

**CITY OF HORSESHOE BAY**  
**CITY COUNCIL PUBLIC MEETING**  
**MINUTES**

May 18, 2010

The Council of the City of Horseshoe Bay held a Public Meeting at City Hall, located at #1 Community Drive, Horseshoe Bay, Llano County, Texas, May 18, 2010, in accordance with duly posted notice of said meeting. Mayor Bob Lambert called the meeting to order at 3:00 p.m. with a quorum of Council Members present as follows:

Robert W. Lambert, Mayor  
James E. Babcock, Mayor Pro Tem  
Claudia Haydon, Councilperson  
Jeff Robinson, Councilperson  
Steve Spence, Councilperson

The posted agenda for this meeting is made a part of these minutes by attachment and the minutes are herewith recorded in the order the agenda items were considered, with the agenda subject and item number shown preceding the applicable paragraph.

1. Call to Order and Establish a Quorum: Mayor Bob Lambert called the Public Meeting to order at 3:00 p.m. with a quorum present.
2. Invocation: Larry Sherwood with The Church at Horseshoe Bay gave the invocation.
3. Pledges to the Flags: Mayor Lambert led the pledges of allegiance to the United States flag and the Texas flag. He welcomed everyone to the meeting and asked that anyone who wanted to make comments please sign the sheet on the podium.
5. Staff Recognition:
  - a. Jim Cooksey – 5 Year Service Award
  - b. Introduction of New Employee:
    - i. Jeff Smith – Police Officer

Mayor Lambert presented Jim Cooksey, Detective with the HSB Police Department, with a plaque in appreciation of his service to the City.

Police Chief Bill Lane introduced new Police Officer Jeff Smith.

7. Broadband Expansion in City: Councilperson Robinson said the Broadband Committee will be soliciting input from citizens that would like access to the Verizon Broadband service and have not been able to get it due to lack of coverage in their area. There is another independent committee that is going to solicit names, telephone numbers and addresses in an effort to get Verizon to extend their coverage area. He said he is not receiving the internet speed at his house equal to what he is paying for, adding the Broadband committee is also

going to be doing some studies to determine how many others are experiencing this same problem asking that they email him to report this. Councilman Robinson also reported they have been working for some time to get a location for AT&T to put in a 4G cell tower in Horseshoe Bay. They hope to work with AT&T to determine if their technology would allow the placement of an antenna on one of the City's water towers or if not then on the City-owned property where the water towers are located.

4. Public Comments: Drew Crosby thanked the City for their continued support of the HSB Business Alliance and encouraged City officials and residents to attend their monthly coffees held at Taste of Thyme the last Wednesday each month from 9:00a.m. - 10:00 a.m. He also invited everyone to the ribbon cutting on June 4, 2010 at 2:00 p.m. for the New York Life branch here in HSB located at 9000 RR 2147.
6. Possible Replacement of LCRA's Ferguson Power Plant: Mayor Lambert introduced Heather Richardson the Public Affairs representative with LCRA covering Burnet, Llano and Hayes counties. Glenda Champagne, the Senior Project Manager for the project, spoke regarding the study LCRA is conducting regarding the possible replacement of Ferguson Power Plant with a more efficient plant. This study should be completed and a decision made in the spring of 2011.
8. Items to be removed from the Consent Agenda: There were no items removed from the Consent Agenda.
9. Consent Agenda Items:
  - a. Minutes of the April 20, 2010 Public Meeting
  - b. Annual Review of the City's Investment Policy and Resolution to Amend
  - c. Agreement with Llano County Regarding Annual Contract Fee for Tax Assessment and Collection Services
  - d. Increase Line of Credit on the Chase Purchasing Card to Allow for Payment of the PEC Monthly Statement
  - e. Change Name of HSB North Boulevard (South) to Highlands Boulevard
  - f. Interlocal Agreement with Llano County Regarding Emergency Management Plan
  - g. Stage One of the Drought Contingency Plan
  - h. Agreement with Burnet County Regarding Inmate Housing in the Burnet County Jail

Councilperson Steve Spence asked that the Policy section of the City's Investment Policy be amended to read "It is the policy of the City to invest public funds in a manner which will provide a *reasonable* investment return with the maximum security while meeting the daily cash flow demands of the City and conforming to all state and local statutes governing the investment of public funds".

Councilperson Steve Spence made the motion to approve the Consent Agenda with the change to Item b as discussed. The motion was seconded by Councilperson Babcock. The motion passed unanimously (4-0).

10. Monthly Statistical Departmental Data Reports:

- a. City Manager; Administration; Community Services; Development Services; Fire Dept.; and Police Dept.

City Manager Stan Farmer gave an update on Capital Projects.

11. Emergency Services Dispatch Agreement: City Manager Stan Farmer stated the City has received a draft of the possible agreement with City of Marble Falls and staff is currently reviewing the agreement.

12. Raw Water Contract with LCRA: Mayor Lambert said this is a very important contract where the City purchases raw water from LCRA. All of the Council members have met with staff at different times during the previous week to review this proposed agreement. He added that basically the City reserves a certain amount of water from LCRA each year. If less water is used than reserved the City pays 50% of the current price for the unused amount. If more water is used than is reserved, there is a penalty and the price for the excess water increases by almost 100%. The policy of Lake LBJ MUD and now the City is to try to project the use and only renegotiate the contract every 5 years. It is very difficult to project water uses due to growth as well as drought and wet years. Staff has looked at reserving from 700 million to 750 million gallons. Staff has also been encouraging conservation and this will also affect usage. Utilities Director Jeff Koska recommended reserving 725 million gallons. Councilperson Robinson made the motion to approve 725 million gallons for the contract. The motion was seconded by Councilperson Haydon. The motion passed unanimously (4-0).

13. Ordinance to Amend Chapter 13, Article 13.10, Divisions 2 and 3, Water Conservation and Drought Contingency Plans: Utilities Director Jeff Koska said this is a requirement of the renewal of the Raw Water Contract with LCRA, and he has worked closely with their staff on this. Some of the trigger numbers have been changed to reflect LCRA current requirements, and he has also included some of the Best Management Practices. Councilperson Spence made the motion to approve the amended plans as presented. The motion was seconded by Councilperson Haydon. The motion passed unanimously (4-0).

14. Streets to be Chipsealed Per Interlocal Agreement with Llano County: Tony Plumlee with Willis Environmental Engineering gave a presentation on his recommendation for streets to be chipsealed. The list included Fault Line, Parallel Circle, Lakawana, Moon Ray, Deep Canyon, Voca, Venison, Ventura, Sun Spot, Hideaway, Plenty Deer, Red Wine, Canyon Creek, Hi Fault and a portion of Azurite for a total of 3.7 miles. He stated once this year's chip sealing is completed approximately one-third of HSB West will have been completed. Councilperson Haydon made the motion to approve this list of streets to be chipsealed. The motion was seconded by Councilperson Spence. The motion passed unanimously (4-0).

15. Public Hearing and Possible Consideration of Preliminary and Final Plats:

- a. Preliminary Plat of Mitchell Point at Skywater, a One Lot Subdivision Classified R-1 Single Family Residential in Zone 10 Siena Creek (End of Spice Lilly in Skywater)
- b. Replat of Lot Nos. 45022 and 45023 of Horseshoe Bay Plat No. 43.1, to be known as Horseshoe Bay Plat No. 43.5, Horseshoe Bay, Llano County, Texas (400 Block of Tail Wind)

Mayor Lambert convened the public hearing at 3:54 p.m. He asked if there were any comments. There were none, and he adjourned the public hearing. The Mayor then explained that 15a. could only be approved on a preliminary basis because it is a new plat as opposed to a replat. Councilperson Babcock made a motion to approve 15a. on a preliminary basis. The motion was seconded by Councilperson Spence. The motion was approved unanimously (4-0).

Councilperson Robinson made the motion to approve 15b. on both a preliminary and final basis. The motion was seconded by Councilperson Spence. The motion passed unanimously (4-0).

16. Status Report:

- a. Five Houses Located on Sun Ray
- b. Properties Located at 101 Jade, Lot No. W1077; 3206 Douglas Dr., Lot No. A3040; 3212 Douglas Dr., Lot No. A3037; 3305 Douglas Dr., Lot No. A1020; and 3327 Bay West Blvd., Lot No. A3024

Mayor Lambert reported that all five houses located on Sun Ray have received Certificates of Occupancy and all work has been completed.

Scott Reineking with Re/MAX of HSB reported the progress of the properties owned by Whitney Bank under Item 16b stating that all buildings were secured, four of five had been cleaned, all construction debris has been removed and the lots have been mowed. Several contractors have shown interest and are considering making offers.

17. Public Hearing and Consideration to Determine Whether the Following Structures Should be Declared Public Nuisances and Unlawful Under the City Code Chapter 3 Building Regulations, Article 3.04 Substandard Buildings:

- a. 1008 Hi Stirrup Units 1, 2 and 3 - Lot Nos. 23138-1, 23138-2, and 23138-3 of Horseshoe Bay Plat No. 23.8
- b. 801 Grassy Knoll, Unit C - Lot No. 46001-C of Horseshoe Bay Plat No. 46.1
- c. 102 Falcon, Unit 2 - Lot No. W10018-B of Horseshoe Bay Plat No. W 10.3
- d. 1107 Fault Line, Units A, B, C, D, E, and F - Lot Nos. W16014-A, W16014-B, W16014-C, W16014-D, W16014-E and W16014-F of Horseshoe Bay West Plat No. W16.3

Mayor Lambert convened the public hearing at 4:03. Lynn Aldridge presented the Council with a petition signed by citizens encouraging the Council to take action regarding the properties at 1008 Hi Stirrup. Modena De Spain stated she has a signed contract on 1008 Hi Stirrup Units 1 and 3 and would like the opportunity to bring these up to required standards. Connie Barrington asked that the Council allow the units at 1008 Hi Stirrup to be repaired. Todd Potter, owner of 1008 Hi Stirrup Unit 2, spoke to the council regarding his property.

He stated he has made repairs to his unit and asked the Council to allow him to complete the needed repairs to the rear elevation of his unit including replacing siding where detached from the bottom plate and removing unauthorized cable installation. Tracy Daniel, owner of 801 Grassy Knoll Unit A, advised the Council that during repairs to her unit her carpenter reported to her that due to damage to Unit C repairs made to her Unit A will not last. Zack Perry, Ms. Daniel's carpenter, explained to Council that due to damage to the soffit on Unit C water is getting into the walls between the units and rotting the framework. Ms. Daniel asked Council to require repairs to Unit C. Christie Wutzke, owner of 801 Grassy Knoll Unit C, asked the Council to allow her time to make repairs to her property. Jan Brown stated she lives on Falcon and the property at 102 Falcon, Unit 2 is not being maintained. Jerry Langley said he owns one of the units at 1107 Fault Line and he informed the Council that all of the owners have agreed to complete the needed repairs. They have received two bids to repair all of the units and are working with Building Inspector Mike Light to work out the timing. They recognize the need for repairs and are taking action. Mayor Lambert asked if there was anyone else that would like to speak during the public hearing. There was no one, and he adjourned the public hearing. After discussing the property located at 1008 Hi Stirrup Units 1, 2 and 3 Council agreed to allow property owners until the June 15 Council meeting to make progress on repairing their property and give a status report at that meeting. Council asked Ms. Wutzke owner of the 801 Grassy Knoll, Unit C property for a status report on repairs to her property at the June 15 Council meeting. Building Inspector Mike Light stated he has received notice from the owner of the property at 102 Falcon, Unit 2 and those repairs should be taken care of within the next week or so. Council also asked for an update on this property on June 15. Jerry Langley one of the owners of the 1107 Fault Line property said they should have a complete plan to present to the Council and he will provide updates on the progress of the repairs at the June 15 meeting. Ron Mitchell spoke on behalf of the HSB Architectural Committee stating that it is important, especially on multi-family properties, that all of the units look the same. Mr. Mitchell also spoke regarding common areas owned by the owners of the property on Hi Stirrup and that they are also required to maintain the common areas. Mayor Lambert asked Mr. Mitchell to work with City Inspector Mike Light to determine the boundaries of that property.

18. Public Hearing and Consideration of Ordinance to Amend City Code Chapter 14, Article 14.02, Sections 14.02.002, 14.02.402(b)(14), and 14.02.419(b)(1)(B) Regarding Definitions of Boat Docks, Boat Slips, Day Docks and Boat Houses: Mayor Lambert convened the public hearing at 4:42. He asked if there were any comments. There were none, and he adjourned the public hearing. Mayor Lambert stated the Planning and Zoning Commission is still considering this, and the Council needs to defer action until the June 15 meeting.
19. Ordinance to Annex a 5.19 Acre HSB Resort Airport Tract: Councilperson Babcock made a motion to approve the annexation. The motion was seconded by Councilperson Robinson. The motion passed unanimously (4-0).
20. Ordinance Accepting Annexation Petition for 480.57 Acre Thomas-Davenport Partnership Tract (Adjacent to the East of the Eastern Boundary of Skywater, North of Highway 71): Mayor Lambert stated this is a significant tract of property adjoining the City. The Council needs to accept or deny the petition for annexation. Councilperson Spence asked for

confirmation that acceptance of this petition would not commit the City to provide any type services to this area until the actual annexation ordinance is approved by Council. Mayor Lambert and Councilperson Babcock assured him it would not. Councilperson Babcock advised the Council of concerns he has that the petition may be invalid due to the fact that the petition may not be signed by all owners of the property. City Attorney Rex Baker advised Council to go ahead and act on the petition and if the actual owners are not the people that executed the petition then the petition is void and they will have to submit the petition again. Ron Mitchell with the HSB Resort advised the Council that owners of this property are negotiating with Wayne Hurd and the Amenities' owner for this area to be brought into the Horseshoe Bay Subdivision and the HSB POA. He added this is moving forward and the legal documents are being drawn up. Mayor Lambert stated he thinks it is important that the annexation and this proposed agreement proceed together. Councilperson Babcock said he does not want the City to spend money on studies for this property prior to receiving some sort of deposit from the owners. Councilperson Haydon made a motion to accept the petition. The motion was seconded by Councilperson Robinson. The motion passed unanimously (4-0). Mayor Lambert clarified that if this petition is invalid on its face then this action will be void and the petitioners will have to resubmit.

21. Second Amendment to the Development Agreement with SW Ownership, LLC Regarding Skywater Over Horseshoe Bay Signage:

22. Interim Agreement and Amendment to Development Agreement with SW Ownership, LLC Regarding Skywater Over Horseshoe Bay:

23. Infrastructure Utility Permit for Skywater Over Horseshoe Bay Pod 3:

Mayor Lambert said there has been some progress on the Interim Agreement and asked Council to continue their consent for him to sign as agreed on at the last Council meeting. He also recommended that Council not take action on Item 21 at this time but extend the permit for Pod 3. Councilperson Haydon made the motion to continue authority for the Mayor to sign the agreement as long as Councilperson Babcock, Monte Akers and the Mayor approve the agreement, to take no action on Item 21 and to allow Pod 3 construction to continue. The motion was seconded by Councilperson Robinson. The motion passed unanimously (4-0).

24. Feasibility Study for Grocery Store: Councilperson Robinson explained to the Council that he had met with developers several times in the past and the main question is whether or not there is enough business to support a grocery. He asked Council to consider funding a feasibility study in the amount of \$7,500 for use by potential developers considering developing in the City. After discussion the Council decided to ask staff to prepare a Scope of Service in order to prepare a Request for Proposal and put this item on the June 15 agenda for further consideration.

25. Adjournment: Councilperson Haydon made the motion to adjourn the meeting at 5:22 p.m. The motion was seconded by Councilperson Spence. The motion passed unanimously (4-0).

