

**FORT BEND COUNTY WATER CONTROL
AND IMPROVEMENT DISTRICT NO. 2**

2331 South Main
Stafford, Texas 77477

July 24, 2019

RECEIVED

JAN 21 2019

LA

Commissioner Grady Prestage
Fort Bend County, Precinct 2
303 Texas Parkway, Suite 213
Missouri City, Texas 77489

Mr. Mark Musemeche
Miramonte Partners, Ltd.
1303 Van Buren St.
Houston, Texas 77019

Re: Fifth Street Water and Sewer Service Agreement: Payment for Fifth Street System Improvements in Lieu of Payment of Capital Recovery Fee

Dear Commissioner Prestage and Mr. Musemeche,

As you know, Fort Bend County Water Control and Improvement District No. 2 (the "District") provides water and sewer service to Fifth Street, an unincorporated area of Fort Bend County (the "County"), via water and wastewater facilities owned by the County (the "System"), pursuant to the Water and Sewer Service Agreement, as amended, between the District and the County (the "Agreement"). Miramonte Partners, Ltd. ("Miramonte") has initiated construction of a 192-unit development on Moore Avenue in Fifth Street (the "Development") and, pursuant to the Agreement, is required to pay to the District a capital recovery fee of \$1,450 per connection for the Development, totaling \$278,400 (the "Capital Recovery Fee"). The Board of Directors of the District (the "Board") is in receipt of Miramonte's letter dated June 19, 2019 and the County's letter dated June 21, 2019 (collectively, the "Letters"), which are attached hereto as Exhibit A, requesting that the Board accept Miramonte's proposed capital contributions to the System as payment in lieu of the Capital Recovery Fee.

As provided in the Letters, Miramonte intends to make several improvements to the System, which will serve not only the Development, but also the ultimate needs of Fifth Street. Miramonte has agreed to pay for the construction of Lift Station F1 Improvements in accordance with the plans submitted to the County and the District (the "Improvements"), the estimated cost of which is \$890,000, an amount far in excess of the otherwise required Capital Recovery Fee, and the County has agreed to accept such Improvements provided that the District waive the Capital Recovery Fee. Therefore,

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provided that Miramonte pays for the construction of the Improvements and the Improvements are actually completed and operational, the District agrees to accept construction of the Improvements as payment in lieu of the Capital Recovery Fee for the Development, and no other capital recovery fee, otherwise owed under the Agreement, shall be owed to the District in connection with this Development. The Development shall be subject to all fees, charges, and rates required by the District's then current Rate Order in accordance with the Agreement.

This letter agreement shall not be binding until and unless it is fully executed by all parties. If you are in agreement with the terms and conditions of this letter agreement, please execute the acknowledgment as indicated on three originals of the Agreement and return three originals of the Agreement to the District. We will return one fully executed original of the Agreement to each of you when available.

If you need any additional information or have any questions, please feel free to call Owen Matherne, General Manager of the District, at 281-449-1031, or Ryan Harper, attorney for the District, at 713-860-6448.

Sincerely,

FORT BEND COUNTY WATER
CONTROL & IMPROVEMENT
DISTRICT NO. 2

By: 

Linda Walker

President, Board of Directors

ATTEST


Asst Secretary, Board of Directors

(SEAL)



APPROVED AND AGREED TO as of the 13 day of Jan, ²⁰²⁰~~2019~~.

MIRAMONTE PARTNERS, LTD.

By:  _____

Name: mark muzemec

Title: GENERAL PARTNER
Representative

AS PER ORIGINAL

APPROVED AND AGREED TO as of the 25 day of February, ~~2019~~ 2020.

AS PER ORIGINAL

FORT BEND COUNTY

By: KP George

Name: KP George

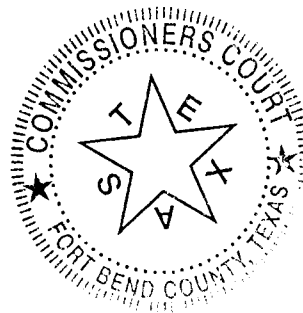
Title: County Judge

ATTEST

By: Laura Richard

Name: Laura Richard

Title: County Clerk





Fort Bend County Engineering
FORT BEND COUNTY, TEXAS

EXHIBIT A

J. Stacy Slawinski, P.E.
County Engineer

June 21, 2019

Members of the Board of Directors
Fort Bend County Water Control & Improvement District No. 2
2331 South Main
Stafford, Texas 77477

**RE: FIFTH STREET UTILITY SERVICE AREA CAPITAL RECOVERY FEE
REQUEST TO WAIVE FEES IN LIEU OF IMPROVEMENTS**

Honorable Members of the Board of Directors:

Miramonte has initiated construction of a 192 unit development on Moore Avenue in anticipation of the completion of onsite and offsite improvements to the Fifth Street Water and Wastewater System (the "System") that will accommodate service for the additional residential units.

The Fifth Street service area agreement requires the Miramonte development to pay a capital recovery fee of \$1,450 per connection for the proposed 192 connections for a total amount of \$278,400.

To facilitate the timely completion of the Lift Station F1 improvements and in lieu of payment of the Capital Recovery Fee for the 192 units, Miramonte is willing to fund the construction of Lift Station F1 Improvements in accordance with the plans submitted to FBC and WCID2. The estimated cost for the lift station construction is \$890,000. All in, our investment in the System will be in excess of \$1,265,475.

Fort Bend County proposes to accept the System improvements funded by Miramonte provided that Fort Bend County Water Control & Improvement District No. 2 waives the Capital Recovery Fee for the 192 unit development. This is a significant contribution toward the needed System improvements and their contribution exceeds the required Capital Recovery Fees.

Your consideration of Fort Bend County's request will be appreciated.

Warmest Regards,


J. Stacy Slawinski, P.E.
County Engineer

cc: Commissioner Grady Prestage, Pct. 2
Owen Matheme, WCID
Llarance Turner, City Reviewer



June 19, 2019

Commissioner Grady Prestage
Fort Bend County
303 Texas Parkway Suite 213
Missouri City, TX 77489

**RE: FIFTH STREET UTILITY SERVICE AREA CAPITAL RECOVERY FEE
WAIVER REQUEST**

Dear Commissioner Prestage:

As you know we have initiated construction of our project on Moore Avenue with anticipation of completion of onsite and offsite improvements to the Fifth Street Water and Wastewater System (the "System") that will be completed to accommodate the 192 additional residential units that we are currently constructing.

To facilitate discussions between Fort Bend County (FBC) and Fort Bend County Water Control & Improvement District #2 (WCID2), Miramonte funded a comprehensive and complete System study last year on behalf of FBC to identify deficiencies and needs for the System. With input from FBC and WCID2, the System study identified several improvements that were needed to adequately serve our ongoing development but more importantly, the needs of the System for the future. Those improvements include extension of a looped water line adjoining and within our project and major offsite improvements at the System Lift Station F1.

Our total commitment to the System to date is \$375,475 for the System study, the Water line extension in the vicinity of our project and the design of the offsite improvements at Lift Station F1.

The Fifth Street service area agreement requires the Miramonte development to pay a capital recovery fee of \$1,450 per connection for the proposed 192 connections for a total amount of \$278,400. To facilitate the timely completion of the Lift Station F1 improvements and in lieu of payment of the Capital Recovery Fee for the 192 units, Miramonte is willing to fund the construction of Lift Station F1 Improvements in accordance with the plans that we have submitted to FBC and WCID2 without entering into a reimbursement agreement from FBC or WCID2. Our estimated cost for the lift

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station construction is \$890,000. All in, our investment in the System with all of these improvements will be in excess of \$1,265,475. If we then have to include capital recovery fees, our cost exposure to improve the public infrastructure as well as recovery fees will exceed 1.5 million which is unreasonable for us to absorb without reimbursement agreements.

We respectfully request that Fort Bend County request that WCID2 accept our proposed contributions to the System in lieu of the Capital Recovery Fee for the 192 units.

Warmest Regards,

MGROUP HOLDINGS, INC.
On behalf of Miramonte Partners, Ltd.



Mark Musemeche, A.I.A

cc: Stacy Slawinski, P.E.
Owen Matherne
Llarance Turner