

KAUFMAN COUNTY FRESH WATER SUPPLY DISTRICT NO. 3

TO: THE BOARD OF SUPERVISORS OF KAUFMAN COUNTY FRESH WATER SUPPLY DISTRICT NO. 3 AND TO ALL OTHER INTERESTED PERSONS:

Notice is hereby given pursuant to V.T.C.A., Government Code §551, that the Board of Supervisors of Kaufman County Fresh Water Supply District No. 3 ("District") will hold a regular meeting on Wednesday, May 27, 2026, at 1:00 p.m. at 2728 N. Harwood Street, Suite 500, Dallas, Texas 75201. The Board will discuss and, if appropriate, act upon the following items:

1. Public communication and comments;
2. Review and approve Minutes of the March 25, 2026, Board meeting;
3. Consider resignation of Supervisor;
4. Consider appointment of Supervisors to fill vacancies on the Board, and adopt Order related to same; confirm execution by newly elected and newly appointed Supervisors of Statement of Officer forms and administer Oaths of Office; and discuss open government training requirements;
5. Consider reorganization of the Board of Supervisors, and election of officers;
6. Consider review and approve an Amended District Information Form; and take any action as may be necessary related thereto;
7. Consider, review, and approve a contingent fee contract with Linebarger Goggan Blair & Sampson, LLP, for the collection of delinquent taxes owed to the District pursuant to the Texas Tax Code, Section 6.30, and Government Code 2254.1036, approve Resolution regarding same;
8. Consider, review, and approve a Resolution Authorizing the Imposition of a 20% Penalty for Collection of Costs of Delinquent Taxes for Tax Year 2025 and Subsequent Years;
9. Consider termination of Robert W. Baird & Co., Inc. ("Baird"), as financial advisor to the District; acknowledge waiver of 30-day notice period by Baird; consider engagement of Cedar Creek Municipal Advisors, LLC, as financial advisor to the District, and take any other action as may be required related thereto;
10. Hear report from operator and take any action necessary or appropriate regarding utility accounts and communication, repair of District facilities, security of District facilities, or other operations related items;
11. Hear report from developer or engineer regarding development within the District and take any action in connection with plat approval, reimbursement agreements or assignments thereunder, or other development related items;

12. Consider review and acceptance of engineer's report, and take any action necessary or appropriate;
 - a. Status of construction projects within the District;
 - b. Consider authorizing preparation of construction plans/specifications for water, sewer, paving and recreational facilities or repair/modification of existing facilities;
 - c. Consider approval/ratification of construction plans and specifications;
 - d. Consider approval/ratification of advertising for bids for contract(s);
 - e. Consider approval/ratification of award of construction contract(s);
 - f. Consider approval/ratification of contractor pay estimates, change orders and engineering fee statements; and
 - g. Consider acceptance of certificate of completion; authorize final acceptance of facilities; and, if necessary, convey facilities to municipality;
13. Review and approve bookkeeping report, adopt any necessary resolutions and approve signature cards relating to any new accounts, investment report, budget related matters, update listing of depositories, review tax collections, approve engagement for preparation of annual financial report, and take further action on such matters as may be necessary with regard to bookkeeping matters;
14. Discuss tentative date for next meeting; and
15. Adjournment.

The Board of Supervisors may enter into Executive Session, if necessary and appropriate, pursuant to the applicable section of Subchapter D, Chapter 551, Texas Government Code Annotated, the Texas Open Meetings Act, on any matter that may come before the Board. No action, decision or vote on any subject or matter may be taken unless specifically listed on the agenda for this meeting.

EXECUTED this 20th day of May, 2026.



KAUFMAN COUNTY FRESH WATER
SUPPLY DISTRICT NO. 3

Ross S. Martin, Attorney for the District

NOTICE PURSUANT TO GOVERNMENT CODE SEC. 2254.1036

WHEREAS, the KAUFMAN COUNTY FRESH WATER SUPPLY DISTRICT NO. 3 ("District") wishes to enter into a contingent fee contract with the law firm of Linebarger Goggan Blair & Sampson, LLP ("Firm") and hereby posts this notice pursuant to Sec. 2254.1036 of the Government Code, and the District will hold a meeting on May 27, 2026, at 1:00 p.m. for the purpose of considering and taking action on the contract with the Firm.

WHEREAS, this notice shall be posted before or at the time of giving the written notice required by Government Code Sec. 551.041 for a meeting described by Sec. 2254.1036(2) of the Government Code and shall announce the following:

- A. The District is pursuing a contract with the Firm for the collection of delinquent property taxes owed to the District and through this contract the District seeks to increase recovery of its delinquent debts in the most effective and efficient manner. The desired outcome is the efficient collection of delinquent property taxes, penalties, and interest. GOVT. CODE § 2254.1036(1)(A).
- B. The District believes the Firm has the qualifications, competency, and experience necessary to fulfill the contract. GOVT. CODE § 2254.1036(1)(B). The Firm has collected delinquent tax and government receivables for more than 50 years. In addition, the Firm possesses infrastructure and technology, such as call center technology, the District does not currently possess.
- C. The nature of any relationship between the District and the Firm is as follows. GOVT. CODE § 2254.1036(1)(C).
 - i. The Firm represents the Kaufman County Tax Office, which collects taxes/assessments for the District.
- D. The District is unable to perform or efficiently collect its own delinquent taxes. GOVT. CODE § 2254.1036(1)(D). The services involve filing a high volume of cases each month and performing the services in-house would require the taxing units to invest in additional technology, personnel, and other resources to provide adequate support services incidental to the legal services.
- E. The collection services cannot be provided for an hourly fee. GOVT. CODE § 2254.1036(1)(E). The Tax Code allows the assessment of a percentage-based fee to recover the costs of collecting delinquent taxes (Texas Tax Code Sections 6.30, 33.07, 33.08, 33.11, and 33.48). This percentage-based fee is assessed only against the debtor and not the District or non-delinquent taxpayers of the District. The collection of delinquent taxes is a high-volume practice, requiring a significant amount of research, mailing, and handling of outbound/inbound calls. An hourly fee for such work will likely exceed amount of delinquent taxes due and represent an additional cost to the District. The Tax Code does not expressly authorize the District to pay for collection services based on an hourly fee.
- F. The District believes this contingent fee contract is in its best interest. GOVT. CODE § 2254.1036(1)(F). Under the contingent fee contract, the Firm will be paid the amount of the percentage-based collection fee, regardless of the number of hours the Firm spends to collect the delinquent debt. Additionally, the percentage-based collection penalty is a pass-through expense to the debtor and not an expense to the District or non-delinquent taxpayers in the District. This contract will allow the Taxing Entities to recover delinquent property taxes, penalties, and interest that are essential revenue.

Posted by the KAUFMAN COUNTY FRESH WATER SUPPLY DISTRICT NO. 3 Board the 20th day of May, 2026.