

# Termination of Lease Agreement

## City Council Regular Meeting October 22, 2024

Discuss and consider action: Resolution No. R2024-76: D. Vaughn  
A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF BURNET,  
TEXAS, DECLARING THE TERMINATION OF A LICENSE AGREEMENT  
BETWEEN THE CITY OF BURNET AND DUSTIN ORMAN, AND  
AUTHORIZING FURTHER ACTIONS IN RESPONSE TO THE LICENSE  
DEFAULT



# Termination of Lease Agreement

## License Agreement

- Effective since **October 2020**
- Licensee: **Dustin Orman**

## Purpose

- Allows Licensee to **cultivate crops** (primarily Coastal Bermuda grass) on 109.63 acres near the **Wastewater Treatment Plant** in order to maximize absorption of treated wastewater effluent



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## Annual Fee:

- **Amount:** \$10,000
- **Due Date:** July 15 each year
- **Automatic Renewal:** Agreement renews automatically each fiscal year if payment is made.



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## Failure to Comply with Agreement

- **August 28, 2024:** Licensee verbally indicated intent to end the License Agreement to Water/Wastewater Treatment Supervisor, Richard Harrison.
- Written notice of termination was **requested** but not received.
- Winter vegetation **has not** been planted.
- Licensee **vacated** the WWTP premises, removing all equipment and inventory.



# Termination of Lease Agreement

## Default Determination

- **Sections 8.1 and 8.2 of the License Agreement**
  - Licensee found in **default** based on vacating of the premises without written notice and not planting winter vegetation.
- **Consequences of Default**
  - Agreement can be terminated by the **City of Burnet**.



# Termination of Lease Agreement Questions?

## Recommendation

- Staff recommends the approval and adoption of Resolution R2024-76 as presented terminating the License Agreement.

