

**MINUTES
TOWN OF COPPER CANYON
REGULAR TOWN COUNCIL MEETING
MONDAY, MARCH 11, 2024
7:00 P.M.**

The Town Council of the Town of Copper Canyon met in regular session on Monday, March 11, 2024, at 7:00 p.m. in the Council Chambers at Copper Canyon Town Hall, 400 Woodland Drive, Copper Canyon, Texas, whereupon the following items were considered:

I. CALL TO ORDER

Mayor Robertson called the regular meeting of the Copper Canyon Town Council to order at 7:00 on the 11th day of March 2024.

Council Present

Rudy Castillo	Deputy Mayor Pro Tem
Dale Andrews	Council Member
Chase Lybbert	Council Member
Larry Johnson	Council Member

Staff Present

Troy Meyer	Town Administrator
Sheila Morales	Town Secretary

A quorum of the Town Council was established.

Mayor Robertson and **Council Members** led meeting attendees in the Pledge of Allegiance to the U.S. and Texas Flags.

II. PUBLIC INPUT

Citizens can make comments to the Town Council during this section of the meeting agenda. We ask citizens who wish to speak on agenda items to sign in on the sheet provided on the table at the back of the Council Chambers. There is a 3-minute time limit for each speaker. Pursuant to State Open Meetings law, the Town Council cannot discuss or take action on items not posted on the agenda. Therefore, the Council cannot take action on or discuss any issues or items brought up during public input.

No one spoke.

III. STAFF, MAYOR, AND COUNCIL REPORTS ON ITEMS OF COMMUNITY INTEREST

(Pursuant to Texas Government Code Section 551.0415 the Town Council may report on the following items: (1) expression of thanks, congratulations, or condolences; (2) information about holiday schedules, (3) recognition of individuals; (4) reminders about upcoming Town Council events; (5) information about community events; and (6) announcements involving imminent threat to public health and safety. No deliberations and actions will be taken.

No items were raised.

IV. PUBLIC HEARING

1. The Town Council will conduct a Public Hearing for the purpose of hearing any and all comments and consider a recommendation from the Copper Canyon Planning and Zoning Commission regarding the replat of Canyon Oaks II, Phase II Lot 1-R1 and Lot 1-R2, Block G being a replat of Lot 1, Block G, Canyon Oaks II, Phase II, in the Town of Copper Canyon's Extra-Territorial Jurisdiction (ETJ).

Mayor Robertson opened the public hearing at 7:05 p.m.

Fred Klotz, resident of Canyon Oaks Subdivision, inquired as to the reason behind the replat.

Mayor Robertson closed the public hearing at 7:07 p.m.

2. The Town Council will continue a Public Hearing (originally began on February 12, 2024) for the purpose of hearing any and all comments and consider a recommendation from the Planning and Zoning Commission regarding the Jernigan Estates Conceptual Plan, allowing for the development of approximately 12 acres, and to allow for the development of six (6) single family lots, located at 545 Jernigan Road, Copper Canyon, Texas 75077.

(Public Hearing continued; originally began on February 12, 2024)

Mayor Robertson briefed the Council on the history of Jernigan Estates and stated that the item being considered at the meeting is the Concept Plan. The Development Plan and Preliminary Plat will be considered by the Town's Planning and Zoning Commission on March 25, 2024.

Mayor Robertson asked if anyone else wanted to speak regarding the Jernigan Estates Concept Plan.

Council Member Johnson (previously completed a Conflict-of-Interest form), thanked the members of the Council and P&Z Commissioners who took time to physically inspect the Jernigan Estates properties. He also mentioned that the Town has scheduled a joint Council and P&Z Commission Workshop (April 15, 2024, at 6 p.m.) to discuss the Town's development process and to discuss ways in which the process could be improved.

Julia Anderson (811 Lonesome Dove Ln) submitted an email with her comments regarding the proposed development (see attached).

Mayor Robertson closed the Public Hearing at 7:11 p.m.

V. STAFF REPORT

Town Administrator

- County Meetings
- Town Website
- Future Police Department
- Town Hall Additions and Parking Lot Expansion
- Permits Issued

Town Engineer

- Stormwater Reviews
- Subdivision Construction Reviews
- Permit Reviews
- Miscellaneous Meetings

Fire Department

- Community CPR Classes
- Carry The Load Community Event
- ALERRT Active Shooter Training

Town Administrator Meyer briefly highlighted a few items detailed in the Staff Report.

VI. CONSENT

Items on the Consent Agenda are routine and administrative in nature. As such, these items are considered for approval by a single motion and vote generally without discussion. Council Members can remove an item or items from the agenda, so it can be considered separately and/or add action or discussion agenda posted as part of the Consent Agenda.

1. Approve February 12, 2024, Minutes of Council Meeting

2. Approve February 2024 Financials
3. Approve Resolution 24-05 (Canceling May 4, 2024, Copper Canyon General Election)

Council Member Andrews made a motion to approve Consent Items #1-3 as presented.

Deputy Mayor Pro Tem Castillo seconded the motion.

Ayes: Deputy Mayor Pro Tem Castillo, and Council Members Andrews, Johnson, and Lybbert
Nays: None

Mayor Robertson announced that the motion passed unanimously.

VII. ACTION & DISCUSSION ITEMS

1. Discuss, consider and take action regarding a recommendation from the Planning and Zoning Commission regarding the replat of Canyon Oaks II, Phase II Lot 1-R1 and Lot 1-R2, Block G being a replat of Lot 1, Block G, Canyon Oaks II, Phase II, in the Town of Copper Canyon's Extra-Territorial Jurisdiction (ETJ).

Deputy Mayor Pro Tem Castillo made a motion to approve the replat of Canyon Oaks II, Phase II Lot 1-R1 and Lot 1-R2, Block G being a replat of Lot 1, Block G, Canyon Oaks II, Phase II, in the Town of Copper Canyon's Extra-Territorial Jurisdiction (ETJ).

Council Member Lybbert seconded the motion.

Ayes: Deputy Mayor Pro Tem Castillo, and Council Members Andrews, Johnson, and Lybbert
Nays: None

Mayor Robertson announced that the motion passed unanimously.

2. Discuss, consider, and take action regarding a recommendation from the Planning and Zoning Commission regarding the Jernigan Estates Conceptual Plan, allowing for the development of approximately 12 acres, and to allow for the development of six (6) single family lots, located at 545 Jernigan Road, Copper Canyon, Texas 75077

Council Member Johnson left the dais due to a conflict of interest since he lives next door to the Jernigan Estates property.

Deputy Mayor Pro Tem Castillo stated that he has concerns regarding the proposed development (unrelated to the Concept Plan).

Mayor Robertson asked for a motion.

Deputy Mayor Pro Tem Castillo made a motion to approve Jernigan Estates Conceptual Plan based on the paperwork submitted and also that the subdivision meets the Town’s zoning requirements.

Council Member Andrews seconded the motion, although he stated he has concerns about the proposed development, particularly those relating to drainage (which will be addressed during the future development submittal process).

Ayes: Deputy Mayor Pro Tem Castillo, and Council Members Andrews and Lybbert
Nays: None
Abstained: Council Member Johnson (due to conflict of interest)

Mayor Robertson announced that the motion passed unanimously.

VIII. DISCUSSION OF FUTURE AGENDA ITEMS (A Councilmember may request that an item be placed on a subsequent agenda for consideration. Any deliberation shall be limited to the proposal to place the subject on a subsequent agenda.)

Mayor Robertson stated that the Council and P&Z Commission will hold a joint workshop meeting on Monday, April 15, 2024, at 6 p.m. to discuss the Town’s current development process and consider future changes to the processes.

IX. ADJOURN

Deputy Mayor Pro Tem Castillo made a motion to adjourn.

Council Member Lybbert seconded the motion.

Meeting adjourned at 7:20 p.m.

APPROVED BY THE TOWN COUNCIL THIS _____ DAY OF _____

Ron Robertson, Mayor
Town of Copper Canyon

Sheila B. Morales, TRMC – Town Secretary
Town of Copper Canyon

Sheila Morales

From: Contact form at Copper Canyon, TX <cmsmailer@civicplus.com>
Sent: Monday, March 11, 2024 6:43 PM
To: Sheila Morales
Subject: [Copper Canyon, TX] Singh property proposed development (Sent by Julia Anderson, juliaglennanderson@gmail.com)

Hello smorales,

Julia Anderson (juliaglennanderson@gmail.com) has sent you a message via your contact form (<https://www.coppercanyon-tx.org/user/105/contact>) at Copper Canyon, TX.

If you don't want to receive such e-mails, you can change your settings at <https://www.coppercanyon-tx.org/user/105/edit>.

Message:

Hi Sheila,

I am not going to be able to make the Town Council meeting tonight. My elderly cat is dying and I want to spend some time with him before he is euthanized tomorrow.

Is it possible for someone to read my statement about the Singh development? I would like the Town Council to oppose the concept of the development for the following reasons:

1. Based on what I heard at the last Town Council meeting, the developer and his consultant do not have an adequate or appropriate plan for water run off from this proposed development.
 - a. As you know, runoff from the Singh property has gotten worse and worse especially as they have brought in piles of dirt. Currently the Singh pond has joined up with the pond on the Davis property and is one giant swampy mess.
 - b. The map/plan provided by the developer showed all of the water runoff from the proposed development being directed at the Singh pond - which is currently over its banks and flooding onto the Davis property.
 - b. Adding 6 big houses and the driveways, pool decks, road, etc. that will go with them is going to cause even more water to run off into the Singh pond then into the Davis pond. The Davis property will be constantly flooded by this development.
 - c. The only plan I heard presented by the developer to control the flooding the Singh land is currently causing, and will cause even more of, was to somehow make the Singh pond larger and add some kind of retaining wall or bank on the north property line to hold the water back onto the Singh property.

*****I do not see how it is possible for the Singh family to pay for the amount of work that needs to be done to keep the water from this development on their property. It is extremely expensive to build this

kind of wall to keep the water in and I do not see how one family can afford to build it AND to be trusted to maintain it in perpetuity. What happens when they want to move away? Are we going to go after the new owner of the Singh house when the dam keeping the water back starts to leak or crumble or needs repairs?

****I especially do not see how the Singh's will have any incentive to keep up the pond and banks/dam once the money from selling their property is exhausted. As I see the situation currently, the people who buy lots will have no incentive or obligation to maintain this pond and keep it from flooding the Davis land because they do not own the pond. I did not hear the developer say anything about an HOA assessment or something along those lines to pay to keep the development run-off on the development.

I believe the better course of action for the Town Council to take is to (1) decrease the number of lots from 6 to no more than 2 and (2) obligate the developer to build a detention pond located IN THE DEVELOPMENT to handle run off from the lots within the development (which I believe should be limited to no more than 2).

2. I am also opposed to the concept because of the lot placement. It is not in keeping with the town's look and feel to having a lot that backs up to the retaining wall that the Singh's house sits on and also abuts their horse barn on the west side. It will look crowded and messy to have a house shoved in this small space. This lot should be completely eliminated from the development plan.

3. I have reviewed the Army Corps of Engineers regulations and I believe the small pond south of the Singh's house is within the Corps' jurisdiction as a wetland. I should note that the developer has piled up dirt on the edge and partially in this pond. If I am correct the developer is violating the Clean Water Act right now. This disregard for the law is troubling, even more so given that he has disregarded town ordinances by piling up dirt without a permit, dragging dirt out on Jernigan road, bringing in trucks and damaging Jernigan road, etc.

4. It is my understanding from the last Town Council meeting that this particular developer did not complete another development within the town, leaving residents without promised amenities. If this is true, he should not be allowed to develop anything else in Copper Canyon. The town should not be duped by a shady businessman, especially given that someone has to be responsible in perpetuity for keeping run-off from the development from flooding others in town.

Thank you for providing my opinion to the Town Council. I am sorry I could not make it but I cannot leave my old cat.



MWH GROUP
CERTIFIED PUBLIC ACCOUNTANTS
CONSULTANTS

March 19, 2024

Honorable Mayor and Town Council
Town of Copper Canyon
400 Woodland Dr.
Copper Canyon, TX 75077

We are pleased to confirm our understanding of the services we are to provide Town of Copper Canyon, Texas for the year ended September 30, 2023.

Audit Scope and Objectives

We will audit the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information, and the disclosures, which collectively comprise the basic financial statements of Town of Copper Canyon, Texas as of and for the year ended September 30, 2023. 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 Town of Copper Canyon'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 Town of Copper Canyon'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 appropriate evidence to express an opinion or provide any assurance. The following RSI is required by GAAP and will be subjected to certain limited procedures, but will not be audited:

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

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

We have identified the following significant risks of material misstatement as a part of our pre-audit planning, which modifications may be made during the conclusion of our audit planning:

1. Management override of controls
2. Improper revenue recognition due to fraud or other factors:

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

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

Audit Procedures—Internal Control

We will obtain an understanding of the government and its environment, including the system of internal control, sufficient to identify and assess the risks of material misstatement of the financial statements, whether due to error or fraud, and to design and perform audit procedures responsive to those risks and obtain evidence that is sufficient and appropriate to provide a basis for our opinions. Tests of controls may be performed to test the effectiveness of certain controls that we consider relevant to preventing and detecting errors and fraud that are material to the financial statements and to preventing and detecting misstatements resulting from illegal acts and other noncompliance matters that have a direct and material effect on the financial statements. Our tests, if performed, will be less in scope than would be necessary to render an opinion on internal control and, accordingly, no opinion will be expressed in our report on internal control issued pursuant to *Government Auditing Standards*.

The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentation, or the override of internal control. An audit is not designed to provide assurance on internal control or to identify significant deficiencies or material weaknesses. Accordingly, we will express no such opinion. However, during the audit, we will communicate to management and those charged with governance internal control related matters that are required to be communicated under AICPA professional standards and *Government Auditing Standards*.

Audit Procedures—Compliance

As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we will perform tests of Town of Copper Canyon'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*.

Other Services

We will also assist in preparing the financial statements, and related notes of Town of Copper Canyon, Texas in conformity with accounting principles generally accepted in the United States of America and the Uniform Guidance based on information provided by you. Additionally, we will assist in converting the accounting records from cash basis to accrual basis, maintain the depreciation schedule, prepare the government-wide conversion, and assist in implementing new accounting standards, if applicable. These nonaudit services do not constitute an audit under *Government Auditing Standards* and such services will not be conducted in accordance with *Government Auditing Standards*. We will perform the services in accordance with applicable professional standards. The other services are limited to the financial statement services previously defined. We, in our sole professional judgment, reserve the right to refuse to perform any procedure or take any action that could be construed as assuming management responsibilities.

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

Responsibilities of Management for the Financial Statements

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

information in conformity with accounting principles generally accepted in the United States of America, and for compliance with applicable laws and regulations and the provisions of contracts and grant agreements.

Management is responsible for making drafts of financial statements, all financial records and related information available to us and for the accuracy and completeness of that information (including information from outside of 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 government from whom we determine it necessary to obtain audit evidence. At the conclusion of our audit, we will require certain written representations from you about your responsibilities for the financial statements; compliance with laws, regulations, contracts, and grant agreements; and other responsibilities required by GAAS and *Government Auditing Standards*.

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

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

You are responsible for the preparation of the supplementary information, which we have been engaged to report on, in conformity with accounting principles generally accepted in the United States of America (GAAP). You agree to include our report on the supplementary information in any document that contains and indicates that we have reported on the supplementary information. You also agree to include the audited financial statements with any presentation of the supplementary information that includes our report thereon or make the audited financial statements readily available to users of the supplementary information no later than the date the supplementary information is issued with our report thereon. Your responsibilities include acknowledging to us in the written representation letter that (1) you are responsible for presentation of the supplementary information in accordance with GAAP; (2) you believe the supplementary information, including its form and content, is fairly presented in accordance with GAAP; (3) the methods of measurement or presentation have not changed from those used in the prior period (or, if they have changed, the reasons for such changes); and (4) you have disclosed to us any significant assumptions or interpretations underlying the measurement or presentation of the supplementary information.

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

Engagement Administration, Fees, and Other

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

We will provide copies of our reports to the Town; 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.

Honorable Mayor and Town Council
Town of Copper Canyon
March 19, 2024

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The audit documentation for this engagement is the property of MWH Group, P.C. and constitutes confidential information. However, subject to applicable laws and regulations, audit documentation and appropriate individuals will be made available upon request and in a timely manner to a cognizant 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 MWH Group, P.C.'s 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 agencies. 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.

Valerie Halverson, CPA, is the engagement shareholder and is responsible for supervising the engagement and signing the reports or authorizing another individual to sign them.

Our fee for services will be at our standard hourly rates plus out-of-pocket costs (such as report reproduction, word processing, postage, travel, copies, telephone, etc.) except that we agree that our gross fee, including expenses, will not exceed \$15,000. Our standard hourly rates vary according to the degree of responsibility involved and the experience level of the personnel assigned to your audit. Our invoices for these fees will be rendered each month as work progresses and are payable on presentation. In accordance with our firm policies, work may be suspended if your account becomes 30 days or more overdue and may not be resumed until your 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. You will be obligated to compensate us for all time expended and to reimburse us for all out-of-pocket costs through the date of termination. The above fee is based on anticipated cooperation from your personnel and the assumption that unexpected circumstances will not be encountered during the audit. If significant additional time is necessary, we will discuss it with you and arrive at a new fee estimate before we incur the additional costs.

Reporting

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

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

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

Honorable Mayor and Town Council
Town of Copper Canyon
March 19, 2024

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Very truly yours,

MWH Group, P.C.

MWH Group, P.C.

RESPONSE:

This letter correctly sets forth the understanding of Town of Copper Canyon, Texas:

Signature: _____

Title: _____

Date: _____

AGREEMENT FOR BUILDING INSPECTION

THIS AGREEMENT (herein after referred to as the "Agreement") is made and entered into between DENTON COUNTY FRESH WATER SUPPLY DISTRICT NO. 7, 2650 FM 407 E, suite 125, Lantana, Texas 76226 (herein after referred to as "District"), and the TOWN OF COPPER CANYON, TEXAS, a municipal corporation, (herein after referred to as "Copper Canyon" or the "Town").

RECITALS:

WHEREAS, Copper Canyon is desirous of obtaining building inspection services for the construction of its new police station (the "PD Project"); and

WHEREAS, District has employees that are fully licensed State Plumbing Inspectors and is desirous of furnishing building inspection services to Copper Canyon for the PD Project; and

WHEREAS, the parties hereto desire to enter into this Agreement for District to provide building inspection at the highest level possible to Copper Canyon in accordance with the terms and conditions set forth herein; and

WHEREAS, all payments to be made hereunder shall be made from current revenues available to the Town; and

WHEREAS, the parties have concluded that this Agreement fairly compensates District for the services being provided hereunder;

NOW THEREFORE, IN CONSIDERATION OF THE MUTUAL PROMISES AND CONSIDERATION PROVIDED FOR HEREIN, THE RECEIPT AND SUFFICIENCY OF WHICH ARE HEREBY CONFIRMED, THE PARTIES HERETO AGREE TO THE FOLLOWING:

- Section 1. All matters stated above in the preamble are found to be true and correct and are incorporated herein by reference as if copied in their entirety.
- Section 2. **Term:** This Agreement shall commence on March 19, 2024, and end December 31, 2024, and may be extended thereafter by mutual consent of the parties hereto for additional terms of 10 months each unless either party has provided to the other party written notice of non-renewal as outlined in Section 6 of this agreement.
- Section 3. **Scope of Services:** District hereby agrees to provide Copper Canyon the following services:
- a. **General Services:** Enforce all building codes; perform commercial building inspections; confer with architects, contractors, builders, the public

and perform public infrastructure inspections. Consult with permit Clerk and office staff.

District will be primary inspector providing building inspection and special services in consideration for the payment to be made by Copper Canyon under Section 4a.

- c. **Equipment and Availability:** District will provide all equipment necessary to perform the services contained in this Agreement including, but not limited to vehicles, tools and mobile telephones. District will be available for general and special services during the normal business hours of Town Hall and shall conduct inspections in accordance with a mutually acceptable schedule with Town administrative staff.

Section 4. **Copper Canyon's Obligations:** Copper Canyon agrees to perform the following:

- a. Make payment to District, on a monthly basis and upon receipt of an invoice in accordance with the following fee schedule:
 - 1) Inspection fee is \$30 per inspection with the minimum fee of \$60
- b. Provide clerical support and any administrative costs associated with building permits, including, but not limited to, permit forms, reports, certified and regular mail, records retention, printing, notices and publications, and correspondence.

Section 5. **Revenues Retained:** Copper Canyon shall retain all fees, fines, forfeitures, etc. that may be generated by the issuance of building permits.

Section 6. **Termination:**

- a. This Agreement may be terminated at any time, by either party, giving thirty (30) days written notice to the other party to the addresses provided herein. In the event of such termination by either party; District will be compensated for all services performed to the termination date which will be the date one month (30 days) after the date of the written notice of termination, together with any payments then due and as authorized by this Agreement.
- b. If Copper Canyon fails to make payment to District within five (15) working days after the submission date of the monthly report, District, at its discretion, may suspend service until payment is received. If it becomes necessary for District to suspend services to Copper Canyon for nonpayment of the required amounts, District will identify a date on which the services will be suspended and will notify the Town Secretary in writing of the date services will be suspended.

- c. Copper Canyon, upon failure of District to furnish any services under this Agreement, will have the right to terminate this Agreement by the means set out in subsection (a) of this Section.
- Section 7. **Notices:** All written notices shall be sent to the following parties by certified mail-return receipt requested:
- | | |
|---|---|
| <p>DCFWSD No. 7
2650 FM 407 E
Suite 125
Lantana, Texas 76226
Attn: Kevin Mercer</p> | <p>Town Administrator
Copper Canyon Town Hall
400 Woodland Drive.
Copper Canyon, TX 75077</p> |
|---|---|
- Section 8. **Dispute Resolution:** In order to ensure an effective relationship between the parties and to provide the best possible services, it is mutually agreed that all questions arising under this Agreement shall be handled and resolved between the Town Council of Copper Canyon and District.
- Section 9. **Jurisdiction:** By this Agreement, Copper Canyon grants full and complete authorization and jurisdiction to District for all services to be provided by District as contained in this Agreement. Said jurisdiction shall apply to the town limits of Copper Canyon and the Copper Canyon Extraterritorial Jurisdiction where applicable.
- Section 10. **Venue:** Venue for any legal dispute arising pursuant to this Agreement shall be in Denton County, Texas.
- Section 11. **Supervision/Certification/Licenses:** At all times during the term of this Agreement, all building inspectors shall be under supervision and control of District. In addition, District and all officers must be certified or licensed in their respective areas of expertise to carry out their duties. The costs associated with maintaining certifications and licenses along with the costs of any required continuing education classes shall be at the sole expense of District.
- Section 12. **Performance:** Both parties mutually agree that District is an independent contractor and shall have exclusive control of the details of its performance hereunder, and that employees of District in no way are to be considered employees of Copper Canyon.
- Section 14. **Insurance:** District agrees to procure and maintain, at a minimum, \$300,000 liability insurance policy providing coverage against any and all claims for personal injury or property damage arising out of acts, errors, or omissions of District, its employees or agents, under or pursuant to this Agreement.

IN WITNESS WHEREOF, we have hereunto set our hands this _____ day of _____,
in duplicate originals.

TOWN OF COPPER CANYON:

DENTON COUNTY FWSD NO. 7

Ron Robertson, Mayor



David Ware, President

Attest:

Sheila Morales, TRMC
Town Secretary