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Item Number: 3

Addendum StartPage: 0

PUC DOCKET NO. 45710

2016 MAR 30 PM 2:22

APPLICATION OF KEMPNER WATER §
SUPPLY CORPORATION FOR SECTION §
13.252 CEASE AND DESIST ORDER §
AGAINST THE CITY OF LAMPASAS §
§

PUBLIC UTILITY COMMISSION
BEFORE THE CLERK
PUBLIC UTILITY COMMISSION
OF TEXAS

**CITY OF LAMPASAS'S RESPONSE
TO KEMPNER'S REQUEST FOR CEASE AND DESIST ORDER**

The City of Lampasas ("City") files this Response to the Application of Kempner Water Supply Corporation ("Kempner") for a Texas Water Code § 13.252 cease and desist order and in support thereof shows the following:

I. SUMMARY OF POSITION

Kempner's request for a cease and desist order should be denied. Texas Water Code § 13.252 and 16 Tex. Admin. Code ("TAC") § 24.118 prohibit one retail public utility from interfering or attempting to interfere with the "operation of a line, plant, or system" of another retail public utility. They also prohibit one utility from furnishing or attempting to furnish retail water services in another utility's certificated area. The City is doing none of these things. The City has constructed a water transmission line within a 151-acre Business Park ("Business Park") owned by the Lampasas Economic Development Corporation ("LEDC"), and within the boundaries of Kempner's current Certificate of Convenience and Necessity ("CCN"). That phase of construction is complete; did not include any distribution water lines, meters, or other retail facilities; and does not interfere with Kempner's operations. Kempner has no lines, plants, or systems in the area where this construction has occurred, and the construction of the water transmission line is not an attempt by the City to furnish retail water service to customers in the area. The City will not make any such attempt without taking the proper steps for authorization

under the Texas Water Code and the rules of the Public Utility Commission of Texas ("Commission" or "PUC"). Because the City is not violating the prohibitions in the statute or the rule, the Commission has no basis for issuing a cease and desist order.

II. DISCUSSION

A. The statute and the rule do not prohibit the City from constructing a transmission line in anticipation of Commission authorization to provide retail water service to the area.

The City has not violated Texas Water Code § 13.252 by constructing a water transmission line within Kempner's CCN area. Section 13.252 requires actual or attempted interference with Kempner's operations, or efforts to actually serve a customer before the Commission may issue a cease and desist order. None of those events has occurred. Section 13.252 provides:

If a retail public utility in constructing or extending a line, plant, or system interferes or attempts to interfere with the operation of a line, plant, or system of any other retail public utility, or furnishes, makes available, renders, or extends retail water or sewer utility service to any portion of the service area of another retail public utility that has been granted or is not required to possess a certificate of public convenience and necessity, the commission may issue an order prohibiting the construction, extension, or provision of service or prescribing terms and conditions for locating the line, plant, or system affected or for the provision of the service.

16 TAC § 24.118 similarly limits the Commission's authority to issue a cease and desist order to when

a retail public utility in constructing or extending a line, plant or system interferes or attempts to interfere with the operation of a line, plant, or system of any other retail public utility, or furnishes, makes available, renders, or extends retail water or sewer utility service to any portion of the service area of another retail public utility . . .

The plain language of both the statute and the rule make clear that construction of a water transmission line within another utility's CCN area, without other facilities needed to provide retail water service, is not prohibited. That is all that has occurred here.

In denying a similar request for a cease and desist order under § 13.252, the Texas Commission on Environmental Quality ("TCEQ") ruled:

Water Code § 13.252 authorizes the Commission to issue a cease-and-desist order against a utility that does one of two things:

- a. The utility in constructing or extending a line, plant or system interferes or attempts to interfere with the operation of a line, plant or system of any other retail public utility; or
- b. The utility furnishes, makes available, renders, or extends retail water or sewer utility service to any portion of the service area of another retail public utility.

Petition of Bolivar Water Supply Corp. Requesting a Cease-and-Desist Order against the City of Denton, TCEQ Docket No. 2009-1224-UCR, 2010 WL 444302 at *2 (Jan. 29, 2010) (Conclusion of Law 3). In that case, the City of Denton had merely provided Bolivar with notice that it had annexed an area within Bolivar's CCN and intended to provide service to the annexed area. The TCEQ held such conduct failed to form a basis for issuance of a cease and desist order. *Id.* at 2 (Conclusion of Law 4).

B. The City's conduct is lawful and in reasonable anticipation of future Commission authorization allowing it to serve the area.

The City constructed the transmission line in order to serve a portion of the Business Park that is located within the boundaries of its CCN, and because it wants to be in a position to bring service to the rest of the Business Park once it is legally authorized to do so. But the City is awaiting Commission authorization before it will actually provide or attempt to provide retail water service to the area, and additional lines and facilities must be installed before the City could furnish such retail service. The City is also in the process of bringing sewer and electric

service to the area, which it has recently annexed into the City limits. See Ex. A (annexation documents). Kempner does not provide either of those services to the area.

The City anticipates that it will be authorized by the Commission to provide retail water service to the Business Park pursuant to at least two provisions of the Texas Water Code. The first provision is Texas Water Code § 13.254(a-1), which allows a landowner of at least 50 acres that is not receiving service to seek to have his land released from the boundaries of a CCN when the CCN holder will not or cannot provide the requested service. The Business Park located in the annexed area is owned by the LEDC, a non-profit corporation created to facilitate economic development for the City. Subject to Commission authorization to do so, the City has told the LEDC that it is capable of providing water service to the Business Park, and has committed to a short time frame and a set price for doing so. Pursuant to the requirements of Texas Water Code § 13.254(a-1), the LEDC has requested water service from Kempner under the same terms so as to give Kempner an opportunity to match or beat the terms. Kempner's response has been a proposal that would take 12 times as long and cost almost 20 times as much. Because Kempner did not meet the requested terms within the 90-day period set out in § 13.254(a-1), the LEDC has filed with the Commission a petition for expedited release of its Business Park acreage from Kempner's CCN area. See PUC Docket No. 45778, *Petition of Lampasas Economic Development Corporation to Amend Kempner Water Supply Corporation's Certificate of Convenience and Necessity No. 10456 by Expedited Release in Lampasas County*.

The fact that the LEDC does not yet have utilities to the Business Park and is awaiting Commission approval before service is provided, makes clear that the City is not furnishing or attempting to furnish retail water service in Kempner's CCN area.

Kempner attaches to its petition a letter from the LEDC to Kempner regarding the City's "offer" and asserts that letter establishes the City is violating Water Code § 13.252 and the Commission's rule. Kempner is mistaken, and the LEDC clarified in a subsequent letter to Kempner that the City would not actually serve the area until the Commission authorizes it to do so. Ex. B. The LEDC's filing of the petition confirms that neither the LEDC nor the City has any intention of violating the Texas Water Code or Commission rules.

The second statute under which the City anticipates being able to serve the area is Texas Water Code § 13.255, which allows a City to seek single certification of areas within its city limits. By letter dated March 23, 2016, the City has notified Kempner of its intent to seek single certification of the area pursuant to § 13.255. Ex. C. This statute gives the City the right to exclusively serve the area after the requisite period of time has elapsed and the City makes the requisite filing. *See* Tex. Water Code § 13.255(c) (providing that, if the City requests single certification in an area it has annexed, "[t]he utility commission shall grant single certification to the municipality").¹

That the City has made preliminary preparations to serve an area within its City limits and in accordance with what will ultimately be its right to provide retail water service does not violate the Water Code. The City's construction of the transmission line is legal and reasonable. In *Bolivar v. City of Denton*, TCEQ Docket No. 2009-1224-UCR, 2010 WL 444302 at *1, the City of Denton had also annexed the area in question and issued what the TCEQ concluded was a § 13.255 notice to Bolivar that it intended to exclusively serve the area. *Id.* Planning ahead is responsible, and given that the constructed facilities do not interfere with Kempner's system, and

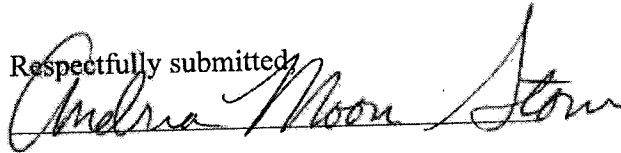
¹ Section 13.255(c) also requires the City to compensate the utility losing the area if any property of the utility is "rendered useless or valueless." Because Kempner has no facilities in the vicinity, Kempner should not be entitled to compensation.

do not include any facilities necessary to provide retail water service, the City's actions are not a proper basis for a cease and desist order.

III. CONCLUSION AND PRAYER

WHEREFORE, PREMISES CONSIDERED, the City of Lampasas respectfully requests that the Commission deny Kempner's request for a cease and desist order and grant the City such other and further relief to which it is entitled.

Respectfully submitted,



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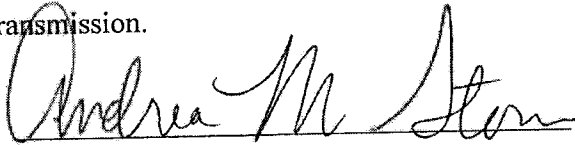
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ATTORNEYS FOR THE CITY OF LAMPASAS

CERTIFICATE OF SERVICE

I certify that on the 30th day of March, 2016, a true and correct copy of the foregoing instrument was served on all parties of record by email, hand delivery, Federal Express, regular first class mail, certified mail, or facsimile transmission.


Andrea M. Stover

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MINUTES OF REGULAR MEETING OF THE GOVERNING BODY
OF THE CITY OF LAMPASAS, TEXAS
CITY COUNCIL CHAMBERS
405 SOUTH MAIN STREET
MONDAY, DECEMBER 14, 2015
5:30 p.m. Special Session
7:00 p.m. Regular Session

EXHIBIT A

The City Council of the City of Lampasas met in regular session on the above date with Mayor Toups presiding.

Council Members present:

Misti Talbert, Mayor Pro Tem
Chuck Williamson
Michael White
T.J. Monroe
Robert McCauley
Chris Harrison

Council Members absent:

None

City Staff Present:

Finley deGraffenried, City Manager
Christina Marez, City Secretary
Yvonne Moreno, Finance Director
Tim Angermann, Police Chief
Shane Brown, Public Works Director
Monica Wright, Information Systems Director
Kathi Masonheimer, Economic Development Director
Micky Tower, Parks & Recreation Director
Reece Oestreich, Fire Chief
Ronnie Withers, Fire Marshal
Shanda Subia, Library Director
Robert Gradel, Municipal Court Judge
Flint Geagley, Electric Superintendent
Van Sims, Interim Water/Wastewater Operations Manager

WORKSHOP SESSION
5:30 p.m.

1. Call to order Workshop Session

Mayor Toups called the workshop session to order at 5:30 p.m.

2. City Charter amendment discussion/review

City Manager deGraffenried reviewed a memo and the potential priority list of Charter amendments which included a high priority, medium priority, low priority and discretionary.

The high and medium priorities included:

High Priority

- 6.03 Appropriations -- Council requests revision to allow administrative transfers within the Funds. (General Fund, Electric Fund, etc.)
- 6.04 Budget Amendment -- More flexibility necessary to meet City needs. Wording is unreasonably and unnecessarily restrictive.
- 6.05 Emergency Appropriations -- Also too limited, perhaps combine with 6.04 and make more globally flexible.
- 6.11 Purchase Procedures -- Out of date and too restrictive. Bring into compliance with State Law and realistic flexibility.
- Art. VII-Taxation -- All out of date with current assessment and handling of taxation in the City. Can be brought into compliance rather easily.

Medium Priority

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- 2.02 Qualifications -- Residence requirement is unclear; has been subject of past candidate question.
- 3.01 General Election -- Inaccurate as per State Law; can function with Editor's note, but easy to clean up to comply with State Law.
- 3.03 Filing of Candidacy -- Inaccurate as per State Law; can easily be made to comply with State Law.
- 8.05 Regulation of Rates -- out of date with current State Law
- 9.07 Notice of Claims - outdated

deGraffenried indicated that he was seeking Council's input and direction and wanted them to keep in mind not to overload the ballot.

Council member Williamson requested that Item 5.05 be added to the high priority list, which was City Attorney -- that is not the process currently being used by the City.

Mayor Pro Tem Talbert felt that the high and medium priorities, with the exception of Item 8.05 and 9.07, should be on the ballot and also include Item 5.05.

Council member Harrison asked that Item 5.07 also be added to make it ten (10) items on the ballot. Item 5.07 -- Municipal Court -- Court appointments "if Court temporarily unable to act" -- might result in awkward situation if vacancy occurred and Court appointed temporary Judge, rather than City Council.

Council unanimously agreed to the ten (10) items.

- 3. Discussion regarding amendment to Chapter 58, City of Lampasas Code of Ordinances, relating to Signs

City Manager deGraffenried explained that this item is to allow discussion on the possible amendments to the City's Sign Ordinance. Based on previous Council discussion, City staff has drafted the Ordinance included in Council's packet which includes:

- 1) Deletion of the Variance process
- 2) Inclusion of areas where larger signs are allowed
- 3) Deletion of any reference to a Specific Use Permit process
- 4) Inclusion of Council considerations when granting an appeal; and
- 5) General cleanup of obsolete language

After discussion, deGraffenried mentioned that LED animated signs are prohibited. Message signs are allowed and reviewed the requirements and where they would be allowed. He will include reference to terms of brightness of the sign and look at the definition of an animation sign.

deGraffenried informed Council that City staff is working on a sign inventory of the City and will possibly bring it to Council in January.

- 4. Discussion regarding any item on the regular agenda

Item 7.2 was discussed. Council member Monroe asked about the cost. Mayor Pro Tem Talbert said that the cost would be a little over \$300.00 and that cost is already covered by donations and Council member White will be installing the placards/signs free of charge.

Mayor Pro Tem Talbert said that this would not be mandatory and if the Police Department did not want on any vehicle, it was their choice. Police Chief Angermann said that if approved by Council, he would want all Police vehicles to have them and he would like the names of those who made the donations so he could send them thank you cards.

Mayor Pro Tem Talbert said that if more money was raised, they could put placards/signs on all City vehicles.

City Manager deGraffenried said that he would make it work with whatever Council approves.

- 5. Adjourn Workshop Session

Mayor Pro Tem Talbert moved to adjourn the workshop session at 6:26 p.m. The motion was seconded by Council member Harrison and with a unanimous vote, the motion carried.

REGULAR SESSION
7:00 p.m.

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ANNOUNCEMENTS

A. Call to Order

Mayor Toups called the regular session to order at 7:00 p.m.

B. Invocation and Pledge of Allegiance

Tim Angermann, Police Chief, gave the invocation and the Pledge of Allegiance to the U.S. and Texas flags were recited.

C. Proclamations and/or Presentations

Council member Monroe thanked all City staff for the great service they provided to the Christmas Parade.

1.0	PUBLIC HEARINGS/CITIZEN COMMENTS
1.1	Citizen comments – Any citizen who desires to address the City Council on a matter not included on the Agenda may do so at this time. The City Council may not deliberate on items presented under this Agenda Item

There were no citizen comments.

2.0	MINUTES
2.1	Discussion and possible action concerning approval of minutes of the regular meeting on November 23, 2015

Mayor Pro Tem Talbert moved to approve the minutes of the regular meeting on November 23, 2015 as presented. The motion was seconded by Council member White and with a unanimous vote, the motion carried.

2.2	Discussion and possible action concerning approval of minutes of the special meeting on November 30, 2015
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Council member Monroe moved to approve the minutes of the special meeting on November 30, 2015 as presented. The motion was seconded by Mayor Pro Tem Talbert and with a unanimous vote, the motion carried.

3.0	CONSENT AGENDA
3.1	Discussion and possible action regarding the second reading of an Ordinance granting a request to rezone property, and ordering a change to Ordinance No. 878 and the accompanying City of Lampasas' Zoning Map, as amended, to change the zoning classification of property located at 608 Briggs Street, specifically being Block 1, Lot 6, less small strip, of the East Lampasas Addition of Lampasas, Texas, located within the City of Lampasas, from Single Family Residential-10 "SF-10" to Multi-Family Residential-1 District (Triplex/Quadriplex) "MF-1"; and providing an effective date
3.2	Discussion and possible action regarding the second reading of an Ordinance granting a request to rezone property, and ordering a change to Ordinance No. 878 and the accompanying City of Lampasas' Zoning Map, as amended, to change the zoning classification of property located at 614 Briggs Street, specifically being Block 1, East part of Lot 2, of the East Lampasas Addition of Lampasas, Texas located within the City of Lampasas, from Single Family Residential-10 "SF-10" to Single Family Residential-6 "SF-6"; and providing an effective date
3.3	Discussion and possible action regarding the second reading of an Ordinance granting a request to rezone property, and ordering a change to Ordinance No. 878 and the accompanying City of Lampasas' Zoning Map, as amended, to change the zoning classification of property located at 403 East Second Street, specifically being Block 18, Lots 7 and 8 of the Old Town Lampasas Addition of Lampasas, Texas, located within the City of Lampasas, from Retail District "R" to Single Family Residential-6 "SF-6"; and providing an effective date.
3.4	Discussion and possible action concerning the second reading of an Ordinance annexing the hereinafter described territory to the City of Lampasas, Lampasas County, Texas, and extending the boundary limits of said city so as to include said hereinafter described property within said city limits, and granting to all the inhabitants of said property all the rights and privileges of other citizens and binding said inhabitants by all of the acts, ordinances, resolutions, and regulations of said city; and adopting a service plan. Said annexation consists of approximately ±282.36 acres of land as follows: Area 1: being ±278.36 acres, out of the Daniel Stanley Survey, Abstract No. 0631

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	and the James Easley Survey, Abstract No. 0185, as described herein; and Area 3; being ± 4.00 acres, out of the James R. Cook Survey, Abstract 110, as described herein; which tracts lie adjacent to and adjoin the present municipal boundary of the City of Lampasas, Texas, and which are not a part of any other incorporated area
3.5	Discussion and possible action regarding an Ordinance amending the Adopted Budget for the Municipal Government of the City of Lampasas for the Fiscal Year of October 1, 2014 to September 30, 2015
3.6	Discussion and possible action regarding purchases and charges in excess of \$4,000 from November 1, 2015 through November 30, 2015

Mayor Pro Tem Talbert moved to approve the consent agenda as presented. The motion was seconded by Council member White and with a unanimous vote, the motion carried.

4.0	BOARDS/DEPARTMENT REPORTS
4.1	<ol style="list-style-type: none"> 1. City Secretary Monthly Report 2. Police Department Monthly Report 3. Utility Billing and Collections Monthly Report 4. Public Works Monthly Report for Electric, Streets, Water/Wastewater 5. Library Monthly Report 6. Building Official Monthly Report 7. Fire Department Monthly Report 8. Economic Development Monthly Report 9. Information Systems Monthly Report 10. Parks and Recreation Monthly Report for Parks, Recreation, Airport & Cemetery 11. Golf Course Monthly Report 12. Municipal Court Monthly Report

Christina Marez, City Secretary, reviewed her report and explained the following:

- She supervises three fulltime employees: Assistant City Secretary/Zoning Administrator, Ursula Paddie; Administrative Secretary/Permit Tech, Becky Sims; and, Custodian, Ramon Canada. She will also supervise one Part-time Custodian, which is a new budgeted position that has not been filled yet.
- Ursula Paddie is responsible for the Planning and Zoning Department. She serves as backup in the City Secretary absence, which she is very capable and knowledgeable of doing.
- Becky Sims handles receptionist duties and assists the Building Official with issuance of permits.
- As Human Resource Director, she does orientation of all new employees and handles all the City benefits for employees. Posts all City job vacancies and sit in on interviews.
- Responsible for handling all City insurance claims: liability, property and workers compensation.
- Serves as Records Manager for all City records.
- Responsible for all Open Records Requests.
- Serves as backup for the Building Department and/or Planning and Zoning in their absence.
- Assist the Finance Department with payroll and distribute payroll checks.
- Responsible for City elections.

5.0	ROUTINE MATTERS
5.1	City Manager's Operational Report

City Manager deGraffenried reviewed his report:

- Prestwick Agreement – In consultation with Legal Counsel, City staff has executed a revised Subordination Agreement with Prestwick for their permanent financing. Based on language in the March 11, 2103 City Council minutes, City staff was granted the authority to execute said documents. The Subordination Agreement does not change any terms or obligations of the City and the only change to the previously approved Agreement was the name of the financing company. As a reminder, the City committed \$1,000.00 per unit loan payable in 15 years.
- Tree Trimming – McCoy's Tree Trimming is in town conducting their annual trimming in and around the power lines. Flint Geagley, Electric Superintendent, has initially directed them to areas along Central Texas Expressway, Highway 190 East and they will move to different areas in need of trimming over the next five weeks. City crews are pleased with the selection of McCoy's through the LCRA procurement process and generally did not feel that Asplund provided the same level of service McCoy's has provided over the years.
- I-14 – Council may be aware that portions of Highway 190 will soon be designated as the new Interstate 14. A recent article in the Killeen Daily Herald indicates that the "Forts to Ports"

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Interstate project will eventually connect Camp Shelby to Fort Bliss, as well as the Port of Corpus Christi. Currently, the section of 190 from I-35 through Killeen is built to Interstate standards, and City staff's understanding is that future work will concentrate on areas on the eastern portion of the designation. Any impact to Lampasas in terms of upgraded roadways will likely occur over decades. The primary initial benefit to Lampasas is that we can now indicate to economic development prospects that we are within 25 miles of an Interstate Highway.

- Carry Webinar – TML is offering a webinar on the soon to be implemented gun carry laws. Mayor Pro Tem Talbert has suggested a viewing of the webinar for those interested next week at a convenient time for all in the Council Chambers.
- Chamber – The Chamber of Commerce will be forwarding their quarterly report for Council review prior to the January 11 Council meeting. Chamber Director, Alisha Menard, indicated that she wanted to hand deliver the report to Council the night of this meeting, however, based on Council comment that they preferred to review the report prior to any Council meeting, City staff decided to wait to put this item on the next regular meeting in January.
- Year End – The books on FY 2015 will be officially closed by December 31. Yvonne Moreno, Finance Director, has done an excellent job on her fiscal year end, having to correctly allocate expenses and revenues in the proper years. The Auditors will be in shortly after the end of year to begin their process of publishing the annual audit.
- He announced that Reese Oestreich, Fire Chief, had informed him that approximately 800 people attended the Fire Department and Police Department Luncheon/Toy Drive.
- He announced that he would be taking vacation the week of Christmas but was available by phone anytime.

5.2	Mayor's Comments
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Mayor Toups said that he appreciated the great turnout of citizens at tonight's Council meeting. He thanked the Police Department and Fire Department for their work on a successful luncheon/toy drive. He also announced that the Chamber of Commerce would be having a mixer tomorrow evening, December 15, at Toupsie's. He wished everyone a safe and merry Christmas.

Mayor Pro Tem Talbert announced that she had filled in for the Mayor at the Christmas on the Creek event and the Christmas Parade. She said that there was an overwhelming response of people attending both Christmas events. She was proud of Lampasas and said it was a great community to live in.

6.0	UNFINISHED BUSINESS
6.1	N/A

There was no unfinished business.

7.0	NEW BUSINESS
7.1	Discussion and possible action concerning a request from the American Fireworks

City Manager deGraffenried explained that included in Council's packet is a draft Property Use Agreement for the continuation of land use in the annexed area. Based on Council discussion at the November 30 Council meeting and in consultation with Legal Counsel, the Agreement allows for continuation of temporary seasonal fireworks stand at 1915 South Highway 183. The term has not been filled out in the Agreement due to City staff seeking Council's direction on the length of time the City will allow use.

deGraffenried informed Council that the property owner, Charles Darnell, has looked over the agreement and informed City staff that his lease with American Fireworks is until March 2019 and requested Council's consideration to allow the Agreement until that time.

Mr. Jeff Coffee, American Fireworks representative, was present at the meeting.

Council member Harrison moved to approve the Annexation Property Use Agreement until March 2019 and authorize the City Manager to execute said agreement. The motion was seconded by Council member Williamson.

There was discussion prior to a vote. Ronnie Withers, Fire Marshal, reviewed Senate Bill 1593 which added four additional new seasons that fireworks could be sold. He felt allowing the sale of fireworks inside the City limits could fall under the nuisance ordinance. Council said that this Agreement allows for the sale of fireworks and not use.

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Mayor Pro Tem Talbert asked Jeff Coffee if they could put up a sign in their stand that make customers aware that no use of fireworks is allowed inside the City limits. Mr. Coffee agreed to put up a sign.

Mayor Toups called for a vote on the motion that was made by Council member Harrison and seconded by Council member Williamson. With a unanimous vote, the motion carried.

7.2	Discussion and possible action regarding program to fund placards, signage for Police Patrol Vehicles for the inscription "In God We Trust"
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Mayor Pro Tem Talbert explained in detail by reading out loud her thoughts and feelings on this item on how the law enforcement personnel are in harm's way daily and live under a microscope, this signage is simply a reminder that we as a country remember to trust in God. She also said that the cost for these placards and signage were donated in full at no cost to the City.

Council member Williamson moved to approve the program to fund placards, signage for Police Patrol Vehicles for the inscription "In God We Trust". The motion was seconded by Council member Harrison and with a vote of six in favor and one abstention (White), the motion carried.

Council member White explained that the reason for his abstention was that he was not against this item but in fact his company would be donating all the labor for the signage on all the City vehicles with no monetary value to him.

7.3	Discussion and possible action regarding a Joint Election Agreement between the Lampasas Independent School District and the City of Lampasas
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Christina Marez, City Secretary, explained that the City, County, and School have held joint elections since 2007, as a result of Federal law that requires Schools to contract with another public entity for joint elections. The Lampasas County Elections Administrator has agreed to conduct the May 2016 election for the City and School, which that agreement is also being presented as a separate agenda item for Council's consideration.

Marez explained that the agreement included in the packet is essentially the same agreement as last year with the exception of dates.

Council member Harrison moved to approve the Joint Election Agreement between the Lampasas Independent School District and the City of Lampasas. The motion was seconded by Mayor Pro Tem Talbert and with a unanimous vote, the motion carried.

7.4	Discussion and possible action concerning approval of the Contract for Election Services between Lampasas County, Texas and the City of Lampasas, Texas for the May 7, 2016 Local Election
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Christina Marez, City Secretary, explained that the Contract included in the packet is the same as last year's with the exception of dates. She explained that early voting will be at the Election Administrator's office as well as Election Day. As a reminder, the US Supreme Court ruling in June 2013, the City is no longer required to obtain the Department of Justice Preclearance. The attachment of the Joint Election Agreement with LISD will be added as an exhibit and the cost estimate.

Marez explained that the Elections Administrator has agreed to conduct the election again this year for which she was grateful.

Council member McCauley moved to approve the Contract for Election Services between Lampasas County, Texas and the City of Lampasas, Texas for the May 7, 2016 Local Election. The motion was seconded by Council member Harrison and with a unanimous vote, the motion carried.

7.5	Discussion and possible action regarding approval for the Lampasas Fire Department to accept a Texas Forest Service Grant in the amount of \$15,000.00
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Reece Oestreich, Fire Chief, explained that the Lampasas Fire Department was approved for a Rescue Equipment Grant in the amount of \$15,000.00 from the Texas Forest Service. The Fire Department will utilize this money for the purchase of SCBA high pressure bottles. This grant is 75% of the actual cost not to exceed \$15,000.00.

Council member Harrison moved to approve the Lampasas Fire Department to accept a Texas Forest Service Grant in the amount of \$15,000.00. The motion was seconded by Mayor Pro Tem Talbert and with a unanimous vote, the motion carried.

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7.6	Discussion and possible action regarding the purchase of 17 voice amplifiers from Casco Industries in the amount of \$5,650.00
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Reece Oestreich, Fire Chief, explained that the Lampasas Fire Department is requesting to purchase 17 voice amplifiers to be placed on all City SCBA's (E-1 and Ladder 1). These voice amplifiers will greatly enhance communication between firefighters while fighting structure fires. He gave an example presentation of a SCBA with a voice amplifier compared to one without.

Oestreich explained that Casco Industries are a sole source provider for these amplifiers in Texas.

Mayor Pro Tem Talbert moved to approve the purchase of 17 voice amplifiers from Casco Industries in the amount of \$5,650.00. The motion was seconded by Council member Monroe and with a unanimous vote, the motion carried.

7.7	Discussion and possible action regarding approval of the purchase of two (2) Panasonic Toughbooks from CDW-G in the amount of \$8,035.90
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Tim Angermann, Police Chief, explained that Police Department is in need of two Toughbooks to replace two Toughbooks that are no longer under warranty, outdated and not working properly. The Toughbooks will also need docking stations and the other related costs. After following the direction of City's IT Department Director, Monica Wright, she recommended that the Panasonic Toughbooks and docking stations, along with the related cost for both, be purchased via the quote from CDW-G in the amount of \$8,035.90.

Angermann said that he would be using budgeted money and seized fund money for this purchase.

Council member McCauley moved to approve the purchase of two (2) Panasonic Toughbooks from CDW-G in the amount of \$8,035.90. The motion was seconded by Council member White and with a unanimous vote, the motion carried.

7.8	Discussion and possible action regarding approval of the purchase of a Watch Guard Digital In-Car Camera from Watch Guard in the amount of \$5,170.00
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Tim Angermann, Police Chief, explained that the Police Department was seeking approval to purchase a Digital Watch Guard In-Car Camera. The total cost of the camera, as quoted from Watch Guard, will be \$5,170.00. The Police Department was awarded a grant from TXDOT for \$3,000.00 to assist in the purchase of traffic enforcement equipment (ie. Cameras, radars, lights, etc.) This camera will replace a current in-car camera.

Mayor Pro Tem Talbert moved to approve the purchase of a Watch Guard Digital In-Car Camera from Watch Guard in the amount of \$5,170.00. The motion was seconded by Council member Monroe and with a unanimous vote, the motion carried.

7.9	Discussion and possible action to select and announce a possible winner of the Website Photo Contest Entry
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Monica Wright, Information Systems Director, explained that the City received two photo entries:

- Entry 1 – "Bath House Night" by Jacob Milligan
- Entry 2 – "Squared Silly Panorama" by Beth James

Council member White moved to select Entry 1 "Bath House Night" by Jacob Milligan as the Website Photo Contest Entry. The motion was seconded by Council member Monroe and with a unanimous vote, the motion carried.

7.10	Discussion and possible action concerning the award of bid to Ferguson Waterworks for seven (7) fire hydrants in the amount of \$10,685.00
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Van Sims, Interim Water/Wastewater Operations Manager, explained that his department received three bids for the purchase of seven (7) fire hydrants: two (2) 4 foot hydrants; two (2) 4.5 foot hydrants; two (2) 5 foot hydrants; and one (1) 6 foot hydrant. The fire hydrants will be used to replace damaged or broken hydrants in the system and for new installation, as well as to restock inventory for emergency situations. The three bidders were:

Ferguson Waterworks, Waco, Texas

\$10,685.00

21

APSCO Supply, Brownwood, Texas	\$10,928.17
HD Supply Waterworks, Ltd., Belton, Texas	\$11,801.73

Sims recommended the bid be awarded to Ferguson Waterworks in the amount of \$10,685.00.

Council member Harrison moved to award the bid to Ferguson Waterworks for seven (7) fire hydrants in the amount of \$10,685.00. The motion was seconded by Council member White and with a unanimous vote, the motion carried.

7.11	Discussion and possible action regarding approval of the purchase of a new bucket truck from Silsbee Ford in the amount of \$141,476.00.
------	--

Flint Geagley, Electric Superintendent, explained that Electric Department needs to replace the 1999 Hi-Ranger bucket truck. This truck is used weekly for building and maintaining the electric lines. Currently, this truck is 17 years old and he has had to replace several items on both the truck and unit. The Department needs a more dependable truck.

Geagley explained that he received the following prices to replace the bucket truck:

Versalift Southwest	\$141,476.00	Delivery: 240 to 270 days
Altec	\$170,726.00	Delivery: 240 to 270 days
Terex	\$178,512.00	Delivery: 240 to 300 days

Geagley was seeking approval for the purchase of a new bucket truck with a Versalift VN-50-1 unit from Silsbee Ford, an approved Texas Buy Board vendor, in the amount of \$141,476.00. If approved, Geagley explained that it would be approximately up to a year before they receive the new bucket truck.

Council member Harrison moved to approve the purchase of a new bucket truck from Silsbee Ford in the amount of \$141,476.00. The motion was seconded by Council member White and with a unanimous vote, the motion carried.

7.12	Discussion and possible action concerning the award of proposal to Eckermann Engineering Inc., in the amount of \$15,000.00 for engineering services associated with the replacement of a section of the 18" transmission water main
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Shane Brown, Public Works Director, explained that the Water Department was requesting Council's approval to accept Eckermann Engineering proposal in the amount of \$15,000.00 to design and supply construction documents, including but not limited to, plan/profile sheets, details, technical specifications and contract documents for replacement of approximately 300 linear feet of the 18" transmission main located on the south side of E.E. Ohnmeiss Drive between the western property line of the Manor at Hancock Park and the easternmost driveway of Hart's BBQ.

Mayor Pro Tem Talbert moved to approve the service agreement in the amount of \$15,000.00 to Eckermann Engineering Inc., for engineering services associated with the replacement of a section of the 18" transmission water main and authorize the City Manager to execute related documents. The motion was seconded by Council member White and with a unanimous vote, the motion carried.

7.13	Discussion and possible action regarding approval of Amendments to the 2015 Lampasas Central Appraisal District's Budget
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City Manager deGraffenried explained that Melissa Gonzales, Chief Appraiser of the Lampasas Central Appraisal District, was requesting Council's approval to amend their 2015 Budget as follows:

Transfer from Line Item	
6130 Employer's Medical Insurance	\$6,500.00
6403 Meals, Mileage & Lodging	\$1,703.00

Transfer to Line Item	
6100 Salaries	\$3,500.00
6120 Employer's Ret/Death Benefits	\$ 55.00
6301 Postage & Postage Equipment	\$2,500.00
6403 Fees and Dues	\$ 148.00
6410 Office Supplies	\$2,000.00

22

Council member McCauley moved to approve the Amendments to the 2015 Lampasas Central Appraisal District's Budget as presented. The motion was seconded by Council member Harrison and with a unanimous vote, the motion carried.

Adjourn into Executive Session

Mayor Pro Tem Talbert moved to adjourn into executive session at 7:43 p.m. The motion was seconded by Council member Monroe and with a unanimous vote, the motion carried.

City Manager deGraffenried requested that Kathi Masonheimer, Economic Development Director, be allowed to be in executive session. Mayor Toups allowed.

EXECUTIVE SESSION

The City Council of the City of Lampasas, Texas will meet in closed Executive Session pursuant to the Texas Government Code, Chapter 551, as follows:

8.0	EXECUTIVE SESSION ITEMS
8.1	Section 551.087 (economic development) - (1) to discuss or deliberate regarding commercial or financial information that the governmental body has received from a business prospect that the governmental body seeks to have locate, stay, or expand in or near the territory of the governmental body and with which the governmental body is conducting economic development negotiations; or (2) to deliberate the offer of a financial or other incentive to a business prospect described by Subdivision (1).
8.2	Adjourn executive session and reconvene Regular Session

Executive session was adjourned at 8:10 p.m.

REGULAR SESSION

9.0	ACTION ON EXECUTIVE SESSION
9.1	Discussion and possible action concerning items posted and discussed by Council in Executive Session

Mayor Pro-Tem Talbert moved to approve the LEDC project including incentives for Flintloc dba Know Control within parameters discussed in Executive Session per LEDC's offer. The motion was seconded by Council member Monroe and with a unanimous vote, the motion carried.

Mayor Pro-Tem Talbert moved to authorize the City Manager to waive permitting fees associated with existing building for Flintloc dba Know Control. The motion was seconded by Council member Harrison and with a unanimous vote, the motion carried.

Adjourn

Mayor Pro Tem Talbert moved to adjourn the meeting at 8:13 p.m. The motion was seconded by Council member Monroe and with a unanimous vote, the motion carried.

PASSED AND APPROVED this 11th day of January, 2016.


Christian Toups, Mayor

ATTEST:


Christina Marez, City Secretary

EXHIBIT B

City of Lampasas, Texas

Submission
Under Section 5 of the Voting Rights Act

January 11, 2016

JC Law Office of JC Brown, PC
1411 West Ave., Ste. 100
Austin, Texas 78701
(512) 236-1000



LAW OFFICES OF JC BROWN PC
ATTORNEYS AT LAW

January 11, 2016

Certified Mail Return Receipt# 70150640000264338409

The Honorable Vanita Gupta
Principal Deputy Assistant AG, Voting Section
Civil Rights Division
Room 7254-NWB
Department of Justice
950 Pennsylvania Avenue, NW
Washington, D.C. 20530

Re: Request for Pre-clearance under Section 5 of the Voting Rights Act for the
City of Lampasas, Lampasas County, Texas.

Dear Ms. Gupta:

On behalf of the City of Lampasas, Texas, we hereby submit the following information concerning annexation by the City of Lampasas, Texas, for your consideration pursuant to the requirements of 42 U.S.C § 1973(c).

The annexing municipality is the City of the City of Lampasas, which is a Home Rule municipality authorized to annex properties into its jurisdiction by Constitution and laws of the State of Texas, (hereinafter referred to as "Lampasas") submits the following information and documentation related to the annexation at issue, for DOJ pre-clearance and review:

- (1) The annexing municipality is: the City of Lampasas, Texas
- (2) Located in Lampasas, County, Texas
- (3) Annexation was by Ordinance No. 1469, passed by the City Council on second reading dated December 14, 2015, which Ordinance is attached hereto as Exhibit "A."
- (4) The Annexation became effective on December 14, 2015.
- (5) Under this Ordinance, a total of 282.36 acres were annexed by the City of Lampasas.
- (6) The undersigned City Official, Finley deGraffenried, the City Manager, acknowledges and agrees that the City understands that it is required to participate in the next Census Bureau Boundary and Annexation Survey, in order to change this territory on their jurisdictional boundary map of the City, as per OCGA 36-36-3(a)(3).

- (7) The Contact person/information for this Annexation and report, on behalf of the City, is as follows:

- Contact Person: Christian Toups, (Mayor)
- Contact Person Title: Finley deGraffenried (City Manager)
- Address: 312 East 3rd Street
- City: Lampasas, Texas, 76550
- Telephone : (512) 556-6831
- Facsimile: (512) 556-8083
- Email Address: finley@cityoflampasas.com

- (a) A copy of any ordinance, enactment, order or regulation embodying a change affecting voting.

A copy of the annexation Ordinance of the Lampasas City Council (hereinafter referred to as "City Council"), as adopted on December 14, 2015, is attached as Exhibit "A."

- (b) A copy of any ordinance, enactment, order or regulation embodying the voting practice that is proposed to be repealed, amended, or otherwise changed.

None.

The Election Day polling places for the May 2016 election are the same as the May 2015 election, as noted below.

Previous Location for General City Election District and Joint Election with the School District	May 2016 Voting Location
Lampasas County Annex Building Election Administrator Office 407 S Pecan Lampasas, TX	Lampasas County Annex Building Election Administrator Office 407 S Pecan Lampasas, TX

The part time location for early voting for the May 2016 election is the same as the part time early voting location for the previous general elections, as noted below:

Previous Early Voting Part Time Location for General City Election for More Than One Council District and Joint Election with the School District	Early Voting Part Time Location May 2016
Lampasas County Annex Building Election Administrator Office 407 S Pecan Lampasas, TX	Lampasas County Annex Building Election Administrator Office 407 S Pecan Lampasas, TX

The City's statement of the anticipated effect of the change on members of racial or language minority groups.

It is not anticipated that the annexation will have any adverse impact on the ability of minority citizens to participate in the electoral process.

Looking specifically to the standard for analysis under Section 5, *see Miller v. Johnson*, 115 S. Ct. 2475, 2492-93 (1995), it is apparent that there is no retrogression caused by any of the changes set out in the City's annexation order. *See* 28 C.F.R. § 51.544(b).

A comparison of the election precincts and polling places between previous City elections and the May 2016 election, after annexation, do not create or cause any substantial adverse effect on members of racial or language minority groups.

A statement identifying any past or pending litigation concerning the change or related voting practices.

None.

Demographic information and voting changes caused by annexation:

- (1) Total and voting age population of the affected area before and after the change, by race and language group.

According to 2010 census data, the population and voting age population by racial and ethnic group for the City is:

Total Population (2010 Census) and Ethnic Composition of the City of Lampasas				
Total Population	Hispanic	Black	Other	Anglo
6,885				
	25.7%	5.0%	3.4%	65.9%

Total Voting Age Population and Ethnic Composition of the City of Lampasas				
Total Population	Hispanic	Black	Other	Anglo
6,704				
	24.6%	1.5%	4.7%	71.2%

- (2) The number of registered voters for the affected area before and after the change, by race and language group.

The change does not affect voter registration.

- (3) Any estimates of population, by race and language group, made in connection with the adoption of the change.

The City estimates that the annexation will bring an additional 72 citizens, and 63 voters into the City. Of these, the race and language distribution is as follows:

Anglo: 65
 Black: n/a
 Hispanic: 7
 Other: n/a

- (4) Changes in minority voting patterns as a result of the annexation:

None.

- (5) Additional maps and demographic information.

None.

- (f) Publicity and Participation.

Copies of public notices that describe the proposed annexation and invite public comment or participation in hearings and statements regarding where such public notices appeared; (e.g., newspaper, radio, or television, posted in public buildings, sent to identified individuals or groups.)

In accordance with Chapter 43, 001, *et seq.*, of the Local Government Code, related to annexation, Lampasas published notice of the annexation by publishing notice at least once, not earlier than the 30th day or later than the 10th day before the Council acted on the hearings and proposed Ordinance. Any information required to be posted was posted in accordance with the Texas Open Meetings Act, and the applicable sections of the Local Government Code.

- (3) Minutes or accounts of public hearings concerning the proposed change.

The minutes of the meetings at which the annexation hearing was held and action was taken by the City Council are available upon request. However, a copy of

the Ordinance enacting the annexation is attached as Exhibit "A." Supplemental information, if required, will be submitted as soon as it is available.

Minority Group Contacts.


Delores Gonzales
35 Snell
Lampasas TX 76550

Elma Sanchez Garnett
409 Supple Drive
Lampasas TX 76550

[A resident in the newly annexed area]

It has been the purpose of this submission to provide available relevant information that will be helpful to the Department without unduly burdening the record. Please let me know if there is any underlying data or other information that the Department would find helpful when reviewing this submission.

Respectfully submitted,


Jo-Christy Brown
Attorney for
City of Lampasas, Texas

Attachment Exhibit A – City of Lampasas Ordinance No 1469.

cc: (via email w/attachments)
F. deGraffenried, City Manager, City of Lampasas, Texas
Christina Marez, City Secretary, City of Lampasas, Texas

ORDINANCE NO. 1469

AN ORDINANCE ANNEXING THE HEREINAFTER DESCRIBED TERRITORY TO THE CITY OF LAMPASAS, LAMPASAS COUNTY, TEXAS, AND EXTENDING THE BOUNDARY LIMITS OF SAID CITY SO AS TO INCLUDE SAID HEREINAFTER DESCRIBED PROPERTY WITHIN SAID CITY LIMITS, AND GRANTING TO ALL THE INHABITANTS OF SAID PROPERTY ALL THE RIGHTS AND PRIVILEGES OF OTHER CITIZENS AND BINDING SAID INHABITANTS BY ALL OF THE ACTS, ORDINANCES, RESOLUTIONS, AND REGULATIONS OF SAID CITY; AND ADOPTING A SERVICE PLAN.

WHEREAS, the Charter of the City of Lampasas, Texas, which is a municipal corporation that is organized and operating pursuant to the laws of Texas, authorizes the City to conduct both voluntary and unilateral annexations of territory, subject to the laws of this State.

WHEREAS, the procedures prescribed by the Charter of the City of Lampasas, Texas, and the laws of this state have been duly followed with respect to the following described territory, to wit:

AREA 1

BEING 278.36 acres of land out of the Daniel Stanley Survey, Abstract No. 631 and the James Easley Survey, Abstract No. 185, Lampasas County, Texas, and being described by metes and bounds as follows:

BEGINNING at a 1/2" iron pin with no cap found in the west margin of County Road 4000 for the northeast corner of that tract described in a Warranty Deed with Vendor's Lien to Robert C. Hairston, et ux dated March 29, 1966 and recorded in Volume 130, Page 281 of the Deed Records of Lampasas County for the northwest corner of this tract;

THENCE: with the south line of the full purpose limits of the City of Lampasas the following courses and distances:

1. N 66°17'33" E 229.42 feet across said County Road 4000 and U.S. Highway 183 to a calculated point for the northwest corner of that tract described in a General Warranty Deed to The County Of Lampasas dated May 29, 2007 and recorded in Volume 433, Page 528 of said deed records, from which a mag nail with a shiner inscribed "Maples RPLS 5043" found for the southwest corner of said County of Lampasas tract bears S 54°41'04" E 792.49 feet,
2. N 69°14'45" E 222.19 feet to a called nail,
3. N 68°52'25" E 468.54 feet to a called iron pin,
4. N 68°49'34" E 336.77 feet to a 1/2" iron pin with a yellow plastic cap inscribed "Maples RPLS 5043" found in the west margin of County Road 4030 for the northeast corner of said County of Lampasas tract,
5. N 68°49'34" E 60.05 feet crossing County Road 4030 to a calculated point in the west line of that tract described in a Cash Warranty Deed to Ernest Henderson dated August 4, 2000 and recorded in Volume 361, Page 333 of said deed records,
6. N 64°58'36" E 204.62 feet across said Henderson tract to a calculated point in the east line of said Henderson tract and the west line of that tract described in a Warranty Deed with Vendor's Lien to Robert Edward Harris III, et ux, dated September 23, 2014 and recorded in Volume 201, Page 520 of said deed records,
7. N 67°09'35" E 747.13 feet across said Harris tract to a calculated point in the east line of said Harris tract and being the northeast corner of this tract, from which a 1/2" iron pin with no cap found for the northeast corner of said Harris tract bears N 20°44'23" W 506.66 feet,

THENCE: with the east line of this tract the following courses and distances:

1. S 20°44'23" E 319.94 feet to a 1/2" iron pin with no cap found,
2. S 20°34'42" E 357.39 feet to a 1/2" iron pin with a yellow plastic cap inscribed "CCC 4835" set for the southeast corner of said Harris tract and being an inside angle point of that tract described in a Warranty Deed to Melvin Wiley dated August 30, 2000 and recorded in Volume 371, Page 297 of said deed records,
3. S 21°02'49" E 39.82 feet across said Wiley tract to a calculated point for the northwest corner of that tract described in a Warranty Deed with Vendor's Lien to Gus Yruegas, et ux, dated February 7, 1982 and recorded in Volume 208, Page 194 of said deed records,
4. S 20°27'34" E 1414.09 feet with the west line of said Yruegas tract to a 1/2" iron pin with no cap found for the northeast corner of that tract described in a General Warranty Deed to Jackie Kilpatrick dated March 26, 2014 and recorded in Volume 496, Page 489 of said deed records;
5. S 20°17'55" E 727.77 feet to a spindle found in the east line of U.S. Highway 183 for the most southerly corner of said Kilpatrick tract;

THENCE: with the east line of U.S. Highway 183 the following courses and distances:

1. S 56°45'12" E 1549.99 feet to a Type I TXDOT monument found,
2. S 48°01'26" E 101.06 feet to a calculated point,

THENCE: S 33°28'44" W 119.93 feet crossing said U.S. Highway 183 to a 1/2" iron pin with no cap found for the most easterly northeast corner of that tract described in a Warranty Deed to the Lampasas Economic Development Corporation dated May 18, 2004 and recorded in Volume 398, Page 83 of said deed records;

THENCE: S 12°16'48" E 2781.66 feet to a called iron pin for the southeast corner of said Lampasas Economic Development Corporation tract and being the southeast corner of this tract;

THENCE: with the south line of this tract the following courses and distances:

1. S 69°43'42" W 56.84 feet to a called iron pin,
2. S 68°58'24" W 244.05 feet to a called iron pin,
3. S 69°22'34" W 1110.36 feet to a called iron pin in the east margin of County Road 4006 for the southwest corner of that tract described in a Warranty Deed to the Lampasas Economic Development Corporation dated May 17, 2004 and recorded in Volume 398, Page 63 of said deed records and being the most southerly southwest corner of this tract;

THENCE: with the east margin of County Road 4006 the following courses and distances:

1. N 21°04'56" W 495.45 feet to a called iron pin,
2. N 21°04'36" W 662.12 feet to a called iron pin,
3. N 25°46'21" W 261.66 feet to a calculated point,

THENCE: S 70°18'55" W 100.72 feet across said County Road 4006 to a 1/2" iron pin with a yellow plastic cap inscribed "CCC 4835" set for the southeast corner of that Second Tract called 2.756 acres in an Exchange Warranty Deed to Joe Paul Herrmann and George Harrell Herrman dated December 31, 1985 and recorded in Volume 240, Page 695 of said deed records;

THENCE: with the west margin of said County Road 4006 and the east line of said Herrman tract the following courses and distances:

1. N 25°57'48" W 26.43 feet to a 3/8" iron pin with no cap found for the southeast corner of that tract described as that First Tract called 81.4 acres in said Herrmann deed,
2. N 21°03'15" W 473.06 feet to a 1/2" iron pin with a yellow plastic cap inscribed "CCC 4835" set,
3. N 20°18'56" W 761.12 feet to a 1/2" iron pin with a yellow plastic cap inscribed "CCC 4835" set,
4. N 21°15'40" W 1527.79 feet to a 1/2" iron pin with a yellow plastic cap inscribed "CCC 4835" set,

5. N 21°51'25" W 572.40 feet to a 1/2" iron pin with a yellow plastic cap inscribed "CCC 4835" set for the most easterly northeast corner of the remainder of said First Tract and being the southeast corner of that tract described in a Warranty Deed with Vendor's Lien to The Faith Lutheran Church of Lampasas, Inc dated September 12, 1978 and recorded in Volume 188, Page 250 of said deed records;

THENCE: N 21°54'09" W 369.76 feet to a calculated point for the intersection of the west margin of County Road 4006 and the south line of County Road 4004 for an interior angle point of this tract;

THENCE: S 62°18'25" W with the south line of County Road 4004 at 958.86 passing a spindle found for the northwest corner of that tract described in a General Warranty Deed to Harry Cramer dated March 23, 2015 and recorded in Volume 506, Page 651 of said deed records, in all 979.90 feet to a calculated point for the intersection of the south line of County Road 4004 and the west margin of County Road 4000 for the most westerly southwest corner of this tract;

THENCE: with the west margin of County Road 4000 the following courses and distances:

1. N 29°05'41" W 639.80 feet to a cedar fence post,
2. N 23°30'35" W 992.51 feet to a calculated point,
3. N 26°33'39" W 150.33 feet to a calculated point,
4. N 23°59'13" W 69.17 feet to a calculated point,
5. N 19°53'13" W 87.22 feet to the POINT OF BEGINNING.

AREA 3

BEING 4.00 acres of land out of the James R. Cook Survey, Abstract No. 110, Lampasas County, Texas, and being that tract described as Parcel 1 in a Quit Claim Deed to JW Group, Inc. as recorded in Volume 395, Page 79 of the Deed Records of Lampasas County and described by metes and bounds as follows:

BEGINNING at an aluminum disc inscribed "J4ZO" found in the west margin of Center City Road for the monumented southeast corner of that tract described in a deed to Helmut Derer, et ux dated June 2, 1997 and recorded in Volume 332, Page 65 of said deed records for the monumented northeast corner of said Parcel 1 and this tract;

THENCE: S 20°50'32" E 329.17 feet with the west margin of said Center City Road to a 1/2" iron pin with a yellow plastic cap inscribed "CCC 4835" set for the northeast corner of that tract described as Parcel 2 in said JW Group, Inc. Quit Claim Deed for the southeast corner of said Parcel 1 and this tract;

THENCE: S 59°36'50" W 543.10 feet to a 1/2" iron pin with a yellow plastic cap inscribed "CCC 4835" set in the east line of U.S. Highway 281 for the southeast corner of that tract described in a Right of Way Deed from Mrs. Addie Smith to the State of Texas dated June 19, 1962 and recorded in Volume 120, Page 7 of said deed records, for the northwest corner of said Parcel 2 and being the southwest corner of said Parcel 1 and this tract;

THENCE: N 17°07'28" W with the east line of U.S. Highway 281, at 48.89 feet passing the remnants of a Type 1 TXDOT ROW monument found 85' easterly of centerline Station 205+29.21, in all 338.58 feet to a 1/2" iron pin with a yellow plastic cap inscribed "CCC 4835" set for the southwest corner of said Derer tract and being the northwest corner of said Parcel 1 and this tract;

THENCE: N 60°09'28" E 520.03 feet to the Point of Beginning.

NOW THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF LAMPASAS, TEXAS:

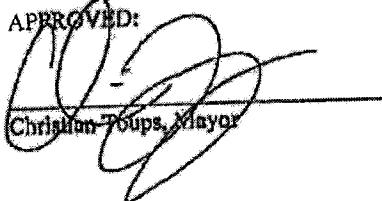
1. That the heretofore described property is hereby annexed to the City of Lampasas, Lampasas County, Texas, and that the boundary limits of the City of Lampasas be and the same are hereby extended to include the above described territory within the city limits of the City of Lampasas, and the same shall hereafter be included within the territorial limits of said city, and the inhabitants thereof shall hereafter be entitled to all the rights and privileges of other citizens of the city of Lampasas and they shall be bound by the acts, ordinances, resolutions, and regulations of said city. See Exhibit A, map of annexed areas.
2. A Service plan for the area is adopted and attached as Exhibit B.
3. If and when Annexation Development Agreement(s) for areas(s) shown on Exhibit C are finalized by and between the City and the owner(s) of the properties shown on Exhibit C, then the City's future annexation of these properties shall be controlled by the terms stated therein. If Annexation Development Agreements are not completed on or before January 15, 2016, then the properties are deemed to have been annexed for all purposes, as per this Ordinance.

The City Secretary is hereby directed to file with the County Clerk of Lampasas, Texas, a certified copy of this ordinance.

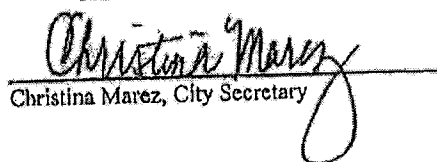
PASSED by an affirmative vote of all members of the City Council on the first reading, this the 30th day of November, 2015.

PASSED by an affirmative vote of all members of the City Council on the second reading, this the 14th day of December, 2015.

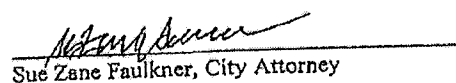
APPROVED:

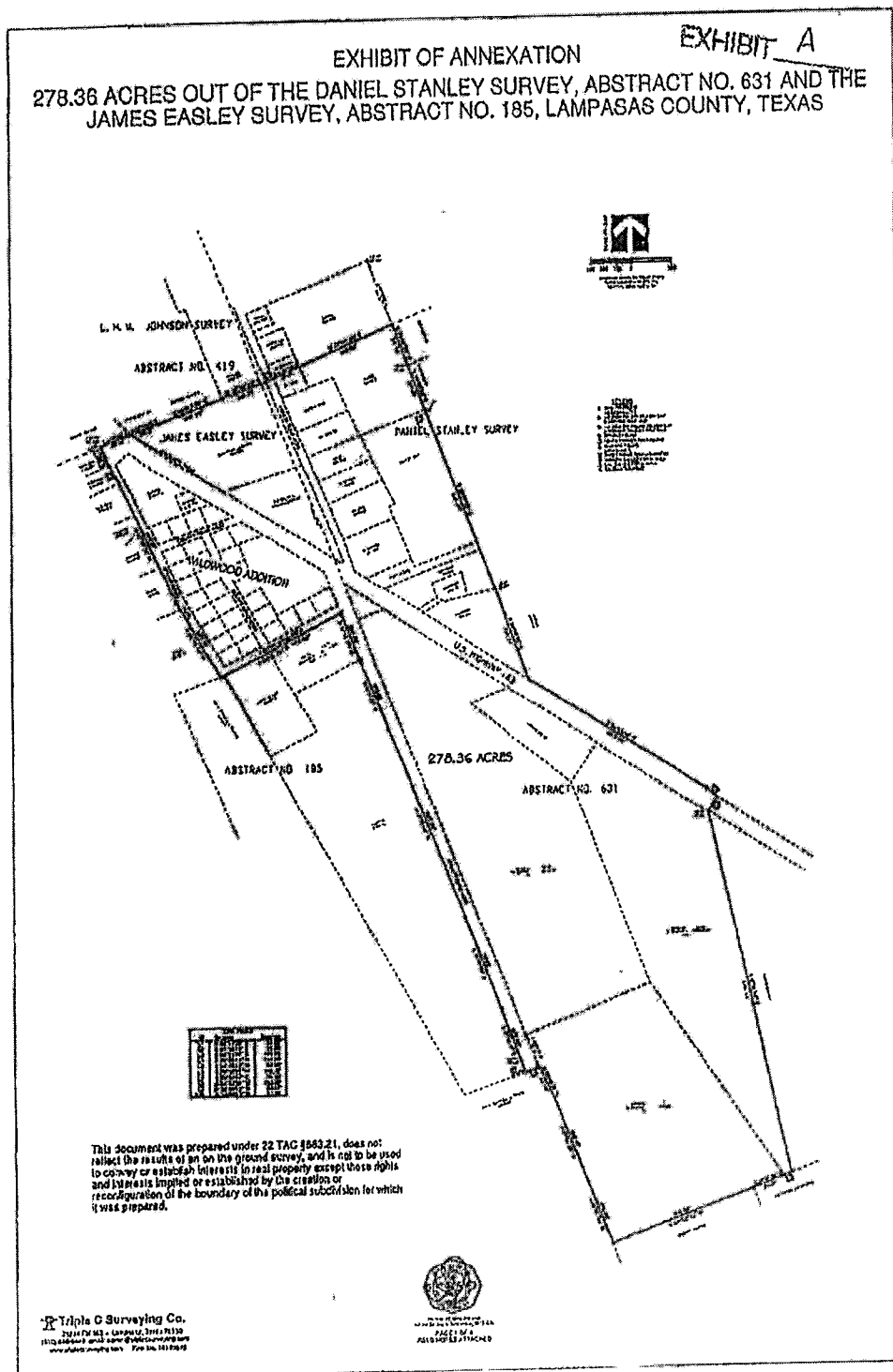

Christian Toups, Mayor

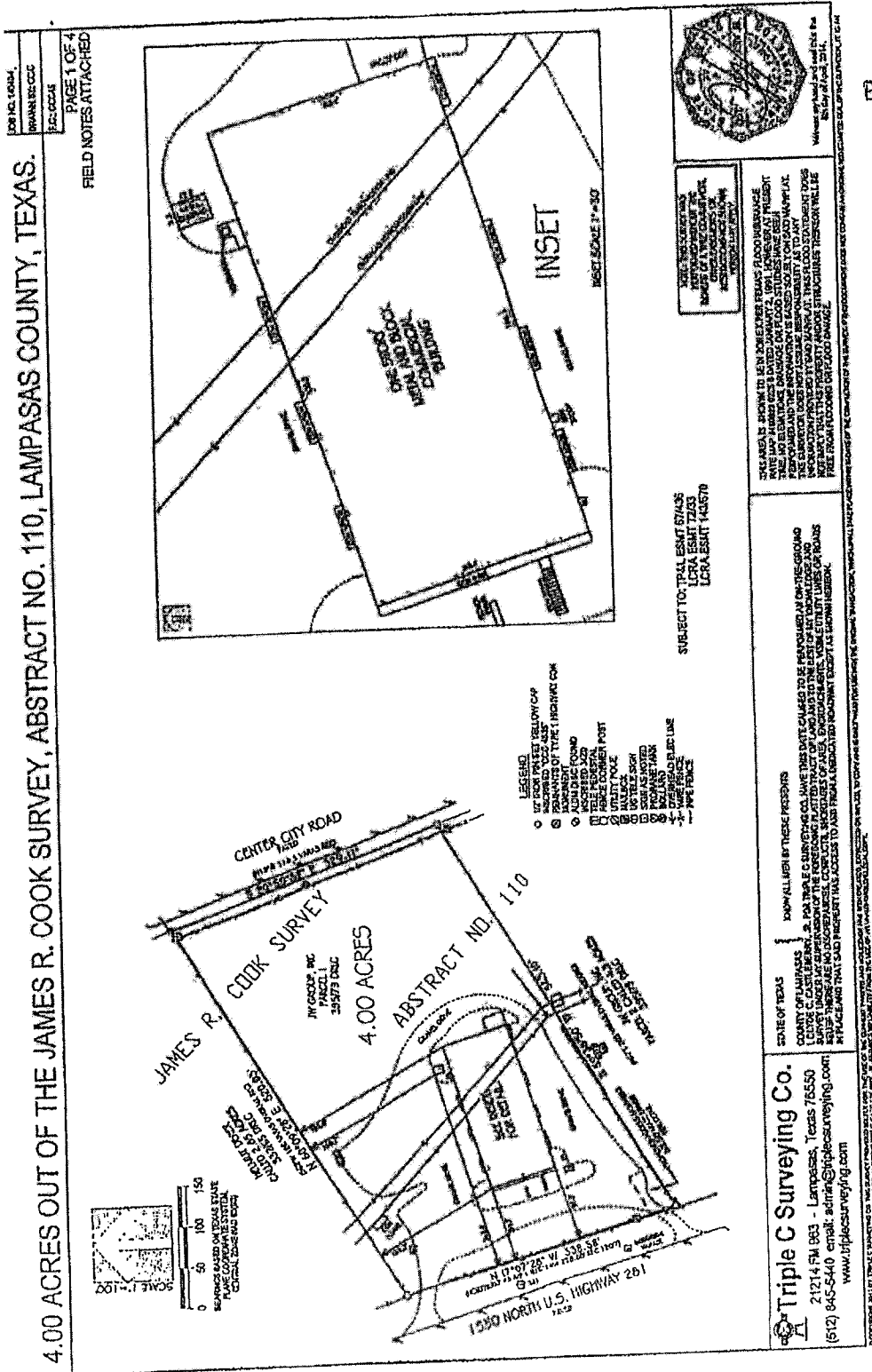
ATTEST:


Christina Marez, City Secretary

APPROVED AS TO FORM:


Sue Zane Faulkner, City Attorney





CITY OF LAMPASAS
MUNICIPAL SERVICE PLAN
FOR ANNEXATION OF ±278.36 ACRES OF LAND AND ± 4.00 ACRES OF
LAND ADJACENT TO THE CITY'S MUNICIPAL LIMITS

EXHIBIT B

INTRODUCTION

The City Council of the City of Lampasas has directed that staff proceed with the annexation process of land generally comprised of the following:

- 1) Area 1: Being ±278.36 Acres, Out Of The Daniel Stanley Survey, Abstract No. 0631 And The James Easley Survey, Abstract No. 0185, As Described Herein, All Of Which Is Generally Bordering The Southern Corporate Limits Of The City Of Lampasas Between County Road 4000 On The West And The Eastern Border Of The Harris Tract (Parcel No. 13083/R) And Wiley Tract (Parcel No. 13131/R) Extending South Along The East R-O-W Line For U. S. Highway 183 To Include The LEDC Tracts (Parcel No. 13072/R, 13060/R, 13059/R, 13118/R, 13117/R, 13116/R And 13115/R) Including County Road 4006 And County Road 4004; And
- 2) Area 3: Being +4.00 Acres, Out Of The James R. Cook Survey, Abstract 110, All Of Which Is Generally Bordering The Northern Corporate Limits Of The City Of Lampasas Between U.S. Highway 281 And Center City Road And Between The Derer Tract (Parcel No. 8565/R) And The JW Group, Inc Tract (Parcel No. 8620/R).

Maps of the general areas are attached as "*Area 1 Exhibit D*" and "*Area 3 Exhibit F*". Legal descriptions of the areas are attached as illustrated in "*Area 1 Exhibit A*" and "*Area 3 Exhibit C*".

Area 1 consists of undeveloped and developed residential and land. The topography of Area 1 is similar to the adjacent property currently in the City limits.

Area 3 consists of undeveloped and developed commercial and light industrial property. The topography of Area 3 is similar to the adjacent property currently in the City Limits.

Nothing in this plan shall require the City to provide a uniform level of municipal services to each area of the City, including annexed areas, if different characteristics of topography, land use, and population density are sufficiently distinct to justify a different level of service.

SCHEDULE OF MUNICIPAL SERVICES TO BE PROVIDED

FIRE

Existing Services: Currently, the City of Lampasas Fire Department (with limited staff), as well as, the Lampasas County Volunteer Fire Department responds to this area, due to its close proximity to the City limits.

Services to be Provided: The City of Lampasas Fire Department and Lampasas County Volunteer Fire Department will continue to respond to the area. The level of staff available from the City of Lampasas Fire Department will be consistent with the existing level for staffing as provided for current City residents upon the effective date of the annexation. Primary fire response will be provided by the Fire Station located at 1107 East 4th Street. Adequate fire suppression activities can be afforded to the annexed area within the current budget appropriation. Fire prevention activities will be provided by the Fire Marshal's office as needed.

POLICE

Existing Services: None

Services to be Provided: Currently, the area is under the jurisdiction of the Lampasas County Sheriff's Office. Upon annexation, the City of Lampasas Police Department will extend regular and routine patrols to the area. Law enforcement protection will be provided to this area in the same manner as it is currently provided to other similarly situated land within the corporate limits of the City. It is anticipated that the implementation of police patrol activities can be effectively accommodated within the current budget and staff appropriation.

BUILDING INSPECTION

Existing Services: Provide limited electrical and plumbing inspection services.

Services to be Provided: The Building and Planning Department will provide permit and inspection services upon the effective date of annexation. This includes issuing building, electrical and plumbing permits for any new construction and remodeling, and enforcing all other applicable codes which regulate building construction within the City of Lampasas.

PLANNING AND ZONING

Existing Services: None.

Services to be Provided: The Building and Planning Department's responsibility for regulating development and land use through the administration of the City of Lampasas Zoning Ordinance will extend to this area on the effective date of the annexation. The property will also continue to be regulated under the requirements of the City of Lampasas Subdivision Ordinance. These services can be provided within the department's current staff and appropriation plans and/or budget.

ENVIRONMENTAL HEALTH CODE ENFORCEMENT SERVICES

Existing Services: None.

Services to be Provided: Enforcement of the City of Lampasas' health and sanitation ordinances and regulations, including but not limited to, weed and brush ordinances, junked and abandoned vehicles ordinances and animal control ordinances, shall begin

within these areas within sixty (60) days of the effective date of the annexation. These services can be provided within the department's current staff and appropriation plans and/or budget.

LIBRARY

Existing Services: Currently, the Public Library is open to county residents with additional costs of services provided.

Services to be Provided: Free library use privileges will be available to anyone residing in this area. These services can be provided within the department's current staff and appropriation plans and/or budget.

PARKS AND RECREATION

Existing Services: Currently, Park and Recreation facilities are open to all citizens. Local associations and locally sponsored recreational events receive priority use of facilities.

Services to be Provided: Park and Recreation facilities will be available to with no difference in services or costs provided to existing City residents, upon the effective date of annexation.

STREET

Existing Services: State of Texas/Lamparas County

Services to be Provided: Street maintenance to the publicly owned street rights-of-way, not including state owned and maintained rights-of-way, will be provided by the City upon the effective date of the annexation. Routine maintenance will be scheduled as part of the City's annual street maintenance program in accordance with the current policies and procedures. A monthly street maintenance fee will be applied within thirty (30) days of the effective date of annexation, the same rate structure as that of the existing City residents will be applied.

STORM WATER MANAGEMENT

Existing Services: State of Texas Road and Drainage Maintenance; Lamparas County

Services to be Provided: The City of Lamparas Street Department will continue to provide maintenance on existing drainage system, not maintained by the State of Texas upon the effective date of annexation. Routine maintenance will be scheduled as part of the City's annual street maintenance program in accordance with current policies and procedures. Developers will provide storm water drainage at their own expense and will be inspected by the City Engineers at time of completions. The City will then maintain the existing drainage facilities upon approval.

ELECTRIC SERVICE

Existing Services: Currently, the City of Lampasas serves the area to be annexed with electric service for a fee that is greater than that of the residents of the City.

Services to be Provided: The City of Lampasas will continue to provide electric service to the annexed area. Within thirty (30) days of the effective date of annexation, the same rate structure as that of the existing City residents will be applied.

STREET LIGHTING

Existing Service: None

Services to be Provided: The City of Lampasas will coordinate any request for improved street lighting in accordance with standard policy and as plans, appropriations and budget allow.

TRAFFIC ENGINEERING

Existing Services: Roadway signage as provided by the State of Texas; and Lampasas County.

Services to be Provided: The Street Department will be able to provide, after the effective date of annexation, any additional traffic control devices as may be necessary. The Building Official will provide all properties involved with City street designations and numeric addresses that comply with the City's street system, within 90 days of the effective date of annexation.

WATER SERVICE

Existing Services: City of Lampasas public water supply system at rural cost.

Services to be Provided: The City of Lampasas public water supply will continue to provide water service to the area in accordance with the applicable codes and departmental policy. When other property develops in the area, water service shall be provided in accordance with extension ordinances and City policies. Extension of service shall comply with City codes and ordinances and State law. Within thirty (30) days of the effective date of annexation, the same rate structure as that of the existing City residents will be applied.

SANITARY SEWER SERVICE

Existing Services: Area 1 – No services exist, Area 3 – No services exist.

Services to be Provided: Sanitary sewer service to the area of proposed annexation will be provided in accordance with applicable City codes and departmental policy. When property develops in the area, sanitary sewer service shall be handled in

accordance with the present policies, codes and ordinances that apply to all residents of the City.

Area 1 -- Services are now consistent with other areas of the City. Additional capacity will be available by extension if requested and paid for by beneficiaries.

Area 3 -- Services are consistent with other areas of the City.

SOLID WASTE SERVICES

Existing Services: Rural service providers

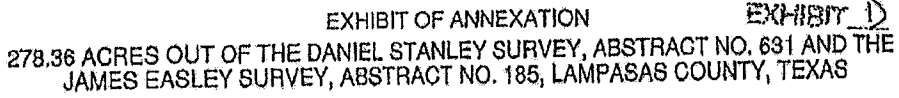
Service to be Provided: Solid Waste Collection shall be provided to the area of annexation in accordance with the present ordinance. Service shall comply with existing City policies, beginning with occupancy of structures. Within ninety (90) days of the effective date of annexation, solid waste collection services will be provided in the same manner and cost as that of existing City residents.

MISCELLANEOUS

All other applicable municipal services will be provided to the area in accordance with the City of Lampasas' established policies governing extension of municipal services to newly annexed areas.

CAPITAL IMPROVEMENTS, AVAILABILITY AND LEVEL OF SERVICE

The annexed area will be included with all other areas of the City for future planning for any new or expanded facilities, functions, and services to be funded by future capital improvements programs. The priorities assigned by these plans are driven by a desire to maintain an equitable level of service to all areas of the City with the same population density, land used and topography characteristics.





FIELD NOTES
JOB NO. 150903 Annex 1

EXHIBIT A.

Page 2 of 4
Exhibit Attached

278.36 ACRES

BEING 278.36 acres of land out of the Daniel Stanley Survey, Abstract No. 631 and the James Easley Survey, Abstract No. 185, Lampasas County, Texas, and being described by metes and bounds as follows:

BEGINNING at a 1/2" iron pin with no cap found in the west margin of County Road 4000 for the northeast corner of that tract described in a Warranty Deed with Vendor's Lien to Robert C. Hairston, et ux dated March 29, 1966 and recorded in Volume 130, Page 281 of the Deed Records of Lampasas County for the northwest corner of this tract;

THENCE: with the south line of the full purpose limits of the City of Lampasas the following courses and distances:

1. N 66°17'33" E 229.42 feet across said County Road 4000 and U.S. Highway 183 to a calculated point for the northwest corner of that tract described in a General Warranty Deed to The County Of Lampasas dated May 29, 2007 and recorded in Volume 433, Page 528 of said deed records, from which a mag nail with a shiner inscribed "Maples RPLS 5043" found for the southwest corner of said County of Lampasas tract bears S 54°41'04" E 792.49 feet,
2. N 69°14'45" E 222.19 feet to a called nail,
3. N 68°52'25" E 468.54 feet to a called iron pin,
4. N 68°49'34" E 336.77 feet to a 1/2" iron pin with a yellow plastic cap inscribed "Maples RPLS 5043" found in the west margin of County Road 4030 for the northeast corner of said County of Lampasas tract,
5. N 68°49'34" E 60.05 feet crossing County Road 4030 to a calculated point in the west line of that tract described in a Cash Warranty Deed to Ernest Henderson dated August 4, 2000 and recorded in Volume 361, Page 333 of said deed records,
6. N 64°58'36" E 204.62 feet across said Henderson tract to a calculated point in the east line of said Henderson tract and the west line of that tract described in a Warranty Deed with Vendor's Lien to Robert Edward Harris III, et ux, dated September 23, 2014 and recorded in Volume 201, Page 520 of said deed records,
7. N 67°09'35" E 747.13 feet across said Harris tract to a calculated point in the east line of said Harris tract and being the northeast corner of this tract, from which a 1/2" iron pin with no cap found for the northeast corner of said Harris tract bears N 20°44'23" W 506.66 feet,

THENCE: with the east line of this tract the following courses and distances:

1. S 20°44'23" E 319.94 feet to a 1/2" iron pin with no cap found,
2. S 20°34'42" E 357.39 feet to a 1/2" iron pin with a yellow plastic cap inscribed "CCC 4835" set for the southeast corner of said Harris tract and being an inside angle point of that tract described in a Warranty Deed to Melvin Wiley dated August 30, 2000 and recorded in Volume 371, Page 297 of said deed records,
3. S 21°02'49" E 39.82 feet across said Wiley tract to a calculated point for the northwest corner of that tract described in a Warranty Deed with Vendor's Lien to Gus Yruegas, et ux, dated February 7, 1982 and recorded in Volume 208, Page 194 of said deed records,
4. S 20°27'34" E 1414.09 feet with the west line of said Yruegas tract to a 1/2" iron pin with no cap found for the northeast corner of that tract described in a General Warranty Deed to Jackie Kilpatrick dated March 26, 2014 and recorded in Volume 496, Page 489 of said deed records;
5. S 20°17'55" E 727.77 feet to a spindle found in the east line of U.S. Highway 183 for the most southerly corner of said Kilpatrick tract;

FIELD NOTES
JOB NO. 150903 Annex 1

Page 3 of 4
Exhibit Attached

278.36 ACRES (continued from pg 2)

THENCE: with the east line of U.S. Highway 183 the following courses and distances:

1. S 56°45'12" E 1549.99 feet to a Type 1 TXDOT monument found,
2. S 48°01'26" E 101.06 feet to a calculated point,

THENCE: S 33°28'44" W 119.93 feet crossing said U.S. Highway 183 to a 1/2" iron pin with no cap found for the most easterly northeast corner of that tract described in a Warranty Deed to the Lampasas Economic Development Corporation dated May 18, 2004 and recorded in Volume 398, Page 83 of said deed records;

THENCE: S 12°16'48" E 2781.66 feet to a called iron pin for the southeast corner of said Lampasas Economic Development Corporation tract and being the southeast corner of this tract;

THENCE: with the south line of this tract the following courses and distances:

1. S 69°43'42" W 56.84 feet to a called iron pin,
2. S 68°58'24" W 244.05 feet to a called iron pin,
3. S 69°22'34" W 1110.36 feet to a called iron pin in the east margin of County Road 4006 for the southwest corner of that tract described in a Warranty Deed to the Lampasas Economic Development Corporation dated May 17, 2004 and recorded in Volume 398, Page 63 of said deed records and being the most southerly southwest corner of this tract;

THENCE: with the east margin of County Road 4006 the following courses and distances:

1. N 21°04'56" W 495.45 feet to a called iron pin,
2. N 21°04'36" W 662.12 feet to a called iron pin,
3. N 25°46'21" W 261.66 feet to a calculated point,

THENCE: S 70°18'55" W 100.72 feet across said County Road 4006 to a 1/2" iron pin with a yellow plastic cap inscribed "CCC 4835" set for the southeast corner of that Second Tract called 2.756 acres in an Exchange Warranty Deed to Joe Paul Herrmann and George Harrell Herrman dated December 31, 1985 and recorded in Volume 240, Page 695 of said deed records;

THENCE: with the west margin of said County Road 4006 and the east line of said Herrman tract the following courses and distances:

1. N 25°57'48" W 26.43 feet to a 3/8" iron pin with no cap found for the southeast corner of that tract described as that First Tract called 81.4 acres in said Herrmann deed,
2. N 21°03'15" W 473.06 feet to a 1/2" iron pin with a yellow plastic cap inscribed "CCC 4835" set,
3. N 20°18'56" W 761.12 feet to a 1/2" iron pin with a yellow plastic cap inscribed "CCC 4835" set,
4. N 21°15'40" W 1527.79 feet to a 1/2" iron pin with a yellow plastic cap inscribed "CCC 4835" set,
5. N 21°51'25" W 572.40 feet to a 1/2" iron pin with a yellow plastic cap inscribed "CCC 4835" set for the most easterly northeast corner of the remainder of said First Tract and being the southeast corner of that tract described in a Warranty Deed with Vendor's Lien to The Faith Lutheran Church of Lampasas, Inc dated September 12, 1978 and recorded in Volume 188, Page 250 of said deed records;

THENCE: N 21°54'09" W 369.76 feet to a calculated point for the intersection of the west margin of County Road 4006 and the south line of County Road 4004 for an interior angle point of this tract;

FIELD NOTES
JOB NO. 150903 Annex 1

Page 4 of 4
Exhibit Attached

278.36 ACRES (continued from pg. 3)

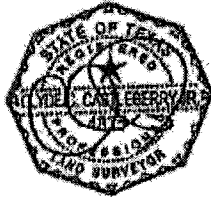
THENCE: S 62°18'25" W with the south line of County Road 4004 at 958.86 passing a spindle found for the northwest corner of that tract described in a General Warranty Deed to Harry Cramer dated March 23, 2015 and recorded in Volume 506, Page 651 of said deed records, in all 979.90 feet to a calculated point for the intersection of the south line of County Road 4004 and the west margin of County Road 4000 for the most westerly southwest corner of this tract;

THENCE: with the west margin of County Road 4000 the following courses and distances:

1. N 29°05'41" W 639.80 feet to a cedar fence post,
2. N 23°30'35" W 992.51 feet to a calculated point,
3. N 26°33'39" W 150.33 feet to a calculated point,
4. N 23°59'13" W 69.17 feet to a calculated point,
5. N 19°53'13" W 87.22 feet to the POINT OF BEGINNING.

Bearings based on Texas State Plane Coordinate System, Central Zone NAD 83(93).

This document was prepared under 22 TAC §663.21, does not reflect the results of an on the ground survey, and is not to be used to convey or establish interests in real property except those rights and interests implied or established by the creation or reconfiguration of the boundary of the political subdivision for which it was prepared.



09/08/15
Clyde C. Castleberry, Jr.
Registered Professional Land Surveyor No. 4835

Triple C Surveying Co.
21214 FM 963
Lampasas, Texas 76550
www.triplesurveying.com
Firm No. 10193916

FIELD NOTES
JOB NO. 140404

EXHIBIT C

Page 3 of 4
Exhibit Attached

4.00 ACRES

BEING 4.00 acres of land out of the James R. Cook Survey, Abstract No. 110, Lampasas County, Texas, and being that tract described as Parcel 1 in a Quit Claim Deed to JW Group, Inc. as recorded in Volume 395, Page 79 of the Deed Records of Lampasas County and described by metes and bounds as follows:

BEGINNING at an aluminum disc inscribed "J4Z0" found in the west margin of Center City Road for the monumented southeast corner of that tract described in a deed to Helmut Derer, et ux dated June 2, 1997 and recorded in Volume 332, Page 65 of said deed records for the monumented northeast corner of said Parcel 1 and this tract;

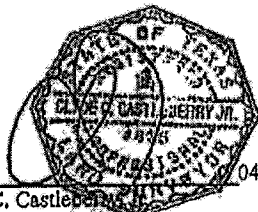
THENCE: S 20°50'32" E 329.17 feet with the west margin of said Center City Road to a 1/2" iron pin with a yellow plastic cap inscribed "CCC 4835" set for the northeast corner of that tract described as Parcel 2 in said JW Group, Inc. Quit Claim Deed for the southeast corner of said Parcel 1 and this tract;

THENCE: S 59°36'50" W 543.10 feet to a 1/2" iron pin with a yellow plastic cap inscribed "CCC 4835" set in the east line of U.S. Highway 281 for the southeast corner of that tract described in a Right of Way Deed from Mrs. Addie Smith to the State of Texas dated June 19, 1962 and recorded in Volume 120, Page 7 of said deed records, for the northwest corner of said Parcel 2 and being the southwest corner of said Parcel 1 and this tract;

THENCE: N 17°07'28" W with the east line of U.S. Highway 281, at 48.89 feet passing the remnants of a Type 1 TXDOT ROW monument found 85' easterly of centerline Station 205+29.21, in all 338.58 feet to a 1/2" iron pin with a yellow plastic cap inscribed "CCC 4835" set for the southwest corner of said Derer tract and being the northwest corner of said Parcel 1 and this tract;

THENCE: N 60°09'28" E 520.03 feet to the Point of Beginning.

Bearings based on Texas State Plane Coordinate System, Central Zone NAD 83(93).

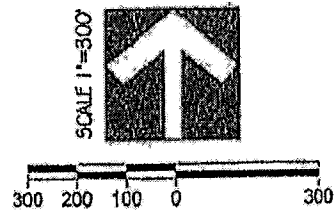
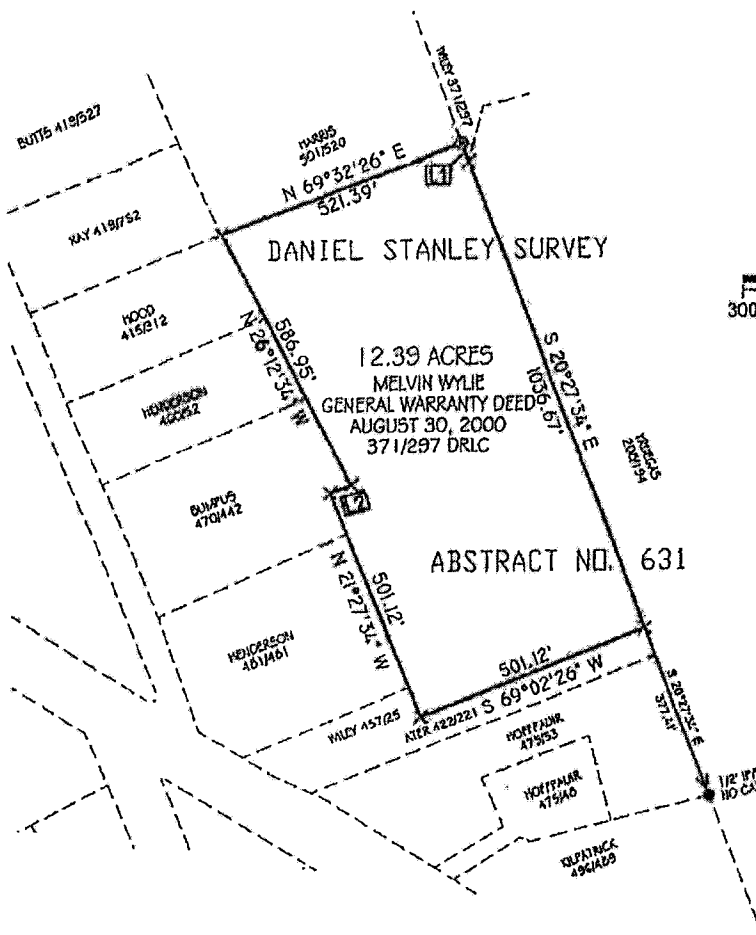


04/08/14
Clyde C. Castleberry
Registered Professional Land Surveyor No. 4835

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EXHIBIT OF ANNEXATION
12.39 ACRES OUT OF THE DANIEL STANLEY SURVEY, ABSTRACT NO. 631,
LAMPASAS COUNTY, TEXAS.

EXHIBIT C



- LEGEND**
- 1/2" IRON PIN FOUND - NO CAP
 - ⊙ 1/2" IRON PIN FOUND YELLOW CAP INSCRIBED "CCC 4835"
 - × CALCULATED POINT

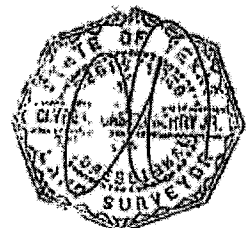
LINE TABLE		
Id	Bearing	Distance
L1	S 20°51'44" E	43.99'
L2	N 69°32'26" E	46.94'

This document was prepared under 22 TAC §563.21, does not reflect the results of an on the ground survey, and is not to be used to convey or establish interests in real property except those rights and interests implied or established by the creation or reconfiguration of the boundary of the political subdivision for which it was prepared.



Triple C Surveying Co.

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(512) 845-5440 email: admin@triplecsurveying.com
www.triplecsurveying.com Firm No. 10193916



Witness my hand and seal
this the 5th day of September, 2015 A.D.

PAGE 1 OF 2
FIELD NOTES ATTACHED

FIELD NOTES
JOB NO. 150903 Wylie

EXHIBIT C

Page 2 of 2
Exhibit Attached

12.39 ACRES

BEING 12.39 acres of land out of the Daniel Stanley Survey, Abstract No. 631, Lampasas County, Texas, and being a portion of that tract described in a General Warranty Deed to Melvin Wylie dated August 30, 2000 and recorded in Volume 371, Page 297 of the Deed Records of Lampasas County and described by metes and bounds as follows:

BEGINNING at 1/2" iron pin with a yellow plastic cap inscribed "CCC 4835" found for the southeast corner of that tract described in a Warranty Deed with Vendor's Lien to Robert Edward Harris III, et ux, dated September 23, 2014 and recorded in Volume 501, Page 520 of said deed records for an inside angle point of said Wylie tract and being the northeast corner of this tract;

THENCE: S 20°51'44" E 43.99 feet to a calculated point for an inside angle point of said Wylie tract and being the northwest corner of that tract described in a Warranty Deed to Gus Yruegas dated March 18, 1970 and recorded in Volume 144, Page 671 of said deed records;

THENCE: S 20°27'34" E 1036.67 with the east line of said Wylie tract and the west line of said Yruegas tract to a calculated point for the southeast corner of said Wylie tract from which a 1/2" iron pin with no cap found for the northeast corner of that tract described in a General Warranty Deed to Jackie Stanley Kilpatrick, et ux dated March 26, 2014 and recorded in Volume 496, Page 489 of said deed records bears S 20°27'34" E 377.41 feet;

THENCE: S 69°02'26" W 501.12 feet to a calculated point for the southwest corner of said Wylie tract;

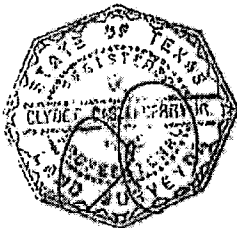
THENCE: with the west line of said Wylie tract the following courses and distances:

1. N 21°27'34" W 501.12 feet to a calculated point;
2. N 69°32'26" E 46.94 feet to a calculated point;
3. N 26°12'34" W 586.95 feet to a calculated point for the most westerly northwest corner of said Wylie tract and being the northwest corner of this tract;

THENCE: N 69°32'26" E 521.39 feet to the Point of Beginning.

Bearings based on Texas State Plane Coordinate System, Central Zone NAD 83(93).

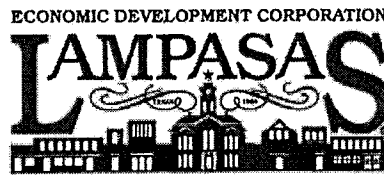
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09/05/2015

Clyde C. Castleberry, Jr.
Registered Professional Land Surveyor No. 4835

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Firm No. 10193916



Lampasas Economic Development Corporation
312 East Third, Lampasas, Texas 76550

March 24, 2016

BY EMAIL AND U.S. MAIL

Kempner Water Supply Corporation
Attn: Rex Hooten, President, Board of Directors
P.O. Box 204
Kempner, TX 76539

RE: Water Service for Lampasas Economic Development Corporation (LEDC)
Business Park Property

Dear Mr. Hooten:

I am writing in response to your letter dated March 3, 2016 (received on March 8, 2016), responding to the Lampasas Economic Development Corporation's ("LEDC") request for service in letters dated December 11, 2015 and January 14, 2016.

First, I would like to clarify that although my previous letters indicated that the City of Lampasas ("the City") has "offered" service to the LEDC in the business park, the LEDC understands that the City has no plans to provide service to the portion of the LEDC Business Park that is within the boundaries of the Kempner Water Supply Corporation's ("Kempner") Certificate of Convenience and Necessity ("CCN") if it is subject to Kempner's CCN. The City provided cost estimates related to extending service in the event that the LEDC Business Park is removed from the Kempner CCN by the Public Utility Commission of Texas ("Commission") and the LEDC is able to receive service from another provider other than Kempner.

Second, the LEDC submitted a written request for non-standard service to Kempner in compliance with § 13.254(a-1)(1) of the Texas Water Code. The LEDC clearly specified the area to be served, the timeframe within which service is needed, the level and manner of service needed, the approximate cost of an alternative provider to provide the service at the same level and manner requested from Kempner, the flow and pressure requirements and the line size and system capacity for the level of fire protection. In addition, the LEDC provided other information in response to Kempner's January 6 request that were reasonably related to determining the capacity or cost of providing the service. Kempner now complains, eight weeks later, that the LEDC did not complete a Service Agreement to request non-standard service. This complaint is meritless. The current

Kempner Service Agreement (attached as an exhibit to this letter) requires an applicant to enter a contract for service and grant an easement to Kempner as part of the submission. Water Code § 13.254(a-1) does not require the LEDC to enter into any such agreement. Kempner's attempt to bind LEDC to a service agreement prior to the LEDC even receiving the requested information conflicts with § 13.254(a-1) of the Water Code, which permits the LEDC to seek expedited release of the area if Kempner cannot approximate the City's offer.

Third, the LEDC is currently marketing the Business Park to prospective tenants. In marketing the property it is important that the LEDC be able to communicate that water service will be available within a reasonable time period. LEDC anticipates it will be able to promptly secure tenants for the Business Park after it has certainty with respect to its water service. It will be very difficult to attract tenants if the LEDC is forced to explain that water service will not be available for another three years, as Kempner's response proposes. Additionally, in reciting a cost of almost \$2.3 million, it is clear that Kempner is unable to provide service to the LEDC Business Park in a manner and at a cost comparable to that which the City of Lampasas is able to provide, or that is reasonably needed or requested by the LEDC. The LEDC appreciates the consideration of the Kempner Board in attempting to waive fees and costs for the service. However, your letter makes clear that Kempner intends to seek recovery of the waived fees and costs from the City. The LEDC has no comment on whether or not Kempner has any legitimate bases to seek such costs from the City, under the City's Wholesale Water Supply Contract with Kempner or otherwise, but if the City were somehow forced to pay Kempner for these expenses, the City would necessarily pass these costs onto the tenants of the Business Park. This potential future cost would also make marketing the Business Park difficult, if not impossible.

Additionally, I will respond to the numbered points in your letter:

1. The LEDC made its request in order to market the Business Park. The LEDC plans to have much of the Business Park subdivided and built within 12 months, based on projected procurement of tenants after the certainty of water service is established. This request is reasonable, particularly in light of the fact that the City is able to provide the requested level of service in the necessary time frame and at a cost well below that projected by Kempner. It is not logical or feasible to expect the LEDC to complete the Business Park and fill it with tenants without the prospect of water service in the near term. Regarding West Texas Gas Fuels (WTG Fuels), WTG Fuels has only recently purchased the property, which is part of the over-150 acres of the Business Park. If Kempner challenges WTG Fuels' right to be included as a co-owner of the Business Park under § 13.254(a-1) and the Public Utility Commission agrees it may do so, the LEDC still requires the requested service and intends to purchase it on the terms and conditions set by the City even if WTGF's property is omitted from the Business Park.

2. As I previously explained, the 36-month period that Kempner requires to provide service, along with the \$2.3 million dollar cost, does not meet the LEDC's needs and is not reasonable given that an alternative provider is capable of delivering service in 90 days and at a cost almost 95% less than that projected by Kempner.

3. The LEDC was explicit about the designated delivery point, 2600 feet south of the intersection of the intersection of US 183 and County Road 4006. The City would provide this service extended from the portion of the Business Park that is in the City's CCN. This information, along with the other information already provided to Kempner, is sufficient to determine whether or not Kempner can provide service within the requested time frame and at a comparable cost.


4. The LEDC appreciates Kempner's offer to waive initiation fees. However, given that Kempner is unable to provide service within the time that the LEDC reasonably needs the service, and given that Kempner intends to seek recovery of the costs from the City, Kempner is still unable to provide service under the terms necessary for the LEDC.

5. The LEDC confirms that it intends to seek tenants, and expects that they will begin consuming water within the next 12 -18 months. That those tenants may not be using the water within 90 days does not mean that the water service requested is not needed within that time frame: the LEDC must be able to market a property with the certainty water service will be available prior to or simultaneous with tenants moving to the property. The LEDC cannot speak to the City's ability to wheel water before Kempner can provide service. The City has not yet constructed all of the required facilities to serve the Business Park. However, if the City were to construct such facilities in order to provide wheeling service, the costs for those facilities would have to be passed on to the Business Park which would clearly increase the cost for Kempner to serve the Business Park even further.

6. The LEDC is a separate entity from the City of Lampasas and may not be conflated with the City as Kempner appears to do in responding to LEDC's request. The LEDC's request is not pursuant or in any way related to the Wholesale Water Supply Contract between Kempner and the City. Any discussion of recovery for fees related to that contract must be between Kempner and the City itself.

The LEDC appreciates Kempner's response to its request, but the terms provided by Kempner do not meet the needs of the LEDC. The LEDC plans to file an application with the Commission for expedited release from the Kempner CCN, and will provide Kempner notice of the application pursuant to the Texas Water Code and Commission rules. Please let me know if you have any questions.

Very truly yours,



President,

Lampasas Economic Development Corporation

cc: City of Lampasas

KEMPNER WATER SUPPLY CORP.
P.O. BOX 103 ~ 11986 E. HWY. 190
KEMPNER, TEXAS 76539

The Kempner Water Supply Corporation is a non-profit cooperation; owned by you, the members as defined in our Bylaws. Board members are elected at the annual membership meeting annually and serve for a three-year term. They are volunteers who serve without compensation.

BILLING INFORMATION

All billing cards are mailed, the last working day of each month and are due on or before the 15th. Failure to receive a bill will not relieve the customer of payment obligations.

All payments must be received by 8am on the 25th of each month; to avoid reconnect fees and/or disconnection of service, due to non-payment.

PAYMENT METHODS

Cash, Checks, Money Orders are accepted in office as well as night drop box. Bank Drafts are available at no cost to customers and are drafted on the 10th of each month. Online payments are accepted; a convenience fee of \$4.95 will be assessed for Credit and Debit Cards, and \$3.00 for an E-check (customers electing this option; should have E-checks sent ten days prior to due date, to ensure on-time arrival of payment).

RATES AND FEES

Monthly Base Rate	\$62.50	Cost per 1000 gallons	\$ 3.15
Late Charge issued on the 16 th	\$20.00	Returned Check fee	\$30.00
Service Trip Fee – Pay at the Door before Water Shut off*			
Non-Payment Service Trip Fee During business hours*			
Non-Payment Service Trip Fee After business hours*			
Reconnect Service Trip Fee for Re-Service*			

*This fee is assessed for each service call or trip; to the member's or resident's location for the purpose of disconnecting or reconnecting service due to non-payment or by the request of the member or resident, unless the service call is in response to damage of the Corporation's or another Member's facilities.

OFFICE INFORMATION

Regular hours: 8am to 4pm Monday through Friday

Closed Designated Holidays

Contact Information: (512) 932-3701 / (254) 547-9430

Fax: (512) 932-2546

Web: www.kempnerwsc.com

LOCAL SERVICES IN THE AREA

Trash: PWS (800) 250-3142	J & H Disposal (254) 542-8727	K-Town (254) 371-9221
Electric: Hamilton (800) 595-3401	Pedernales (512) 355-2131	TXU (800) 242-9113
Post Office: Kempner (512) 932-3621	Copperas Cove (254) 547-3605	Lampasas (512) 556-5131

Kempner Water Supply Corp.
Service Application and Agreement

DATE: _____

APPLICANT: _____

CO-APPLICANT: _____ (must be included if listed as a Grantee on Warranty Deed.

APPLICANTS DESIGNEE: _____ CONTACT INFO: _____

CURRENT BILLING ADDRESS

FUTURE BILLING ADDRESS

HOME # () _____ WORK# () _____ CELL# () _____

LEGAL DESCRIPTION OF PROPERTY (include name of road, subdivision with lot and block number)

PREVIOUS OWNER _____

ACREAGE _____

HOUSEHOLD SIZE _____

NUMBER IN FAMILY _____

LIVESTOCK & NUMBER _____

SPECIAL SERVICE NEEDS OF APPLICANT _____

It has been explained to me that upon signing this application and designating a co-applicant, he/she has full authority to maintain, cancel and/or transfer this membership and is not required to sign this application. If applicant appoints a designee this individual will only be authorized to maintain the active account and has no authority to cancel or transfer this membership. Changing or terminating a designee is the applicant/members responsibility and must be submitted in writing.

Signature of Applicant

AGREEMENT made this _____ day of _____ 20____, between Kempner Water Supply Corporation, a corporation organized under the laws of the State of Texas ("Corporation") and, (hereinafter called the Applicant and /or Member), Witnesseth:

The Corporation shall sell and deliver water service to the Applicant and the Applicant shall purchase, receive, and/or reserve service from the Corporation in accordance with the Bylaws and Tariff of the Corporation as amended from time to time by the Board of Directors of the Corporation. Upon compliance with said policies, including payment of a Membership Fee, the Applicant qualifies for Membership as a new Applicant or continued Membership as a transferee and thereby may hereinafter be called a Member.

The Member shall pay the Corporation for services hereunder as determined by the Corporation's Tariff and upon the terms and conditions set forth therein, a copy of which can be provided upon applicants' request. A copy of this agreement shall be executed before service may be provided to the Applicant.

The Board of Directors shall have the authority to discontinue service and cancel the Membership of any Member not complying with any policy or not paying any utility fees or charges as required by the Corporation's published rates, fees, and conditions of service. At any time service is discontinued, terminated or suspended, the Corporation shall not re-establish service unless it has a current, signed copy of this agreement.

If this agreement is completed for the purpose of assigning utility service as a part of a rural domestic water system loan project contemplated with the Texas Water Development Board, an Applicant shall pay an Indication of Interest Fee in lieu of a Membership fee for the purpose of determining

- a. The number of taps to be considered in the design and
- b. The number of potential ratepayers considered in determining the financial feasibility of constructing
 - 1) a new water system or
 - 2) expanding the facilities of an existing water system.

The Applicant hereby agrees to obtain, utilize, and/or reserve service as soon as it is available. Applicant, upon qualification for service under the terms of the Corporations policies, shall further qualify as a member and the Indication of Interest Fee shall then be converted by the Corporation to a membership fee. Applicant further agrees to pay, upon becoming a member, the monthly charges for such service as prescribed in the Corporation's tariff. Any breach of this agreement shall give cause for the Corporation to liquidate, as damages, the fees previously paid as an Indication of Interest. In addition to any Indication of Interest Fees forfeited, the Corporation may assess a lump sum up to \$300.00 to defray any losses incurred by the Corporation in any given fiscal year. If delivery of service to said location is deemed infeasible by the Corporation as a part of this project, the Applicant shall be denied Membership in the Corporation and the Indication of Interest Fee, less expenses, shall be refunded. The Applicant may re-apply for service at a later date under the terms and conditions of the Corporation's policies. For the purpose of this agreement, an Indication of Interest Fee shall be of an amount equal to the Corporation's Membership Fees.

All water shall be metered by meters to be furnished and installed by the Corporation. The meter connection is for the sole use of the member or customer and is to provide service to only one (1) dwelling or one (1) business. Extension of pipe(s) to transfer utility service from one property to another, to share, resell, or sub-meter water to any other persons, dwellings, businesses, or property, etc., is prohibited. The corporation shall consider master-metering provided that the property to be served is owned by the same person, corporation or business and where a single metered account will better serve the applicant and the corporation.

The Corporation shall have the right to locate a water service meter and pipe necessary to connect the meter on the members property at a point to be chosen by the Corporation, and shall have access to its property and equipment located upon Members premises at all reasonable and necessary times for any purpose connected with or in the furtherance of its business operations, and upon discontinuance of service the Corporation shall have the right to remove any of its equipment from the Member's property. The Member shall install at their own expense any necessary service lines from the Corporations facilities and equipment to the point of use, including any customer service isolation valves, backflow prevention devices, clean outs, and other equipment as may be specified by the Corporation. The Corporation shall also have access to the Members property for the purpose of inspecting for possible cross-connections and other undesirable plumbing practices.

The Corporation is responsible for protecting the drinking water supply from contamination or pollution which could result from improper plumbing practices. This service agreement serves as notice to each customer of the plumbing restrictions which are in place to provide this protection. The Corporation shall enforce these restrictions to ensure the public health and welfare. The following undesirable plumbing practices are prohibited by state regulations:

- a. No direct connection between the public drinking water supply and a potential source of contamination is permitted. Potential sources of contamination shall be isolated from the public water system by an air gap or an appropriate backflow prevention assembly in accordance with state plumbing regulations. Additionally, all pressure relief valves and thermal expansion devices must be in compliance with state plumbing codes.
- b. No cross connection between the public drinking water supply and a private water system is permitted. These potential threats to the public drinking water supply shall be eliminated at the service connection by the proper installation of an air gap or a reduced pressure-zone backflow prevention assembly and a service agreement must exist for annual inspection and testing by a certified backflow prevention device tester.
- c. No connection which allows water to be returned to the public drinking water supply is permitted.
- d. No pipe or pipe fitting which contains more than 8.0% lead may be used for the installation or repair of plumbing on or after July 1, 1988, at any connection which provides water for human consumption.
- e. No solder or flux which contains more than 0.2% lead may be used for the installation or repair of plumbing on or after July 1, 1988, at any connection that provides water for human consumption.
- f. No plumbing fixture is installed which is not in compliance with a state-approved plumbing code.
- g. The Corporation will perform a customer service inspection and the certificate remains on file: the Corporation will notify the applicant only when service is out of compliance.

The Corporation shall maintain a copy of this agreement as long as the Member and/or premises are connected to the public water system. The Member shall allow his property to be inspected for possible cross-connections and other undesirable plumbing practices. These inspections shall be conducted by the Corporation or its designated agent prior to initiating service and periodically thereafter. The inspections shall be conducted during the Corporation's normal business hours.

The Corporation shall notify the Member in writing of any cross-connections or other undesirable plumbing practices which have been identified during the initial or subsequent inspection. The Member shall immediately correct any undesirable plumbing practice on their premises. The Member shall, at his expense, properly install, test, and maintain any backflow prevention device required by the Corporation. Copies of all testing and maintenance records shall be provided to the Corporation as required. Failure to comply with the terms of this service agreement shall cause the Corporation to either terminate service properly install, test, and maintain an appropriate backflow prevention device at the service connection. Any expenses associated with the enforcement of this agreement shall be billed to the Member.

In the event the total water supply is insufficient to meet all of the Members, or in the event there is a shortage of water, the Corporation may initiate the Emergency Rationing Program as specified in the Corporation's Tariff. By execution of this agreement, the Applicant hereby shall comply with the terms of said program.

By execution hereof, the Applicant shall hold the Corporation harmless from any and all claims for damages caused by service interruptions due to waterline breaks by utility or like contractors, tampering by other Member/users of the Corporation, normal failures of the system, or other events beyond the Corporation's control.

The Member shall grant to the Corporation, now or in the future, any easements of right-of-way for the purpose of installing, maintaining, and operating such pipelines, meters, valves and any other equipment which may be deemed necessary by the Corporation to extend or improve service for existing or future Members, on such forms as are required by the Corporation. The Corporation discourages the construction, placement or installation of any structures, landscaping, driveways, entrances or personal property on an easement located in public right of way or on private property. Replacement of any damaged or destroyed items or structures will be the member's responsibility; unless the Corporation causes damage beyond its easement or into private property from the state's or county's right of way.

By execution hereof, the Applicant shall guarantee payment of all other rates, fees, and charges due on any account for which said Applicant owns a Membership Certificate. Said guarantee shall pledge any and all Membership fees against any balance due the Corporation. Liquidation of said Membership Fees shall give rise to discontinuance of service under the terms and conditions of the Corporation's tariff.

Kempner WSC shall not be liable for any damages, including without limitation, direct damages, special damages, incidental damages, consequential damages, or loss of profit or revenue, resulting from failures or interruptions of water supply occurring because of maintenance of Kempner WSC's water distribution system or that are occasioned by causes beyond the control of Kempner WSC. Kempner WSC shall not be liable in any event for consequential damages.

By execution hereof, the Applicant agrees that non-compliance with the terms of this agreement by said Applicant shall constitute denial or discontinuance of service until such time as the violation is corrected to the satisfaction of the Corporation.