



Control Number: 49558



Item Number: 1

Addendum StartPage: 0



Application to Obtain or Amend a Water or Sewer Certificate of Convenience and Necessity (CCN)

Pursuant to 16 Texas Administrative Code (TAC) Chapter 24-Substantive Rules Applicable to Water and Sewer Service Providers, Subchapter G: Certificates of Convenience and Necessity

PUBLIC UTILITY COMMISSION
FILING CLERK

CCN Application Instructions

- I. **COMPLETE:** In order for the Commission to find the application sufficient for filing, you should adhere to the following:
 - i. Answer every question and submit all required attachments.
 - ii. Use attachments or additional pages if needed to answer any question. If you use attachments or additional pages, reference their inclusion in the form.
 - iii. Provide all mapping information as detailed in Part F: Mapping & Affidavits.
 - iv. Provide any other necessary approvals from the Texas Commission on Environmental Quality (TCEQ), or evidence that a request for approval is being sought at the time of filing with the Commission.
- II. **FILE:** Seven (7) copies of the completed application with numbered attachments. One copy should be filed with no permanent binding, staples, tabs, or separators; and 7 copies of the portable electronic storage medium containing the digital mapping data.

SEND TO: Public Utility Commission of Texas, Attention: Filing Clerk, 1701 N. Congress Avenue, P.O. Box 13326, Austin, Texas 78711-3326 (NOTE: Electronic documents may be sent in advance of the paper copy; however, they will not be processed and added to the Commission's on-line Interchange until the paper copy is received and file-stamped in Central Records).
- III. The application will be assigned a docket number, and an administrative law judge (ALJ) will issue an order requiring Commission Staff to file a recommendation on whether the application is sufficient. The ALJ will issue an order after Staff's recommendation has been filed:
 - i. **DEFICIENT (Administratively Incomplete):** Applicant will be ordered to provide information to cure the deficiencies by a certain date (usually 30 days from ALJ's order). **Application is not accepted for filing.**
 - ii. **SUFFICIENT (Administratively Complete):** Applicant will be ordered by the ALJ to give appropriate notice of the application using the notice prepared by Commission Staff. **Application is accepted for filing.**
- IV. Once the Applicant issues notice, a copy of the actual notice sent (including any map) and an affidavit attesting to notice should be filed in the docket assigned to the application. Recipients of notice may choose to take one of the following actions:
 - i. **HEARING ON THE MERITS:** an affected party may request a hearing on the application. The request must be made within 30 days of notice. If this occurs, the application may be referred to the State Office of Administrative Hearings (SOAH) to complete this request.
 - ii. **LANDOWNER OPT-OUT:** A landowner owning a qualifying tract of land (25+ acres) may request to have their land removed from the requested area. The Applicant will be requested to amend its application and file new mapping information to remove the landowner's tract of land, in conformity with this request.
- V. **PROCEDURAL SCHEDULE:** Following the issuance of notice and the filing of proof of notice in step 4, the application will be granted a procedural schedule for final processing. During this time the Applicant must respond to hearing requests, landowner opt-out requests, and requests for information (RFI). The Applicant will be requested to provide written consent to the proposed maps, certificates, and tariff (if applicable) once all other requests have been resolved.
- VI. **FINAL RECOMMENDATION:** After receiving all required documents from the Applicant, Staff will file a recommendation on the CCN request. The ALJ will issue a final order after Staff's recommendation is filed.

FAQ:

Who can use this form?

Any retail public utility that provides or intends to provide retail water or wastewater utility service in Texas.

Who is required to use this form?

A retail public utility that is an investor owned utility (IOU) or a water supply corporation (WSC) must use this form to obtain or amend a CCN prior to providing retail water or sewer utility service in the requested area.

What is the purpose of the application?

A CCN Applicant is required to demonstrate financial, managerial, and technical (FMT) capability to provide continuous and adequate service to any requested area. The questions in the application are structured to support an Applicant's FMT capabilities, consistent with the regulatory requirements.

Application Summary

Applicant: City of Lago Vista

CCN No. to be amended: _____

or



Obtain NEW CCN



Water



Sewer

County(ies) affected by this application: Travis

Dual CCN requested with: _____

CCN No.: _____

(name of retail public utility)



Portion or



All of requested area

Decertification of CCN for: Lohman's Ford Water Company (all)

CCN No.: 11894

(name of retail public utility)



Portion or



All of requested area

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Please mark the items included in this filing

<input type="checkbox"/>	Partnership Agreement	Part A: Question 4
<input type="checkbox"/>	Articles of Incorporation and By-Laws (WSC)	Part A: Question 4
<input type="checkbox"/>	Certificate of Account Status	Part A: Question 4
<input type="checkbox"/>	Franchise, Permit, or Consent letter	Part B: Question 7
<input type="checkbox"/>	Existing Infrastructure Map	Part B: Question 8
<input checked="" type="checkbox"/>	Customer Requests For Service in requested area	Part B: Question 9
<input checked="" type="checkbox"/>	Population Growth Report or Market Study	Part B: Question 10
<input type="checkbox"/>	TCEQ Engineering Approvals	Part B: Question 11
<input type="checkbox"/>	Requests & Responses For Service to ½ mile utility providers	Part B: Question 12.B
<input type="checkbox"/>	Economic Feasibility (alternative provider) Statement	Part B: Question 12.C
<input type="checkbox"/>	Alternative Provider Analysis	Part B: Question 12.D
<input type="checkbox"/>	Enforcement Action Correspondence	Part C: Question 16
<input checked="" type="checkbox"/>	TCEQ Compliance Correspondence	Part D: Question 20
<input checked="" type="checkbox"/>	Purchased Water Supply or Treatment Agreement	Part D: Question 23
<input type="checkbox"/>	Rate Study (new market entrant)	Part E: Question 28
<input checked="" type="checkbox"/>	Tariff/Rate Schedule	Part E: Question 29
<input checked="" type="checkbox"/>	Financial Audit	Part E: Question 30
<input type="checkbox"/>	Application Attachment A & B	Part E: Question 30
<input checked="" type="checkbox"/>	Capital Improvement Plan	Part E: Question 30
<input checked="" type="checkbox"/>	Disclosure of Affiliated Interests	Part E: Question 31
<input checked="" type="checkbox"/>	Detailed (large scale) Map	Part F: Question 32
<input checked="" type="checkbox"/>	General Location (small scale) Map	Part F: Question 32
<input checked="" type="checkbox"/>	Digital Mapping Data	Part F: Question 32
<input checked="" type="checkbox"/>	Signed & Notarized Affidavit	Page 12

Part A: Applicant Information

1. A. Name: City of Lago Vista
(individual, corporation, or other legal entity)
☐ Individual ☐ Corporation ☐ WSC ☒ Other: City
- B. Mailing Address: 5803 Thunderbird Drive
Lago Vista, Texas 78645
- Phone No.: (512) 267-1155 Email: _____
- C. Contact Person. Please provide information about the person to be contacted regarding this application. Indicate if this person is the owner, operator, engineer, attorney, accountant, or other title.
- Name: Emily W. Rogers Title: Attorney
- Mailing Address: 3711 S. MoPac Expy, Bld. 1, Ste. 300, Austin Texas 78746
- Phone No.: (512) 472-8021 Email: erogers@bickerstaff.com

2. If the Applicant is someone other than a municipality, is the Applicant currently paid in full on the Regulatory Assessment Fees (RAF) remitted to the TCEQ?

☐ Yes ☐ No ☒ N/A

3. If the Applicant is an Investor Owned Utility (IOU), is the Applicant current on Annual Report filings with the Commission?

☐ Yes ☐ No If no, please state the last date an Annual Report was filed: _____

4. The legal status of the Applicant is:

- ☐ Individual or sole proprietorship
- ☐ Partnership or limited partnership (*attach* Partnership agreement)
- ☐ Corporation: Charter number (recorded with the Texas Secretary of State): _____
- ☐ Non-profit, member-owned, member controlled Cooperative Corporation [Article 1434(a) Water Supply or Sewer Service Corporation, incorporated under TWC Chapter 67]
Charter number (as recorded with the Texas Secretary of State): _____
- ☐ Articles of Incorporation and By-Laws established (*attach*)
- ☒ Municipally-owned utility
- ☐ District (MUD, SUD, WCID, FWSD, PUD, etc.)
- ☐ County
- ☐ Affected County (a county to which Subchapter B, Chapter 232, Local Government Code, applies)
- ☐ Other (please explain): _____

5. If the Applicant operates under an assumed name (i.e., any d/b/a), provide the name below:

Name: _____

Part B: Requested Area Information

6. Provide details on the existing or expected land use in the requested area, including details on requested actions such as dual certification or decertification of service area.

The land use within the area is residential, commercial, industrial, and institutional (schools). See the City's Future Land Use Map and Comprehensive Plan attached to this Application as Attachment No. 1. The City of Lago Vista either already serves the area in question or it is in the city limits or within areas that is subject to a development agreement. The City is seeking to decertify CCN 11894 held by Lohman's Ford Water Company, which appears to be a defunct utility with no customers, facilities, or service. The Texas Secretary of State states its Entity Status is "Forfeited." See Attachment No. 2. The PUC's database shows Lohman's Ford Water Company as inactive, and the TCEQ's Customer Database has no record of a public water supply entity known as Lohman's Ford Water Company.

7. The requested area (check all applicable):

☒ Currently receives service from the Applicant ☐ Is being developed with no current customers

☒ Overlaps or is within municipal boundaries ☐ Overlaps or is within district boundaries

Municipality: The City of Lago Vista District: _____

Provide a copy of any franchise, permit, or consent granted by the city or district. If not available please explain:

N/A

8. Describe the circumstances (economic, environmental, etc.) driving the need for service in the requested area:

The City of Lago Vista already serves much of the requested area. The remaining areas are within its city limits. The City also has development agreements for some of the currently undeveloped tracts of land within the City. See Attachment No. 3. The City is continuing to develop and grow in population. See the City's Comprehensive Plan attached to this Application as Attachment No. 1.

9. Has the Applicant received any requests for service within the requested area?

☒ Yes* ☐ No *Attach copies of all applicable requests for service and show locations on a map

10. Is there existing or anticipated growth in the requested area?

☒ Yes* ☐ No *Attach copies of any reports and market studies supporting growth

11. A. Will construction of any facilities be necessary to provide service to the requested area?

☒ Yes* ☐ No *Attach copies of TCEQ approval letters

B. Date Plans & Specifications or Discharge Permit App. submitted to TCEQ: _____

C. Summarize an estimated timeline for construction for any required facilities to serve the requested area:

The extension or expansion of the City's existing water and wastewater systems will occur as development occurs within the area and in accordance with the City's 5-Year Capital Improvements Plan, which is attached to this Application as Attachment No. 4.

D. Describe the source and availability of funds for any required facilities to serve the requested area:

Extensions or expansions of the City's system are either funded by the City, using funds collected as part of its rates or impact fees, or funded by developers as part of a development agreement, with the City participating in any oversizing of facilities. See the City's Rates, Budget, and Financial Audit attached to this Application as Attachment No. 5, and City's Code of Ordinances at https://lagovista.municipalcodeonline.com/book?type=ordinances#name=CHAPTER_13_UTILITIES.

Note: Failure to provide applicable TCEQ construction or permit approvals, or evidence showing that the construction or permit approval has been filed with the TCEQ may result in the delay or possible dismissal of the application.

12. A. If construction of a physically separate water or sewer system is necessary, provide a list of all retail public water and/or sewer utilities within one half mile from the outer boundary of the requested area below:

N/A

B. Did the Applicant request service from each of the above water or sewer utilities?

☐ Yes*

☐ No

*Attach copies of written requests and copies of the written response

C. Attach a statement or provide documentation explaining why it is not economically feasible to obtain retail service from the water or sewer retail public utilities listed above.

D. If a neighboring retail public utility agreed to provide service to the requested area, attach documentation addressing the following information:

(A) A description of the type of service that the neighboring retail public utility is willing to provide and comparison with service the applicant is proposing;

(B) An analysis of all necessary costs for constructing, operating, and maintaining the new facilities for at least the first five years of operations, including such items as taxes and insurance; and

(C) An analysis of all necessary costs for acquiring and continuing to receive service from the neighboring retail public utility for at least the first five years of operations.

13. Explain the effect of granting the CCN request on the Applicant, any retail public utility of the same kind serving in the proximate area, and any landowners in the requested area. The statement should address, but is not limited to, regionalization, compliance, and economic effects.

There will be no effect on the applicant, landowners, or other retail utilities service in the proximate area because the City either already provides water and sewer service to the requested area, or the area is within its the city limits. Additionally, some of the utilities in the proximate area are physically unable to serve the areas the City seeks to certificate because of Lake Travis. As previously explained, the entity that holds CCN 11894 inside the requested CCN boundaries appears to be a defunct entity with no customers, facilities, or service.

Part C: CCN Obtain or Amend Criteria Considerations

14. Describe the anticipated impact and changes in the quality of retail utility service for the requested area:

There will be no impact or change to the quality of retail utility service for the requested area, as the City either already provides water and wastewater service to the requested area, or the area is within its the city limits.

15. Describe the experience and qualifications of the Applicant in providing continuous and adequate retail service:

See Attachment Nos. 4, 5, 6, and 7, and the City's Code of Ordinances at https://lagovista.municipalcodeonline.com/book?type=ordinances#name=CHAPTER_13_UTILITIES. The City currently does and will continue to provide water and sewer service. The City has the required number certified operators, has adopted ordinance for the provision of water and sewer service, maintains adequate water and sewer rates and has adopted impact fees, obtains yearly audits, and has a 5-year CIP to ensure the City is maintaining its systems

16. Has the Applicant been under an enforcement action by the Commission, TCEQ, Texas Department of Health (TDH), the Office of the Attorney General (OAG), or the Environmental Protection Agency (EPA) in the past five (5) years for non-compliance with rules, orders, or state statutes?

☐ Yes* ☒ No

*Attach copies of any correspondence with the applicable regulatory agency concerning any enforcement actions, and attach a description of any actions or efforts the Applicant has taken to comply with these requirements.

17. Explain how the environmental integrity of the land will or will not be impacted or disrupted as a result of granting the CCN as requested:

The City already provides water and sewer service much of the requested area, so there will be no effect on the environmental integrity in those locations. Where no service is currently provided, the City expects that will only be a temporary effect on the environmental integrity as the facilities are constructed.

18. Has the Applicant made efforts to extend retail water or sewer utility service to any economically distressed area located within the requested area?

There are no economically distressed areas located in the requested area.

19. List all neighboring water or sewer retail public utilities, cities, districts (including ground water conservation districts), counties, or other political subdivisions (including river authorities) providing the same service located within two (2) miles from the outer boundary of the requested area:

Jonestown WSC, Lohman's Ford Water Company, City of Jonestown, Draper Estates Water System, The Coves WSC, Village of Briarcliff, Lodge Acres Water Supply, Lakeview Hills WSC, City of Point Venture, Travis County WCID 17, Aqua Texas Inc.

Part D: TCEQ Public Water System or Sewer (Wastewater) Information

20. A. Complete the following for all Public Water Systems (PWS) associated with the Applicant's CCN:

TCEQ PWS ID:	Name of PWS:	Date of TCEQ inspection*:	Subdivisions served:
2270092	City of Lago Vista	12/20/2018	

*Attach evidence of compliance with TCEQ for each PWS

- B. Complete the following for all TCEQ Water Quality (WQ) discharge permits associated with the Applicant's CCN:

TCEQ Discharge Permit No:	Date Permit expires:	Date of TCEQ inspection*:	Subdivisions served:
WQ- 11752-001	12/1/2019	1/11/2018	
WQ-			
WQ-			
WQ-			

*Attach evidence of compliance with TCEQ for each Discharge Permit

- C. The requested CCN service area will be served via: PWS ID: 2270092

WQ - 11752-001

21. List the number of existing connections for the PWS & Discharge Permit indicated above (Question 20. C.):

Water				Sewer	
	Non-metered	21	2"	3,182	Residential
3,817	5/8" or 3/4"	10	3"	155	Commercial
64	1"		4"		Industrial
37	1 1/2"	4	Other		Other
Total Water Connections:			3,953	Total Sewer Connections:	3,337

22. List the number of additional connections projected for the requested CCN area:

Water				Sewer	
	Non-metered		2"		Residential
	5/8" or 3/4"		3"		Commercial
	1"		4"		Industrial
	1 1/2"		Other		Other
Total Water Connections:				Total Sewer Connections:	

23. A. Will the system serving the requested area purchase water or sewer treatment capacity from another source?

☐ Yes* ☒ No

*Attach a copy of purchase agreement or contract.

Capacity is purchased from:

Water: _____

Sewer: _____

- B. Are any of the Applicants PWS's required to purchase water to meet the TCEQ's minimum capacity requirements or TCEQ's drinking water standards?

☐ Yes ☒ No

- C. What is the amount of supply or treatment purchased, per the agreement or contract? What is the percent of overall demand supplied by purchased water or sewer treatment (if any)?

	Amount in Gallons	Percent of demand
Water:		0%
Sewer:		0%

24. Does the PWS or sewer treatment plant have adequate capacity to meet the current and projected demands in the requested area?

☒ Yes ☐ No

25. List the name, class, and TCEQ license number of the operators that will be responsible for the operations of the water or sewer utility service provided to the requested area:

Name (as it appears on license)	Class	License No.	Water/Sewer
See Attachment No. 6			

26. A. Are any improvements required for the existing PWS or sewer treatment plant to meet TCEQ or Commission standards?

☐ Yes ☒ No

- B. Provide details on each required major capital improvement necessary to correct deficiencies to meet the TCEQ or Commission standards (attach any engineering reports or TCEQ approval letters):

Description of the Capital Improvement:	Estimated Completion Date:	Estimated Cost:

27. Provide a map (or maps) showing all facilities for production, transmission, and distribution, and the location of existing or proposed customer connections, in the requested area. Facilities should be identified on subdivision plats, engineering planning maps, or other large scale maps. Color coding can be used, and is encouraged, to distinguish types of facilities.

Part E: Financial Information

28. If the Applicant seeking to obtain a CCN for the first time is an Investor Owned Utility (IOU) and under the original rate jurisdiction of the Commission, a proposed tariff must be attached to the application. The proposed rates must be supported by a rate study, which provides all calculations and assumptions made. Once a CCN is granted, the Applicant must submit a rate filing package with the Commission within 18 months from the date service begins. The purpose of this rate filing package is to revise a utility's tariff to adjust the rates to a historic test year and to true up the new tariff rates to the historic test year. It is the Applicant's responsibility in any future rate proceeding to provide written evidence and support for the original cost and installation date of all facilities used and useful for providing utility service. Any dollar amount collected under the rates charged during the test year in excess of the revenue requirement established by the Commission during the rate change proceeding shall be reflected as customer contributed capital going forward as an offset to rate base for ratemaking purposes.

29. If the Applicant is an existing IOU, please attach a copy of the current tariff and indicate:

A. Effective date for most recent rates: _____

B. Was notice of this increase provided to the Commission or a predecessor regulatory authority?

☐ No

☐ Yes

Application or Docket Number: _____

C. If notice was not provided to the Commission, please explain why (ex: rates are under the jurisdiction of a municipality)

If the Applicant is a Water Supply or Sewer Service Corporation (WSC/SSC) and seeking to obtain a CCN, attach a copy of the current tariff.

30. **Financial Information**

Applicants must provide accounting information typically included within a balance sheet, income statement, and statement of cash flows. If the Applicant is an existing retail public utility, this must include historical financial information and projected financial information. However, projected financial information is only required if the Applicant proposes new service connections and new investment in plant, or if requested by Commission Staff. If the Applicant is a new market entrant and does not have its own historical balance sheet, income statement, and statement of cash flows information, then the Applicant should establish a five-year projection.

Historical Financial Information may be shown by providing any combination of the following that includes necessary information found in a balance sheet, income statement, and statement of cash flows:

1. Completed Appendix A;
2. Documentation that includes all of the information required in Appendix A in a concise format; or
3. Audited financial statements issued within 18 months of the application filing date. This may be provided electronically by providing a uniform resource locator (URL) or a link to a website portal.

Projected Financial Information may be shown by providing any of the following:

1. Completed Appendix B;
2. Documentation that includes all of the information required in Appendix B in a concise format;
3. A detailed budget or capital improvement plan, which indicates sources and uses of funds required, including improvements to the system being transferred; or
4. A recent budget and capital improvements plan that includes information needed for analysis of the operations test for the system being transferred and any operations combined with the system. This may be provided electronically by providing a uniform resource locator (URL) or a link to a website portal.

31. Attach a disclosure of any affiliated interest or affiliate. Include a description of the business relationship between all affiliated interests and the Applicant.

DO NOT INCLUDE ATTACHMENTS A OR B IF LEFT BLANK

Part F: Mapping & Affidavits

32. Provide the following mapping information with each of the seven (7) copies of the application:

1. A general location (small scale) map identifying the requested area in reference to the nearest county boundary, city, or town. The Applicant should adhere to the following guidance:
 - i. If the application includes an amendment for both water and sewer certificated service areas, separate maps must be provided for each.
 - ii. A hand drawn map, graphic, or diagram of the requested area is not considered an acceptable mapping document.
 - iii. To maintain the integrity of the scale and quality of the map, copies must be exact duplicates of the original map. Therefore, copies of maps cannot be reduced or enlarged from the original map, or in black and white if the original map is in color.
2. A detailed (large scale) map identifying the requested area in reference to verifiable man-made or natural landmarks such as roads, rivers, and railroads. The Applicant should adhere to the following guidance:
 - i. The map should be clearly labeled and the outer boundary of the requested area should be marked in reference to the verifiable man-made or natural landmarks. These verifiable man-made and/or natural landmarks must be labeled and marked on the map as well.
 - ii. If the application includes an amendment for both water and sewer certificated service area, separate maps need to be provided for each.
 - iii. To maintain the integrity of the scale and quality of the map, copies must be exact duplicates of the original map. Therefore, copies of maps cannot be reduced or enlarged from the original map, or in black and white if the original map is in color.
3. One of the following identifying the requested area:
 - i. A metes and bounds survey sealed or embossed by either a licensed state land surveyor or a registered professional land surveyor. Please refer to the mapping guidance in part 2 (above);

- ii. A recorded plat. If the plat does not provide sufficient detail, Staff may request additional mapping information. Please refer to the mapping guidance in part 2 (above); or
- iii. Digital mapping data in a shapefile (SHP) format georeferenced in either NAD 83 Texas State Plane Coordinate System (US Feet) or in NAD 83 Texas Statewide Mapping System (Meters). The digital mapping data shall include a single, continuous polygon record. The following guidance should be adhered to:
 - a. The digital mapping data must correspond to the same requested area as shown on the general location and detailed maps. The requested area must be clearly labeled as either the water or sewer requested area.
 - b. A shapefile should include six files (.dbf, .shp, .shx, .sbx, .sbn, and the projection (.prj) file).
 - c. The digital mapping data shall be filed on a data disk (CD or USB drives), clearly labeled, and filed with Central Records. Seven (7) copies of the digital mapping data is also required.

Part G: Notice Information

The following information will be used to generate the proposed notice for the application.
DO NOT provide notice until the application is deemed sufficient for filing and the Applicant is ordered to provide notice.

33. Complete the following using verifiable man-made and/or natural landmarks such as roads, rivers, or railroads to describe the requested area (to be stated in the notice documents). Measurements should be approximated from the outermost boundary of the requested area:

The total acreage of the requested area is approximately: 9,989

Number of customer connections in the requested area: 3,953

The closest city or town: Village of Briarcliff

Approximate mileage to closest city or town center: 2

Direction to closest city or town: Southeast

The requested area is generally bounded on the North by: Municipal limits of Lago Vista and Ranch Road 1431

on the East by: City of Jonestown municipal limits and the Colorado River

on the South by: Community of Briarcliff municipal limits and the Colorado River

on the West by: Colorado River and the Lago Vista municipal limits

34. A copy of the proposed map will be available at Lago Vista City Hall, 5803 Thunderbird Drive, Lago Vista, Texas

Applicant's Oath

STATE OF Texas

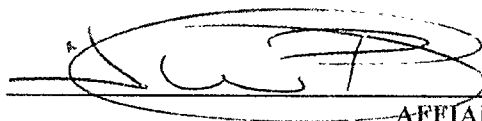
COUNTY OF Travis

I, Joshua Ray being duly sworn, file this application to
obtain or amend a water or sewer CCN, as the City Manager of the City of Lago Vista
(owner, member of partnership, title as officer of corporation, or authorized representative)

I attest that, in such capacity, I am qualified and authorized to file and verify such application, am personally familiar with the documents filed with this application, and have complied with all the requirements contained in the application; and, that all such statements made and matters set forth therein with respect to Applicant are true and correct. Statements about other parties are made on information and belief. I further state that the application is made in good faith and that this application does not duplicate any filing presently before the Commission.

I further represent that the application form has not been changed, altered, or amended from its original form.

I further represent that the Applicant will provide continuous and adequate service to all customers and qualified applicants within its certificated service area should its request to obtain or amend its CCN be granted.



AFFIANT

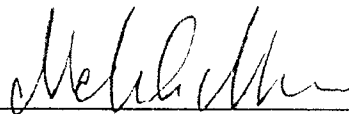
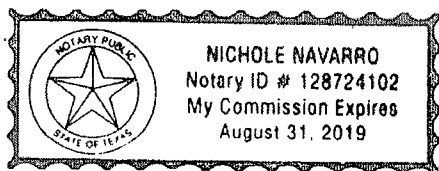
(Utility's Authorized Representative)

If the Affiant to this form is any person other than the sole owner, partner, officer of the Applicant, or its attorney, a properly verified Power of Attorney must be enclosed.

SUBSCRIBED AND SWORN BEFORE ME, a Notary Public in and for the State of Texas

this day the 14th of May, 2019

SEAL



**NOTARY PUBLIC IN AND FOR THE
STATE OF TEXAS**

Nichole Navarro

PRINT OR TYPE NAME OF NOTARY

My commission expires: Aug. 31st 2019

Appendix A: Historical Financial Information (Balance Sheet and Income Schedule)

(Audited financial statements may be substituted for this schedule – see item 29 of the instructions)

HISTORICAL BALANCE SHEETS (ENTER DATE OF YEAR END)	CURRENT(A) (- -)	A-1 YEAR (- -)	A-2 YEAR (- -)	A-3 YEAR (- -)	A-4 YEAR (- -)	A-5 YEAR (- -)
CURRENT ASSETS						
Cash						
Accounts Receivable						
Inventories						
Other						
A. Total Current Assets						
FIXED ASSETS						
Land						
Collection/Distribution System						
Buildings						
Equipment						
Other						
Less: Accum. Depreciation or Reserves						
B. Total Fixed Assets						
C. TOTAL Assets (A + B)						
CURRENT LIABILITIES						
Accounts Payable						
Notes Payable, Current						
Accrued Expenses						
Other						
D. Total Current Liabilities						
LONG TERM LIABILITIES						
Notes Payable, Long-term						
Other						
E. Total Long Term Liabilities						
F. TOTAL LIABILITIES (D + E)						
OWNER'S EQUITY						
Paid in Capital						
Retained Equity						
Other						
Current Period Profit or Loss						
G. TOTAL OWNER'S EQUITY						
TOTAL LIABILITIES+EQUITY (F + G) = C						
WORKING CAPITAL (A – D)						
CURRENT RATIO (A / D)						
DEBT TO EQUITY RATIO (E / G)						

DO NOT INCLUDE ATTACHMENTS A OR B IF LEFT BLANK

HISTORICAL NET INCOME INFORMATION						
(ENTER DATE OF YEAR END)	CURRENT(A) (- -)	A-1 YEAR (- -)	A-2 YEAR (- -)	A-3 YEAR (- -)	A-4 YEAR (- -)	A-5 YEAR (- -)
METER NUMBER						
Existing Number of Taps						
New Taps Per Year						
Total Meters at Year End						
METER REVENUE						
Revenue per Meter (use for projections)						
Expense per Meter (use for projections)						
Operating Revenue Per Meter						
GROSS WATER REVENUE						
Revenues- Base Rate & Gallonage Fees						
Other (Tap, reconnect, transfer fees, etc.)						
Gross Income						
EXPENSES						
General & Administrative (see schedule)						
Operating (see schedule)						
Interest						
Other (list)						
NET INCOME						

HISTORICAL EXPENSE INFORMATION (ENTER DATE OF YEAR END)	CURRENT(A) (- -)	A-1 YEAR (- -)	A-2 YEAR (- -)	A-3 YEAR (- -)	A-4 YEAR (- -)	A-5 YEAR (- -)
GENERAL/ADMINISTRATIVE EXPENSES						
Salaries & Benefits—Office/Management						
Office (services, rentals, supplies, electricity)						
Contract Labor						
Transportation						
Insurance						
Telephone						
Utilities						
Property Taxes						
Professional Services/Fees (recurring)						
Regulatory- other						
Other (describe)						
Interest						
Other						
Total General Admin. Expenses (G&A)						
% Increase Per Year	0%	0%	0%	0%	0%	0%
OPERATIONS & MAINTENANCE EXPENSES						
Salaries & Benefits (Employee, Management)						
Materials & Supplies						
Utilities Expense-office						
Contract Labor						
Transportation Expense						
Depreciation Expense						
Other(describe)						
Total Operational Expenses (O&M)						
Total Expense (Total G&A + O&M)						
Historical % Increase Per Year	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
ASSUMPTIONS						
Interest Rate/Terms						
Depreciation Schedule (attach)						
Other assumptions/information (List all)						

Appendix B: Projected Information

HISTORICAL BALANCE SHEETS (ENTER DATE OF YEAR END)	CURRENT(A) (- -)	A-1 YEAR (- -)	A-2 YEAR (- -)	A-3 YEAR (- -)	A-4 YEAR (- -)	A-5 YEAR (- -)
CURRENT ASSETS						
Cash						
Accounts Receivable						
Inventories						
Income Tax Receivable						
Other						
A. Total Current Assets						
FIXED ASSETS						
Land						
Collection/Distribution System						
Buildings						
Equipment						
Other						
Less: Accum. Depreciation or Reserves						
B. Total Fixed Assets						
C. TOTAL Assets (A + B)						
CURRENT LIABILITIES						
Accounts Payable						
Notes Payable, Current						
Accrued Expenses						
Other						
D. Total Current Liabilities						
LONG TERM LIABILITIES						
Notes Payable, Long-term						
Other						
E. Total Long Term Liabilities						
F. TOTAL LIABILITIES (D + E)						
OWNER'S EQUITY						
Paid in Capital						
Retained Equity						
Other						
Current Period Profit or Loss						
G. TOTAL OWNER'S EQUITY						
TOTAL LIABILITIES+EQUITY (F + G) = C						
WORKING CAPITAL (A - D)						
CURRENT RATIO (A / D)						
DEBT TO EQUITY RATIO (F / G)						

PROJECTED NET INCOME INFORMATION

(ENTER DATE OF YEAR END)	CURRENT(A) (- -)	A-1 YEAR (- -)	A-2 YEAR (- -)	A-3 YEAR (- -)	A-4 YEAR (- -)	A-5 YEAR (- -)
METER NUMBER						
Existing Number of Taps						
New Taps Per Year						
Total Meters at Year End						
METER REVENUE						
Revenue per Meter (use for projections)						
Expense per Meter (use for projections)						
Operating Revenue Per Meter						
GROSS WATER REVENUE						
Revenues- Base Rate & Gallonage Fees						
Other (Tap, reconnect, transfer fees, etc.)						
Gross Income						
EXPENSES						
General & Administrative (see schedule)						
Operating (see schedule)						
Interest						
Other (list)						
NET INCOME						

PROJECTED EXPENSE DETAIL	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	TOTALS
GENERAL/ADMINISTRATIVE EXPENSES						
Salaries						
Office						
Computer						
Auto						
Insurance						
Telephone						
Utilities						
Depreciation						
Property Taxes						
Professional Fees						
Other						
Total						
% Increase Per projected Year	0%	0%	0%	0%	0%	0%
OPERATIONAL EXPENSES						
Salaries						
Auto						
Utilities						
Depreciation						
Repair & Maintenance						
Supplies						
Other						
Total						

PROJECTED SOURCES AND USES OF CASH STATEMENTS	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	TOTALS
SOURCES OF CASH						
Net Income						
Depreciation (If funded by revenues of system)						
Loan Proceeds						
Other						
Total Sources						
USES OF CASH						
Net Loss						
Principle Portion of Pmts.						
Fixed Asset Purchase						
Reserve						
Other						
Total Uses						
NET CASH FLOW						
DEBT SERVICE COVERAGE						
Cash Available for Debt (CADS)						
A: Net Income (Loss)						
B: Depreciation, or Reserve Interest						
C: Total CADS (A + B = C)						
D: DEBT SERVICE						
Annual Principle Plus Interest						
E: DEBT SERVICE COVERAGE RATIO						
CADS Divided by DS (E = C / D)						

List of Attachments to the City of Lago Vista's CCN Application

1. The City of Lago Vista, Texas Future Land Use Map and excerpts from The City of Lago Vista 2030 Comprehensive Plan
2. Texas Secretary of State's Tax Forfeiture of Lohman's Ford Water Company
3. Requests for Service
4. 5-Year CIP Plan
5. City of Lago Vista Fiscal Year 2018-2019 Budget, City of Lago Vista Utility Rates, and City of Lago Vista's Annual Financial Report for the Year Ending September 30, 2018
6. TCEQ Licenses – City of Lago Vista (as of March 6, 2019)
7. 1st Amendment to Water Sale Contract No. 9828 and Water Sale Contract
8. TPDES Permit No. WQ0011752001
9. TCEQ Compliance Correspondence
10. City of Lago Vista Resolution No. 19-1795
11. Maps of Requested Water and Sewer CCN Areas and Digital Data

Attachment 1

**The City of Lago Vista, Texas Future Land Use Map and excerpts
from The City of Lago Vista 2030 Comprehensive Plan**

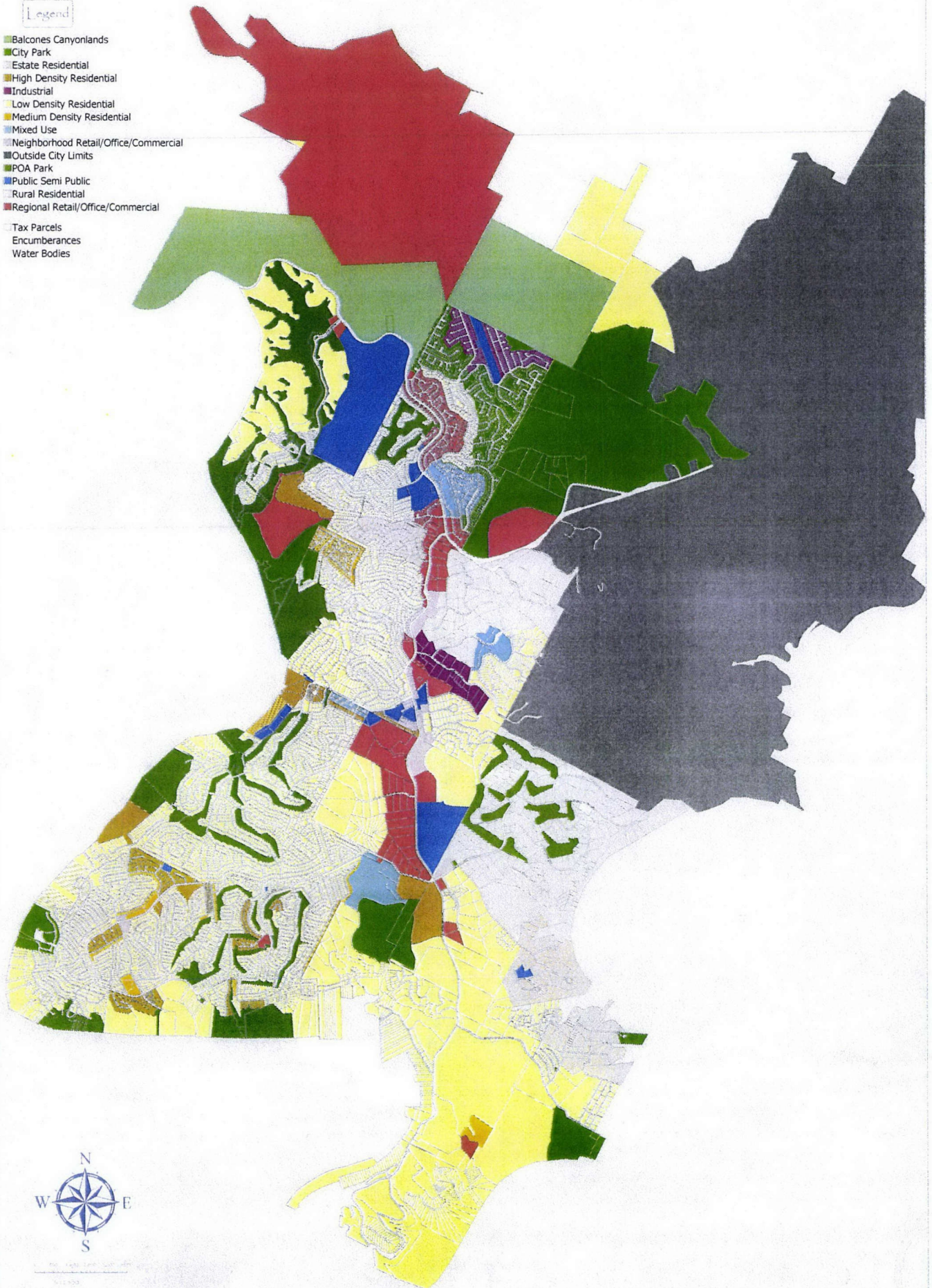


The City of Lago Vista, Texas Future Land Use Map



Legend

- Balcones Canyonlands
- City Park
- Estate Residential
- High Density Residential
- Industrial
- Low Density Residential
- Medium Density Residential
- Mixed Use
- Neighborhood Retail/Office/Commercial
- Outside City Limits
- POA Park
- Public Semi Public
- Rural Residential
- Regional Retail/Office/Commercial
- Tax Parcels
- Encumbrances
- Water Bodies

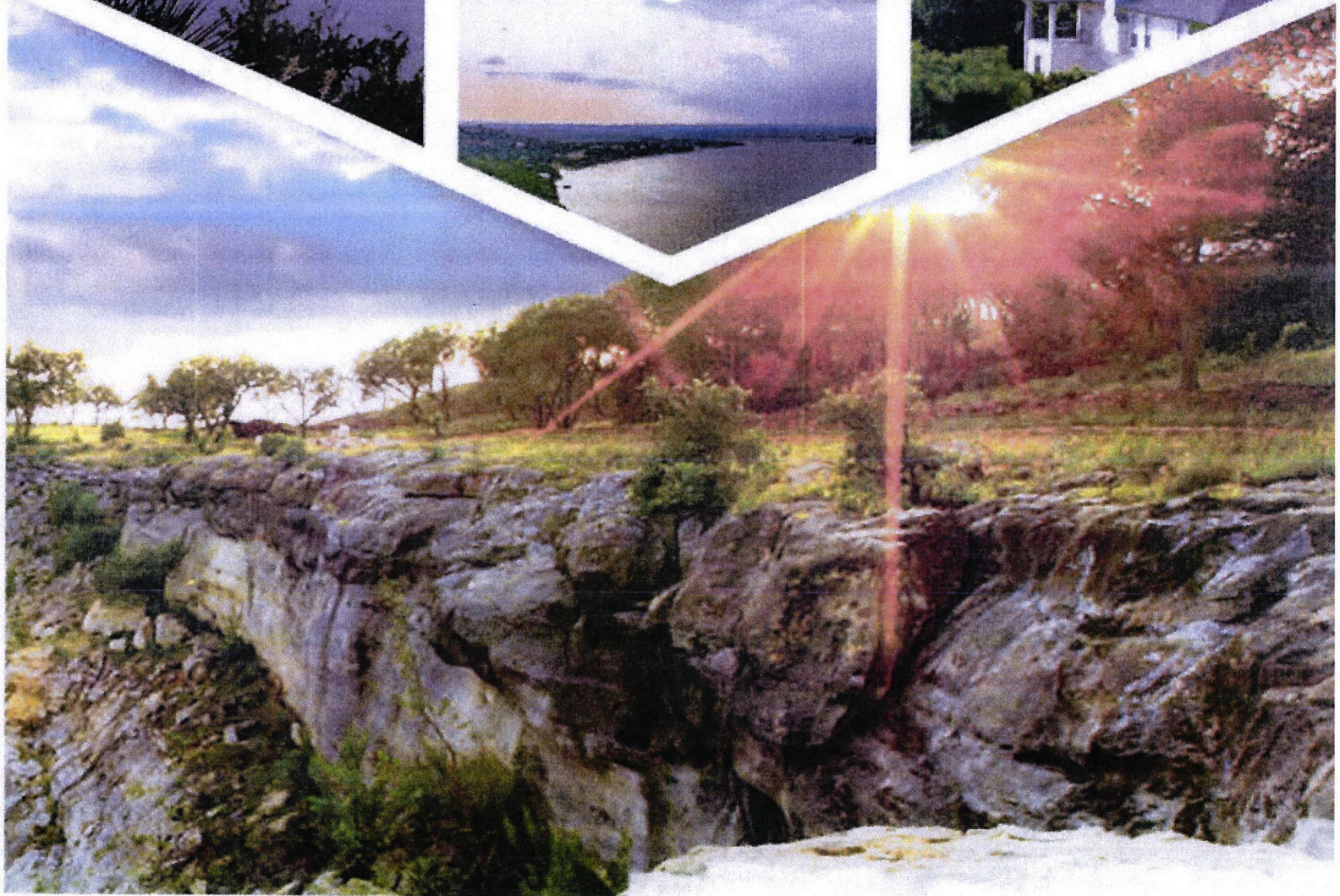
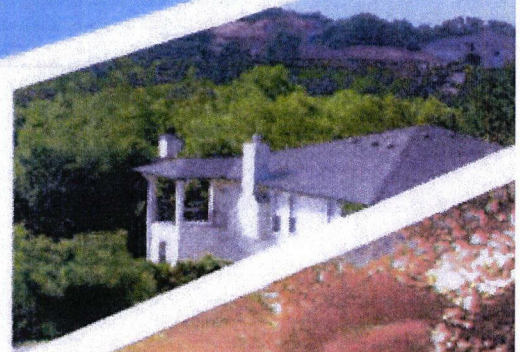


Scale: 1 inch = 1 mile
500 feet

The City of

Lago Vista

2030 COMPREHENSIVE PLAN



CITY OF LAGO VISTA, TX

ORDINANCE NO. 17-04-20-01

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF LAGO VISTA, TEXAS, AMENDING ORDINANCE 16-05-05-02, 2030 LAGO VISTA COMPREHENSIVE PLAN IN ORDER TO MODIFY RESIDENTIAL DENSITY STANDARDS; PROVIDING A SAVINGS CLAUSE; PROVIDING A SEVERABILITY CLAUSE; AND, PROVIDE AN EFFECTIVE DATE.

WHEREAS, the City Council adopted the 2030 Lago Vista Comprehensive Plan on May 5, 2016 thereby setting new residential density standards within the Land Use Element of the Plan, and

WHEREAS, application of the residential density standards within the City limits have proven problematic due to higher density numbers on established smaller lots which are difficult to meet minimum density standards, and

WHEREAS, recognition that residential density standards that may exist within the extraterritorial jurisdiction of the City may become problematic for a number of reasons when annexed into the City if urban density standards are required when a suburbanizing community, and

WHEREAS, the Planning & Zoning Commission has held a public hearing and recommended approval to the Comprehensive Plan Amendment, known as Exhibit "A" on March 30, 2017; and

WHEREAS, the City Council has held public hearing on April 20, 2017 on the Comprehensive Plan Amendment, known as Exhibit "A"

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF LAGO VISTA, TEXAS THAT:

Section 1. Findings. The above and foregoing recitals are hereby found to be true and correct and are incorporated herein as findings of fact.

Section 2. Modification. The City Council hereby approves the modification known as Exhibit "A" after a public hearing held on April 20, 2017.

Section 3. Amendment of Conflicting Ordinances. All ordinances or parts thereof conflicting or inconsistent with the provisions of this ordinance as adopted and amended herein, are hereby amended to the extent of such conflict. In the event of a conflict or inconsistency between this ordinance and any other code or ordinance of the City, the terms and provisions of this ordinance shall govern.

Section 4. Severability. If any section, subsection, sentence or phrase of this Ordinance is for any reason held to be unconstitutional, void or invalid, the validity of the remaining portions of this Ordinance shall not be affected. It is the intent of the City Council in adopting this Ordinance, that no provision or regulation contained herein shall become inoperative, or fails by reason of the unconstitutionality or invalidity of any other section, subsection, sentence or phrase of this Ordinance.

Section 5. Effective Date. This ordinance shall take effect immediately from and after its passage and publication in accordance with the provisions of Chapter 52 of the Texas Local Government Code and the City Charter.

Section 6. Open Meetings. It is hereby officially found and determined that the meeting at which this ordinance is passed was open to the public as required and that public notice of the time, place, and purpose of said meeting was given as required by the Open Meetings Act, Chapter 551 of the Texas Government Code.

PASSED AND APPROVED THIS 20th day of April, 2017

CITY OF LAGO VISTA



ATTEST:


Dale Mitchell, Mayor



Sandra Barton, City Secretary

Acknowledgements

Special thanks to the City of Lago Vista's Comprehensive Plan Advisory Committee volunteers, elected and appointed officials, City staff, and citizens who provided knowledge, assistance, and insight throughout the process of developing this plan. Their contributions are appreciated and helped to make this Lago Vista 2030 Comprehensive Plan possible.

Mayor and City Council

Dale Mitchell, Mayor

Rich Raley, Place 1

Jason Shoumaker, Place 2

Ed Tidwell, Place 3

Ron Smith, Mayor Pro Tem

Stephanie Smith, Place 5

Rodney Cox, Place 6

Planning & Zoning Commission

Tara Griffin, Chair

Jim Moss, Vice-Chair

Rich Raley, City Council Liaison

Richard Brown

Vernon Reher

Paul Smith

Andy White

Gary Zaleski

City Staff

Melissa Byrne Vossmer, City Manager

David Harrell, Development Services Director

Chris Martinez, GIS Technician/Webmaster

Comprehensive Plan Advisory Committee

Dale Mitchell, Chair

Tara Griffin, Vice-Chair

Don Barthlow

Keith Billington

David Carroll

Doug Casey

David Harrell

Jim Moss

Ron Smith

Melissa Byrne Vossmer

Darren Webb

Vicki Wood

Gary Zaleski

FNI Consultant Team

Dan Sefko, FAICP

Erica Craycraft-Bartlett, AICP

Chelsea Irby

2030 COMPREHENSIVE PLAN

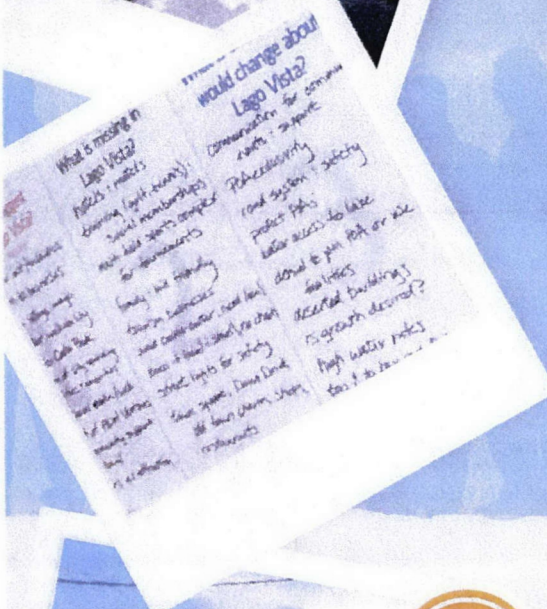
[PLAN SYNOPSIS]



Public Input Process

The Lago Vista 2030 Comprehensive Plan process was led by the Comprehensive Plan Advisory Committee with support from the community, City officials and staff, and the consultant team. Community input was collected at the following meetings:

- 5 Comprehensive Plan Advisory Committee meetings
- 3 Town Hall meetings
- 1 LVHS student meeting
- 3 Planning & Zoning Commission meetings
- 2 City Council meetings



Special Considerations for Lago Vista

Physical Considerations:

- Extreme topography
- Small, platted lots
- Limited infrastructure
- Narrow roadways
- Lake frontage

Other Unique Considerations:

- Median age of 47.2 years (compared to 33.6 in Texas)
- Sidewalk and trail connections
- Roadway safety
- Citywide park access and activities for youth needs
- Shopping, dining, entertainment, and housing needs





What's Inside the Plan?

1. Overview
2. City Snapshot
3. Land Use
4. Housing and Neighborhood Livability
5. Transportation
6. Parks, Recreation, and Open Space
7. City Facilities and Services
8. Implementation
9. Appendix



Recommended Actions

1

YEAR ONE

1. Development code update
2. Scenic City designation
3. Work towards park-sharing agreement with POAs
4. Park and Recreation Board
5. Park land and trail easement acquisition
6. Roads vacated into trails
7. Sidewalk plan for new and retrofitted sidewalks
8. Land acquisition near Airport
9. Coordination with Airport Action Plan
10. Multipurpose sports complex
11. Partnerships with private capital entities
12. Text and email communication capabilities
13. Organization representatives for communication

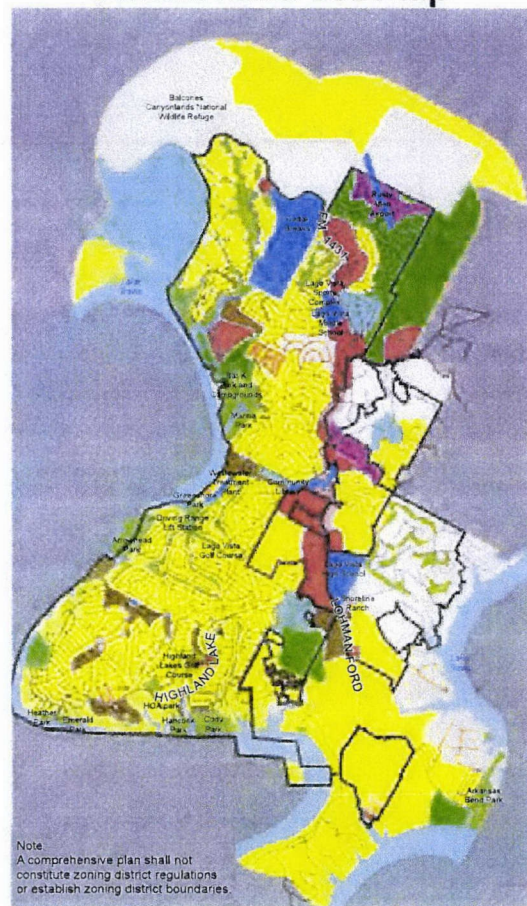
2+

YEAR TWO AND BEYOND

The plan includes 34 action item recommendations to initiate in Year Two or later related to the following topics:

- Lakefront development and tourism
- Parks and trails
- Golf courses
- Municipal complex redevelopment
- Housing options
- Roadway safety and connections
- Design standards

Future Land Use Map



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1| Overview

Purpose of a Comprehensive Plan

A city's comprehensive plan can be defined as a long-range planning tool that is intended to be used by citizens, the City Council, City Staff and other decision-makers to guide the growth and physical development of the community for 10 to 15 years. The State of Texas has established laws with regard to the ways incorporated communities can ensure the health, safety and welfare of their citizens. State law gives municipalities the power to regulate the use of land, but only if such regulations are based on a plan. Specifically, the law states:

The governing body of a municipality may adopt a comprehensive plan for the long range development of the municipality ...A municipality may define the relationship between a comprehensive plan and development regulations and may provide standards for determining the consistency required between a plan and development regulations

-Chapter 213 of the Texas Local Government Code

In basic terms, the primary objectives of a comprehensive plan are to accomplish the following:

- Efficient delivery of services,
- Coordination of public and private investments,
- Minimization of potential conflicts between land uses,
- Management of growth in an orderly manner,
- Cost-effective public investments, and
- A rational and reasonable basis for making decision that impact the community.

There are two interrelated purposes of a comprehensive plan one, it allows the citizens of a community to create a shared vision of what they want the community to become, and two, it establishes ways in which a community can effectively realize this vision. This Comprehensive Plan is a vision of what Lago Vista can become and is a long-range statement of the City's public policy.

A comprehensive plan is not a zoning ordinance, but rather it is a high-level tool utilized by the City to guide future development decisions. As new development, zoning requests and other development decisions are made, the comprehensive plan helps to ensure orderly and coordinated growth. Determining what land uses are appropriate within Lago Vista, and where such land uses should be located, helps to protect the integrity of the City's neighborhoods and corridors. Ultimately, coordinated land use patterns help to protect private property by maintaining and enhancing value and protecting property from incompatible uses.

Community Profile

The purpose of this Community Profile section is to define where Lago Vista is today in terms of population trends, demographics, and previous planning efforts. This section establishes a foundation for the plan and its recommendations.

Population Trends

It is important for Lago Vista to anticipate continued growth and plan for the development of additional community infrastructure and programs needed to support a growing population. For example, future housing developments, land use decisions, capital improvement programming, emergency services, and policy decisions can all be affected by projected population trends.

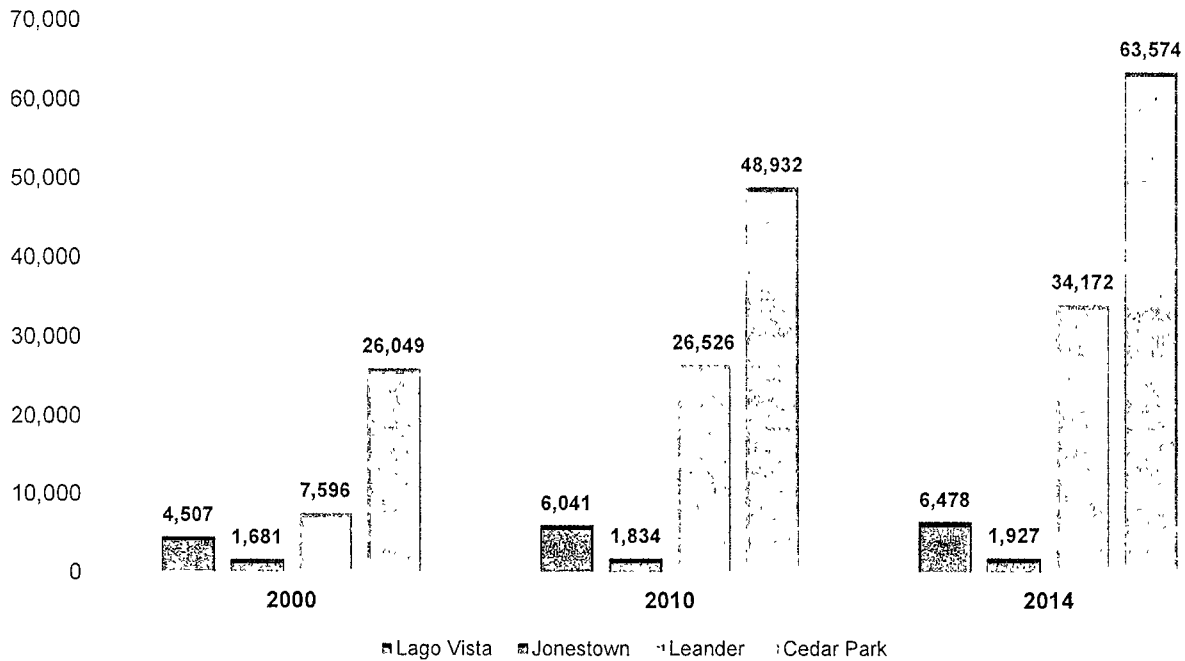


Historical Population

According to the U.S. Census, Lago Vista experienced a 34 percent population growth from 2000 and 2010, increasing in population from 4,507 people to 6,041. The U.S. Census estimates a 2014 population of 6,478, slightly lower than the Texas State Data Center estimate of 6,577.

The population of Travis County experienced nearly 20.7 percent growth from 2000 to 2010, adding nearly 211,986 persons (1,534 of whom moved to Lago Vista). Comparison communities are also experiencing major growth, including Leander and Cedar Park (249 percent and 88 percent, respectively).

Figure 1. Regional Population Trends



Source: U.S. Census 2000/2010/2014

Current Population

As previously mentioned, the U.S. Census estimates a 2014 population of 6,478, while the Texas State Data Center estimates 6,577. Based on this information and factoring the number of residential building permits, vacancy rate, and the number of people living in homes, **the September 2015 population of Lago Vista is about 6,617 residents.** This assumes a July 2014 population of 6,478, 70 single-family building permits since August 1, 2015, an occupancy rate of 78.7 percent (U.S. Census 2010), and 2.52 persons per household (U.S. Census 2009-2013)

$$\begin{array}{ccccccc} 70 & \times & 78.7\% & \times & 2.52 & = & 139 \\ \text{residential building} & & \text{occupancy rate} & & \text{people per home} & & \text{new residents} \\ \text{permits} & & & & & & \end{array}$$

$$\begin{array}{ccccc} 6,478 & + & 139 & = & 6,617 \\ \text{July 2014 population} & & \text{new residents} & & \text{residents in September 2015} \\ & & \text{since July 2014} & & \end{array}$$

3| Land Use

Land Use Goal: Responsibly maximize land by expanding recreational uses, providing housing opportunities for all ages, and fostering an environment for local business.

Issues and Existing Conditions

Providing for the orderly and efficient use of land should be a major planning consideration in Lago Vista. The land use pattern that exists today is largely a result of the City's initial development as several large subdivisions that did not account for public needs or services. However, over time, the activities and vision for the community by the local residents has created a need for various land uses, as well as for the supplemental systems that support the land uses (e.g., thoroughfare systems). The relationships of existing and future land uses will shape the character and quality of life of the community for years to come. In order to accurately assess Lago Vista's future land use needs, an analysis of the past land use trends and present patterns is of primary importance.

Top Issues Related to Land Use:

- Extreme topography constraints
- Sparse development
- Small platted lots
- Limited infrastructure
- Lakefront opportunities
- Tourism and destination opportunities
- Lack of employment
- Identities of Dawn Drive, FM 1431, and Lohman Ford Road
- Limited shopping and dining options
- Limited entertainment and activity destinations
- Interest in a farmers market
- Vacant commercial buildings
- Environmental concerns



Total
Planning Area

100%

90%

80%

70%

60%

50%

40%

30%

20%

10%

0%

Existing Land Use Analysis

Table 1 shows the generalized existing land use composition for Lago Vista. The land use distribution is separated by City limits, extraterritorial jurisdiction (ETJ), and the total planning area (City limits and ETJ combined). As shown, the largest land uses today are the Balcones Canyonlands Wildlife Refuge, followed by Single Family residential homes, and Parks and Open Space.

About 10,832 acres – or about 56 percent – of the total acreage is currently vacant; however, it is important to note that much of this land is difficult, expensive, or impossible to build on due to extreme topography, small lots, and limited infrastructure.

Table 1. Existing Land Use Distribution

	City		ETJ		Total Planning Area	
	Acre	%	Acre	%	Acre	%
Single Family	1,050	11%	1,128	12%	2,178	11%
Two-Family	29	0%	0	0%	30	0%
Townhome	25	0%	0	0%	25	0%
Multifamily	10	0%	8	0%	18	0%
Manufactured Home	26	0%	147	2%	173	1%
Parks and Open Space	846	9%	143	1%	989	5%
Balcones Canyonlands	-	0%	1,794	19%	1,794	9%
Retail	40	0%	4	0%	44	0%
Office	7	0%	0	0%	7	0%
Commercial	252	3%	57	1%	309	2%
Public/Semi-Public	192	2%	18	0%	210	1%
Industrial	-	0%	5	0%	5	0%
Lake	284	3%	1,187	12%	1,471	8%
Vacant	5,913	61%	4,919	51%	10,832	56%
Right-of-Way	999	10%	174	2%	1,173	6%
Utilities	29	0%	2	0%	31	0%
Total Acres	9,702		9,587		19,289	

City Limits

Within the City limits of Lago Vista, the majority of the developed land is single family residential which constitutes 11 percent of the land use (1,050 acres). This is followed by parks and open space at 9 percent, commercial at 3 percent, and public/semi-public at 2 percent. Retail, two-family homes, townhomes, and manufactured homes each account for less than 1 percent of the total land use acreage within the City.

The remaining land in the City limits is undeveloped, which is a total of 7,225 acres or approximately 74 percent. Vacant land accounts for 5,913 acres, followed by right-of way at 999 acres, the lake at 284 acres, and utilities at 29 acres.

Extraterritorial Jurisdiction

Extraterritorial jurisdiction (ETJ) is the land that an incorporated city may legally annex for the purpose of planning and accommodating future growth and development. Within the ETJ, most of the land remains vacant. About 19 percent of the ETJ is occupied by the Balcones Canyonlands Wildlife Refuge and 12 percent is occupied by single family residential homes.

Planning Area

The term "planning area" refers to the City limits and ETJ combined. It is important to view the planning area in its entirety in order to make appropriate and coordinated decisions between what the City currently controls and what it may potentially control in the future. Within Lago Vista's planning area, approximately 9 percent is occupied by the Balcones Canyonlands Wildlife Refuge, 11 percent by single family residential homes, and 5 percent by parks and open space. About 30 percent of the entire planning area is developed/occupied, leaving 56 percent vacant and 14 percent for areas occupied by the lake, right-of-way, and utilities.

Physical Constraints

Figure 8. Physical Features Map shows the primarily physical constraints affecting Lago Vista. In order to understand where development should and should not occur, natural and constructed features are important to consider.

Land that lies within a floodplain is usually difficult to develop. If developed, development costs are increased as well as environmental concerns regarding the preservation and protection of wetlands. Land within the floodplain is typically suited for parks and open space, parking lots, and similar low-impact areas. Topography influences the development and design of infrastructure systems such as water, wastewater, and stormwater systems. There is a floodplain currently located in the southwestern part of the City, which will affect the future development of the surrounding land.

Topography greatly affects the creation and expansion of infrastructure, especially within the City of Lago Vista. When the City was at the beginning stages of its development, developers platted lots that were either located on steep slopes or were too small in area. This creates a challenge for the City to extend water and wastewater lines to those lots, making them undesirable.











Lake Travis also poses as a physical constraint for the development of Lago Vista. A portion of the City's western boundary is located right along Lake Travis, which limits development from spreading in that direction. The Lake also wraps around the southern and eastern parts of the City. This close proximity to the Lake – while an asset of natural beauty to the community – creates issues for Lago Vista since it limits regional access both into and away from the City.

Constructed physical constraints for the City of Lago Vista include narrow roadways/right-of-ways. Many roadways were constructed too close to homes, limiting opportunities for future improvements or widening without disrupting neighborhoods. This also makes it difficult to retrofit sidewalks or trails along the roadways.



Figure 8. Physical Features Map



- | | |
|---|--|
|  Residential Areas |  25% or Greater Slope |
|  Non-Residential Areas |  0.2 PCT ANNUAL CHANCE FLOOD HAZARD |
|  Public/Semi-Public |  Lago Vista City Limits |
|  Parks and Open Space |  Lago Vista ETJ |
|  Wildlife Refuge |  Lake Travis |



City of Lago Vista

Recommendations

The following section outlines recommendations related to the following topics.

- Future Land Use and Population Planning
- Design Standards for Nonresidential and Multifamily Development
- Resource Protection
- Lakefront and Tourism
- Growth Prioritization
- Future Expansion Areas
- Rusty Allen Airport Area
- Municipal Complex Redevelopment

Future Land Use and Population Planning

The right of a municipality to coordinate growth is rooted in its need to protect the health, safety, and welfare of local citizens. An important part of establishing the guidelines for such responsibility is the Future Land Use Map, which sets an overall framework for the preferred pattern of development within Lago Vista. Specifically, the plan designates various areas within the City for particular land uses, based principally on the land use strategies outlined herein.

The Future Land Use Plan should ultimately be reflected through Lago Vista's policy and development decision. The Future Land Use Map is intended for use particularly for future rezonings and rezoning requests. The Future Land Use Map is not a zoning map, which deals with specific development requirements on individual parcels. The zoning map and changes in zoning should, however, be based on the Future Land Use Plan and Future Land Use Map.

Legal Authority

Authority of a City to create a comprehensive plan is rooted in Chapters 211, 212, and 213 of the Texas Local Government Code.

Chapter 211

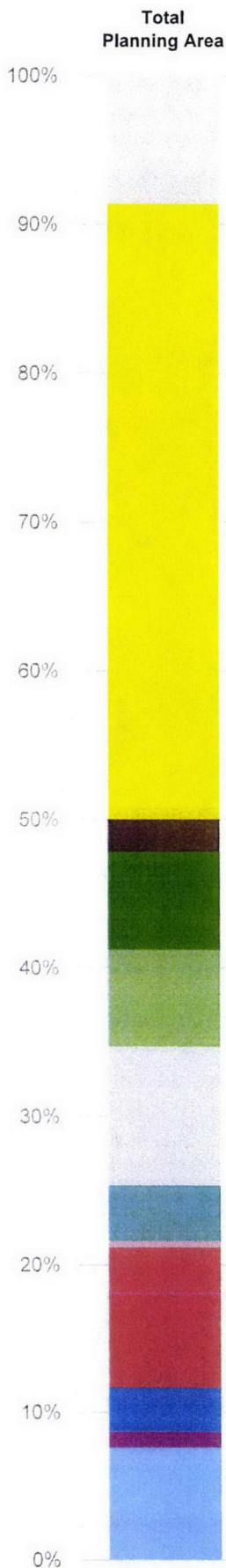
Chapter 211 of the Texas Local Government Code allows the government body of a community to regulate zoning and requires zoning to be in conformance with a plan

Chapter 212

Chapter 212 of the Texas Local Government Code allows the governing body of a community to regulate subdivision development within the city limits and also within the extraterritorial jurisdiction (ETJ) which varies depending upon the population of the community.

Chapter 213

Chapter 213 of the Texas Local Government Code allows the governing body of a community to create a comprehensive plan for the "long-range development of the municipality." Basic recommendations for comprehensive planning are to address land use, transportation, and public facilities, but may include a wide variety of other issues determined by the community. It is important to note that a comprehensive plan is *not* a zoning ordinance, but rather is intended to be used as a tool to guide development, infrastructure and land use decisions in the future. The comprehensive plan does, however, serve as a basis on which zoning decisions are made, as specified by Chapter 211 of the Texas Local Government Code.



Future Land Use Map

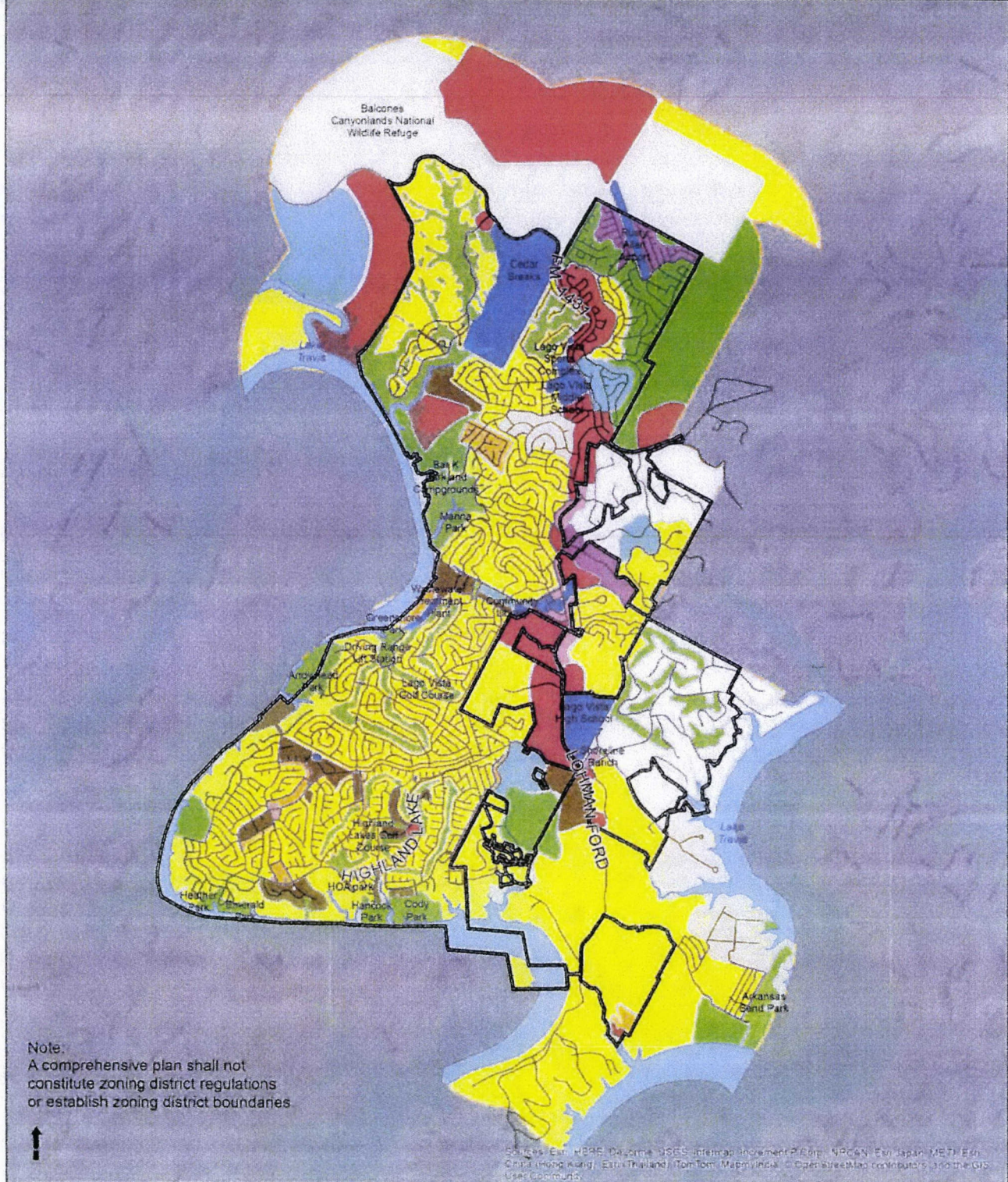
The Future Land Use Map should serve as the City's long-range "roadmap" to establish an overall framework for the preferred ultimate development pattern of the City based principally on balanced, compatible, and diversified land uses. The Future Land Use Map should ultimately reflect the City's long-range statement of public policy and should be used as a basis for future development decisions.

Again, it is important to note that the Future Land Use Map is not a zoning map, which legally regulates specific development requirements on individual parcels. Rather, the zoning map should be guided by the graphic depiction of the City's preferred long-range development pattern as shown on the Future Land Use Map. It is also important to note that while the map itself is an integral part of the Future Land Use Plan element, the land use policy recommendations that support the map and relate to how land use is developed are also important.

Table 2. Future Land Use Distribution

	City		ETJ		Total Planning Area		
	Acres	%	Acres	%	Acres	%	Acres/ 100 Persons
Rural Residential	704	7%	506	5%	1,210	6%	2.5
Estate Residential	106	1%	349	4%	455	2%	1.0
Low Density Residential	4,840	50%	2,971	37%	8,536	44%	17.9
Medium Density Residential	165	2%	0	0%	165	1%	0.3
High Density Residential	362	4%	58	1%	420	2%	0.9
City Park	631	7%	645	7%	1,276	7%	2.7
POA Park	1,130	12%	132	1%	1,262	7%	2.6
Balcones Canyonlands	0	0%	1,794	29%	1,794	9%	3.8
Mixed Use	260	3%	472	0%	1,072	6%	2.2
Neighborhood Retail/Office/Commercial	41	0%	34	0%	75	0%	0.2
Regional Retail/Office/Commercial	496	5%	1,344	2%	775	4%	1.6
Public/Semi-Public	558	6%	13	0%	571	3%	1.2
Industrial	125	1%	82	1%	207	1%	0.4
Lake	284	3%	1,187	14%	1,471	8%	3.1
Total Acres	9,702	100%	9,587	100%	19,289	100%	40.4

Figure 9. Future Land Use Map



- | | | |
|----------------------------|---------------------------------------|------------------------|
| Rural Residential | Balcones Canyonlands | Lago Vista City Limits |
| Estate Residential | Mixed Use | Lago Vista ETJ |
| Low Density Residential | Neighborhood Retail/Office/Commercial | Flood Prone |
| Medium Density Residential | Regional Retail/Office/Commercial | |
| High Density Residential | Public/Semi-Public | |
| City Park | Industrial | |
| POA Park | | |



City of Lago Vista

Future Population

Increased demand for all types of land uses must be taken into account when establishing the City's Future Land Use Plan. This increased demand is inevitable with population growth and subsequent increases in economic demand. The ultimate population capacity and population projections contained herein will also assist in planning the City's future facilities and infrastructure needs.

Past Growth Rates

A City's past growth rates are often the best indicator of future growth rates. **Table 3** shows Lago Vista's population, numerical change, and compound annual growth rate by decade. Lago Vista experienced a significantly large population growth from 1990 to 2000, and has grown at a consistent rate since 1990.

Table 3. Compound Annual Growth Rate (CAGR)

Year	Population	Change	CAGR
1990	2,199	---	---
2000	4,507	2,308	7.44%
2010	6,041	1,534	2.97%
2014	6,478	437	1.76%

Ultimate Capacity

The ultimate capacity, or build out, for the Future Land Use Map refers to the number of people that could potentially live within the planning area if the City were to develop exactly as it is portrayed. The reality is that many changes will likely occur to the Future Land Use Map over time and the planning area encompasses a huge amount of vacant land that will take generations to develop. The ultimate capacity, therefore, is primarily used for infrastructure estimates and helps to put some numbers behind the colors in terms of how many people could fit within the planning area. The ultimate capacity is calculated by taking all of the vacant residential areas of the City. The vacant areas are multiplied by approximated dwelling units per acre, persons per household and occupancy rates to calculate how many new residents the Future Land Use Map can accommodate. New residents are added to the existing population to reach the ultimate capacity. In order to guide the City in planning for how many people may ultimately need to be supported, an assessment of Lago Vista's ultimate population capacity is provided within **Table 4.**

Table 4. Ultimate Capacity

Vacant Residential Land Use	City Limits	ETJ	Planning Area	DUA ⁽¹⁾	Occ. Rate ⁽²⁾	PPH ⁽³⁾	ROW ⁽⁴⁾	Future Projected		
								Housing Units	House-holds	Population
Vacant Platted Lots	7,325	-	7,325	-	77.9%	2.45	-	-	-	13,980
Rural Res.	547	332	879	0.1	77.9%	2.45	30%	62	48	117
Estate Res.	51	83	134	1.0	77.9%	2.45	30%	94	73	179
Low Density Res.	2,110	2,784	4,169	2.0	77.9%	2.45	30%	5,837	4,547	11,139
Medium Density Res.	85	0	85	10.0	77.9%	2.45	15%	723	563	1,379
High Density Res.	209	52	261	20.0	77.9%	2.45	15%	4,437	3,456	8,468
Mixed Use	167	384	891	8.0	77.9%	2.45	15%	3,747	2,919	7,151
Ultimate Capacity within Vacant Areas								14,898	11,606	42,414
Current (2015) Population								4,308	2,487	6,617
Ultimate Population Capacity								19,206	14,093	49,031

Population Projections

In order to establish population projections, past growth rates and anticipated future development must be observed. **Table 5** shows three different growth rate scenarios projected through 2035. These projections are based on a 2015 population of 6,617 residents (see page 10 for details regarding current population calculation). As noted in **Table 4**, the ultimate capacity Lago Vista is able to sustain is approximately 49,000 residents.

It is important to keep in mind that the population projections can be impacted by a number of factors, therefore, it is important for the City of Lago Vista to closely monitor the growth rate.

According to **Table 5**, Lago Vista would reach its ultimate capacity beyond 2050 at a 2 to 5 percent growth rate, but would reach capacity shortly after 2040 at an 8 percent growth rate. **Figure 10** depicts the projected trend of growth in Lago Vista, which reflects an 8 percent growth rate in the near term, gradually slowing over time.

Figure 10. Growth Projection

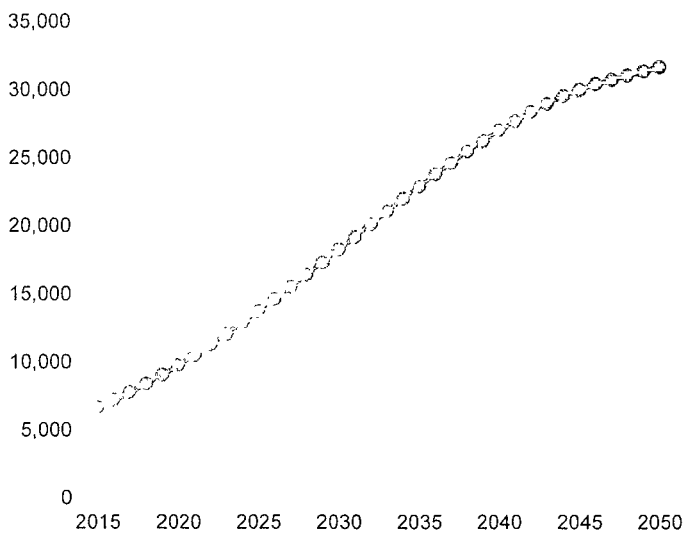


Table 5. Growth Rate Scenarios

Year	Growth Rate Scenarios		
	2%	5%	8%
2015	6,617	6,617	6,617
2016	6,749	6,948	7,146
2017	6,884	7,295	7,718
2018	7,022	7,660	8,336
2019	7,162	8,043	9,002
2020	7,306	8,445	9,723
2021	7,452	8,867	10,500
2022	7,601	9,311	11,340
2023	7,753	9,776	12,248
2024	7,908	10,265	13,227
2025	8,066	10,778	14,286
2026	8,227	11,317	15,428
2027	8,392	11,883	16,663
2028	8,560	12,477	17,996
2029	8,731	13,101	19,435
2030	8,906	13,756	20,990
2031	9,084	14,444	22,669
2032	9,265	15,166	24,483
2033	9,451	15,925	26,442
2034	9,640	16,721	28,557
2035	9,833	17,557	30,842
2036	10,029	18,435	33,309
2037	10,230	19,356	35,974
2038	10,434	20,324	38,851
2039	10,643	21,340	41,960
2040	10,856	22,408	45,316
2041	11,073	23,528	48,942
2042	11,294	24,704	52,857
2043	11,520	25,939	55,381
2044	11,751	27,236	55,381
2045	11,986	28,598	55,381
2046	12,225	30,028	55,381
2047	12,470	31,530	55,381
2048	12,719	33,106	55,381
2049	12,974	34,761	55,381
2050	13,233	36,499	55,381

Growth Prioritization

Figure 12 indicates generally undeveloped areas where infrastructure extension should be given a priority, where infrastructure should not be extended, and where existing infrastructure exists for infill. These areas have been categorized based on topography, infrastructure, existing development, and access. The City's Code of Ordinances requires special approval by City Council for development of land with a slope greater than 25 percent. Additionally, many engineering and site design professionals advise against development on steep slopes due to safety, cost, and environmental impacts.

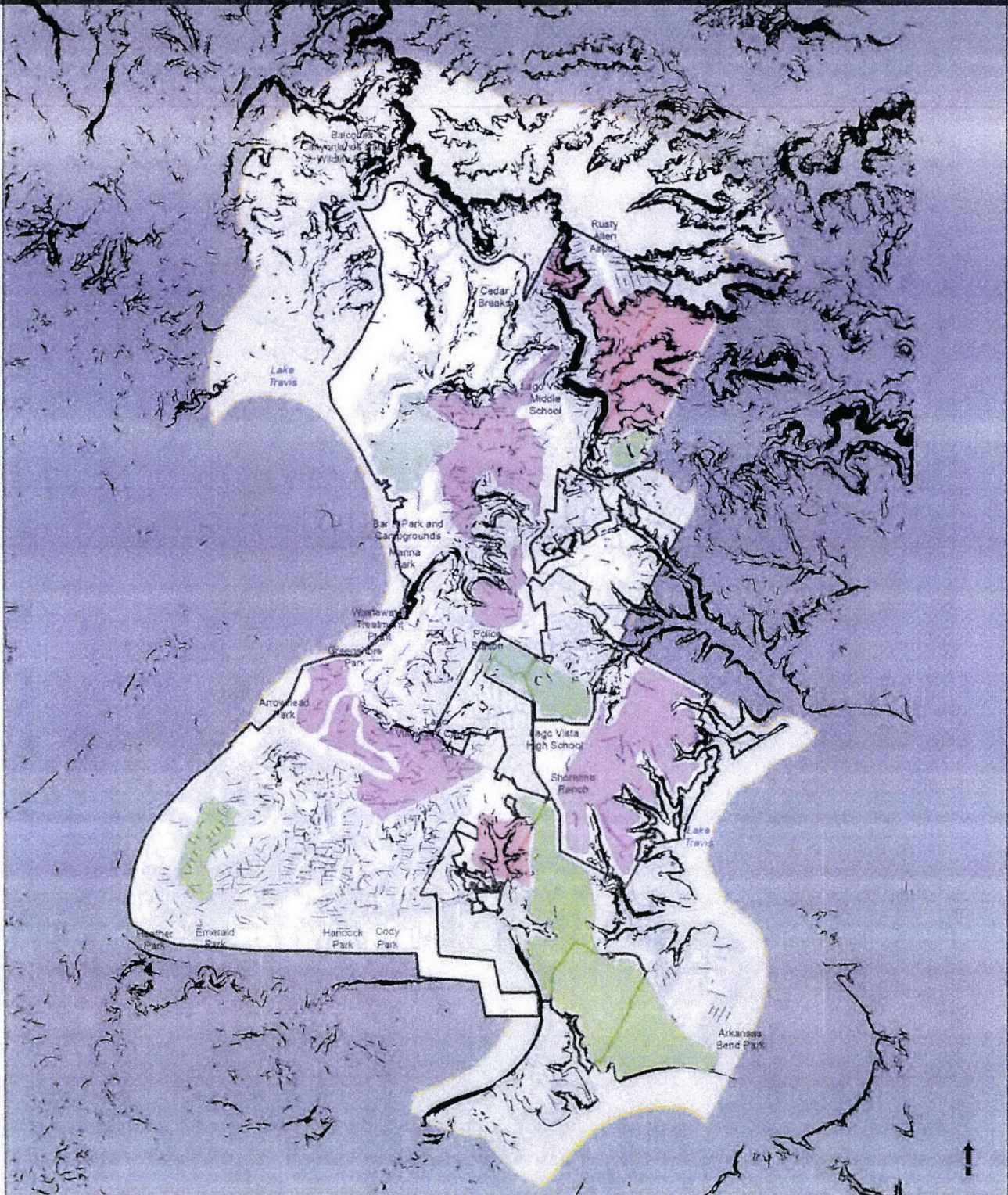
The two conservation areas indicated in red have been classified as areas where infrastructure extension is not recommended primarily because of the extreme topography in the areas. These areas are also generally undeveloped, have limited infrastructure, and the northern area is in close proximity to the Rusty Allen Airport. **While this recommendation does not mean that development can never occur in these areas, it is recommended that the City set a policy of not extending infrastructure to these areas and very seriously consider requests to develop in these areas.** Alternatively, the City may wish to purchase these areas, assist the land owners in seeking nonprofit organizations that may be willing to accept the property for conservation purposes (such as U.S. Fish and Wildlife Services or the Audubon Society), or assist the land owners in identifying low-impact land uses that may be appropriate for these areas (such as an adventure park with ziplines, obstacle courses, and outdoor laser tag).







The areas shaded in purple are recommended for target infill locations. These areas have acceptable topography for construction and have existing water and/or wastewater infrastructure lines located nearby, so the extension of those lines may be less costly. The areas currently have reasonable access by the major roadways of Lohman Ford Road, FM 1431, and Boggy Ford Road. The City should encourage infill development within these areas, which is further discussed on page 63.



Figure 12. Infrastructure Extension Priorities



-  Infrastructure Extension Priorities
-  Infrastructure Extension not Recommended
-  Existing Infrastructure Infill Areas
-  25% slope or greater



City of Lago Vista

Lastly, the areas shaded in green are currently undeveloped areas that should be a focus for future development by giving priority for infrastructure extension. These areas have little to no infrastructure, but were selected due to favorable topography, roadway access, and lake access/view. These areas have great potential to serve many uses. The City should take the lead in planning for these areas by budgeting for future infrastructure installation, coordinating with property owners, and targeting desirable users. Desirable uses for these areas may include a sports complex, a conference hotel or civic center overlooking the lake, national retailers, and City parks/lake access. Development in these areas will be supported by the City's water and wastewater impact fee program; however, the City may wish to consider adopting roadway impact fees as well.



7| City Facilities and Services

City Facilities and Services Goal: Continually improve our community's services and facilities.

The provision of adequate public facilities is a primary quality of life indicator, and greatly influences the desirability of a community. Public facilities that house the various governmental and service functions of a municipality are generally of two types

- (1) Those requiring a nearly central or a common location and that serve the entire municipal area, and
- (2) Those serving segments of the community on a "service-area" basis.

Planning for future growth and development in Lago Vista also requires the City to plan for future public facilities to adequately meet the needs of future residents. This includes services such as police, fire, libraries, public works, and community centers.

This City Facilities and Services element of the Comprehensive Plan addresses the expectations that a community's residents have regarding public services and the facilities needed to provide these services. This section is a general assessment of Lago Vista's services and related building space needed to provide such services. This assessment includes City administration, library, police, public works and the golf courses. Policies at the end of this chapter outline the way in which Lago Vista's leaders should address public service and facility needs in the years to come as the population continues to increase.

Top Issues Related to City Facilities and Services:

- Insufficient methods of communication
- Desire for more community activities
- Possible demand for civic or convention center
- Lack of gathering places

Public Works

Lago Vista's Public Works Department provides the basic operation, maintenance, and expansion of the water distribution system throughout the community. The department oversees the operation of the Water Treatment Plants that make water from Lake Travis accessible to the residents of Lago Vista. The department also manages and maintains the wastewater collection system that runs throughout the City and some parts of Jonestown. Lago Vista Public Works manages the Effluent Disposal System as well as the Street Department. The Effluent Disposal System operates and maintains certain City facilities that are used to store and dispose of effluent from the Wastewater Treatment Plant. The Street Department is in charge of providing services to the residents and City organizations, including maintenance of City streets and right-of-ways, landscaping, and drainage ditches/culverts, among other responsibilities. The department currently employs 27 personnel and is housed within City Hall. As the population grows, the City should periodically assess staffing need to ensure that they are providing adequate water services to the community.



Golf Courses

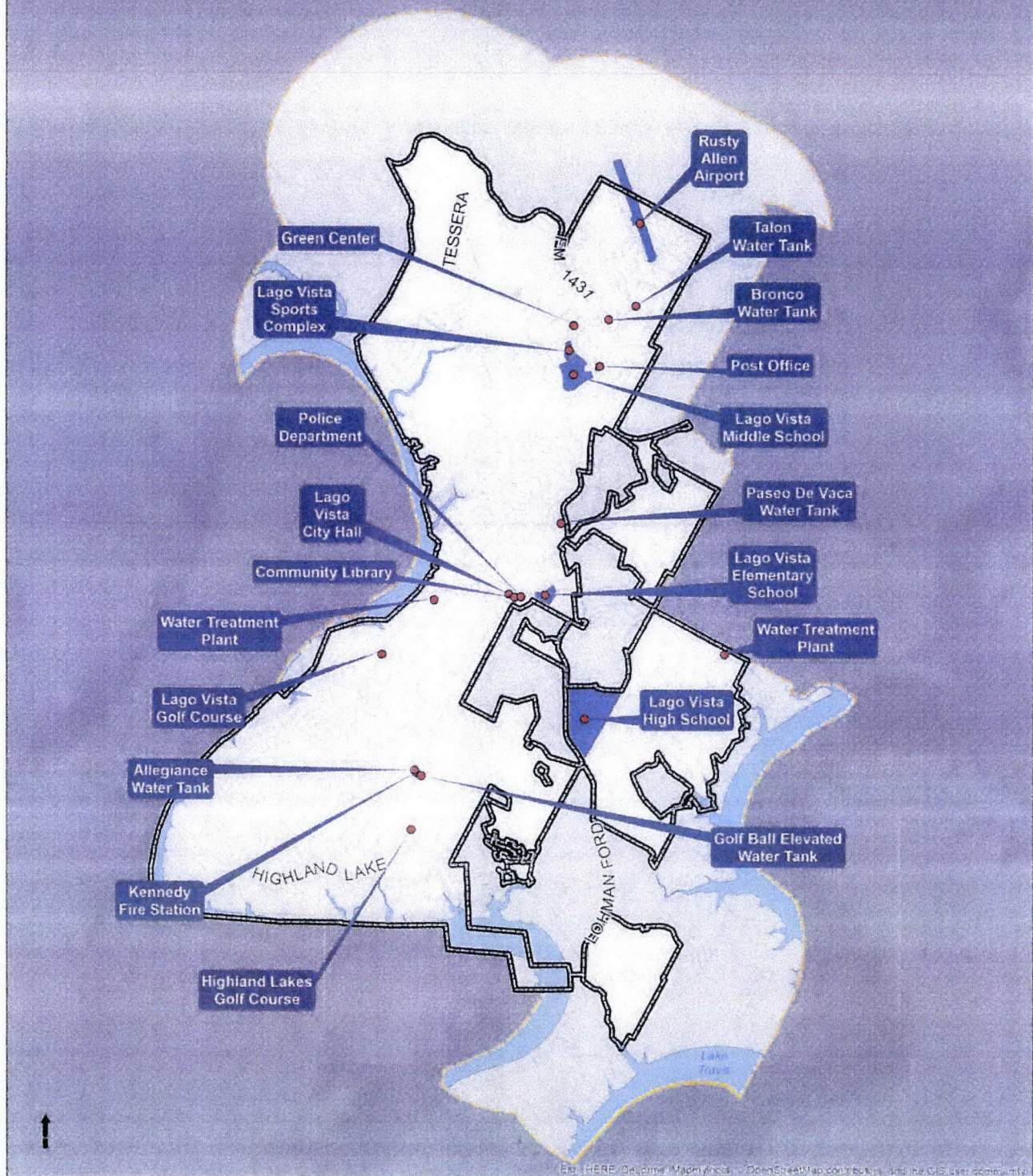
The two golf courses in Lago Vista were owned by a single entity, National Resort Communities, Inc. (NCR), when originally constructed in the 1970s. In 1971, NCR constructed the Lago Vista Golf Course as an effort to promote lot sales in the area surrounding the course. Highland Lakes Golf Course was completed in 1978 as another method to attract people into the community. Over the next 20 years, the golf courses were owned by different entities and eventually fell into bankruptcy in 2006. Both courses were placed under Chapter 11 bankruptcy protection in 2008, and with effluent disposal issues occurring in the Lago Vista Golf Course, the City of Lago Vista decided to step in and attempt to buy the course. The original offer was refused, and so the City pursued the acquisition of the course through eminent domain. After negotiations, the City purchased the Lago Vista Golf Course at a price of \$2.3 million and began operations in mid-2008.



The Lago Vista Golf Course has gone through several renovations, offers over 6,500 yards of play, and is a par 72 18-hole championship golf course. Highland Lakes Golf Course is a 120 acre, 18-hole golf course located in the southern area of the City. The course was purchased by the City of Lago Vista at a price of \$650,000.

According to the 2015-2016 Approved Budget, the golf courses combined are budgeted to employ 28 persons, but as of August 2015 are currently only employing 24 positions. At the end of the 2014-2015 fiscal year, the Lago Vista Golf Course is expected to have a revenue stream of \$1,172,545. Although the revenue stream is high, the golf course is expected to have a deficit due to the large expenses that were incurred throughout the year.

Figure 46. Existing City Facilities Map



- Public Facilities
-  Lake Travis
-  Lago Vista City Limits
-  Lago Vista ETJ



City of Lago Vista

Attachment 2

Texas Secretary of State's Tax Forfeiture of Lohman's Ford Water Company



Office of the Secretary of State

The undersigned, as Secretary of State of Texas, does hereby certify that the attached is a true and correct copy of each document on file in this office as described below:

LOHMAN'S FORD WATER COMPANY
Filing Number: 75024000

Tax Forfeiture

November 20, 1989

In testimony whereof, I have hereunto signed my name officially and caused to be impressed hereon the Seal of State at my office in Austin, Texas on April 30, 2019.



A handwritten signature in black ink, appearing to read "David Whitley".

David Whitley
Secretary of State

SECRETARY OF STATE
AUSTIN, TEXAS

DETERMINATION OF FORFEITURE PURSUANT TO SECTION 171.309, TEXAS
TAX CODE ANNOTATED

CAME TO BE CONSIDERED ON THE DATE SHOWN HEREON, FORFEITURE OF THE CHARTER OR CERTIFICATE OF AUTHORITY OF THE FOLLOWING CORPORATION; THE SECRETARY OF STATE FINDS AND DETERMINES THE FOLLOWING:

CORPORATION NAME

LOHMAN'S FORD WATER COMPANY

CHAPTER NO.-TYPE	RTOB FORFEITED	CERTIFICATE/CHARTER FORFEITED
750240-00	06/23/1989	11/20/1989

THAT THE COMPTROLLER OF PUBLIC ACCOUNTS HAS NOTIFIED THIS OFFICE THAT SAID CORPORATION HAS FAILED TO FILE A CURRENT YEAR FRANCHISE TAX REPORT TO ESTABLISH THE EXISTENCE OF ASSETS FROM WHICH A JUDGEMENT FOR THE FRANCHISE TAXES, PENALTIES AND COURT COSTS MAY BE SATISFIED. THAT THE COMPTROLLER OF PUBLIC ACCOUNTS HAS FURTHER STATED THAT THE SAID CORPORATION HAS FAILED OR REFUSED TO REVIVE ITS RIGHT TO DO BUSINESS.

IT IS THEREFORE ORDERED THAT THE CHAPTER OR CERTIFICATE OF AUTHORITY OF THE ABOVE NAMED CORPORATION BE AND THE SAME IS HEREBY FORFEITED WITHOUT JUDICIAL ASCERTAINMENT AND MADE NULL AND VOID, AND THAT THE PROPER ENTRY BE MADE UPON THE PERMANENT FILES AND RECORDS OF SUCH CORPORATION TO SHOW SUCH FORFEITURE AS OF THE DATE HEREOF.

010260

Attachment 3

Requests for Service

CITY OF LAGO VISTA, TEXAS

RESOLUTION 16-1665

A RESOLUTION BY THE CITY COUNCIL OF THE CITY OF LAGO VISTA, TEXAS APPROVING THE FIRST AMENDMENT TO THE RESTATED DEVELOPMENT AGREEMENT FOR TESSERA ON LAKE TRAVIS, THE BILL OF SALE CONVEYANCE AND ASSIGNMENT AND THE LETTER AGREEMENT.

WHEREAS, on August 16, 2012, the City approved the Restated Development Agreement for Tessera on Lake Travis ("Restated DA") regarding approximately 877 acres of land (the "Property") owned by Hines Lake Travis, LP and Hines Lake Travis II LP ("Owners"), and

WHEREAS, Restated DA covers various aspects of development of the Property, including but not limited to water and wastewater utility facilities and services; and

WHEREAS, the Owners have completed a portion of the development envisioned under the Restated DA and are in the process of requesting approval of plans for developing a second portion of the Property; and

WHEREAS, in review of such plans, City personnel have run models on the City's water system and determined that some of the water and wastewater development plans could be modified to the benefit of the parties and thereby delay the building of a portion of the water utility facilities; and

WHEREAS, the City Council, having been apprised of such modifications and believing they benefit the City, the Owner and the overall development, desire to approve such modifications; and

WHEREAS, the Owners also desire to convey to the City portions of the completed utility infrastructure and improvements as are outlined in the Bill of Sale, Conveyance and Assignment; and

WHEREAS, the City Council, having been apprised by the City Engineer that such utility infrastructure and improvements are complete, hereby desire to accept such utility infrastructure and improvements; and

WHEREAS, the Owners have documented in a proposed Letter Agreement the work and payment arrangements concerning two booster pumps that were added to Water Treatment Plant No. 1 and modifications to the SCADA system; and

WHEREAS, the City Council, having been apprised by the City Manager and the City Engineer that such work was completed through the efforts of the City with payment to be reimbursed by the Owner and the Owner having paid all but one installment, such installment being due on or before December 31, 2016, desires to approve such Letter Agreement.

**NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL
OF THE CITY OF LAGO VISTA, TEXAS:**

THAT, the City shall be authorized to enter into the First Amendment to the Restated Development Agreement for Tessera on Lake Travis, a copy of which is attached hereto and incorporated herein for all purposes as Exhibit A;

THAT, the City shall be authorized to accept the completed utility infrastructure and improvements that are set out in the Bill of Sale, Conveyance and Assignment, a copy of which is attached hereto and incorporated herein for all purposes as Exhibit B;


THAT, the City shall be authorized to approve and accept the Letter Agreement which documents the work and payment arrangements related to two booster pumps for the City's Water Treatment Plant #1, a copy of which is attached here and incorporated herein for all purposes as Exhibit C.

THAT IT IS FURTHER RESOLVED to authorize the Mayor to sign the First Amendment to the Restated Development Agreement, the Bill of Sale, Conveyance and Assignment and the City Manager to effectuate any requisite actions required by such First Amendment to the Restated Development Agreement, the Bill of Sale, Conveyance and Assignment and/or the Letter Agreement.

AND, IT IS SO RESOLVED.

PASSED AND APPROVED this 3rd day of November, 2016.

ATTEST:


Sandra Barton, City Secretary




Dale Mitchell, Mayor

On a motion by Council Member Ed Tidwell, seconded by Council Member Kevin Sullivan, the above and foregoing instrument was passed and approved.

**FIRST AMENDMENT TO
RESTATED DEVELOPMENT AGREEMENT FOR TESSERA ON LAKE TRAVIS**

THIS FIRST AMENDMENT TO THE RESTATED DEVELOPMENT AGREEMENT FOR TESSERA ON LAKE TRAVIS ("**First Amendment**") is made as of the 3rd day of November, 2016 (the "**Effective Date**") is entered into by and among HINES LAKE TRAVIS LAND LIMITED PARTNERSHIP, a Texas limited partnership ("**Hines Lake Travis LP**"), HINES LAKE TRAVIS LAND II LIMITED PARTNERSHIP, a Texas limited partnership ("**Hines Lake Travis II LP**") (collectively "**Owners**"), and the City of Lago Vista, Texas, a municipal corporation (the "**City**"), acting by and through its duly authorized representative.

RECITALS:

A. Owners and the City executed a Restated Development Agreement having an effective date of August 16, 2012 regarding approximately 877 acres of land owned by Owners ("**Restated Development Agreement**");

B. The Restated Development Agreement identifies, among other things, the water and wastewater utility facilities Owners are obligated to construct for the provision of 2,030 LUEs of water and wastewater service to the Property described in the Restated Development Agreement ("**Developer Utility Improvements**");

C. The Restated Development Agreement obligates the City to construct such improvements to the City Utility System as necessary for the provision of 2,030 LUEs of water and wastewater service to the Property described in the Restated Development Agreement ("**City Utility Improvements**");

D. The Restated Development Agreement also sets out Utility Service Obligations which include general, specific and capacity commitments and further breaks down the specific service commitment as the First, Second and Subsequent Specific Service Commitments; the timing of such specific service requests and commitments which are based on requested and developed LUEs by the Developer are also set forth ("**Specific Service Commitments**");

E. Owners have constructed Items 1-4 and 6 of the Phase 1 Water Components of the required Developer Utility Improvements described in the Exhibit "C" attached to the Restated Development Agreement and constructed 212 lots in Phase I of Tessera on Lake Travis, in conformance with Section 4.02(a) of the Restated Development Agreement. The City and the Owners previously agreed that the Tessera West Ground Storage Tank (item 5 in Phase I, Exhibit C) did not need to be constructed;

F. The City has completed construction of Water Treatment Plant No. 3 and is in process with upgrades to Water Treatment Plant No. 1 which are part of the City Utility Improvements.

G. The City recently ran water models on the City's water system based on the installed Developer Utility Improvements and City Utility Improvements and believes that

amendments to the current required Utility Facilities attached as Exhibits "C" and "D" to the Restated Development Agreement are beneficial to both parties; and

H. The parties wish to amend the Restated Development Agreement and Exhibits "C" and "D" with respect to Utility Facilities and Utility Services .

NOW, THEREFORE, in consideration of the above stated execution and delivery of the Agreement and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereby further agree as follows:

1. All capitalized terms used herein shall have the same meanings ascribed to them in the Agreement.
2. Section 2.31 is modified as follows: "**Pressure Plane Facilities**. The water and wastewater improvements for a particular pressure plane, as described in the attached **Exhibit "C"**."
3. Article 6 is modified to read as follow:

6. UTILITY FACILITIES AND UTILITY SERVICES

6.01 Intent of the Parties Regarding Utility Services. As of the Effective Date, the City has sufficient water and wastewater treatment capacity to allow service connections for 500 LUEs water and wastewater service to Tessera. Since the completion of Water Treatment Plant #3, the City has sufficient water treatment capacity to meet all of the City's water service commitments for the full build out of Tessera and the full build out of all other proposed development projects within the corporate limits of the City; the City may not have sufficient wastewater treatment capacity to meet all of the wastewater service commitments for the full build out of Tessera when ultimately completed. The City represents that the City has rights to sufficient raw water to meet the City's overall service obligations, including, providing 2,030 LUEs of water service to the Property in accordance with the terms of this Restated Agreement. The Parties acknowledge that Tessera will build out over a number of years and that the City may decide to incrementally construct additional treatment capacity over time. Developers acknowledge that it is the City's responsibility to determine if the City's utility system needs to be expanded and how the City will expand the City's utility system to enable the City to meet its utility service obligations under this Restated Agreement. Developers further acknowledge the City's desire to retain flexibility on deciding which City utility system improvements, if any, are necessary for the City to timely meet its utility service obligations under this Restated Agreement. The City acknowledges that Developers require certainty regarding the City's plans for meeting the City's utility service obligations under this Restated Agreement, including, if necessary, the expansion or enhancement of the City's water and wastewater utility systems for the purpose of the City meeting its Utility Service obligations, including the provision of Utility Service to Tessera in accordance with the terms of this Restated Agreement. The Parties acknowledge that the delivery of an operational Utility Improvement to the City can require two or more years of planning, engineering and construction. The Parties further acknowledge the delivery of an operational Utility Improvement requires a significant financial investment.

6.02 Communications. The Parties will communicate and consult on a regular basis (not less frequently than once a year) regarding (i) the Developers' best estimate of the Developers' schedule for filing future preliminary plat and final plat applications and requests for PID financing during each successive two year periods so that the City will have at least a two year planning horizon for the construction of City Improvements; and (ii) the City's Utility Service Plan.

6.03 Utility Service Obligations Defined. This Restated Agreement provides for three types of Utility Service commitments that the City can make:

- (a) General commitment to provide 2,030 LUEs of Utility Service to the Property pursuant to the terms of this Restated Agreement;
- (b) Specific service commitment to deliver a specific number of LUEs of Utility Service to the Property by a specific date so that Developers may record subdivision plats subject only to the construction of Subdivision Infrastructure for such plat; and
- (c) Reservation of capacity within the City's utility system at the time a subdivision plat is recorded so that upon the City's acceptance of Subdivision Infrastructure for said subdivision plat, the City will sell utility connections for Lots within said subdivision plat area.

6.04 General Service Commitment.

(a) Subject to Developers' satisfaction of the terms and conditions of this Article 6, the City shall timely provide the Developers and subsequent owners of land within Tessera with water and wastewater service required for the development of Tessera and, upon payment to the City of the City's applicable tap fees and impact fees, allow connections to the City's system for each LUE of service requested. Notwithstanding the foregoing sentence, the City is not obligated to provide a total of more than 2,030 LUEs of water service and 2,030 LUEs of wastewater service to Tessera. This subsection constitutes the terms and conditions of the City's general commitment of Utility Service to the Property. The City makes no representation that 2,030 LUEs of water and wastewater service will be sufficient for the full development of Tessera if such development is more intense or is otherwise materially different from the development described in the Tessera Development Plan.

(b) The Parties agree that development of the Utility Facilities and Utility Services shall be organized and provided within three (3) water service pressure planes: Lower Pressure Plane, Middle Pressure Plane and Upper Pressure Plane, as more fully set out in Section 6.10 and Exhibits "C" and "D." Rather than arbitrary numbers of LUEs being determinative of the amount of LUEs that are allowed to be requested, it shall be determined more in line with the pressure plane that such request is associated with. The general service commitment for the Lower Pressure Plane is 500 LUEs; the general service commitment for the Middle Pressure Plane is 510 LUEs; and the general service commitment for the Upper Pressure Plane is 1020 LUEs.

6.05 First Specific Service Commitment.

(a) This Restated Agreement constitutes the First Developer Request For Specific Commitment of Service in the amount of 500 LUEs of water and wastewater service. Such request may be referred to as the Lower Pressure Plane Request.

(b) This Restated Agreement constitutes the City Response to the First Developer Request For Specific Service Commitment and constitutes the City's Specific Service Commitment for 500 LUEs of water and wastewater service connections within the Lower Pressure Plane.

6.06 City Utility Service Plan. No later than one year after the City's acceptance of all the Lower Pressure Plane Developer Improvements described in the attached Exhibit "C", the City shall adopt and, thereafter maintain at all times, the City's plan to meet the City's overall Utility Service obligations, including the City's general commitment of Utility Service to Tessera in accordance with the terms of this Restated Agreement. ("**City Utility Service Plan**") The City Utility Service Plan will include one or more of the following: a) expansion of water treatment plant No.2; b) construction of Water Treatment Plant No. 3; or c) any other Utility System improvements or enhancements approved by the City. The City may amend or modify the City Utility Plan from time to time.

6.07 Second and Subsequent Specific Service Commitments.

(a) Developers may make a specific service request for the Lower or Middle Pressure Plane that exceeds the number of LUEs in the general service commitment for each pressure plane; provided, however, Developers may not request more than a ten percent (10%) increase in the number of LUEs provided in the general service commitment for such pressure plane. The requested number of LUEs per pressure plane shall not vary more than 10% from the numbers given herein or in Exhibit "C." Adjustments in the final LUEs shall be dependent upon where development occurs and whether density in one pressure plane is impacted.

(b) Upon the recording of the second subdivision plat, then Developers may request that the City provide a second specific service commitment for additional Utility Service to Tessera; provided, however, that such request shall be for no more LUEs of additional service as is generally outlined in Section 6.04(b) above for the pressure plane that such subdivision plat is associated with ("**Second Developer Service Request**"). The Second Developer's Service Request must provide a date by which Developers estimate the additional Utility Service will be required to be available to the Property for the development of Tessera; provided, however, that such future date will provide the City at least two years advance notice of when the development of Tessera will require Utility Service connections using more than the initial 500 LUEs of Utility Service.

(c) After the Second Developer Service Request, Developers may make additional Developer Service Requests for Specific Service Commitments in accordance with this subsection 6.07(b) ("**Subsequent Developer Service Request**"). Developers may submit a Developer Service Request for the City to provide a new Specific Service Commitment for additional Utility Service to Tessera when the total number of LUEs subject to a Specific Service Commitment falls below 200 LUEs. Upon the recording of a subdivision plat, the LUEs attributed to each Lot in the subdivision plat will no longer be considered subject to a Specific Service Commitment and will be considered Reserved Capacity. Subsequent Developer Service Requests may not request more than 400 LUEs and may not set a date required for the delivery of additional Utility Service that is less than two years from the date of the Subsequent Developer Service Request. For purposes of providing an example regarding how this subsection 6.07(c) operates, if Developers request 400 LUEs in the Second Developer Service Request (total number LUEs subject to a Specific Service Commitment would be 900 LUEs) and Developers record subdivision plats containing a total of 700 Lots (Reserved Capacity), the

remaining number of LUEs subject to a Specific Service Commitment would be 200 LUEs.

(d) The Parties shall consult, if requested by any Party, regarding the details and timing relating to the Second Developer Service Request or any Subsequent Developer Service Request. It is the Parties' intent to act in good faith to work collaboratively to agree on the terms of the City's response to a Developer Service Request. Notwithstanding the Parties entering into the consultation process described in the subsection 6.07(a), the City shall formally respond in writing to a Developer Service Request within 45 days of receipt of the Second Developer Service Request ("**City Response**"). A City Response shall include one or more of the following, as applicable: (i) the number of LUEs in the City's existing utility systems that City commits to hold and allocate for use in Tessera; (ii) if the City does not commit to hold and allocate all of the LUEs requested by Developers within the City's existing utility system, then the City Response shall describe the specific enhancements, expansions and new utility facilities that the City will complete to be able to deliver the LUEs requested in the Developer Service Request by the date additional services is required as set forth in the Developer Service Request ("**City Improvements**"); and (iii) the Developer Improvements described in the attached Exhibit "C," if any, that must be constructed and operational for the City to deliver the additional Utility Service capacity to the Property; provided that, unless the City Response states that a required City Improvement may be delivered at an earlier date, no such City Improvement shall be required to be available within less than two years for the date of the Developer Service Request.

(e) Any City Response that identifies City Improvements to be constructed will describe each City Improvement by including the type of utility improvement and proposed capacity of the City Improvement. Additionally, the City's Response will include the City's good faith estimate for the date of the completion and operation of the City Improvement. The description of the City Improvements shall be in reasonable detail so that, if necessary, Developers may have construction plans prepared to bid and construct the City Improvements pursuant to Article 7.

(f) The City Response shall constitute the City's determination of how the City will operationally provide the amount of water and wastewater services described in a Developer Service Request by the date additional services is required that is set forth in the Developer Service Request and shall constitute the terms and conditions of the City's Specific Service Commitment; provided, that absent agreement by the City, no date for which additional service is required in a Developer Service Request shall be less than two years from the date of said request. The City Response shall, upon delivery to Developers, be a binding and enforceable obligation of the City to (i) sell, upon request, utility connections for the number of LUEs that the City commits to hold and allocate in the City's existing utility system; and (ii) to construct and complete the City Improvements, if any, by the date additional service is required as set forth in the Developer Service Request. The City's performance of the obligations described in the preceding sentence shall be subject to Developers' compliance with Section 4.02 and this Article 6. The City acknowledges that Developers will rely on the City's Response in proceeding with the development of Tessera. The City further acknowledges that in identifying the City Improvements the City is obligated to complete the construction of the City Improvements or purchase the City Improvements pursuant to Article 7. Therefore, the City may not modify or change any aspect of the City Response without the prior notice to the Developers; provided that such changes or modifications do not extend or delay the delivery time required for a City Improvement.

(g) The City may, at any time and at the City's sole discretion, deliver to Developers a final Specific Service Commitment for the remaining number of LUEs subject to a general commitment, as described in Section 6.04. The final Specific Service Commitment shall identify the number of LUEs in the City's existing utility systems that City commits to hold and allocate for use in Tesserá. Upon the issuance of the final Specific Service Commitment, Developers will not be required to submit any further Developer Service Requests.

6.08 **Update to City Response.** Based on the schedule included in the City Response, Developers may, from time to time, request the City to provide a written status report on the City's progress in completing the City Improvements, including, the design, engineering, land acquisition, funding, and construction ("**Developer Inquiry**") The City shall provide to Developers a written response to a Developer Inquiry within ten (10) working days.

6.09 **City Non-Performance of A Specific Service Commitment.**

(a) So long as one of the following have occurred: (i) the City states in either a City Response described in Section 6.07 or an update response described in Subsection 6.08 that the City will not construct and complete the City Improvements within the time required by Section 6.07(e); (ii) the City refuses to respond to a Developer Inquiry pursuant to Subsection 6.08 and City has not cured such breach after Developers have sent a Notice of Breach pursuant to Article 10; or (iii) the City has failed to initiate or complete one or more of the tasks described in the City Response so that the City cannot reasonably be expected to comply with the delivery date required for the number of LUEs of Utility Service requested in a Developer Service Request and City has not cured such breach after Developers have sent a Notice of Breach pursuant to Article 10, then, in addition to the pursuing any or all Article 10 remedies, Developers may notify the City of Developers' intention to construct the City Improvements pursuant to Article 7 ("**Developers' Notice of Intent to Construct City Improvements**").

(b) Within ninety (90) days of the City's receipt of the Developers Notice of Intent to Construct City Improvements, the City may notify Developers that the City has (i) revised the City Response to commit the City to hold and allocate all of the LUEs requested by Developers within the City's existing utility system, or (ii) decided to proceed with the construction of the City Improvements identified in the Developers' Notice of Intent to Construct City Improvements ("**City Notice to Proceed**"). A City Notice to Proceed is not effective unless it contains the following information: (i) the estimated date by which the City will award the construction contract; (ii) the estimated number of days to be included in the construction contract for the completion of the City Improvements; and (iii) the date by which the City intends to have the City Improvements operating. Upon the delivery to Developers of the City Notice to Proceed, the City Notice to Proceed shall replace and supersede the City Response; provided, however, the City Notice to Proceed shall not alter the number of LUE's or the required date for delivery established pursuant to Section 6.07. The schedules and commitments included in the City Notice to Proceed shall be deemed and shall constitute binding obligations of the City that Developers may enforce under this Restated Agreement.

(c) If the City does not deliver the City's Notice to Proceed in compliance with Subsection 6.09(b), then the City shall be deemed to have made the decision, at its sole discretion, to effectuate and be bound by the terms of Article 7 for the construction, use and acquisition of the City Improvements if Developers deliver to the City a notice that Developers will proceed with the design, engineering and/or construction of the City Improvements pursuant to the terms of Article 7 ("**Developer Notice to Proceed**").

(d) Neither the delivery of Developer's Notice To Proceed to the City nor the Developer's construction of the City Improvements ("Facilities" in Article 7) shall release the City of the City's obligations under this Restated Agreement to have funded and constructed such City Improvements or any future City Improvements identified by the City in any future City Response.

6.10 **Utility Facilities Defined and Described.** The Utility Facilities are the water and wastewater facilities listed and described in the attached **Exhibit "C"** and shown further in the attached **Exhibit "D"** that are grouped and sequenced into three pressure planes. A specific, individual water and wastewater improvement associated within a particular pressure plane is referred to as a "**Utility Improvement**." The specific water improvements that must be accepted by the City before the City will allow water service connections to land within a particular pressure plane are described in the attached **Exhibit "C"**. The three water pressure planes ("**Lower Pressure Plane**" "**Middle Pressure Plane**" or "**Upper Pressure Plane**") within Tessler are described by elevation in the attached **Exhibit "C"**. The Parties have negotiated the general alignment of water and wastewater lines and the location of other Utility Improvements, as shown on the map attached hereto as **Exhibit "D"**.

6.11 **Approval of Utility Improvement Design.** The City hereby approves the design, sizing, location and route of the Utility Facilities, as described in the attached **Exhibit "C"** and **Exhibit "D"** as being adequate for the delivery of the number of water and wastewater LUEs for each Pressure Plane. The construction plans and specifications for the construction of a Developer Improvement shall be subject to approval by the City. At any time prior to commencement of the design of the construction plans and specifications for a Developer Improvement, the City may request modifications to either **Exhibit "C"** or **Exhibit "D"** to better facilitate provision of the Utility Services. The parties shall negotiate in good faith to reach an agreement on any proposed modifications to either **Exhibit "C"** or **Exhibit "D"**.

6.12 **Utility Improvement Construction Obligations.**

(a) **Developers.** The Utility Improvements that Developers shall construct (the "**Developer Improvements**") are described in the attached **Exhibit "C"**. Upon the construction of all of the Developer Improvements listed under the Lower and Middle Pressure Planes in the attached **Exhibit "C"** and the City's acceptance of said Developer Improvements, Developers' rights to 2.030 LUEs of water and wastewater service shall be Vested under State Law. The Developer Improvements listed under the Upper Pressure Plane in the attached **Exhibit "C"** are necessary only for the distribution of utility services and for pressure maintenance within the Property and for meeting fire flow requirements within the Property.

(b) **City.** Subject to Developers compliance with Section 4.02 and this Article 6, the City is obligated to construct the City Improvements in accordance with the terms of this Restated Agreement. The City shall be solely responsible for the construction and installation of the City Improvements.

6.13 **Phasing.** Developer Improvements, or a segment of a Developer Improvement within a particular water pressure plane, may be constructed separately and dedicated separately to the City for acceptance in accordance with the procedures set forth in this Restated Agreement.

6.14 **Service Units Defined.** The size of a water meter required for any particular residential or non-residential structure shall be determined according to the City's applicable

construction and plumbing standards in effect at the time that the building permit for that structure is approved, and the number of LUEs per meter to be accounted for hereunder shall be based on the City's 2008 impact fee study which is incorporated into this Restated Agreement for the limited purposes set forth in this Article.

6.15 General Conditions For Connections to the City Utility System.

(a) The Parties acknowledge that the City cannot deliver water and wastewater services to a Lot within Tesslera unless the requisite Utility Improvements, as described in the attached **Exhibit "C"** and requisite Subdivision Infrastructure are constructed in accordance with City approved plans and specifications, and then accepted by the City. The City acknowledges that Developers are, in proceeding with the construction of the Lower Pressure Developer Improvements, relying on the City's performance of the City's obligation to timely provide 2,030 LUEs of water and wastewater service to the Property in accordance with the terms of this Restated Agreement.

(b) The projected capacity of each pressure plane has been calculated and determined by the City in consultation with the Developers and their respective consulting engineers. Notwithstanding any other provision in this Restated Agreement, the number of LUEs associated with a Pressure Plane defined in **Exhibit "C"** shall not limit the number of service connections within any Pressure Plane in the Property so long as (i) Developers have constructed all of the Developer Improvements, listed under the Lower and Middle Pressure Planes in the attached **Exhibit "C"** in accordance with the Approved Plans, (ii) Developers have constructed such Subdivision Infrastructure as necessary to meet the City's applicable requirements for a service connection and (iii) the City has accepted such Developer Improvement. If the Developers' reallocation of LUEs within the Property requires a modification to the Developer Improvements described in the attached **Exhibit "C"** then Developers shall be solely responsible for the costs of designing, engineering and constructing the alternative Developer Improvements.

(c) If the City modifies: (i) the definition of a LUE as compared to the LUE definition incorporated into this Restated Agreement; (ii) water pressure requirements for a service connection to land within Tesslera; (iii) fire flow requirements; (iv) a Utility or Developer Improvement required for the City to provide water and wastewater service to a section of Tesslera; or (v) any other aspect of water and wastewater service standards, the City shall be responsible for the timely design and construction of any additional utility facilities that would be necessary for the City to meet its water and wastewater service obligations under this Restated Agreement, unless such modification by the City is in response to requests by the Developers. If the modifications described in the preceding sentence are required by federal or State Law or regulations, the Parties shall consult regarding a reasonable resolution to funding such modifications.

6.16 Engineering and Construction Plans. Developers shall be responsible for funding the preparation of construction plans and specifications for the Developer Improvements. The City shall be responsible for funding the preparation of construction plans and specifications for the City Improvements. City approval is required for all such plans and specifications.

6.17 Approval of Construction Plans. The City shall timely review, approve and sign, or disapprove and return with an explanation, as appropriate, construction plans for a Developer Improvement (the "**Plans**") The City shall review and approve, or disapprove, on a

timely basis the Plans as they are submitted to the City. The term "timely basis" shall be interpreted in light of the development schedule, as presented to the City by Developers, provided that in no event shall the City have fewer than 30 calendar days and no more than 45 calendar days for the City's initial review of submitted Plans. If the City disapproves any submitted Plans, the City shall provide a written explanation of the reasons for such disapproval so that if the Plans are revised in accordance with City's comments, the Plans will comply with the Applicable Rules and can be approved. The City shall, on a timely basis, review and comment on updates to re-submitted Plans. The term "timely basis" in the preceding sentence shall be interpreted that in no event shall the City have fewer than 15 calendar days and no more than 25 calendar days for the City to review and provide comments to any set of Plans that have been revised or updated based on previous comments from the City. Construction plans approved by the City are referred to as the "Approved Plans."

6.18 **Use of City Property and Easements.** The City hereby consents, at no cost to the Developers, to the use of any and all appropriate and available City rights-of-way, sites or easements that may be reasonably necessary to construct a Developer Improvement, or for the Developers to perform their respective obligations under this Restated Agreement; provided, however, that the City's consent is subject to City approval of the location of a Utility Improvement within the right-of-ways and easements and avoidance of utility facilities existing in such rights of way and easements. The location of any Developer Improvements described in the attached **Exhibit "C"** on City property other than the City rights-of-way and easements shall be in the discretion of the City. Developers have secured the dedication to the City of the Public Utility Easement recorded in Document No. 2011176460, Official Public Records of Travis County, Texas ("PUE"). The City agrees that it will reserve and allocate sufficient space within the PUE for wet and dry utility lines necessary to serve Tessera, including, electric, telephone, gas, cable, water and wastewater. The City agrees to cooperate and support Developers' acquisition of necessary easements from third parties.

6.19 **Easement Acquisition.** The Utility Facilities and related easements are necessary and required by the City for the City to provide water and wastewater service to Tessera, and for Developers to comply with the City Rules and obtain approval for the development of Tessera. The Developers shall pay costs of the acquisition (including the City's costs of such acquisition by condemnation or conveyance in lieu thereof) of any easements or land necessary for the construction of the Developer Improvements. The City Council has found the development of Tessera in compliance with this Restated Agreement will serve a public purpose and benefit the economy of the City and the public welfare. Therefore, if Developers determine that it may be necessary for the City to use its eminent domain powers to acquire property or an interest in property to install a Utility Improvement required by the City pursuant to this Restated Agreement, Developers will make a request to the City to proceed with the acquisition of the easement in compliance with applicable law. In any such event, the City proceeding to acquire such easement shall be subject to a finding by the City Council that such easement is required by the City and is necessary to accomplish a public purpose. The Parties agree to work cooperatively toward allowing the initiation of construction on a Developer Improvement on an easement being acquired by the City at the

earliest time lawfully permitted. Developers shall be responsible for all costs incurred, and for security and deposits required by the City, for or with respect to any such acquisition; provided that to the extent provided by this Restated Agreement all such costs shall be included in the cost of any such Developer Improvement for which Developers are by this Restated Agreement entitled to rebates or reimbursement by the City.

6.20 **Eminent Domain.** The City Council of the City hereby declares that: (a) there exists a public necessity for the construction of the Utility Facilities, (b) subject to all of the terms and conditions of this Restated Agreement, the Utility Facilities will be accepted by the City for ownership, operation and maintenance; (c) the City agrees, if the City Council finds the easement is necessary and required to accomplish a public purpose, to use its power of eminent domain to acquire such lands or easements in the circumstances provided herein; provided, however, the City will not use the power of eminent domain until there has been a commercially reasonable effort by Developers to negotiate and acquire the necessary property rights. If Developers have failed to obtain such lands or easements, then Developers may request the City to use its power of eminent domain to acquire said property rights. The City will act on such a request within 60 calendar days. Developers shall pay all costs associated with any such eminent domain proceedings authorized by the City. In any event, if found appropriate by the City Council for accomplishment of a public purpose, the City will timely proceed with eminent domain proceedings in order to obtain the right of possession as quickly as possible. The City will use reasonable efforts to file eminent domain proceedings within thirty days of the City's decision to proceed with eminent domain. The City will use reasonable efforts to have a special commissioners hearing held and completed within the minimum time allowed under State Law for the filing of the eminent domain proceedings.

6.21 **Changes to Approved Plans: City Inspections.** The City shall timely review, approve and sign, or disapprove and return with specific comments, as appropriate, any requested changes to Approved Plans. For purposes of reviewing changes to Approved Plans, the term "timely" shall mean ten (10) calendar days. Developers shall cooperate with the City to assure the City is provided full opportunity to inspect the work and construction of the Developer Improvements. As construction progresses, the City shall timely inspect the construction of each Utility Improvement. For purposes of inspecting construction, the term "timely" shall mean no more than three (3) business days after the day on which a request for inspection is made. The City shall provide the contractor written notice within two (2) business days of any deficiency identified during an inspection.

6.22 **Fiscal Required.** If the Parties enter into a Financing Agreement in conjunction with the formation of the PID, then this provision shall be non-applicable to any Developer Improvement funded in whole or in part with funds from the PID. With respect to the construction of any of the Developer Improvements, cash or a letter of credit in lieu of cash (such letter of credit to be in a standard form reasonably acceptable to the City) shall be deposited with the City in an amount sufficient to fund the restoration of the area of construction to a safe, pre-construction condition, including, if necessary, removing or securing facilities or other improvements, filling trenches, revegetating, and capping lines. If

construction of a Developer Improvements is abandoned and disturbed areas are not restored within 30 days after demand by the City, then the City may draw upon the fiscal security to restore such areas. If cash is posted for the fiscal, the City will keep the funds in a separate trust account identified as fiscal for the construction project.

6.23 **City's Policies and Ordinances Apply to Service Within Tessera.** From and after the final acceptance by the City of all the Developer Improvements within a particular pressure plane, the City will provide water and wastewater service to all customers within the section of Tessera served within said pressure plane on the same terms and conditions as provided to water and wastewater connections within the City and in accordance with the City's policies and ordinances regarding water and wastewater service, as amended from time to time, subject only to the terms and conditions stated in this Restated Agreement. There will be no wastewater service charge associated with a water meter used only for landscaping.

6.24 **Contract and Bid Requirements.** Except as provided by Sections 4.03(m), Developers shall be solely responsible for the selection of contractors, the negotiation of construction contracts and the management of the construction contracts for the Developer Improvements, and pay all applicable plan review and construction inspection fees required by City ordinance or this Restated Agreement. All construction contracts for Developer Improvements shall require the contractor to post standard payment and performance bonds and a two-year warranty/maintenance bond.

6.25 **Satisfactory Completion of Developer Improvements.** Upon completion of construction of each of the Developer Improvements, Developers shall provide the City with final "record" drawings of the Developer Improvements. Developers' engineer shall provide a certificate of completion to the City and the City shall conduct a final inspection of the Developer Improvements within three (3) business days of receipt of said certificate of completion. The City shall, within two (2) business days of conducting the final inspection provide a list of deficiencies found in the inspection so that if the deficiencies are corrected, the Developer Improvements will meet the requirements for acceptance by the City for ownership, operation and maintenance. The Developers shall be responsible for having those deficiencies remedied. Upon request, the City shall then re-inspect the Developer Improvement within three (3) business days, and if all deficiencies have been remedied to the City's satisfaction, the City shall furnish a Letter of Satisfactory Completion to Developers stating that the Developer Improvement has been constructed in substantial compliance with the Approved Plans, meets all applicable testing requirements and otherwise complies with the requirements of the City to accept the Developer Improvement for ownership, operation and maintenance.

6.26 **City Acceptance of Developer Improvements.**

(a) As a precondition to the City's final acceptance of a Developer Improvement, the following shall be delivered to the City: executed all bills paid affidavits, bills of sale, assignments, or other instruments of transfer reasonably requested by the City, in a form and

content reasonably acceptable to the City and the City Attorney, to evidence the City's ownership of same. Contemporaneously therewith, all bonds, warranties, guarantees, and other assurances of performance, record drawings, easements, project manuals and all other documentation related to the Developer Improvement to be accepted will also be delivered to the City. Utility easements for water and wastewater lines and other utility facilities within the Property may be conveyed by plat dedication or separate agreement and must be conveyed or dedicated to the City prior to the City's acceptance of the Developer Improvement.

(b) Upon the City issuing a Letter of Satisfactory Completion, Developers shall dedicate the Developer Improvement to the City. The City shall accept each such completed Developer Improvement for ownership, operation and maintenance within fifteen (15) calendar days of Developer's dedication of the Developer Improvement to the City. The City shall not unreasonably deny, delay, or condition its acceptance of such Developer Improvement. The Developers shall obtain a two year maintenance bond from the contractor and assign said bond to the City as a condition of the City's acceptance of the said Developer Improvement.

6.27 City to Own, Operate and Maintain Developer Improvements. From and after the time of the City's final acceptance of a Developer Improvement, the City will own, operate, and maintain each Utility Improvement as part of the City's utility system and shall be responsible for all costs associated with same. Upon the City's acceptance of all the Utility Improvements within a particular pressure plane and the City's acceptance of water and wastewater service lines within a recorded final plat, Developers shall be allowed to connect to the accepted water and wastewater service lines in such a manner to serve lots within the recorded plat; provided that City's applicable utility and connection fees are paid and that such connections meet the City's ordinance and technical requirements. The City's maintenance obligations shall be subject to the warranty and maintenance bond posted by the contractor.

* * * * *

4. Exhibit "C" (Description of Utility Facilities) and Exhibit "D" (Water System and Water Facilities - Map of Water and Wastewater Lines and the Location of Other Utility Improvements) attached to the Restated Development Agreement are hereby deleted in their entirety and replaced with revised Exhibit "C" and Exhibit "D" attached to this First Amendment and dated 2016 Revisions.

5. Subsections 10.08(a) & (b) are amended to read as follows:

10.08 Post Termination Rights.

(a) Upon the termination of this Restated Agreement, this Restated Agreement will be of no further force and effect, except that such termination will not affect the City's obligation to: (a) allow connections, subject to City Rules, to the City's systems within each pressure plane of Tessera for which (i) the Subdivision Infrastructure has been constructed and accepted by the City; and (ii) the respective Utility Facilities described in Exhibit "C" has been constructed and accepted by the City; and (b) provide water and wastewater service in the amount of up to 2,030 LUEs if Developers have constructed all of the Lower and Middle Pressure Plane Developer Improvements and the City has accepted such Developer Improvements subject to compliance with the City Rules regarding connections to the City's utility system. The Developer

Improvements listed under the Upper Pressure Plane in the attached Exhibit "C" will remain necessary for the distribution of utility services and for pressure maintenance within the Property and for meeting fire flow requirements within the Property.

(b) For any portion of the Property having not received a final plat prior to the termination of this Restated Agreement or for which all Subdivision Infrastructure has not been constructed and installed by Developer and accepted by the City, the City shall have no obligation to complete the infrastructure and such obligation to install and construct infrastructure shall be the obligation of the person or person(s) requesting water or wastewater service according to the City Rules in effect at the time of the request. The City shall have no obligation to construct water or wastewater utilities within the Property; provided, however, if the Lower and Middle Pressure Plane Developer Improvements have been accepted by the City, then the City shall be obligated to complete all City Improvements identified in a City Response issued by the City prior to the termination of this Restated Agreement.

6. Except as modified by this First Amendment, the Restated Development Agreement remains in full force and effect. This First Amendment may be executed in one or more counterparts, each of which shall be deemed an original and all of which combined shall constitute one and the same instrument. Each of the parties executing this Amendment represents and warrants that it has been fully authorized and has the requisite authority to bind the respective party to the terms hereof.

(remainder of page intentionally left blank; signature pages to follow)

IN WITNESS WHEREOF, the parties hereto have executed this First Amendment as of the date first above written.

IN WITNESS WHEREOF, the parties have executed this First Amendment as of the Effective Date.

CITY:

CITY OF LAGO VISTA, a home rule city
and Texas municipal corporation

By: Dale Mitchell
Name: Dale Mitchell
Title: Mayor

ATTEST:
Sandra Barth
City Secretary

HINES LAKE TRAVIS LP:

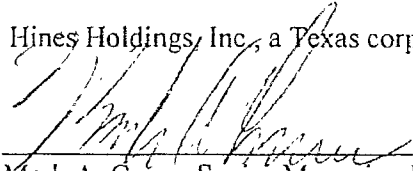
HINES LAKE TRAVIS LAND LIMITED PARTNERSHIP,
a Texas limited partnership

By: Hines Lake Travis GP LLC, a Delaware limited
liability company, its general partner

By: Hines Interests Limited Partnership, a Delaware limited
partnership, sole member

By: Hines Holdings, Inc., a Texas corporation, General Partner

OS
DL

By: 
Mark A. Cover, Senior Managing Director, CEO- Southwest Region

HINES LAKE TRAVIS II LP:

HINES LAKE TRAVIS LAND II LIMITED PARTNERSHIP,
a Texas limited partnership

By: Hines Lake Travis II GP LLC, a Delaware limited
liability company, General Partner

By: Hines Interests Limited Partnership, a Delaware limited
partnership, sole member

By: Hines Holdings, Inc., a Texas corporation, General Partner

OS
DL

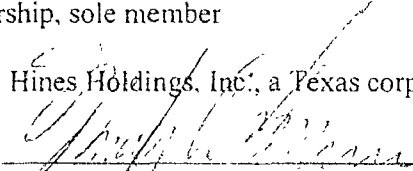
By: 
Mark A. Cover, Senior Managing Director, CEO-Southwest Region

EXHIBIT "A"

DESCRIPTION OF FACILITIES

1. Landscaping and other improvements in the Initial Entrance Road right of way from the rock wall at the Tessera Parkway to FM1431.

The Improvements correspond with specifications in the construction plans dated May 6, 2013 and March 13, 2013 and approved by the City of Lago Vista on May 5, 2013 and April 18, 2013 respectively.

2. Tessera Wastewater Lift Station located in Lot 12-X, Block F, Tessera on Lake Travis Phase 1A.

The Improvements correspond with specifications in the construction plans prepared by City Engineer Tim Hanie dated November 26, 2013.

3. Off-site Water Line re-paving rework located at Brewer Land and Deepwood.

The Improvements correspond with specifications in the construction plans dated March 13, 2013 and approved by the City of Lago Vista on April 18, 2013.

4. HDPE transmission line (+/-4,100 L.F. of 12") from the south end of Tessera Parkway to the Tessera West Ground Storage Tank site.

The Improvements correspond with specifications in the construction plans dated May 6, 2013 and March 13, 2013 and approved by the City of Lago Vista on May 5, 2013 and April 18, 2013 respectively.

Items Addressed in Other Agreements Between Grantor and Grantee that are either presented here or planned to be presented by end of calendar year, 2016.

1. Ground Storage Tank – construction eliminated one and delayed another; addressed in First Amendment to the Restated Development Agreement between Grantor and Grantee presented November 3, 2016 to City Council.
2. Two pumps next to the existing booster pump building at WTP No. 1; minimum capacity of each pump is 500 gpm; add SCADA system and control valves at City Water Treatment Plant No. 1 Addressed in Letter Agreement between Grantor and Grantee, presented to November 3, 2016 City Council.
3. Park Facilities-City acceptance of swimming pool, showers, park benches, parking spaces, and improved trails delayed pending completion of improvements that are presently under construction.

November 3, 2016

Hines Interests Limited Partnership
Attention: Mark A. Cover
811 Main St, Suite 4100
Houston, Texas 77008
Telephone (713) 237-5660
Fax (713) 237-5657

Hines Interests Limited Partnership
Attention: Darlene Louk
515 Congress, Suite 1950
Austin, Texas 78701
Telephone (512) 652-0590
Fax (512) 652-0598

Hines Interests Limited Partnership
Attention: Rob Witte
2200 Ross, Suite 42W
Dallas, Texas 75201
Telephone (972) 716-2925
Fax (972) 934-1460

Sneed, Vine & Perry, P.C.
Attn: Robert Kleeman
900 Congress Avenue, Suite 300
Austin, Texas 78701
Telephone (512) 494-3135
Fax (512) 476-1825

Re: Memorialize Agreement between the City and Hines for the Tessera Booster Pump
Station at Water Treatment Plant #1.

THIS LETTER AGREEMENT ("Agreement") reflects the understanding and agreement by and among the City of Lago Vista, a home rule municipal corporation situated in the State of Texas (hereinafter referred to as "City"), and Hines Lake Travis Land II Limited Partnership, a Texas limited partnership (hereinafter referred to as the "Developer").

The City and Developer agreed verbally in 2013 for the City of Lago Vista to act as the General Contractor for constructing the Tessera Booster Pump Station at the City's Water Treatment Plant #1

(hereinafter "Project"). The Project has two horizontal split case pumps with a firm capacity of 500 gpm and pumps water into the 12" to 16" water transmission line constructed to serve the Tessera Development. The Developer and the City agreed that in exchange for the City constructing the Project, Developer would reimburse the City for the costs of construction incurred by the City. At the time of the agreement, the estimated cost of the work was \$250,000.00.

The work on the Project commenced in April 2013 and was completed in the Fall 2015. The final cost of such work came to \$263,878.32. The City submitted three (3) requests to Developer for reimbursement for the costs incurred on this Project. The requests were:

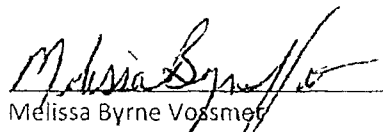
1. April 6, 2015 \$94,734.60;
2. June 30, 2015 \$27,877.68;
3. June 28, 2016 \$141,266.04

The parties agree that Developer has paid the City the first two reimbursement requests. The parties further agree that Developer may pay the third reimbursement request in two installments. Developer has paid the first installment in the amount of \$69,663.10 to the City on or before September 30, 2016. Developer will pay the second installment in the amount of \$71,602.94 to the City on or before December 31, 2016. Upon the full payment of the two installments of the third reimbursement request, Developer will have fulfilled all of its obligations with respect to the Project and the agreement between the parties with respect to the Project.

By signing below, this Agreement memorializes the actions between the parties and the agreement for the Project and payment thereof.

Signed on the ____ day of November, 2016.

City of Lago Vista, Texas


Melissa Byrne Vossmer
City Manager

Signed on the 10 day of November, 2016.

Hines Lake Travis Land II Limited Partnership, a Texas limited partnership

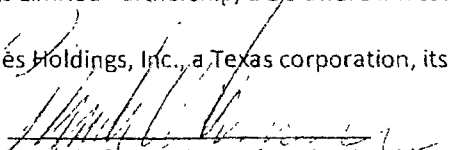
By: Hines Lake Travis GP, LLC, a Delaware limited liability company, its general partner

By: Hines Interests Limited Partnership, a Delaware limited partnership, its sole member

By: Hines Holdings, Inc., a Texas corporation, its general partner



By:


Mark A. Cover, Executive Vice President

BILL OF SALE, CONVEYANCE AND ASSIGNMENT

THE STATE OF TEXAS §
 § KNOW ALL MEN BY THESE PRESENTS:
COUNTY OF TRAVIS §

This Bill of Sale, Conveyance and Assignment ("Conveyance") is made by and between Hines Lake Travis Land II Limited Partnership, a Texas limited partnership ("Grantor"), and City of Lago Vista, a home rule municipal corporation ("Grantee"), and is as follows:

RECITALS:

A. Grantor is current owner and holder of certain utility infrastructure and other facilities located in Lago Vista, Travis County, Texas, as such utility infrastructure, landscaping, and related facilities are more particularly described on **Exhibit "A,"** attached hereto and incorporated herein by reference (hereinafter collectively referred to as the "Facilities").

B. Grantor desires to dedicate, convey and assign all of its right, title and interest in and to the Facilities to Grantee and Grantee desires to accept such conveyance subject to the terms more specifically set forth herein.

NOW, THEREFORE, for and in consideration of good and valuable consideration to Grantor given by Grantee, the receipt and sufficiency of which are hereby acknowledged, Grantor has BARGAINED, GRANTED, CONVEYED, SOLD AND DELIVERED, and by these presents does BARGAIN, GRANT, CONVEY, SELL AND DELIVER to Grantee all of its right, title and interest in and to the Facilities.

TO HAVE AND TO HOLD all of Grantor's right, title and interest, if any, and to the extent limited herein, in and to the Facilities unto Grantee, its successors and assigns forever.

EXECUTED to be effective this 3rd day of November, 2016.

[Signatures to follow on next page]

GRANTOR:

HINES LAKE TRAVIS LAND II LIMITED PARTNERSHIP,
a Texas limited partnership

By: Hines Lake Travis GP LLC,
a Delaware limited liability company, its general partner

By: Hines Interests Limited Partnership,
a Delaware limited partnership, its sole member

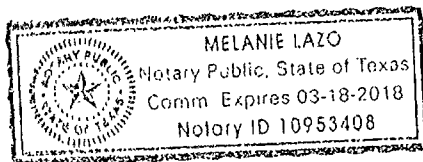
By: Hines Holdings, Inc., a Texas corporation,
its general partner

OS
DL

By: [Signature]
Name: Mark A. Cover
Title: CEO Southwest Region/Senior Managing Director

STATE OF TEXAS §
 §
COUNTY OF HARRIS §

This instrument was acknowledged before me on May 24, 2018, by Mark A. Cover, CEO Southwest Region / Senior Managing Director of Hines Holdings, Inc., a Texas corporation, on behalf of said corporation in its capacity as general partner of Hines Interests Limited Partnership, a Delaware limited partnership, on behalf of said limited partnership, in its capacity as sole member of Hines Lake Travis GP LLC, a Delaware limited liability company, on behalf of said limited liability company, in its capacity as general partner of Hines Lake Travis Land II Limited Partnership, a Texas limited partnership, on behalf of said limited partnership.



Melanie Lazo
Notary Public, State of
Texas
My Commission Expires: 3/18/18



ATTEST:

Sandra Barton

Sandra Barton, City Secretary

GRANTEE:

CITY OF LAGO VISTA, TEXAS

BY:

Dale Mitchell
Dale Mitchell, Mayor

THE STATE OF TEXAS §

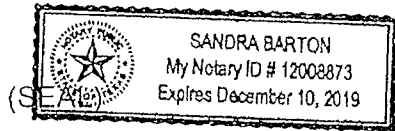
COUNTY OF TRAVIS §

This instrument was acknowledged before me on the 7 day of November, 2016, by Dale Mitchell, Mayor of City of Lago Vista, Texas, a home rule municipal corporation, on behalf of said City.

Sandra Barton

Notary Public, State of Texas

My Commission Expires: _____



"Exhibit C"
DESCRIPTION OF UTILITY FACILITIES

This exhibit will lay-out the water and wastewater facilities necessary to provide City water and wastewater service to Tessera on Lake Travis ("Tessera"). The Utility Construction will be phased. The Phase I water and wastewater improvements will provide 500 LUE's of service to Tessera. As long as Developers construct the necessary off-site Utility Improvements and internal utility improvements necessary to serve platted lots, Developers may use the 2030 water and wastewater LUE's in any part of the Property at any time. Except as otherwise noted, all items listed below are Developer Improvements.

Basic Assumption:

Tessera has requested service for 2,030 water and wastewater LUE's from the City. Unless the City approves and authorizes additional LUE's of utility services for Tessera, the Utility Facilities are limited to 2,030 water and wastewater LUE's of service. The Tessera development will require 3 water pressure planes to provide acceptable pressure ranges within the Property. Except as otherwise noted, Developers are responsible for the construction of all other water and wastewater lines required to deliver service to individual lots within the Property.

Water Service Zones for Tessera Development

	MSL elevations	psi pressure
1. Lower Pressure Plane 500 LUE's		
Tank Overflow	997	
service zone	890	46
	715	147
2. Middle Pressure Plane 510 LUE's		
Tank Overflow	1025	
service zone	920	45
	870	67
3. Upper Pressure Plane 1020 LUE's		
Tank Overflow	1135	
service zone	1020	50
	900	101

† Mean Sea Level

Water Components

Lower Pressure Plane (500 LUE's)

The initial City service will be for 500 water and wastewater LUE's in lower water pressure plane.

Utility Improvements required to deliver water to the Phase I.

1. Construct + 9,000 L.F. of 12" High Density Poly Ethylene ("**HDPE**") transmission line from WTP No 1 to the street intersection of Brewer Lane and Deepwood Drive.
2. Construct + 8,000 L.F. of 14" HDPE transmission line from street intersection of Brewer Lane and Deepwood Drive to the south end of Tessera Pathway.
3. Inter-connect new pipelines described in (1.) and (2.) above to existing COLV water system to circulate flow to improve water quality to Tessera. Tie in point location is Bar-K Ranch Road and other tie-points at the City's discretion.
4. Add two pumps next to the existing booster pump building at WTP No. 1; minimum capacity of each pump is 500 gpm; add SCADA system and control valves at City WTP No. 1. Pumps can be installed outside, next to the existing pump building.
5. Construct + 3,500 L.F. of 18" HDPE transmission line from the street intersection of Brewer Lane and Deepwood Drive to the Paseo and Lohman GSF Facility.

Note: Low flows will require the City to flush the transmission line once or twice a week until the Tessera Phase I Development has at least 80 to 100 water connections. With the City's concurrence, irrigation connections within the Tessera Development will be allowed. Also, the location of the initial connections (houses) will have an impact on the need of flushing. The City will bill the Developer the wholesale cost of the water flushed.

Middle P.P. (510 LUE's)

Developer Improvements required for water service to Middle P.P.

1. Construct +/- 10,200 L.F. of 16" HDPE from Bar-k and FM1431 to the proposed Tessera GST.
2. Construct 500,000 gallons of ground storage near the Tessera entrance off of FM1431. Two 250,000 gallon ground storage tanks are preferred by the City to one 500,000 gallon tank.

Upper P.P. (1020 LUE's)

Developer Improvements required for sufficient water pressure in the Upper P.P.

Construction required:

1. Construct Elevated Tank 300,000 gallon capacity.
2. 3,200 L.F. of 16-inch water line from the east Tessera GST to the Tessera Elevated Water Tank (EST).
3. Booster Pump Station pumping to EST, pumps located at Tessera (East) GST site
Design; Phase with 3-500 gpm pumps initially
Complete with 4 Pumps total with 3 pumps producing 1500 gpm for daily use
4th pump stand-by

Wastewater Components

The wastewater collection line design described below assumes that a) the wastewater systems will also be developed in phases coinciding with the water pressure planes; and b) the number of LUE's per pressure plane. If Developers intend to reallocate the number of LUE's among the pressure planes, the sizing and location of the internal wastewater lines may need to be re-evaluated.

Off-site wastewater utilities necessary to service the Property: Phase I for 500 LUE's. Phase II Middle P.P. (510 LUE's) and Phase II Upper P.P. (1020 LUE's) for the Tessera Development

Wastewater Components

Tessera wastewater lines are sized to serve by pressure planes based on the above LUE's.

Phase I – Lower Pressure Plane

1. Wastewater Treatment Plant improvements at plant headwords. Construct force main header to combine multiple force mains entering plant.
2. Cost participate in the amount of \$173,200 with City on over-sizing the force main from the Hollows, increase force main to 14-inch approximately 3,650 L.F. Phase II 12-inch force main will tie into this line at Dawn Drive and Valley View.
3. Utilize City's existing 12-inch wastewater force main from existing Bar-K Lift Station to Turner Lift Station.
4. Upgrade existing Bar-K Wastewater Lift Station and the Turner Lift Station with increased pump capacity, add odor control and add SCADA control.
5. Utilize City existing 8-inch wastewater force main in Bar-K Ranch Road.
6. Force mains from Tessera development to the City's 8-inch force main in Bar-K Ranch Road. (Wastewater force main sizing and phasing to be verified by design engineer.)
The following sizes are based on an analysis of flow.
 - a) Phase I, Lower P.P. construct approximately 6,500 L.F. of 8-inch HDPE wastewater force main from Burnet Trail in the Tessera development to Bar-K Ranch Road. 6" Force Main was Constructed
7. Construct low pressure wastewater force main at Lake crossing 3-8" HDPE wastewater force mains. 3 - 6" HDPE Crossing under the lake were constructed and need to be evaluated to determine ability to serve the entire Tessera Development.
8. Construct 8-inch HDPE low pressure wastewater force main to Burnet Trail. Dependent on results of evaluation now under way.

Phase II – Middle Pressure Plane

9. Construct off-site lift station near the existing Bar-K Lift Station (L.S.)
 - a) Tessera L.S. will require new site. Recommend Lot 3095 Bar-K Section 3, next to existing L.S.
 - b) Wet well:
Design; Wet well capacity and elevations:
12-foot diameter
26-foot deep
Bottom elevation 697
Top elevation 723
Flowline in for existing gravity line (approx.) elev. 708
 - c) Lift Station pumps to be phased.
Require 3 pumplayout.

Design, Pumps

- Initially install (2) high head pumps

Add 3rd pump based on build-out, to be determined by City:

- d) Details: Standby generator (size for 3 pumps), odor control, new electrical and SCADA controls, etc
- e) Connect discharge to the new 12-inch force main from Bar-K L.S. pumping to the Dawn Drive, tie into over-sized (12") Hollows force main.

10. Force mains from Tessera development to off-site new Bar-K L.S. (Wastewater force main sizing and phasing to be verified by design engineer.)

The following sizes are based on an analysis of flow.

- a) Phase I, Lower P.P. construct 8-inch HDPE force main from Bar-K Lift Station to phase I 8-inch HDPE at Surrey Lane and Bar-K Ranch Road. 6" FM was Constructed
- b) Phase II, Middle P.P. construct 8-inch HDPE force main from Bar-K Lift Station to middle P.P. Being Evaluated

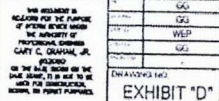
11. Wastewater Force Main (FM) from Bar-K Lift Station (LS) to Wastewater Treatment Plant (WWTP)

- a) New Bar-K Lift Station (wastewater component no. 9 above) shall be sized with high head pumps to pump all the way to the WWTP.
- b) Construct 12-inch force main from Bar-K Lift Station to Dawn Drive and tie into 12-inch over-sized force main constructed in Phase I for Hollow wastewater service. To be evaluated.

Phase III Upper Pressure Plane

12. Construct 8-inch wastewater force main from Surrey Lane to Bar-K Lift Station parallel to the existing City 8-inch wastewater force main at the same location. To be evaluated

- a) Phase III, Upper P.P. construct 8-inch **HDPE** force main from Bar-K Lift Station to upper P.P. Being Evaluated



CITY OF LAGO VISTA

GF# 1009916
PURCHASE CONTRACT

THE STATE OF TEXAS §
 §
COUNTY OF TRAVIS §

THIS CONTRACT WITNESSETH that the undersigned Splash Investments, Ltd., 20506 Houston Cove, Lago Vista, Texas 78645, herein called "Seller", for good and valuable consideration, the receipt of which is hereby acknowledged, agrees to convey fee simple title to the following described real property to the City of Lago Vista, Texas, 5803 Thunderbird Drive, Lago Vista, Texas 78645, herein called the "City", or its assigns, and the City agrees to purchase the property for the consideration and subject to the terms herein stated, to-wit:

All that certain approximately 1.2383-acre tract, piece or parcel of land, lying and being situated in the extraterritorial jurisdiction of the City of Lago Vista, Travis County, Texas, as more particularly depicted or described on the attached **EXHIBIT "A"**,

Together with all and singular the rights, title, and appurtenances appertaining thereto (herein collectively the "property").

TOTAL PRICE: The purchase price for the property shall be thirty-two thousand three hundred and sixty-two Dollars and eighty cents (\$32,362.80) to be paid by the City at closing for the fee simple title to such property and for which no lien, or encumbrance expressed or implied, will be retained by Seller.

Seller at closing shall deliver to the City a duly executed and acknowledged Warranty Deed in the form attached hereto as **EXHIBIT "B"**.

Closing of this transaction will occur on or before sixty (60) days after the effective date of this Purchase Contract, which date will be chosen by the City by notice thereof to Seller, and is hereinafter referred to as the "closing date"; provided, however, that the closing date will be extended as necessary so that the plat and the Master Development Plan can be finalized contemporaneously with closing, as discussed below.

The City agrees to prepare the Warranty Deed for the above-described property at no expense to the Seller and to pay the costs of its own title insurance and any closing costs, but any amounts owed under liens or loans on the property or other amounts incurred by Seller (other than the ordinary closing costs to be paid by the City) shall be paid by Seller from the purchase price at closing.

The City agrees to pay to Seller, upon delivery of the properly executed Warranty Deed to the City, the above-stated total purchase price in cash or cash equivalents.

The City will prepare a plat of the property to be purchased combining it with some or all adjacent City property, at the City's discretion as long as such plat accommodates the access drive to Dawn Drive as described in this Purchase Contract. If the Seller timely provides to the City a survey and any other reasonably available and necessary material and information required for the preparation of such a plan, the City will prepare a Master Development Plan that will be processed with the final plat that shows the remainder of the Seller's land (which remaining Seller's land is shown on **EXHIBIT "C"** hereto) as future single family development.

State law and/or the City's Code of Ordinances require that subdivision plats and Master Development Plans be considered for approval by an elected or appointed body in the exercise of its governmental duties. The City will use its efforts to obtain approval of both the plat and the Master Development Plan, but can not and does not guarantee approval of either or both of those documents by the relevant City bodies.

The Master Development Plan for the remainder of Seller's land shall show a road across Seller's land connecting Seller's land to Thunderbird across either an existing public right of way or across land owned or controlled by Seller that is dedicated to the public for right of way use (or will be so dedicated at the time the Master Development Plan is going through the City's approval process). If the relevant City body approves the Master Development Plan, then the City shall accept or continue to reserve the dedicated right of way, as appropriate, for access from Thunderbird to Seller's remaining land.

After review by the Seller, Seller agrees to sign the final plat and the Master Development Plan which shall be processed at the same time as closing on the property. It is anticipated that closing and recording the final plat will be accomplished contemporaneously.

The City agrees to build a public street from Dawn Drive to the Seller's remaining property in two phases. The first phase will be located as shown on the final plat and run from Dawn Drive to the end of the Police Station parking lot. The first phase may be built at any time, in the City's discretion, as long as it is not built later than the second phase. The second phase will be built by the City after Seller or Seller's assignee (a future owner) prepares and obtains approval of a final plat of the remainder of the Seller's land that is contiguous to the tract being purchased at this time by the City and the City approved final plat is recorded with Travis County. The second phase will run from the end of the first phase to the nearest boundary of Seller's remainder.

In partial consideration of the City's purchase of the property from Seller, the City will provide access to and up to 113 LUEs of capacity in a new wastewater line if and when such a new wastewater line is constructed by others at an undetermined future date in Dawn Drive, such capacity to be for a development on Seller's land (that is the subject of the Master Development Plan) whose wastewater load would not exceed that of a development with no more than 3.5 dwelling units per acre. Seller will pay all ordinary and uniformly applicable costs and fees, including any applicable impact fees, associated with accessing such wastewater capacity. The

City understands that the third party will build the wastewater line in Dawn Drive within two (2) years of the date of this Purchase Contract, and currently intends to use such third party's fiscal surety to fund construction of the line if the third party has not done so during the 2-year period and the fiscal surety is still in place and available to the City.

Seller agrees to cooperate with the City as necessary for the property to be sold to be annexed into the City of Lago Vista, including by signing any applications or other ordinary annexation documents.

After closing, the City shall allow, but is not required to construct, access to Seller's adjacent property across the property to be purchased by the City pursuant to a temporary easement agreement to be prepared by the city attorney. Such easement shall automatically terminate when the City constructs the public street from Dawn Drive to the Seller's remaining property.

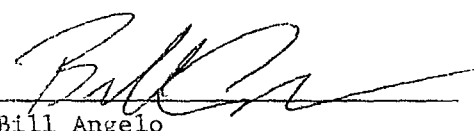
This Purchase Contract supersedes any and all other agreements, either oral or in writing, between the Seller and the City with respect to the matters addressed herein.

This Purchase Contract may only be amended in a writing executed by both parties.

TO BE EFFECTIVE ON THE LAST DATE INDICATED BELOW:

BUYER:
CITY OF LAGO VISTA, TEXAS
a Texas municipal corporation

Date: June 15, 2010

By: 
Name: Bill Angelo
Title: City Manager

SELLER:

Date: June 16, 2010

SPLASH INVESTMENTS, LTD.,
a Texas limited partnership

By: **Splash Holdings, LLC**
a Texas limited liability company
its general partner

By: 
Leonard Strickler, President

Attachment 4

5-Year CIP Plan

5-YEAR CIP PLAN

FY18-19					
DEPARTMENT	PROJECT NAME	FUNDING SOURCE	ITEM COST	CATEGORY TOTAL	JUSTIFICATION
Waste Water	Lift Station Generators	Impact Fees/Grants	\$ 200,000		Recommended 2016-17 Budget Planning for 50% grants
	WWTP TY-1 Conversion (Engineering)	Impact Fees/Bond	\$ 200,000	\$ 580,000	Convert the sewer plant to produce type 1 effluent for irrigation
	Shoreline Sewer Line	End of Year Balance	\$ 180,000		Connecting missing WW segment to support new development at Nature's Point
Water Distribution	Impact Fee Study	Impact Fees	\$ 50,000		To recover costs on new CIP projects
	Utility Cost of Service Study	Impact Fees	\$ 30,000	\$ 110,000	To create a Certificate of Convenience and Necessity Boundary for the City
	CCN Update	Impact Fees	\$ 30,000		
Streets	Street Rehab Program	Budget	\$ 300,000	\$ 300,000	Street maintenance on several City streets identified in the City's roadway master plan
Parks	Cedar Breaks TPWD Parks Grant Project	Budget	\$ 586,500	\$ 586,500	Funds needed to cover Phase 2 match, and overrun form Phase 1 Park construction
Misc.	Lago Fest Back-up Generator	Joint Utility	\$ 28,600		Previous Lago fest the generator malfunctioned and there was not a replacement
	Lago Fest Mobile Lighting (QTY-2)	Joint Utility	\$ 16,000		Past Lago Fest revealed several dark spots in the park that were unsafe
	GIS Aerial Image Survey	Joint Utility	\$ 25,000		The City has the option of leasing GIS aerial images at \$6K a year or purchase our own
	IT PD Internal Video Recording System	Joint Utility	\$ 30,000	\$ 639,600	System is 8 years old and has issues consistently
	IT Network Penetration Test	Joint Utility	\$ 25,000		Test all internal network devices for holes and vulnerability's to prevent any Cyber-attacks
	IT Virtual Cluster Backup Node	Joint Utility	\$ 15,000		A hardware device to clone the City's virtual servers for disaster recovery purposes
	New City Hall	Joint Utility	\$ 500,000		Finish out shell building at the Lago Vista Village shopping center
			TOTAL	\$ 2,216,100	

* All Items included in the Capital Improvements Program are unfunded until City Council approves funding for the project with the adoption of the annual fiscal year budget.

5-YEAR CIP PLAN

FY19-20					
DEPARTMENT	PROJECT NAME	FUNDING SOURCE	ITEM/COST	CATEGORY TOTAL	JUSTIFICATION
Water Treatment	No Project Planned At This Time			\$ -	
Waste Water	Omaha Lift Station Rehab	Impact Fees	\$ 250,000	\$ 1,950,000	Convert the sewer plant to produce type 1 effluent for irrigation Recommended 2016-17 CIP Wastewater System Master Plan
	WWTP TY-1 Conversion (Construction)	Impact Fees/Bond	\$ 1,500,000		
	Bronco Wastewater Line Replacement	Joint Utility	\$ 100,000		
	Wastewater System Master Plan	Joint Utility	\$ 100,000		
Water Distribution	Design BPS at Airport Water Pressure Plane	Impact Fees	\$ 100,000	\$ 2,400,000	On Hold Evaluate in 2017 Evaluate in 2017
	Valves and FH Repalcement	Budget	\$ 200,000		
	Lohman to Bronco	Joint Utility	\$ 1,020,000		
	Lohman to Bronco	Joint Utility	\$ 1,080,000		
Public Works	Underground Utilities at Municipal Complex	Joint Utility	\$ 100,000	\$ 300,000	Improve Appearances Per Municipal Complex Master Plan Budget or COs. Recommended 2016-17 Budget Recommended 2016-17 Budget Budget
	PW Gate at Water Plant	Budget	\$ 25,000		
	PW Break Room	Budget	\$ 50,000		
	Zoning Plan Update	Reserves	\$ 125,000		
Streets	Annual Street Rehab	Reserves	\$ 445,000	\$ 680,000	Budget - Annually Replace Existing Signs Recommended 2016-17 CIP Need Better Estimate
	Street Sign Replacement	Budget	\$ 90,000		
	City Hall, Library, LVGC Parking Lot Overlay	Reserves	\$ 145,000		
Parks	Cedar Breaks TPWD Parks Grant Project	Reserves	\$ 1,000,000	\$ 1,000,000	TPWD Grant and City Match towards Phase 2 & 3 of the project.
MISC	IT OS Update	Budget	\$ 28,000	\$ 43,000	Computer Operating Systems update from Win 7 Pro to Win 10 Enterprise Desktop Systems are too old to run the new Windows 10 Operating System
	IT Desktop Refresh for 15 systems	Budget	\$ 15,000		
Golf Course	Greens Renovation	UNK	\$ 855,000	\$ 3,009,425	Current Greens are 46-yr old, have improper drainage, and irrigation inadequacies. Irrigation is half a centry old, prone to many breaks, and current system is undersized
	Irrigation System Replacement	UNK	\$ 2,154,425		
TOTAL				\$ 9,382,425	

* All Items included in the Capital Improvements Program are unfunded until City Council approves funding for the project with the adoption of the annual fiscal year budget.

5-YEAR CIP PLAN

FY20-21					
DEPARTMENT	PROJECT NAME	FUNDING SOURCE	ITEM COST	CATEGORY TOTAL	JUSTIFICATION
Water Treatment	No Project Planned At This Time		\$	-	
Waste Water	Santa Carlo Lift Sta Design and Const.	Debt	\$ 300,000		Recommend Deferral
	Hancock Harrison Lift Station	Debt	\$ 525,000	\$ 1,725,000	Evaluate in 2017
	MacArthur Lift Station Rebuild	Debt	\$ 900,000		Evaluate in 2017
Water/Wastewater	Construct BPS at Airport Pressure Plane	Impact Fees	\$ 850,000		On Hold
	Water Line Replacements	Budget	\$ 1,000,000	\$ 3,750,000	Replace utility lines
	Wastewater Line Replacements	Budget	\$ 1,000,000		Replace utility lines
	Meter Replacement and AMI Installation	Grant/Budget	\$ 900,000		Convert AMR system to AMI and analysis for best meter brand
Misc					
Streets	Annual Street Rehab	Debt	\$ 500,000		Budget - Annually
	Reconstruct Boggy Ford	Debt	\$ 5,500,000	\$ 6,090,000	
	Street Sign Replacement	Budget	\$ 90,000		Replace Existing Signs
Parks	Cedar Breaks TPWD Parks Grant Project	Debt	\$ 750,000	\$ 750,000	TPWD Grant and City Match towards Phase 2 & 3 of the project.
	Community Building	UNK	UNK		Community meeting space
Airport	New Airport Lounge/Restaurant	UNK	\$ 2,500,000	\$ 2,500,000	Funding discussions with AAB
TOTAL				\$ 14,815,000	

* All Items included in the Capital Improvements Program are unfunded until City Council approves funding for the project with the adoption of the annual fiscal year budget

5-YEAR CIP PLAN

FY21-22					
DEPARTMENT	PROJECT NAME	FUNDING SOURCE	ITEM COST	CATEGORY TOTAL	JUSTIFICATION
Water Treatment	No Project Planned At This Time		\$ -	\$ -	
Waste Water	Replace Coves Lift Station	Debt	\$ 250,000		Evaluate in 2017
	Replace Truman Lift Station	Debt	\$ 110,000	\$ 360,000	Evaluate in 2017
Water Distribution	No Project Planned At This Time			\$ -	
Public Works	Pond 17 to Pond 3 Effluent Disposal Line Replacem	Debt	\$ 625,000		4800 LF of 10 or 12 inch HDPE - Defer
	Library Expansion Phase 2	Debt	\$ 1,500,000	\$ 2,125,000	Recommend Deferral
Streets	Annual Street Rehab	Debt	\$ 500,000		Budget - Annually
	Street Sign Replacement	Budget	\$ 90,000	\$ 590,000	Replace Existing Signs
Misc	Community Recreation Center	TBD	TBD	\$ -	New Recreation Center in the City
	Cedar Breaks TPWD Parks Grant Project	Debt	\$ 500,000		TPWD Grant and City Match towards Phase 3 & 4 of the project.
Airport	Airport T-Hangars	Debt	\$ 1,500,000		TBD
	Pave Airport Parking Lot	Debt	\$ 30,000		Pave grass parking and improve for plane access from hangar homes on Bar-K
	Additional Paved Aircraft Parking	Debt	\$ 460,000	\$ 1,990,000	Total cost to acquire and pave TxDOT suggested Not yet recommended by Advisory Board Assumes 90/10 TxDot grant Includes property acquisition.
Golf	Lago Vista Golf Course Irrigation System	Debt	\$ 2,000,000		
	Lago Vista Golf Course Club House Remodel	Debt	\$ 400,000		
	Cart Paths	Debt	\$ 350,000	\$ 2,750,000	Recommended 2016-17 CIP
			TOTAL	\$ 7,815,000	

* All Items included in the Capital Improvements Program are unfunded until City Council approves funding for the project with the adoption of the annual fiscal year budget.

5-YEAR CIP PLAN

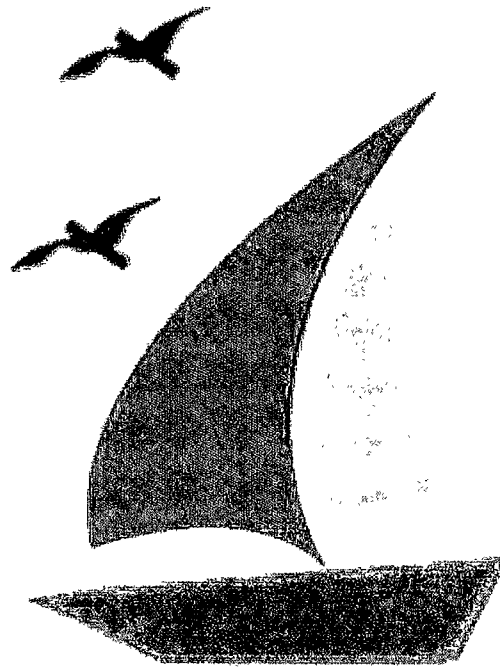
FY22-23						
DEPARTMENT	PROJECT NAME	FUNDING SOURCE	ITEM/COST	CATEGORY TOTAL	JUSTIFICATION	
Water Treatment	No Project Planned At This Time			\$ -		
Waste Water	No Project Planned At This Time			\$ -		
Water Distribution	No Project Planned At This Time			\$ -		
Misc	Town Square Improvements Performing Arts Center	3-way Agreement TBD	TBD TBD		Create a town square environment, may need developer participation Renovate Existing City Hall for a new Performing Arts building	
Streets	Annual Street Rehab	Debt	\$ 500,000	\$ 500,000	Budget - Annually	
Parks	No Project Planned At This Time			\$ -		
Airport	No Project Planned At This Time			\$ -		
			TOTAL	\$ 500,000		

* All Items included in the Capital Improvements Program are unfunded until City Council approves funding for the project with the adoption of the annual fiscal year budget.

Attachment 5

City of Lago Vista Fiscal Year 2018-2019 Budget, City of Lago Vista Utility Rates, and City of Lago Vista's Annual Financial Report for the Year Ending September 30, 2018

CITY OF LAGO VISTA



FISCAL YEAR 2018- 2019 BUDGET

ADOPTED 20 SEPTEMBER 2018

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Mayor
Ed Tidwell

Mayor Pro-Tem
Suzanne Bland



City Council

David Williams Kevin Sullivan
Arch Davila Ron Smith
Dick Weatherly

1 October 2018

Dear Fellow Citizens of Lago Vista,

It is with great pleasure that we present you with the City of Lago Vista Fiscal Year 2018-2019 approved budget. This budget not only lays out a game plan for the upcoming 12 months of municipal operations, it also effectively builds the foundation for the success of our community for many years to come.

The City of Lago Vista is poised for growth and development. It is the responsibility of our staff and our City Council to manage that growth in a way that our community can be proud of – protecting our history, ensuring our integrity, and providing for the wants and needs of our 7,400 plus citizens.

On September 20, 2018, City Council completed the annual budget preparation process by unanimously approving the operating budget for FY19. This vote of confidence, without restriction, was the result of discussion, debate, compromise and the support of our community.

This once desolate region of the Texas Hill Country is slowly becoming the gem of central Texas. What was originally designed as an escape from the fast pace of Austin living has now become the place where we all call home. Our City offers us the beauty of the Hill Country, the tranquility of Lake Travis, and a unique blend of backgrounds and personalities from people throughout our great nation.

The excitement and energy that surrounds our City is extraordinary and is something that we must take advantage of moving forward. Our community has strong Property Owners Associations, a dedicated Independent School District, a talented Emergency Services District, and an active Chamber of Commerce. Together, all of these individual organizations form a cohesive team that makes Lago Vista special and the place where others desire to call home.

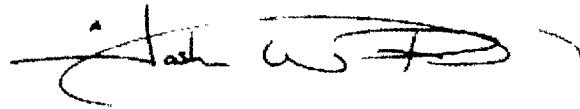
As we move forward with this upcoming fiscal year, we ask that each of you join us in making the amazing happen! We do not want to stand still and accept the status quo as good enough. We want to push forward with expanding services and providing new opportunities for everyone within our community. We want more and with your help, we will build more! More parks, more businesses, and more access to the amenities that our citizens want every day.

I challenge each of you in this fiscal year to want more. Whether you're a boater, a golfer, a pilot, a retiree, a teenager, or someone trying to escape sitting in Austin traffic for hours on end, I want you to want more.

Our City team is engaged each and every day in providing efficient and effective service to each of you and to providing a level of interaction that is different. This year, we will strive to be better – better in how we work with you, better in how we work with other organizations within our community, and better in how we work for our City.

Texas Hill Country native and former President of our great nation Lyndon B. Johnson stated, "Yesterday is not ours to recover, but tomorrow is ours to win or lose." The past is full of completed actions that we cannot change. But the future has yet to be written. Our future is exciting and is going to be something that all of you want to be a part of.

Sincerely,

A handwritten signature in black ink, appearing to read "Josh W. Ray", with a stylized flourish at the end.

Joshua W. Ray
City Manager