MAYOR
Steve Swan

MAYOR PRO TEM
Bob Neighbors

COUNCILMEMBERS
Julianne DeBower
Dave DeOme
Glenda Foreman
Bill Rhue

CITY ATTORNEY
W. Thomas Buckle

CITY MANAGER
Steve Jones

DEPUTY CITY MANAGER
Chessie Blanchard

DIRECTOR OF
PLANNING & DEVELOPMENT
Sue Collyer-Potter

FINANCE DIRECTOR
Nancy Klingman

CITY SECRETARY
Linda Winn

December 15, 2006

U.S. Fish and Wildlife Service
Austin Ecological Services Field Office
10711 Burnet Road, Suite 200
Austin, Texas 78758

U.S. Fish and Wildlife Service
Division of Ecological Services
P.O. Box 1306
Albuquerque, New Mexico 87103

Kevin Connally
Environmental Specialist
Travis County Natural Resources
P.O. Box 1748
Austin, Texas 78767

Re: Schramm Ranch - Fish and Wildlife Service Permit (PRT-812696)
("The 10-A Permit") 2006 Annual Report

Ladies and Gentlemen:

This will advise you that development continues on the property covered by the permit referenced above. A 2006 Golden-cheeked Warbler Survey update for this property is included with the BCP 2006 Annual Report.

A few disturbances have occurred in the habitat areas of approximately 250 acres. There have been some areas of silt and debris runoff from contractors both in the City of Lakeway and in Lakeway's ETJ (Travis County). These areas were reported to the Texas Conservation and Environmental Quality Commission. The developers, builders, the County and both Lakeway and Austin are working diligently to re-establish this damaged habitat. The TCEQ has signed off. Our Code Enforcement Officers and the County Inspectors have become more vigilant in their investigations and more erosion controls have been established.

Building, utility infrastructure and street construction operations continue on the remaining 300 acres. Some 370 single family homes are being constructed on the non-habitat areas of Schramm, now called The Ridge at Alta Vista, the Enclave at Alta Vista North, and Alta Vista. In addition 22 condominiums (Honey

Creek) and 44 condominiums (Enclave at Alta Vista South) are also under construction. We expect construction to continue into 2008.

The agreement between the Developer and FWS allows installation of perimeter fencing between developed areas and preserves as development proceeds and became a condition of issuance of the City's certificate of occupancy for homes constructed in the development. Fencing has been completed at Alta Vista, the Ridge at Alta Vista, and The Enclave at Alta Vista North.

At the end of 2006, the City of Lakeway will be transferring 100.632 acres of habitat to the Extra-territorial Jurisdiction of the City of Austin in accordance with an Interlocal Agreement between the two cities. Therefore, a portion of the property covered by Permit PRT-812696 will become the responsibility of the City of Austin.

The City of Lakeway as successor to the 10-A Permit will submit (*i*) written annual reports for next year's activities on the remaining portion of the land (149.699 acres), (*ii*) any required presence/absence surveys for the golden-cheeked warbler as described in the implementing agreement, and (*iii*) status reports for any clearance and construction activities on the property covered by this permit.

Sincerely,

CITY OF LAKEWAY
Director, Planning, Development and Code Enforcement
1102 Lohmans Crossing Road
Lakeway, Texas 78734

By: _____
Sue Collyer-Potter
Authorized Agent
(512) 314-7540

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