and Rita Kay Pavlicek also asked questions regarding easement updates. **No actions were taken.**

**ACTION ITEMS:**

General Manager, Jim Clarno, presented for consideration and approval of the Minutes for the Regular Called Meeting of the Board of Directors for March 17, 2025

**A motion to approve the Minutes for the Regular Called Meeting of the Board of Directors for March 17, 2025 as presented was made by Vice President Scott Ging. The motion was seconded by Director Allen Ray David and was carried unanimously.**

Clarno presented for consideration and approval of the Account Register for March 2025- April 2025.

**A motion to delay approval of the Account Register for March 2025-April 2025 as presented was made by Director Laine Holman. The motion was seconded by Director David and was carried unanimously.**

**PRESENTATION AND DISCUSSION:** Trent Street, representative from M&E Consultants, presented for discussion a summary of the FY25 Inspections. Matthew May, LBCWCID Operations Manager, presented for discussion a summary of recent Field Notes/Inspections. **No actions were taken.**

**ACTION ITEMS:**

Clarno presented for approval of updated LBCWCID Fencing and Grazing Policy.

**A motion to approve the updated LBCWID Fencing and Grazing Policy as presented was made by Vice President Ging. The motion was seconded by Treasurer/Secretary Monica Masters and was carried unanimously.**

## **ACTION ITEMS (continued from page 1)**

Clarno presented for consideration and ratification of the LBCWCID President signing the Supplemental Watershed Plan and Environmental Assessment for Rehabilitation projects for Sites 25 and 29, dated May 5, 2025.

**A motion to approve the ratification of the LBCWCID President signing the Supplemental Watershed Plan and Environmental Assessment for Rehabilitation projects for Sites 25 and 29, dated May 5, 2025 as presented. The motion to approve the ratification was made by Director Laine Holman. The motion was seconded by Treasurer/Secretary Masters and was carried unanimously.**

**DISCUSSION:** Clarno presented for discussion, the plan for LBCWCID Employee Benefits. **No actions were taken.**

**AGENCY REPORTS:** Jess Anderson, NRCS representative, shared an update on NRCS activities. **No actions were taken.**

**GENERAL MANAGERS REPORT:** Clarno presented the General Manager's Report and Update. **No actions were taken.**

### **EXECUTIVE SESSION PURSUANT TO CHAPTER 551, TITLE 5, TEXAS GOVERNMENT CODE:**

President Komandosky cancelled the Executive Session at 9:48am, as authorized by Section 551.072 (Deliberations regarding Real Property) of Chapter 551, Title 5 of the Texas Local Government Code: easements and land values associated with the LBC Site 18 Upgrade Project. **The motion to cancel the Executive Session was carried unanimously.**

**RECONENE TO OPEN SESSION TO TAKE ACTION, IF ANY, ON MATTERS DISCUSSED IN EXECUTIVE SESSION:**  
**No action was taken.**

**DIRECTORS COMMENTS:** Director Holman had some questions and comments regarding the fence projects and requested photos.

**ADJOURNMENT:** There being no further business, the meeting was adjourned without objection at 9:51am.

Respectfully submitted

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Monica P Masters/ Secretary

## **Lower Brushy Creek WCID**

### **August 4, 2025**

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- Review Cash Activity Report, including Receipts and Expenditures
  - ☑ Action Items:
    - Review May & June 2025 Financial Statements.

[illegible]

March							
Su	M	Tu	W	Th	F	Sa	
						1	
2	3	4	5	6	7	8	
9	10	11	12	13	14	15	
16	17	18	19	20	21	22	
23	24	25	26	27	28	29	
30	31						

June							
Su	M	Tu	W	Th	F	Sa	
1	2	3	4	5	6	7	
8	9	10	11	12	13	14	
15	16	17	18	19	20	21	
22	23	24	25	26	27	28	
29	30						

September							
Su	M	Tu	W	Th	F	Sa	
	1	2	3	4	5	6	
7	8	9	10	11	12	13	
14	15	16	17	18	19	20	
21	22	23	24	25	26	27	
28	29	30					

December						
Su	M	Tu	W	Th	F	Sa
	1	2	3	4	5	6
7	8	9	10	11	12	13
14	15	16	17	18	19	20
21	22	23	24	25	26	27
28	29	30	31			

**Lower Brushy Creek WCID  
Cash Activity Report  
May 1, 2025 - June 30, 2025**

			<u>City National Bank</u>
			<b>Operating Account</b>
<b>Reconciled Cash Balance - April 30, 2025</b>			<b>\$ 100,581.67</b>
<b>Subsequent Activity</b>			<b>\$ (45,090.69)</b>
<u>Vendor</u>	<u>Memo</u>	<u>Amount</u>	
Intuit Payroll Test		0.29	
North Forest Office Space Austin, LLC	Rent - May 2025	(2,029.13)	
Lilly, Susan E	Payroll - April 2025	(2,115.70)	
May, Matthew R	Payroll - April 2025	(2,391.46)	
Allen Ray David	Director Fees - Q2 2025	(600.00)	
Ancira Strategic Partners LLP	Consulting Services - May 2025	(1,000.00)	
Bott & Douthitt, PLLC	Accounting Services - March 2025	(2,200.00)	
Clarno Consulting LLC	General Manager Services - May 2025	(7,000.00)	
Edmond Komandosky	Director Fees - Q2 2025	(1,050.00)	
Freese & Nichols	Emergency Action Plan Update - March 2025	(5,257.50)	
Furniture Solutions Now	Office Furniture	(4,439.37)	
Hejl & Schroeder, P.C.	Legal Fees - January - March 2025	(1,400.00)	
K Frieze & Associates	Engineering Fees - March 2025	(597.50)	
Laine Holman	Director Fees - Q2 2025	(600.00)	
Mathews & Freeland, LLP	Legal Fees - March 2025	(1,144.00)	
Mays Landmark Real Estate Services, LLC	Site 18 Easement Acquisition Appraisal	(6,334.10)	
Monica Masters	Director Fees - Q2 2025	(300.00)	
Ross, Molina, Oliveros, PC	Profession Services - March 2025	(2,672.19)	
RTS Connect	Consulting Services - May 2025	(1,200.00)	
Scott Ging	Director Fees - Q2 2025	(300.00)	
TAWS	Taws Spring Meeting	(375.00)	
NRG	Utilities April 2025	(48.21)	
Debit Card Purchases - April 2025		(2,036.82)	
	Total Bookkeeper's Account Expenditures	(45,090.69)	
<b>Reconciled Balance - May 31, 2025</b>			<b>\$ 55,490.98</b>
<b>Subsequent Activity</b>			<b>\$ 20,181.13</b>
Transfer From Texpool General Fund		175,000.00	
North Forest Office Space Austin, LLC	Rent - June 2025	(2,029.13)	
QuickBooks Payroll Service	Created by Payroll Service on 06/03/2025	(6,791.58)	
Ancira Strategic Partners LLP	Consulting Services - June 2025	(1,000.00)	
Clarno Consulting LLC	General Manager Services - June 2025	(7,000.00)	
RTS Connect	Consulting Services - June 2025	(1,200.00)	
Bott & Douthitt, PLLC	Accounting Services - April & May 2025	(4,400.00)	
Freese & Nichols	Engineering Fees - December 2024 & April 2025	(19,426.25)	
Furniture Solutions Now	Office Furniture	(533.86)	
K Frieze & Associates	Engineering Fees - April & May 2025	(3,263.60)	
M&E Consultants	2024-2025 Annual Inspections	(38,384.36)	
Mathews & Freeland, LLP	Legal Fees - April 2025	(3,708.00)	
NRG	Utilities May 2025	(81.41)	
Ross, Molina, Oliveros, PC	Legal Fees - April & May 2025	(3,196.89)	
Stiles Farm	Field Day - June 2025	(70.00)	
Taylor Press	Newspaper - March 2025	(610.00)	
TerraSol, LLC	Dam Maintenance - May & June 2025	(60,568.49)	
Allen Ray David	Director Fees - Q3 2025	(150.00)	
Edmond Komandosky	Director Fees - Q3 2025	(1,050.00)	
Laine Holman	Director Fees - Q3 2025	(150.00)	
Monica Masters	Director Fees - Q3 2025	(150.00)	
Scott Ging	Director Fees - Q3 2025	(150.00)	
Taylor Public Library	Taylor Public Library Meeting Deposit	(300.00)	
Debit Card Purchases - March 2025		(605.30)	
	Total Bookkeeper's Account Expenditures	20,181.13	
<b>Reconciled Balance - June 30, 2025</b>			<b>\$ 75,672.11</b>

# Lower Brushy Creek WCID Cash/Investment Activity Report June 1, 2025 - June 30, 2025

	Interest Rates	Balance 5/31/2025	Subsequent		Subtotal 6/30/2025	Projected Balance 6/30/2025
			Receipts	Disbursements		
<b>General Fund -</b>						
City Nat on Bank Account	n/a	\$ 55,490.98	\$ 175,000.00	\$ (154,818.87)	\$ 75,672.11	\$ 75,672.11
TexPool - General Operating	4.2970%	1,420,681.45	9,014.73	(247,856.26)	\$ 1,181,839.92	\$ 1,181,839.92
TexPool - Rany Day Fund	4.2970%	228,988.49	808.72	-	229,797.21	\$ 229,797.21
<b>Total - General Fund</b>		<b>1,705,160.92</b>	<b>184,823.45</b>	<b>(402,675.13)</b>	<b>1,487,309.24</b>	<b>1,487,309.24</b>
<b>Total - All Funds</b>						
		\$ 1,705,160.92	\$ 184,823.45	\$ (402,675.13)	\$ 1,487,309.24	\$ 1,487,309.24



Lower Brushy Creek WCID  
SCHEDULE OF TEMPORARY INVESTMENTS  
April 1, 2025 - June 30, 2025

FUNDS	IDENTIFICATION	INTEREST RATE	INTEREST 4/1 - 6/30	BEG. BK VAL 4/1/2025	END. BK VAL 6/30/2025	BEG. MKT VAL 4/1/2025	END. MKT VAL 6/30/2025	G/L ACCOUNT
GENERAL FUND:	TexPool - Operating Account							
	Texas Local Government Investment Pool	4.4769%	14,741.51	1,469,744.07	1,181,839.92	1,469,744.07	1,181,839.92	1100
	TexPool - Rainy Day Fund							
	Texas Local Government Investment Pool	4.4769%	2,453.61	227,343.60	229,797.21	227,343.60	229,797.21	1101
TOTAL GENERAL OPERATING FUND			17,195.12	1,697,087.67	1,411,637.13	1,697,087.67	1,411,637.13	
TOTAL ALL FUNDS			17,195.12	1,697,087.67	1,411,637.13	1,697,087.67	1,411,637.13	

This quarterly report is in full compliance with the investment strategy as established for the Public Funds Investment Act (Chapter 2459, amending Chapter 2256), and Investment Policy and Strategies set forth by the District.

  
Mary D. Cobb

# Recap & Standings Report

WTAXSaaS

Cycles: All      Taxing Units: Coupland ISD...      Deposit Date Range: 10/01/2024 to 06/30/2025      Sorted By: By Year, Descending      Options: Separate Rollbacks, Include

## Property Tax

W13 (Lower Brushy Cr WC&ID)

Taxing Unit Totals (IS,MO,SA)

2024 Fiscal Year: 10/01/2024 - 09/30/2025

	Original Roll		Beg. Uncollected		Adjustments		Adjusted Uncollected		Collections		P&I Collected		Credits / Discounts Allowed		Atty. Fee Collected		Variance		Uncollected Balance		YTD Collections	
2026	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
2025	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
2024	1,023,634.61	0.00	0.00	0.00	1,021,524.35	1,021,524.35	1,021,524.35	1,021,524.35	1,004,984.42	3,440.27	3,440.27	-368.07	0.00	-368.07	160.42	160.42	1.85	16,909.85	1,004,614.50	1,004,614.50	0.00	
2023	841,540.38	7,921.97	7,921.97	-1,071.00	-1,071.00	6,850.97	6,850.97	6,850.97	3,109.91	948.15	948.15	0.00	0.00	0.00	962.95	962.95	-0.01	3,741.05	3,109.92	3,109.92	0.00	
2022	758,373.38	1,998.44	1,998.44	-492.91	-492.91	1,505.53	1,505.53	1,505.53	-76.16	148.01	148.01	0.00	0.00	0.00	81.49	81.49	0.00	1,581.69	-76.16	-76.16	0.00	
2021	577,067.74	1,043.33	1,043.33	5.10	5.10	1,048.43	1,048.43	1,048.43	149.11	73.04	73.04	0.00	0.00	0.00	30.73	30.73	0.00	899.32	149.11	149.11	0.00	
2020	484,724.15	1,012.52	1,012.52	-5.43	-5.43	1,007.09	1,007.09	1,007.09	260.49	152.30	152.30	0.00	0.00	0.00	56.46	56.46	0.00	746.60	260.49	260.49	0.00	
2019	440,890.17	981.71	981.71	-5.93	-5.93	975.78	975.78	975.78	253.73	178.02	178.02	0.00	0.00	0.00	59.77	59.77	0.00	722.05	253.73	253.73	0.00	
2018	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
2017	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
2016	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
2015	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
2014	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
2013	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
2012	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
2011	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
2010	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
2009	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
2008	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
2007	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
2006 & prior	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
Summary																						
Total Current	1,023,634.61	0.00	0.00	0.00	1,021,524.35	1,021,524.35	1,021,524.35	1,021,524.35	1,004,984.42	3,440.27	3,440.27	-368.07	0.00	-368.07	160.42	160.42	1.85	16,909.85	1,004,614.50	1,004,614.50	0.00	
Total Delinquent	3,102,595.82	12,957.97	12,957.97	-1,570.17	-1,570.17	11,387.80	11,387.80	11,387.80	3,697.08	1,499.52	1,499.52	0.00	0.00	0.00	1,191.40	1,191.40	-0.01	7,690.71	3,697.09	3,697.09	0.00	
Rollbacks		1,934.42	1,934.42	6,907.55	6,907.55	8,841.97	8,841.97	8,841.97	4,897.15	9.65	9.65	0.00	0.00	0.00	0.00	0.00	0.00	3,944.82	4,897.15	4,897.15	0.00	
Taxing Unit Total	4,126,230.43	14,892.39	14,892.39	1,026,861.73	1,026,861.73	1,041,754.12	1,041,754.12	1,041,754.12	1,013,578.65	4,949.44	4,949.44	-368.07	0.00	-368.07	1,351.82	1,351.82	1.84	28,545.38	1,013,208.74	1,013,208.74	0.00	
Percentages																						
% of Roll Collected - 2024 - 98.34%				Adjusted Original Roll -- \$1,021,524.35										Current YTD Collected -- \$1,004,614.50								
Tax Collections Compared to Current Taxes Billed 0% Collected																						
All Collections Compared to Current Taxes Billed 0% Collected																						
Combined Collections (Collections + P&I Collected) -- 1,018,528.09																						

**Lower Brushy Creek WCID**  
**Accountant's Compilation Report**

**June 30, 2025**

The District is responsible for the accompanying financial statements of the governmental activities of Lower Brushy Creek WCID, as of and for the 9 months ended June 30, 2025, which collectively comprise the District's basic financial statements – governmental funds in accordance with the accounting principles generally accepted in the United States of America. We have performed a compilation engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. We did not audit or review the financial statements nor were we required to perform any procedures to verify the accuracy or completeness of the information provided by management. Accordingly, we do not express an opinion, a conclusion, nor provide any form of assurance on these financial statements.

The District has omitted the management's discussion and analysis, the Statement of Net Assets, and Statement of Activities that the Governmental Accounting Standards Board required to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historic context.

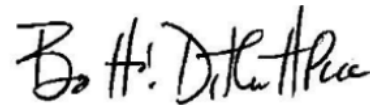
In addition, the District has elected to omit substantially all of the disclosures and the statement of cash flows required by accounting principles generally accepted in the United States of America. If the omitted disclosures and the statement of cash flows and the components required by GASB 34 were included in the financial statements, they might influence the user's conclusions about the District's financial position, results of operations, and cash flows. Accordingly, these financial statements are not designed for those who are not informed about such matters.

Accounting principles generally accepted in the United States of America require that budgetary comparison information be presented to supplement the basic financial statements. Such information is presented for purposes of additional analysis and, although not a required part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting and for placing the basic financial statements in an appropriate operational, economic, or historical context. Such information is the responsibility of management. The required supplementary information was subject to our compilation engagement. We have not audited or reviewed the required supplementary information and do not express an opinion, a conclusion, nor provide any assurance on such information.

Supplementary Information

The supplementary information contained in the schedules described in the Supplementary Information Index is presented for purposes of additional analysis and is not a required part of the basic financial statements. This information is the representation of management. The information was subject to our compilation engagement, however, we have not audited or reviewed the supplementary information and, accordingly, do not express an opinion, a conclusion, nor provide any form of assurance on such supplementary information.

We are not independent with respect to Lower Brushy Creek WCID.



August 4, 2025  
Round Rock, TX

Bott & Douthitt, PLLC

# Lower Brushy Creek WCID Governmental Funds Balance Sheet 6/30/2025

	<u>Governmental Funds</u>
	<u>General Fund</u>
<b>Assets</b>	
Cash and Cash Equivalents	
Cash	\$ 75,672.11
Cash Equivalents	1,411,637.13
Receivables	
Property Taxes	28,545.38
<b>Total Assets</b>	<u>\$ 1,515,854.62</u>
<b>Liabilities</b>	
Accounts Payable	\$ 32,411.95
Payroll Liabilities	\$ 3,628.23
<b>Total Liabilities</b>	<u>36,040.18</u>
<b>Deferred Inflows of Resources</b>	
Property Taxes	28,545.38
<b>Total Deferred Inflows of Resources</b>	<u>28,545.38</u>
<b>Fund Balance</b>	
Fund Balances:	
Assigned	473,900.00
Unassigned	977,369.06
<b>Total Fund Balances</b>	<u>1,451,269.06</u>
<b>Total Liabilities, Deferred Inflows of Resources and Fund Balance</b>	<u>\$ 1,515,854.62</u>

**Lower Brushy Creek WCID  
Statement of Revenues,  
Expenditures & Changes in Fund Balance-Governmental Funds  
October 1, 2024 - June 30, 2025**

	<u>Governmental Funds</u>
	<u>General Fund</u>
<b>Revenues:</b>	
Property Tax Revenue, including penalties	\$ 1,018,528.09
Permits & Fees	3,120.25
Interest	45,253.29
<b>Total Revenues</b>	<u>1,066,901.63</u>
<b>Expenditures:</b>	
Current-	
Operating Expenses -	
Dam Rehabilitation	72,856.26
Dam Repairs	11,419.95
Dam Maintenance	74,855.63
Administrative Services -	
Advertising/Legal Notice	980.00
Dues/Subscriptions/Professional Development	5,116.50
Insurance	3,454.16
Meals & Entertainment	167.32
Office Supplies	13,985.24
Director Fees	5,500.00
Travel & Mileage	4,929.80
Tax Appraisal Fees	6,043.00
Tax Collection Fees	8,651.17
Postage/Delivery Charges	436.67
Rent Expense	17,272.26
Website Development	3,792.01
Utilities	422.90
Miscellaneous Expense	9,287.19
Professional Fees -	
Legal Fees	26,847.48
Accounting Fees	19,852.22
Engineering Fees	135,314.93
USGS	10,625.00
General Manager	57,000.00
District Clerk	14,910.00
Operations Manager	9,042.00
Payroll Expenses	1,619.16
Auditing Fees	11,500.00
Other Consulting Fees	19,800.00
<b>Total Expenditures</b>	<u>545,680.85</u>
<b>Excess/(Deficiency) of Revenues over Expenditures</b>	<u>521,220.78</u>
<b>Fund Balance, October 1, 2024</b>	<u>930,048.28</u>
<b>Fund Balance, June 30, 2025</b>	<u>\$ 1,451,269.06</u>

Supplementary Information  
Index

General Fund

- Budgetary Comparison Schedule
- Revenue & Expenditures: Actual + Budgeted

**Lower Brushy Creek WCID**  
**Budgetary Comparison Schedule-General Fund**  
**June 30, 2025**

	Current Month			Year to Date		
	Actual	Budget	Difference	Actual	Budget	Difference
<b>Revenues:</b>						
Property Taxes, including penalties	\$ 4,435.51	\$ -	\$ 4,435.51	\$ 1,018,528.09	\$ 1,000,000.00	\$ 18,528.09
Grant Income	-	-	-	-	-	-
Interest Income	5,387.94	2,500.00	2,887.94	45,253.29	22,500.00	22,753.29
Permits/Fees & Other Income	-	-	-	3,120.25	3,120.25	-
<b>Total Revenues</b>	<u>9,823.45</u>	<u>2,500.00</u>	<u>7,323.45</u>	<u>1,066,901.63</u>	<u>1,025,620.25</u>	<u>41,281.38</u>
<b>Expenditures:</b>						
Administrative Expenses						
General Manager	6,500.00	6,500.00	-	57,000.00	58,500.00	1,500.00
District Clerk	3,390.00	3,000.00	(390.00)	14,910.00	27,000.00	12,090.00
Operations Manager	4,075.50	5,333.33	1,257.83	9,042.00	15,999.99	6,957.99
Director Fees	1,650.00	2,400.00	750.00	5,500.00	7,200.00	1,700.00
Accounting Fees	2,200.00	2,500.00	300.00	19,852.22	22,500.00	2,647.78
Audit Fees	-	-	-	11,500.00	11,500.00	-
Consulting fees	2,200.00	2,200.00	-	19,800.00	19,800.00	-
Other Professional Fees	-	-	-	-	-	-
Legal Fees	-	4,000.00	4,000.00	26,847.48	36,000.00	9,152.52
Advertising/Legal Notices	370.00	370.00	-	980.00	836.26	(143.74)
Bonds/Insurance	-	-	-	3,454.16	3,000.00	(454.16)
Dues/Subscriptions/Professional Development	370.00	1,500.00	1,130.00	5,116.50	2,000.00	(3,116.50)
Meals/Entertainment	-	166.67	166.67	167.32	1,500.00	1,332.68
Rent	2,029.13	2,000.00	(29.13)	17,272.26	18,000.00	727.74
Office Supplies	-	1,416.67	1,416.67	13,985.24	12,750.03	(1,235.21)
Postage/PO Box/Delivery Charges	-	62.50	62.50	436.67	562.50	125.83
Travel/Mileage	711.54	791.67	80.13	4,929.80	7,125.03	2,195.23
Website	-	-	-	3,792.01	600.00	(3,192.01)
Tax Appraisal Fees	-	-	-	6,043.00	5,600.00	(443.00)
Williamson County Tax Collector	-	-	-	8,651.17	10,000.00	1,348.83
Utilities	156.96	183.33	26.37	422.90	1,649.97	1,227.07
Payroll Taxes	782.21	-	(782.21)	1,619.16	-	(1,619.16)
Employee Benefits	-	1,000.00	1,000.00	-	3,000.00	3,000.00
Miscellaneous	494.83	1,212.50	717.67	9,287.19	10,912.50	1,625.31
Engineering Expenses						
Engineering/Surveying	51,482.80	17,666.66	(33,816.14)	135,314.93	158,999.94	23,685.01
USGS	-	10,625.00	10,625.00	10,625.00	31,875.00	21,250.00
Operating Expenses						
Dam Maintenance	34,524.30	24,166.67	(10,357.63)	74,855.63	217,500.03	142,644.40
Dam Repairs	-	-	-	11,419.95	11,419.95	-
Dam Rehabilitation	<u>72,856.26</u>	<u>72,856.26</u>	<u>-</u>	<u>72,856.95</u>	<u>72,856.26</u>	<u>(0.69)</u>
<b>Total Expenditures</b>	<u>183,793.53</u>	<u>159,951.26</u>	<u>(23,842.27)</u>	<u>545,681.54</u>	<u>768,687.46</u>	<u>223,005.92</u>
<b>Excess/(Deficiency) of Revenues over Expenditures</b>	<u>\$ (173,970.08)</u>	<u>\$ (157,451.26)</u>	<u>\$ (16,518.82)</u>	<u>\$ 521,220.09</u>	<u>\$ 256,932.79</u>	<u>\$ 264,287.30</u>

Lower Brushy Creek WCID  
Revenues & Expenditures - General Fund: Actual + Budgeted  
Fiscal Year 2024-2025

FY 2025 Amended Budget Approved 3/1/2025	Actual Oct-24	Actual Nov-24	Actual Dec-24	Actual Jan-25	Actual Feb-25	Actual Mar-25	Actual Apr-25	Actual May-25	Actual Jun-25	Budget Jul-25	Budget Aug-25	Budget Sep-25	Actual + Budgeted	Variance
Revenues:														
Property Taxes	\$ 17,563	\$ 39,066	\$ 454,731	\$ 389,009	\$ 81,873	\$ 16,077	\$ 9,059	\$ 6,716	\$ 4,436	\$ -	\$ -	\$ -	\$ 1,018,529	18,529
Grant Income	-	-	-	-	-	-	-	-	-	-	-	132,300	132,300	-
Interest Income	3,861	3,618	3,759	5,052	5,582	6,186	5,810	5,997	5,388	2,500	2,500	2,500	52,753	22,753
Permits and Fees	-	-	3,000	-	-	48	72	-	-	-	-	11,880	15,000	-
Total Revenues	21,423	42,684	461,490	394,060	87,455	22,311	14,941	12,713	9,823	2,500	2,500	146,680	1,203,582	41,282
Expenditures:														
Administrative Expenses -														
General Manager	78,000	6,000	6,000	6,500	6,500	6,500	6,500	6,500	6,500	6,500	6,500	6,500	76,500	1,500
District Clerk	36,000	1,325	825	1,545	1,500	1,980	750	2,370	3,390	3,000	3,000	3,000	23,910	12,090
Operations Manager	32,000	-	-	-	-	-	2,261	2,706	4,076	5,333	5,333	5,333	25,042	6,958
Director Fees	9,600	-	1,000	-	-	2,850	-	-	1,650	-	-	2,400	7,900	1,700
Accounting Fees	30,000	2,200	2,200	2,252	2,200	2,200	2,200	2,200	2,200	2,500	2,500	2,500	27,352	2,648
Audit Fees	11,500	-	-	11,500	-	-	-	-	-	-	-	-	11,500	-
Consulting fees	26,400	2,200	2,200	2,200	2,200	2,200	2,200	2,200	2,200	2,200	2,200	2,200	26,400	-
Legal Fees	48,000	10,448	3,176	463	2,169	2,446	1,496	1,985	-	4,000	4,000	4,000	38,847	9,153
Advertising/Legal Notices	8,000	-	-	-	-	610	-	-	370	-	-	7,164	8,144	(144)
Bonds/Insurance	3,000	3,324	130	-	-	-	-	-	-	-	-	-	3,454	(454)
Dues/Subscriptions/Prof. Dev.	2,000	-	785	470	303	1,000	675	1,514	370	-	-	-	5,117	(3,117)
Meals/Entertainment	2,000	-	-	28	-	-	65	41	-	167	167	167	667	1,333
Rent	24,000	1,007	1,028	1,028	3,057	3,057	3,008	2,029	2,029	2,000	2,000	2,000	23,272	728
Office Supplies	17,000	1,177	-	-	4,487	1,642	5,852	828	-	1,417	1,417	1,417	18,235	(1,235)
Postage/PO Box/Delivery Charges	750	74	-	104	61	94	-	-	-	63	63	63	624	126
Travel/Mileage	9,500	500	500	500	500	500	580	638	712	792	792	792	7,305	2,195
Website	600	-	289	-	-	-	3,503	-	-	-	-	-	3,792	(3,192)
Appraisal Fees	5,600	-	10,162	-	-	-	(4,119)	-	-	-	-	-	6,043	(443)
Williamson County Tax Collector	10,000	8,651	-	-	-	-	-	-	-	-	-	-	8,651	1,349
Utilities	2,200	-	-	-	-	131	48	86	157	183	183	183	973	1,227
Payroll Taxes	-	-	-	-	-	-	312	525	782	-	-	-	1,619	(1,619)
Employee Benefits	6,000	-	-	-	-	-	-	-	-	1,000	1,000	1,000	3,000	3,000
Miscellaneous	14,550	48	99	114	642	831	6,451	558	495	1,213	1,213	1,213	12,925	1,625
Engineering Expenses -														
Engineering/Surveying	212,000	9,263	14,264	19,842	7,507	8,527	17,611	5,855	51,483	17,667	17,667	17,667	188,314	23,686
USGS	42,500	-	10,625	-	-	-	-	-	-	-	-	10,625	21,250	21,250
Operating Expenses -														
Dam Maintenance	290,000	-	14,287	-	-	-	-	26,044	34,524	24,167	24,167	24,167	147,356	142,644
Dam Repairs	520,000	-	11,420	-	-	-	-	-	-	-	-	508,580	520,000	-
Dam Rehabilitation	210,000	-	-	-	-	-	-	-	72,856	-	-	137,144	210,000	-
Total Expenditures	46,218	30,385	67,570	46,546	31,126	34,568	49,393	56,080	183,794	72,200	72,200	738,113	1,428,193	223,007
Excess/(Deficiency) of Revenues over Expenditures														
	\$ (24,795)	\$ 12,300	\$ 393,920	\$ 347,514	\$ 56,329	\$ (12,257)	\$ (34,452)	\$ (43,367)	\$ (173,970)	\$ (69,700)	\$ (69,700)	\$ (591,433)	\$ (224,611)	\$ 264,289

\$ Accountant's R. port.



**ORDINANCE #2025-01  
ORDER**

**AN ORDER LEVYING TAXES FOR THE TAX YEAR 2025 FOR THE  
MAINTENANCE AND OPERATION OF THE LOWER BRUSHY CREEK  
WATER CONTROL & IMPROVEMENT DISTRICT**

BE IT ORDERED BY THE BOARD OF THE LOWER BRUSHY CREEK WATER CONTROL & IMPROVEMENT DISTRICT:

I.

That there is hereby levied and there shall be collected for the maintenance and operation of the LOWER BRUSHY CREEK WATER CONTROL & IMPROVEMENT DISTRICT, for the Tax Year 2024, upon all property within the corporate limits of said District subject to taxation, real, personal, and mixed, a tax rate of \$.0165 cents on each One Hundred Dollars (\$100.00) valuation of property. THIS TAX WILL RAISE MORE TAXES FOR MAINTENANCE AND OPERATIONS THAN LAST YEAR'S TAX RATE. THE TAX RATE WILL RAISE TAXES (FOR MAINTENANCE AND OPERATIONS) ON A \$\_\_\_\_\_ HOME BY APPROXIMATELY \$\_\_\_\_\_ AND A PERCENTAGE OF INCREASE OF APPROXIMATELY \_\_\_\_%.

II.

The Board hereby finds and declares that written notice of the date, hour, place and subject of the meeting at which this Order was adopted was posted and that such meeting was open to the public as required by law at all time during which this Order and the subject matter hereof was discussed, considered, and formally acted upon as required by the Open Meetings Act, Chapter 551, Texas Local Government Code, as amended.

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**READ** and APPROVED on this the 10th day of September 2025.

By: Edmond S. Komandosky  
Board President

**ATTEST:**

By: Monica P. Masters  
Board Secretary

DRAFT

# **LOWER BRUSHY CREEK WCID**

## **FY 26 DRAFT BUDGET**

**AS OF JULY 28, 2025**



**LOWER BRUSHY CREEK WCID**  
**FY 26 INITIAL DRAFT BUDGET**  
**As of July 28, 2025**

BUDGET SUMMARY		FY 24 Budget (As Amended)	FY 25 Budget (as amended)	FY 26 Budget (draft)
<u>INCOME</u>				
Property Tax		\$825,000	\$1,000,000	\$1,300,000
TSSWCB <sup>1</sup> Dam Maintenance Grants		\$76,000	\$132,300	\$155,925
TSSWCB <sup>1</sup> Dam Repair Grants		\$0	\$0	\$0
TSSWCB <sup>1</sup> Dam Rehabilitation Grants		\$0	\$0	\$0
Transfer from General Fund surplus		\$225,000	\$500,000	\$750,000
Other Income		\$30,000	\$45,000	\$60,000
<b>Total Income</b>		<b>\$1,156,000</b>	<b>\$1,677,300</b>	<b>\$2,265,925</b>
<u>EXPENSES</u>				
Administrative		\$277,200	\$376,700	\$511,300
Engineering Services		\$259,250	\$254,500	\$212,000
Dam Maintenance		\$200,000	\$280,000	\$245,000
Dam Repairs		\$75,000	\$520,000	\$1,200,500
Dam Rehabilitation/Upgrade		\$125,000	\$210,000	\$85,000
<b>Total Expenses</b>		<b>\$936,450</b>	<b>\$1,641,200</b>	<b>\$2,253,800</b>
<b>SURPLUS/DEFICIT (09/30/26)</b>		<b>\$219,550</b>	<b>\$36,100</b>	<b>\$12,125</b>

**General Notes**

- Administrative expenses
  - Does not include any new full time or part time employees
  - Does include election related costs
- Engineering expenses
  - Includes engineer to oversee minor projects and developer proposals
  - Includes updates for Emergency Action Plan
  - Does include one new USGS water level/rain gauge
- Dam maintenance, repair and rehabilitation/upgrade
  - Includes normal maintenance and repairs at dams
  - Includes major repairs at Sites 3, 10 and 30
  - Includes preliminary costs for rehabilitation of Sites 25 and 29
  - Includes engineering design of repairs to Sites 13, 22 and 33

**LOWER BRUSHY CREEK WCID**  
**FY 26 INITIAL DRAFT BUDGET**  
**As of June 28, 2025**

ADMINISTRATIVE INCOME AND EXPENSES		FY 24 Budget (As amended)	FY 25 Budget (As amended)	FY 26 Budget (Draft)
<u>ADMINISTRATIVE INCOME</u>				
Property Taxes - see page 7		\$825,000	\$1,000,000	\$1,300,000
Other Income				
Permits and fees			\$15,000	\$30,000
Interest		\$30,000	\$30,000	\$30,000
Total Other Income		\$30,000	\$45,000	\$60,000
<b>TOTAL ADMINISTRATIVE INCOME</b>		<b>\$855,000</b>	<b>\$1,045,000</b>	<b>\$1,360,000</b>
<u>ADMINISTRATIVE EXPENSES</u>				
Administrative Expenses				
General Manager		\$78,000	\$78,000	\$78,000
Operations Manager		\$0	\$32,000	\$72,000
District Clerk		\$15,000	\$36,000	\$60,000
Directors Fees		\$7,500	\$9,600	\$9,000
Employee Benefits			\$6,000	\$15,000
Payroll Taxes			\$0	\$21,000
Bookkeeping		\$20,600	\$30,000	\$30,000
Audit Fees		\$10,500	\$11,500	\$12,000
Communications - Consulting Fees		\$27,000	\$26,400	\$38,400
Communications - Other expenses		\$4,000	\$0	\$4,000
Legal Fees		\$25,000	\$48,000	\$48,000
Does include one new USGS water level/rain gauge		\$10,000	\$8,000	\$4,000
Bonds/Insurance		\$2,000	\$3,000	\$3,000
Dues/Subscriptions/Prof Development		\$2,000	\$2,000	\$3,000
Meals/Entertainment		\$2,000	\$2,000	\$2,000
Office - Rent/deposits		\$14,000	\$24,000	\$26,000
Office - Furniture/equipment		\$500	\$16,000	\$1,000
Office - Utilities		\$1,500	\$2,200	\$4,800
Office - Supplies		\$500	\$1,000	\$1,000
Postage/PO Box/Delivery Charges		\$6,500	\$750	\$500
Travel/Mileage		\$1,200	\$9,500	\$13,000
Website		\$4,500	\$600	\$600
Williamson Central Appraisal District		\$25,000	\$5,600	\$6,000
Williamson County - Election Office		\$8,000	\$0	\$24,000
Williamson County - Tax Assessor/Collector		\$11,900	\$10,000	\$10,000
Misc. (5% contingency)			\$14,550	\$25,000
<b>TOTAL ADMINISTRATIVE EXPENSES</b>		<b>\$277,200</b>	<b>\$376,700</b>	<b>\$511,300</b>

**LOWER BRUSHY CREEK WCID**  
**FY 26 INITIAL DRAFT BUDGET**  
**As of July 28, 2025**

ENGINEERING EXPENSES	FY 24 Budget (As amended)	FY 25 Budget (As amended)	FY 26 Budget (Draft)
<b>ENGINEERING EXPENSES</b>			
<b>Professional Services - Engineering/Surveying</b>			
General <sup>1</sup>			
KFA (incl development assistance and manuals)	\$120,000	\$90,000	\$72,000
FNI (incl map updates)	\$4,000	\$4,000	\$5,000
Annual Inspections <sup>2</sup>	\$30,000	\$52,000	\$15,000
Breach maps for rehabilitated sites	\$0	\$0	\$0
Emergency Action Plan annual update	\$4,000	\$6,000	\$5,000
Structural Repairs <sup>3</sup> - principal spillways/plunge pools	\$45,000	\$45,000	\$15,000
Other (fencing and repairs)	\$15,000	\$15,000	\$25,000
Total Professional Services - Engineering/Surveying	\$218,000	\$212,000	\$137,000
<b>Professional Services - USGS Gauges<sup>4</sup></b>			
Addition of new gauge - Site 9			\$32,500
Annual maintenance of 5 gauges - Sites 18, 20, 25, 29 and 32	\$41,250	\$42,500	\$42,500
Total Professional Services - USGS Gauges	\$41,250	\$42,500	\$75,000
<b>Total Engineering Expenses</b>	<b>\$259,250</b>	<b>\$254,500</b>	<b>\$212,000</b>

**Engineering Notes:**

1. General engineering include development assistance and updates of maps and manuals
  2. Annual inspections of valves only - no general inspection
  3. Design for repairs to Sites 3, 10 and 30
- Does include one new USGS water level/rain gauge  
USGS to maintain 5 existing gauges at Sites 18, 20, 25, 29 and 32

**LOWER BRUSHY CREEK WCID**  
**FY 26 INITIAL DRAFT BUDGET**  
**As of July 28, 2025**

DAM MAINTENANCE INCOME AND EXPENSES	FY 24 Budget (As amended)	FY 25 Budget (As amended)	FY 26 Budget (Draft)
<b><u>DAM MAINTENANCE INCOME</u></b>			
<b>TSSWCB<sup>1</sup> Dam Maintenance Grants</b>			
Maintenance (90% state/10% local)	\$72,000	\$126,000	\$148,500
Maintenance (5% admin fee)	\$4,000	\$6,300	\$7,425
<b>Total TSSWCB Dam Maintenance Grants</b>	<b>\$76,000</b>	<b>\$132,300</b>	<b>\$155,925</b>
<b><u>DAM MAINTENANCE EXPENSES</u></b>			
<b>Dam Maintenance<sup>2</sup></b>			
Shred, fertilize, herbicide, spot spray	\$40,000	\$140,000	\$85,000
Fence	\$160,000	\$140,000	\$80,000
Access Road repairs/upgrade at Site 29 and 30			\$10,000
Topsoil and reseed major portions of Site 17 and 21			\$20,000
Misc as needed			\$50,000
<b>Total Dam Maintenance Expenses</b>	<b>\$200,000</b>	<b>\$280,000</b>	<b>\$245,000</b>

Notes:

1. TSSWCB is the Texas State Soil and Water Conservation Board
2. Regular maintenance + drain valve and trash rack repairs
3. Repair or replace drain valves and trash racks at several sites

Does include one new USGS water level/rain gauge

**LOWER BRUSHY CREEK WCID**  
**FY 26 INITIAL DRAFT BUDGET**  
**As of July 28, 2025**

DAM REPAIR INCOME AND PROJECT EXPENSES		FY 24 Budget (As amended)	FY 25 Budget (As amended)	FY 26 Budget (Draft)
<b><u>DAM REPAIR INCOME</u></b>				
<b>TSSWCB<sup>1</sup> Repair Grants</b>				
Sites 6/17/24 - construction		\$0	\$0	\$0
Sites 6/17/24 - project management/land rights		\$0	\$0	\$0
<b>Total TSSWCB Repair Grants</b>		<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b><u>DAM REPAIR EXPENSES</u></b>				
<b>Dam Repairs</b>				
Site 3/10/30 <sup>2</sup> - repair principal spillways and plunge pools (3 sites)		\$25,000	\$450,000	\$995,500
Site 6/17/24 <sup>3</sup> - project management/legal/land rights			\$20,000	\$5,000
Sites 13/21/33 <sup>4</sup> repairs - engineering		\$50,000	\$50,000	\$150,000
Other (non-grant funded)				\$50,000
<b>Total Dam Repair Expenses</b>		<b>\$75,000</b>	<b>\$520,000</b>	<b>\$1,200,500</b>

**Notes:**

1. TSSWCB is the Texas State Soil and Water Conservation Board
2. Repairs to principal spillways and plunge pools for Sites 3, 10, and 30 with WCID funds
3. Application for repair grant was submitted to TSSWCB for wave erosion and plunge pool repairs for Sites 6, 17 and 24  
Design will not likely be approved to begin in FY 26  
Land rights may need be acquired before construction can start
4. Wave erosion and plunge pool repairs for 3 low hazard dams - engineering only in FY 26

Does include one new USGS water level/rain gauge



## LOWER BRUSHY CREEK WCID

### FY 26 INITIAL DRAFT BUDGET

As of July 28, 2025

DAM REHABILITATION INCOME AND PROJECT EXPENSES	FY 24 Budget (As amended)	FY 25 Budget (As amended)	FY 26 Budget (Draft)
<b><u>DAM REHABILITATION INCOME</u></b>			
<b>TSSWCB<sup>1</sup> Rehabilitation Grants</b>			
Site 18 - project management/land rights (3.0% of const)	\$0	\$0	\$0
Site 25 - project management/legal/land rights	\$0	\$0	\$0
Site 29 - project management/legal/land rights	\$0	\$0	\$0
<b>Total Dam Rehabilitation Income</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b><u>DAM REHABILITATION EXPENSES</u></b>			
<b>Dam Rehabilitation</b>			
Site 18 <sup>2</sup> - land rights (appraisal, survey, acquisition)	\$125,000	\$190,000	\$75,000
Site 25 <sup>3</sup> - project management/legal/land rights		\$10,000	\$5,000
Site 29 <sup>3</sup> - project management/legal/land rights		\$10,000	\$5,000
<b>Total Dam Rehabilitation Expenses</b>	<b>\$125,000</b>	<b>\$210,000</b>	<b>\$85,000</b>

**Notes:**

1. TSSWCB is the Texas State Soil and Water Conservation Board
2. Upgrade (rehabilitation) of Site 18 was completed in the spring of 2022  
Land rights updates have not yet been completed
3. Rehabilitation has been approved for Sites 25 and 29 by NRCS  
Design will not likely be approved to begin in FY 26  
WCID required preliminary project management, legal and land rights costs are shown

Does include one new USGS water level/rain gauge

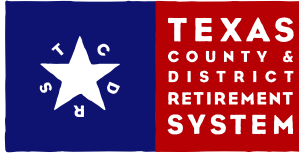
**LOWER BRUSHY CREEK WCID**  
**FY 26 INITIAL DRAFT BUDGET**  
**As of July 28, 2025**

Williamson Central Appraisal District  
Tax Year 2024 Certified Appraisal Roll Information  
As of July 28, 2025

Lower Brushy Creek WCID FY 25 Tax Rate		0.0165
	Total taxable value within Lower Brushy Creek WCID	Property Tax Revenue
Total Certified Taxable Assessed Valuation (100% Receivable)	\$7,726,677,828	\$1,274,902
Total Taxable Valuation still being evaluated by Williamson Central Appraisal Board Review (Estimated 75% Receivable)	\$345,806,644	\$42,794
Maximum Expected FY 26 Tax Revenue		\$1,317,695

Tax Revenue Notes:

Recommended \$1,300,000



## Participation Agreement

Welcome to TCDRS! By participating in this retirement system, you are providing your employees with reliable retirement, disability and survivor benefits in a responsible way.

One of the advantages of your TCDRS plan is that it is a qualified retirement plan and, as such, deposits into the plan are tax-deferred. In order to maintain your plan's qualified status under IRS rules, there are some important do's and don'ts that you, as the plan sponsor, need to be aware of. This participation agreement is designed to help ensure that you understand those IRS requirements, as well as your obligations as the sponsor of a TCDRS retirement plan.

Again thank you for choosing to be a part of TCDRS!

### General conditions

- The Texas County & District Retirement System (TCDRS) is a qualified retirement plan under Section 401(a) of the Internal Revenue Code. The TCDRS Act (Chapters 841-845, Texas Government Code) and administrative rules adopted by the TCDRS Board of Trustees are the plan document.  
Lower Brushy Creek Water Control & Improvement District agrees to be bound to the terms of the plan, and any amendments to the plan, except to the extent that this participation agreement allows separate elections with respect to its employees.
- Information held by TCDRS that is identifiable with an individual member, including personal account information, benefit amounts and beneficiary designations, is confidential under the Texas Government Code.
- The information TCDRS provides the district is confidential and may be used for lawful purposes only as authorized under the Texas Public Information Act and the TCDRS Act.

### Plan funding

- Each plan is funded independently by employee deposits, employer contributions and investment earnings.
- Funds are pooled for investment purposes. The TCDRS Board of Trustees allocates investment earnings to employers after statutory allocations to the employee and retiree funds have been made.
- The TCDRS Board of Trustees establishes the minimum required funding policy, including the amortization period for liabilities. Independent consulting actuaries hired by the board determine the minimum required employer contribution rate based on your level of benefits and the funding policy. This rate changes each year based on your plan of benefits, investment and other economic results, and demographic experience.
- Each employer is required to submit by the due date employer contributions based on the required rate as a percentage of payroll. The district cannot determine its own required rate, but may elect to contribute at an optional higher rate (also referred to as an elected rate). The district may also make lump-sum contributions to fund the plan.
- In the event the required rate exceeds 11%, the district waives the 11% limit on the rate of employer contributions. Such waiver remains effective with respect to future plan years until revoked by official action.
- Employer contributions are held in trust by TCDRS and may not be returned to the participating district. Employer assets can be used only to fund benefits for plan participants.
- The district is responsible for submitting all required employee deposits to TCDRS. All participating employees must contribute the same percentage of salary elected by the governing board.

- TCDRS must receive payment of all deposits and contributions by the due date or the district may be assessed a penalty.

### **Employee enrollment and separation of employment**

- TCDRS participation is mandatory for all eligible, non-temporary employees, both full and part time, regardless of hours worked. The district is responsible for determining who should be enrolled in the plan.
- A bona fide separation of employment is one in which the employer/employee relationship is completely severed. There can be no expectation, understanding or agreement that the separation is temporary or that the person will be rehired in the future.
- Re-employment of a retiree or a former member who has withdrawn accumulated deposits when there has not been a bona fide separation of employment, and before there has been a break in service of at least one calendar month, causes the retirement annuity or distribution to be an impermissible in-service distribution of pension benefits. In this event, the membership will be restored, any retirement annuity will be cancelled and all payments incidental to the in-service distribution must be repaid to the system by the rehired employee and/or the employer. Failure to correct an in-service distribution may subject the parties to significant fees, penalties and additional taxes levied by the IRS.

### **Benefit elections and cost/benefit projections**

- The district's governing board may adopt future plan changes based on selected optional benefits. The district reviews and may elect to change benefits each year; however, the district cannot lower benefits already earned by its employees.
- TCDRS can provide the district with cost and benefit projections. Projections of costs and benefits provided now or in the future are estimates, not guarantees.

### **Terminations**

- A district may terminate participation in TCDRS, and TCDRS may terminate a district's participation if circumstances of the district render the retirement system an ineffective program for providing retirement, disability and survivor benefits to the employees of the district.
- Terminating participation in TCDRS does not terminate the district's obligation to fund the liability for benefits already earned by its employees who participate in the plan.
- Terminating your plan changes the way the plan's benefits are funded. As a result, terminating your plan can result in an immediate increase to your plan costs.
- Participation in TCDRS is subject to IRS and state guidelines, which can change at any time. If changes occur that exclude the employer's eligibility in the system, the employer will follow TCDRS' termination procedure.

### **Certification summary – authorized signature**

I hereby acknowledge that we have been advised of the conditions governing the participation of Lower Brushy Creek Water Control & Improvement District in the Texas County & District Retirement System, and that Lower Brushy Creek Water Control & Improvement District will comply with these conditions. If the district violates the terms and conditions of this participation agreement and the IRS imposes a penalty upon TCDRS based on the district's violation, the district is liable to TCDRS for any fees and costs imposed by the IRS.

\_\_\_\_\_  
Authorized Signature

\_\_\_\_\_  
Date

\_\_\_\_\_  
Printed Name

\_\_\_\_\_  
Job Title



## Plan Agreement

### Lower Brushy Creek Water Control & Improvement District - 1174

Effective Oct. 1, 2025

#### Basic Plan Options

Employee Deposit Rate:	6%
Employer Matching:	145%
Prior Service Credit:	0%

#### Retirement Eligibility

At Age 60 (Vesting):	5 years of service
Rule of:	75 years total age + service
At Any Age:	20 years of service

#### Optional Benefits

Partial Lump-Sum Payment at Retirement:	No
Group Term Life:	Active-plus-retirees

#### Retirement Plan Funding

Elected Rate:	N/A
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#### Total Contribution Rate

Retirement Plan Rate:	7.04%
Group Term Life Rate:	0.07%
Total Contribution Rate:	7.11%

#### Certification

I certify that the plan agreement for the participation of Lower Brushy Creek Water Control & Improvement District in TCDRS truly and accurately reflects the official action taken during properly posted and noticed meeting on \_\_\_\_\_ (mm/dd/yy) by the Governing Board and such action is recorded in the official minutes.

Printed Name: \_\_\_\_\_ Title: \_\_\_\_\_

Authorized Signature: \_\_\_\_\_ Date: \_\_\_\_\_

# ZESCH & PICKETT

*Insurance, L.L.P.*

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**BOBBY ZESCH, CLU, RHU**  
**MARGUERITE PICKETT**

Post Office Box 431  
San Angelo, Texas 76902  
(325)653-1448  
(325)655-7245 Fax

To Whom it may concern,

Lower Brushy Creek intends to implement the following insurance plans for their employees effective 10/1/2025.

- **Medical** – One PPO medical plan will be offered by BCBSTX with their broad Blue Choice PPO network. This will have a \$4,350 calendar year deductible. This plan does offer out of network benefits.
- **Dental** – offered through Guardian. The plan will have a \$1,5000 calendar year maximum.
- **Vision** – offered through Guardian. The plan will have a \$150 allowance on frames every 12 months.
- **Basic Life/AD&D** – offered through OneAmerica. Giving \$20,000 of Life Insurance/AD&D coverage to the employees.
- **Voluntary Life/AD&D** – offered through OneAmerica allowing the employees to elect additional life insurance.

The Employee only cost for the medical, dental, vision and basic life will be paid by the employer. Additional cost for the employee to cover their dependents and voluntary life would be payroll deducted.

Please do not hesitate to ask any questions you may have concerning your benefit programs. You may contact our office for assistance by calling 325-653-1448 in San Angelo or 800-259-4291, if outside the San Angelo area. Our office hours are 8:00 to 5:00 Monday – Friday.

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July 9, 2025

To the Board of Directors and Mr. Jim Clarno  
Lower Brushy Creek Water Control and Improvement District  
601 Quail Valley Drive, Suite 112  
Georgetown, Texas 78626

Dear Board Members:

We are pleased to confirm our understanding of the services we are to provide Lower Brushy Creek Water Control and Improvement District (the “District”) as of and for the year ended September 30, 2025.

### **Audit Scope and Objectives**

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

- Management’s Discussion and Analysis

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

- Supplemental schedules required by the Texas Commission on Environmental Quality

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

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

### **Auditors' Responsibilities for the Audit of the Financial Statements**

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



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

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

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

Our procedures will include tests of documentary evidence supporting the transactions recorded in the accounts and direct confirmation of receivables and certain assets and liabilities by correspondence with selected customers, creditors, and financial institutions. We will request written representations from your attorneys as part of the engagement, and they may bill you for responding to this inquiry.

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

- Revenue recognition - property taxes
- Revenue recognition - grant revenue
- Management override - fraud risk

We note that our audit planning procedures are not yet complete, and modifications may be made to these identified significant risks.

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

### **Audit Procedures - Internal Control**

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

### **Audit Procedures - Compliance**

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

### **Responsibilities of Management for the Financial Statements**

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

Management is responsible for making drafts of financial statements, all financial records, and related information available to us; for the accuracy and completeness of that information (including information from outside the general and subsidiary ledgers). You are also responsible for providing us with (1) access to all information of which you are aware that is relevant to the preparation and fair presentation of the financial statements, such as records, documentation, identification of all related parties and all related-party relationships and transactions, and other matters (2) additional information that we may request for the purpose of the audit, and (3) unrestricted access to persons within the District from whom we determine it necessary to obtain audit evidence. At the conclusion of our audit, we will require certain written representations from you about the financial statements; compliance with laws, regulations, contracts, and grant agreements; and other responsibilities required by GAAS and *Government Auditing Standards*.

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

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

With regard to including the auditors' report in an exempt offering document, you agree that the aforementioned auditors' report, or reference to Maxwell Locke & Ritter LLP ("ML&R"), will not be included in any such offering document without our prior permission or consent. With regard to an exempt offering document with which ML&R is not involved, you agree to clearly indicate in the exempt offering document that ML&R is not involved with the contents of such offering document.

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

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

Management is also responsible to notify us in advance of your intent to print our report, in whole or in part, for inclusion in a document containing other information and to give us the opportunity to review such printed matter before its issuance. With regard to publishing the financial statements on the District's website, you understand that websites are a means of distributing information and, therefore, we are not required to read the information contained in those sites or to consider the consistency of other information on the website with the original document.

### **Other Services**

We will prepare the financial statements of the District in conformity with accounting principles generally accepted in the United States of America based on information provided by management. These nonaudit services do not constitute an audit under Government Auditing Standards and such services will not be conducted in accordance with Government Auditing Standards. We will perform the services in accordance with applicable professional standards. The other services are limited to the financial statement services previously defined. We, in our sole professional judgment, reserve the right to refuse to perform any procedure or take any action that could be construed as assuming management responsibilities. As part of our audit procedures for the year ended September 30, 2025, we may provide advisory services or recommendations to improve internal controls or propose adjusting entries, provided that management reviews the entries to understand the nature of the entries and the impact on the financial statements.

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

## **Engagement Administration, Fees, and Other**

We understand that your employees will prepare all confirmations we request and will locate any documents selected by us for testing. We will schedule the engagement based in part on deadlines, working conditions, and the availability of the District's key personnel. We will plan the engagement based on the assumption that the District's personnel will cooperate and provide assistance by performing tasks such as preparing requested schedules, retrieving supporting documents, and preparing confirmations. If, for whatever reason, the District's personnel are unavailable to provide the necessary assistance in a timely manner, it may substantially increase the work we have to do to complete the engagement within the established deadlines, resulting in an increase in fees over our original fee estimate. Other circumstances that may result in an increase of our fees include excessive general ledger adjustments, poor records, significant unanticipated transactions, financial reporting issues, or delays in resolution of issues that extend the period of time necessary to complete the engagement.

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

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

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

Jimmy Romell is the engagement partner and is responsible for supervising the engagement and signing the report or authorizing another individual to sign it. We expect to begin our audit in November 2025 and to issue our reports no later than February 2026. To ensure that ML&R's independence is not impaired under the AICPA Code of Professional Conduct, you agree to inform the engagement partner before entering into any substantive employment discussions with any of our personnel. Our audit engagement ends on delivery of our audit report. Any follow-up services that might be required will be a separate, new engagement. The terms and conditions of that new engagement will be governed by a new, specific engagement letter for that service.

Our base fee for these services will be \$12,000. Our fees for these services are based on the amount of time required to complete the engagement at our standard billing rates, plus reasonable out-of-pocket expenses and out-of-town travel costs, if applicable. We will also consider the complexity and the value of the work performed, the experience level of the staff required to bring the appropriate level of expertise to the project, and the circumstances under which the work is performed when determining our estimated fees. The fee estimate is based on anticipated cooperation from the District's personnel and the assumption that unexpected circumstances will not be encountered during the engagement. If significant additional time is necessary, we will keep management informed of any problems we encounter, and our fees will be adjusted accordingly. Our invoices for these fees will be rendered as work progresses and are payable upon presentation.

In the event we are required to respond to a subpoena, court order, or other legal process for the production of documents and/or testimony relative to information we obtained and/or prepared during the course of this engagement, the District agrees to compensate us at our hourly rates for the time we expend in connection with such response, and to reimburse us for all of our out-of-pocket costs incurred in that regard.

Management may request that we perform additional services not addressed in this engagement letter. If this occurs, we will communicate with management concerning the scope and estimated fees for those additional services. We also may issue a separate engagement letter covering the additional services. In the absence of any other written communication from us documenting such additional services, our services will continue to be governed by the terms of this engagement letter.

In accordance with our firm policies, work may be suspended if the District's account becomes significantly overdue and will not be resumed until the District's account is paid in full. If we elect to terminate our services for nonpayment, our engagement will be deemed to have been completed upon written notification of termination, even if we have not completed our report. The District will be obligated to compensate us for all time expended and to reimburse us for all out-of-pocket expenditures through the date of termination.

*Government Auditing Standards* require that we provide the Organization with a copy of our most recent external peer review report and any subsequent reports received during the contract period. Accordingly, our 2022 peer review report accompanies this letter.

The District agrees that ML&R has the right to place advertisements in financial and other newspapers and journals at its own expense describing its services rendered to the District hereunder, provided that ML&R will submit a copy of any such advertisements to the District so that management can consent to the form and content of the advertisements. Without such consent, ML&R agrees not to make any public representations regarding the services rendered to the District, other than including the District in a list of clients served.



## Reporting

We will issue a written report upon completion of our audit of the District's financial statements. Our report will be addressed to the Board of Directors of the District. Circumstances may arise in which our report may differ from its expected form and content based on the results of our audit. Depending on the nature of these circumstances, it may be necessary for us to modify our opinions, add a separate section, or add an emphasis-of-matter or other-matter paragraph to our auditors' report, or if necessary, withdraw from this engagement. If our opinions are other than unmodified, we will discuss the reasons with you in advance. If circumstances occur related to the condition of the District's records, the availability of sufficient, appropriate audit evidence, or the existence of a significant risk of material misstatement of the financial statements caused by error, fraudulent financial reporting, or misappropriation of assets, which in our professional judgment prevent us from completing the audit or forming opinions on the financial statements, we retain the right to take any course of action permitted by professional standards, including declining to express an opinion or issue a report, or withdrawing from the engagement.

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

## Disputes and Claims

The parties to this engagement agree that any dispute that may arise regarding the meaning, performance or enforcement of this or any prior engagement between them (except actions by the firm to enforce payment of its professional invoices), will, prior to resorting to litigation, be submitted to mediation, and that they will engage in the mediation process in good faith. Any mediation initiated as a result of this engagement shall be administered within the county of Travis, Texas, by the American Arbitration Association, according to its mediation rules, and any ensuing litigation shall be conducted within said county, according to Texas law without regard to the conflict of laws or provisions thereof. The results of any such mediation shall be binding only upon agreement of each party to be bound. The parties participating in the mediation shall bear their own costs, except that any charges assessed by the mediation organization shall be shared equally by the participating parties.

Any claim arising out of this engagement, except our actions to enforce payment of our invoices, must be asserted within one year from the completion of services or the date any such cause of action accrues, whichever is later, unless otherwise barred by the applicable statute of limitation.

In connection with this engagement, the District agrees that we may communicate with management or others via email transmission, and by signing this letter the District authorizes us to do so. As emails can be intercepted and read, disclosed, or otherwise used or communicated by an unintended third party, or may not be delivered to each of the parties to whom they are directed and only to such parties, we cannot guarantee or warrant that emails from us will be properly delivered and read only by an addressee. Therefore, we specifically disclaim and waive any liability or responsibility whatsoever for interception or unintentional disclosure of emails transmitted by us in connection with the performance of this engagement. In that regard, the District agrees that we shall have no liability for any loss or damage to any person or entity resulting from the use of email transmissions, including any consequential, incidental, direct, indirect, or special damages, such as loss of revenues or anticipated profits, or disclosure or communication of confidential or proprietary information.

The District agrees to hold ML&R and its partners, heirs, executors, personal representatives, successors, and assigns harmless from any and all claims of the District which arise from knowing misrepresentations to ML&R by the management of the District, or the intentional withholding or concealment of information from ML&R by the management of the District. The District also agrees to indemnify ML&R for any and all claims made against ML&R by third parties which arise from any of these actions by the management of the District, as long as ML&R is not negligent in the performance of its services.





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

Sincerely,

*Maxwell Locke & Ritter LLP*

Maxwell Locke & Ritter LLP

This letter correctly sets forth the understanding of Lower Brushy Creek Water Control and Improvement District:

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Name, Title

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Date

## Report on the Firm's System of Quality Control

November 22, 2022

To        To the Partners of  
             Maxwell Locke & Ritter LLP  
             and the Peer Review Committee of the TSCPA

We have reviewed the system of quality control for the accounting and auditing practice of Maxwell Locke & Ritter LLP (the firm) in effect for the year ended May 31, 2022. Our peer review was conducted in accordance with the Standards for Performing and Reporting on Peer Reviews established by the Peer Review Board of the American Institute of Certified Public Accountants (Standards).

A summary of the nature, objectives, scope, limitations of, and the procedures performed in a System Review as described in the Standards may be found at [www.aicpa.org/prsummary](http://www.aicpa.org/prsummary). The summary also includes an explanation of how engagements identified as not preformed or reported in conformity with applicable professional standards, if any, are evaluated by a peer reviewer to determine a peer review rating.

### Firm's Responsibility

The firm is responsible for designing a system of quality control to provide the firm with reasonable assurance of performing and reporting in conformity with the requirements of applicable professional standards in all material respects. The firm is also responsible for evaluating actions to promptly remediate engagements deemed as not performed or reported on in conformity with the requirements of applicable professional standards, when appropriate, and for remediating weaknesses in its system of quality control, if any.

### Peer Reviewer's Responsibility

Our responsibility is to express an opinion on the design of and compliance with the firm's system of quality control based on our review.

### Required Selections and Considerations

Engagements selected for review included engagements performed under *Government Auditing Standards*, including a compliance audit under the Single Audit Act, audits of employee benefit plans and an examination of a service organization (Service Organizations Control (SOC) 2 engagement).

As a part of our peer review, we considered reviews by regulatory entities as communicated by the firm, if applicable, in determining the nature and extent of our procedures.

### Opinion

In our opinion, the system of quality control for the accounting and auditing practice of Maxwell Locke & Ritter LLP, in effect for the year ended May 31, 2022, has been suitably designed and complied with to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. Firms can receive a rating of *pass*, *pass with deficiency(ies)* or *fail*. Maxwell Locke & Ritter LLP has received a peer review rating of *pass*.

*Gollob Morgan Peddy PC*

Gollob Morgan Peddy PC  
Certified Public Accountants

Detailed Tabulation of Proposal Prices Received

Project	Principal Spillway Conduit Repairs - Sites 3, 10, and 30	No. BK124072	Jerdon Enterprise, LP 13403 Redfish Lane Stafford, Texas 77477			Patin Construction, LLC 3800 W. 2nd Street Taylor, Texas 76574			Southern Infrastructure Group 11816 Inwood Rd, Suite 70292 Dallas, TX 75244		
Owner	Lower Brushy Creek Water Control and Improvement District										
Design Professional	Freese and Nichols, Inc.										
Date Opened	July 24, 2025	Submitted By:									
Item No.	Description	Quantity	Units	Unit Cost	Extended Amount	Unit Cost	Extended Amount	Unit Cost	Extended Amount	Unit Cost	Extended Amount
<i>Items in Base Offer per Section 01 29 01 "Measurement and Basis for Payment"</i>											
BB-1	Mobilization & Demobilization	1	LS	65,000.00	65,000.00	150,000.00	150,000.00	45,176.00	45,176.00		
BB-2	Construction Survey	1	LS	20,000.00	20,000.00	40,000.00	40,000.00	20,000.00	20,000.00		
BB-3	Quality Control	1	LS	25,000.00	25,000.00	85,000.00	85,000.00	20,000.00	20,000.00		
BB-4	Care of Water	1	LS	90,000.00	90,000.00	50,000.00	50,000.00	25,000.00	25,000.00		
BB-5	Temporary Erosion and Sediment Control	1	LS	16,700.00	16,700.00	40,000.00	40,000.00	25,000.00	25,000.00		
BB-6	Clearing and Grubbing										
	Clearing and Grubbing - Site 3	1	AC	7,800.00	4,680.00	10,000.00	6,000.00	7,500.00	4,500.00		
	Clearing and Grubbing - Site 10	0	AC	7,800.00	2,340.00	10,000.00	3,000.00	7,500.00	2,250.00		
	Clearing and Grubbing - Site 30	0	AC	7,800.00	2,340.00	10,000.00	3,000.00	7,500.00	2,250.00		
BB-7	Excavation, Common										
	Excavation, Common - Site 3	150	CY	43.00	6,450.00	75.00	11,250.00	100.00	15,000.00		
	Excavation, Common - Site 10	150	CY	43.00	6,450.00	75.00	11,250.00	100.00	15,000.00		
	Excavation, Common - Site 30	150	CY	43.00	6,450.00	75.00	11,250.00	100.00	15,000.00		
BB-8	Compacted Fill										
	Compacted Fill - Site 3	100	CY	53.00	5,300.00	150.00	15,000.00	110.00	11,000.00		
	Compacted Fill - Site 10	100	CY	53.00	5,300.00	150.00	15,000.00	110.00	11,000.00		
	Compacted Fill - Site 30	100	CY	53.00	5,300.00	150.00	15,000.00	110.00	11,000.00		
BB-9	Reinforced Concrete, Pipe Collar and Cradle										
	Reinforced Concrete, Pipe Collar and Cradle - Site 3	8	CY	3,800.00	30,400.00	2,000.00	16,000.00	8,000.00	64,000.00		
	Reinforced Concrete, Pipe Collar and Cradle - Site 10	6	CY	4,700.00	28,200.00	2,000.00	12,000.00	8,000.00	48,000.00		
	Reinforced Concrete, Pipe Collar and Cradle - Site 30	9	CY	3,500.00	31,500.00	2,000.00	18,000.00	8,000.00	72,000.00		
BB-10	Reinforced Concrete Pressure Pipe, AWWA C301										
	Reinforced Concrete Pressure Pipe, AWWA C301, 24" ID - Site 3	30	LF	2,500.00	75,000.00	4,000.00	120,000.00	2,000.00	60,000.00		
	Reinforced Concrete Pressure Pipe, AWWA C301, 24" ID - Site 10	20	LF	3,000.00	60,000.00	4,000.00	80,000.00	2,200.00	44,000.00		
	Reinforced Concrete Pressure Pipe, AWWA C301, 18" ID - Site 30	30	LF	3,000.00	90,000.00	3,900.00	117,000.00	2,300.00	69,000.00		
BB-11	Rock Riprap, Plunge Pool										
	Rock Riprap, Plunge Pool - Site 3	761	TN	70.00	53,270.00	100.00	76,100.00	165.00	125,565.00		
	Rock Riprap, Plunge Pool - Site 10	908	TN	70.00	63,560.00	100.00	90,800.00	165.00	149,820.00		
	Rock Riprap, Plunge Pool - Site 30	532	TN	70.00	37,240.00	100.00	53,200.00	165.00	87,780.00		
BB-12	Cured-in-Place-Pipe Lining										
	Cured-in-Place-Pipe Lining, 22-inch Diameter - Site 3	230	LF	420.00	96,600.00	500.00	115,000.00	315.00	72,450.00		
	Cured-in-Place-Pipe Lining, 17-inch Diameter - Site 30	180	LF	450.00	81,000.00	450.00	81,000.00	285.00	51,300.00		
BB-13	Site Restoration	1	LS	40,000.00	40,000.00	45,000.00	45,000.00	25,000.00	25,000.00		
A	Total Base Offer (Sum of Extended Amounts for each Base Offer Line Item)				\$ 948,080.00		\$ 1,279,850.00		\$ 1,091,091.00		