

**OFFICIAL MINUTES OF THE CITY COUNCIL
LAGO VISTA, TEXAS
JULY 2, 2014**

BE IT REMEMBERED that on the 2nd day of July, A.D., 2014, the City Council held a Special Called Meeting and Public Hearing at 6:30 p.m. at City Hall, 5803 Thunderbird, in said City, there being present and acting the following:

CALL TO ORDER, CALL OF ROLL

Randy Kruger	Mayor	Melissa Byrne Vossmer	City Manager
Ron Smith	Council Member	Jerry Reyes	Police Captain
D'Anne Gloris	Council Member	David Harrell	Development Services Director
Richard Bohn	Council Member	Christina Bucker	City Secretary
Ed Tidwell	Council Member	Barbara Boulware-Wells	City Attorney

Mayor Kruger called the Special Meeting to order and recognized that all Council Members were present except Darrel Hunt and Dale Mitchell.

The numbering below tracks that of the agenda, whereas the actual order of consideration may have varied.

PUBLIC HEARING

1. Mayor Kruger stated the purpose of the public hearing is to receive testimony to consider an annual update to the Service and Assessment Plan (SAP) and the reallocation of assessments provided for in the SAP for the Tessera on Lake Travis Public Improvement District.

Rick Rosenberg with DPPG, Development Planning & Financing Group, Inc., presented the annual update to the Service and Assessment Plan and the reallocation of assessments provided for in the SAP for the Tessera on Lake Travis Public Improvement District. He stated the total cost has not changed, but there was a reallocation of \$450,000 from the offsite water subtotal to a new category called electrical subtotal. He stated the new category is qualified under the PID statutes, which was confirmed by the City Attorney, the City Engineer and the City's Bond Counsel. He stated the reallocation represents about 2.3% of the total PID amount.

Mayor Kruger opened the floor for comments from the Council. There was a lengthy discussion by the Council regarding the update of and the reallocation of assessments in the SAP.

Duke Kerrigan with Hines and City Attorney Barbara Boulware-Wells were present to answer questions.

Mayor Kruger opened the floor for comments from the public.

There being none, Mayor Kruger closed the public hearing at 7:08 p.m.

ACTION ITEMS

2. On a motion by D'Anne Gloris, seconded by Ron Smith, the Council unanimously adopted Ordinance O-15-14, an Ordinance of the City Council of the City of Lago Vista, Texas, approving an annual service plan update and amendment to the Service and Assessment Plan for the Tessera on Lake Travis Public Improvement District, as presented.
3. On a motion by Ron Smith, seconded by D'Anne Gloris, the Council voted unanimously to table consideration of the installment of a ModSpace building for purposes of a pro shop at the Highland Lakes Golf Course and authorize the City Manager to execute Lease Agreement for the building, until the next Council meeting.
4. Mayor Kruger stated this item was to consider Ordinance O-16-14, an Ordinance of the City Council of the City of Lago Vista, Texas, Making Findings of Fact; Authorizing and Directing the Acquisition of Easements on Two Tracts of Land, being 0.5166 Acre Tract, More or Less and 0.78 Acre Tract, More or Less, Required for Water and Wastewater Lines; Finding the Two Tracts of Land are Required and Necessary for the Extension of Water and Wastewater Services to Property Along Lakeshore Point and the Acquisition of Raw Water for the City; Finding the Acquisition of the Two Easements are Necessary for a Public Purpose and the Public Safety, Health and Welfare; Confirming and Ratifying Prior Authorizations, Actions, and Good Faith Negotiations with the Owners of the Two Tracts of Land Pursuant to the Texas Property Code; Authorizing and Directing the City Attorney to Take Such Actions as are Necessary to Exercise the City's Power of Eminent Domain and Acquire Easements In, Over and Across the Two Tracts of Land in a Condemnation Action and to Take all Other Necessary Steps to Obtain Such Lands. It was the consensus of Council that this item be discussed in executive session prior to consideration.

EXECUTIVE SESSION

5. At 7:15 p.m. Mayor Kruger announced the Council will convene into executive session pursuant to Section 551.071, Texas Government Code, and Section 1.05, Texas Disciplinary Rules of Professional Conduct:
 - a) Consult with legal counsel regarding the negotiations, options and possible necessity for and to authorize the commencement of eminent domain proceedings concerning an interest in two (2) tracts of real property

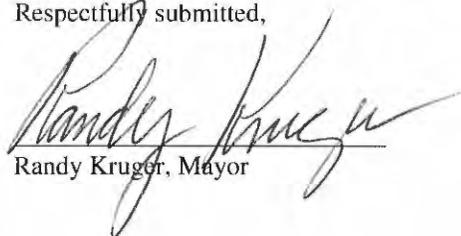
for water and wastewater line easements, being 0.5166 acre tract, more or less, and 0.78 acre tract, more or less, located at or near the intersection of Lakeshore Blvd. and Lakeshore Point, all within Travis County, for the public use of extending water and wastewater lines to property along such Lakeshore Point and acquisition of raw water for City.

- b) status of contract negotiations, Interlocal Agreement, Memorandum of Understanding (MOU) or items to be considered for contract negotiations, and demands or possible demands against the City.
 - c) status report on pending or threatened litigation pertaining to Cause No. D-1-GN-13-002224, *James Otwell v Brian Atlas et al.*, Travis County District Court.
6. At 8:33 p.m. the Council reconvened from executive session to take action regarding matters delivered in Executive Session:
- a.) Following the Mayor calling up Item 4, Ordinance 0-16-14, a motion was made by Ron Smith and seconded by Dick Bohn in relation to the ordinance set out in Item 4: "I move that the City of Lago Vista authorize the use of the power of eminent domain to acquire a 0.5166 acre tract, more or less, for an easement across 16.499 acres of property and .78 acre tract, more or less, for an easement both for water and wastewater lines for a public purpose to acquire public or private property, whether located inside or outside the municipality, including the following public purposes, for construction, reconstruction, operation and maintenance of water and wastewater lines, as well as all necessary appurtenances thereto, it being necessary for public use thus be for convenience." Richard Bohn seconded the motion. The Council voted unanimously by record vote, Mayor Kruger – Aye, Ed Tidwell – Aye, D'Anne Gloris – Aye, Ron Smith – Aye and Richard Bohn – Aye, to approve the motion as stated.
 - a) On a motion by D'Anne Gloris, seconded by Ed Tidwell, the Council voted unanimously to direct legal counsel as discussed in the executive session.
 - b) No action was taken regarding an Interlocal Agreement;
 - c) No action was taken regarding MOU or items to be considered for contract negotiation;
 - d) On a motion by D'Anne Gloris, seconded by Ron Smith, the Council voted unanimously to direct legal counsel to work with city staff for resolutions towards the demands and or possible demands against the city.
 - e) No action was taken with regard to direction on or related to pending or threatened litigation pertaining to Cause No. D-1-GN-13-002224, *James Otwell v Brian Atlas et al.*, Travis County District Court.

ADJOURNMENT

Mayor Kruger adjourned the meeting at 8:37 p.m.

Respectfully submitted,



Randy Kruger, Mayor

ATTEST:



Christina Buckner, City Secretary

On a motion by Council Member Ron Smith, seconded by Council Member D'Anne Gloris, the above and foregoing instrument was passed and approved this 17th day of July, 2014.