

**RESOLUTION NO. R2021-29**

**A RESOLUTION OF THE CITY COUNCIL OF BURNET, TEXAS AUTHORIZING THE CITY MANAGER TO EXECUTE A MEMORANDUM OF UNDERSTANDING WITH GRANITE PARTNERS LLC FOR THE PROVISION OF WHOLESALE WATER TO SERVE REED RANCH AND PROVIDE CONFIRMATION OF THE PROVISION OF WHOLESALE WATER TO THE BURNET COUNTY COMMISSIONERS COURT.**

**WHEREAS**, Granite Partners LLC is the owner of the approximately 2000 acre property located north of Inks Lake in unincorporated Burnet County and known as Reed Ranch; and

**WHEREAS**, Granite Partners LLC plans to develop Reed Ranch into large lot subdivisions of land and is seeking water connections to serve the development; and

**WHEREAS**, Granite Partners LLC, has requested the City to immediately provide Burnet County Commissioner Court with confirmation that wholesale water shall be provided to a proposed nine lot 234 acre subdivision within Reed Ranch; and

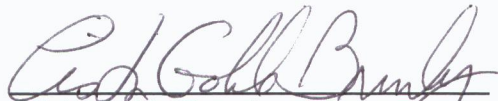
**WHEREAS**, City Council is amenable to providing wholesale water to a TCEQ approved water service provider who will serve the development

**BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF BURNET, TEXAS. THAT:**


The City Manager is hereby authorized and directed to: (i) execute the attached memorandum of understanding for the provision of wholesale water to Reed Ranch in substantial form with the attachment hereto entitled "Memorandum of Understanding;" (ii) provide the Burnet County Commissioner's Court with confirmation that wholesale water shall be provided to a proposed nine lot 234 acre subdivision within Reed Ranch in substantial form as the letter addressed to the Burnet County Judge attached hereto; and (iii) execute such other ancillary documents and take such action as may be reasonably necessary to facilitate the purpose of this Resolution.

**PASSED AND APPROVED this the 8<sup>th</sup> day of June 2021.**

**CITY OF BURNET**

  
Crista Goble Bromley, Mayor

**ATTEST:**

  
Kelly Dix, City Secretary



# MEMORANDUM OF UNDERSTANDING

## I. Purpose

The purpose of this non-binding memorandum of understanding ("MOU") is to provide a memorialization of the City of Burnet, Texas willingness to provide wholesale water service to certain real property, as more particularly described herein, in exchange for Granite Partners LLC fee simple conveyance of the "Water Treatment Plant Property" and revision to the "Water Transmission Easement" as more particularly described herein.

## II. The Parties

The Parties to this MOU, and addresses for notice purposes, are as follows:

**City of Burnet**, a home rule city organized under the Constitution of the State of Texas (sometimes hereafter referred to as "City") with mailing addresses as follows:

City of Burnet, Texas  
Attn: City Manager  
P.O. Box 1369  
1001 Buchanan Drive, Suite #4  
Burnet, Texas 78611

With copy to:

City of Burnet, Texas  
Attn: Assistant City Manager  
P.O. Box 1369  
1001 Buchanan Drive, Suite #4  
Burnet, Texas 78611

**Granite Partners LLC**, a limited liability company form in the state of Texas, (sometimes hereafter referred to as "Developer") with mailing addresses as follows:

Granite Partners LLC  
Attn: Michael MacDougall  
2431 Wooldridge Drive  
Austin, Texas 78703

With copy to:

Law Office of Kendra Pesek, PLLC  
Att: Kendra Pesek  
114 East Austin Street  
Fredericksburg, Texas 78624



### III. Background

Reed Ranch is an approximately 2,000-acre tract of land located in unincorporated Burnet County, Texas, more particularly described on Exhibit A, attached hereto and incorporated herein for all purposes (referred to hereafter as "Reed Ranch"). By instrument entitled "Pipeline Easement and Right-Of-Way Agreement," recorded on May 20, 1986, in the Public Records of the Office of the Burnet County Clerk as Vol 364 Pages 387-396, the City obtained the right to construct and operate Water Transmission Lines on and under a described right-of-way within Reed Ranch. By instrument entitled "Water Treatment Plant Easement," recorded on June 5, 1986, in the Public Records of the Office of the Burnet County Clerk as Vol 366 Pages 103-110, the City obtained the right to construct and operate a water treatment plant on and under a described area within Reed Ranch. Subsequent to the recordation of the aforementioned easement agreements, Developer purchased Reed Ranch with the intent to develop same as a large lot residential housing community (hereinafter sometime referred to as the "Development"). Developer has submitted a plat application to the Burnet County Commissioners Court which consists of 234 acres within the Reed Ranch. Developer desires to subdivide the 234 acres into nine separate lots (the "Nine Lots") and has requested the City to provide water service to said lots, and potentially other portions of Reed Ranch. City is amenable to providing water to serve the Nine Lots and other portions of Reed Ranch provided Developer satisfies other terms and conditions as provided for herein.

### IV. Provision of Water

The City shall make water available subject to the terms and conditions that follow:

- (A) Water supply agreement. Developer will create a public water supply, or contract with a purveyor ("Purveyor") approved by the Texas Commission on Environmental Quality as a public water supplier, who will then purchase water from the City under a wholesale water supply contract. The wholesale water supply contract shall include the terms and provisions that follow:
- Purveyor shall purchase water ("Purchased Water") from City at an agreed price, which shall be periodically adjusted;
  - City shall install, at Purveyor's sole cost taps and meters to the City's Water Transmission Line;
  - Purveyor shall be responsible for the design, construction maintenance, repair and replacement of the system for taking delivery of the Purchased Water, including the connection necessary to receive the Purchased Water from the City and the piping and associated equipment necessary for conveyance and storage of the Purchased Water (the "Conveyance System").
  - As a High Pressure Water Line shall be tapped in order to provide water. City will not guarantee minimum or maximum water pressure. Purveyor shall be solely responsible for regulating the water pressure and shall assume any and all liability as a result of insufficient or excess pressure,



including any damage such pressures may cause. Purveyor shall assume all risks of liability for any failure of the Conveyance System.

- (B) **Limitations.** City shall not be obligated to provide more than a mutually agreed number of gallons of water per day under the water supply agreement.
- (C) **Costs.** All costs for provision of the tap, meter and Conveyance System shall be borne by Developer or Purveyor. Impact fees may be assessed and collected only in accordance with state law and city ordinances.
- (D) **Article V conditions.** Any wholesale water supply contract the City executes with a Purveyor shall include a provision that the wholesale water supply contract does not become effective until Developer fully complies with the terms and conditions of Article V., below, within the periods prescribed herein.

#### **V. City's Water Treatment Plant and Water Transmission Easement**

Part of the consideration for the City's execution of a water supply agreement shall be Developer's performance of the following:

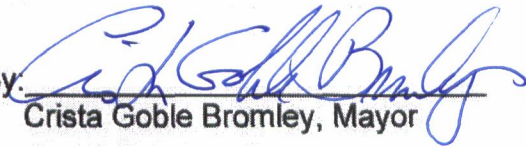
- (A) **Conveyance of Water Treatment Plant property to City.** Within ten days of the execution of the wholesale water supply contract on behalf of the City, Developer shall execute a recordable Special Warranty Deed. The legal description of the Real Property being conveyed to City under the Special Warranty Deed shall be all of the Real Property described in the Water Treatment Plant Easement, and an additional 20-foot-wide area around the northern and western perimeters of existing Water Treatment Plant Easement property as well as an additional one acre tract on the northern and eastern boundary of the existing Water Treatment Plant Easement for future plant expansion, in a location to be mutually agreed to by both City and Developer. In no event, should such conveyance of Water Treatment Plant property to the City negatively impact Developer's access to the Reed Ranch.
- (B) **Water Transmission Easement.** Within ten days of the execution of the water supply agreement on behalf of the City, Developer shall execute a recordable instrument amending the Pipeline Easement and Right-Of-Way Agreement.
- (C) **Release of Obligation.** The Special Warranty Deed and instrument amending the Pipeline Easement and Right-Of-Way Agreement shall fully and finally release City from any and all obligations described in the Water Treatment Plant Easement and the Pipeline Easement and Right-Of-Way Agreement, including, but not limited to, the provision of three taps, construction of a two-inch water line and provision of 3,300 gallons of water daily.

**VI. Non-binding Agreement**

This MOU is intended to be non-binding and is entered into solely for the purpose of providing a framework for future negotiations between the Parties. The execution and delivery hereof by the City or Developer shall not, and does not, create any contractual rights or obligations to enter into a final agreement, nor shall the submission or acceptance of this MOU constitute any offer by any party to enter into any future transaction with the other or bind any party to pursue a transaction with the other concerning the subject matter of this MOU. No Party hereto shall have any obligations unto the other until such time as the wholesale water supply contract is fully negotiated, drafted, executed and delivered by and between them. Furthermore, any Party may, at any time prior to the execution and delivery of the wholesale water supply contract, abandon discussions concerning the subject matter of this MOU without liability.

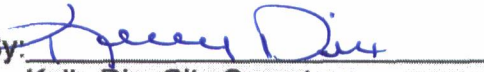
To be effective as of the 8 day of June, 2021.

**City of Burnet**

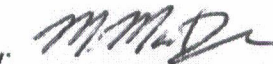
By:   
Crista Goble Bromley, Mayor



**Attest:**

By:   
Kelly Dix, City Secretary

**Developer  
Granite Partners LLC**

By:   
Michael G. MacDougall,  
Authorized Agent



**Exhibit "A"**

Legal Description for real property owned by Granite Partners, LLC:

Being 2,397.14 acres, more or less, in Burnet County, Texas, as more particularly described in that certain Special Warranty Deed with Vendor's Lien dated May 26, 2020 and recorded at 202005998 of the Official Public Records of Burnet County, Texas, SAVED and EXCEPT, the following tracts of land:

1. BEING 100.43 acres of land, more or less, situated in Burnet County, Texas, part of the Abram Large Survey No. 32, Abstract No. 532; said 60.30 acre tract of land is described in that certain Warranty Deed with Vendor's Lien dated March 16, 2021 and recorded at 202104046 of the Official Public Records of Burnet County, Texas.
2. BEING 42.84 acres of land, more or less, situated in Burnet County, Texas, part of the Abram Large Survey No. 32, Abstract No. 532; said 42.84 acre tract of land is described in that certain Warranty Deed dated November 4, 2020 and recorded at 202014728 of the Official Public Records of Burnet County, Texas.
3. BEING 60.30 acres of land, more or less, situated in Burnet County, Texas, part of the Abram Large Survey No. 32, Abstract No. 532; said 60.30 acre tract of land is described in that certain Warranty Deed with Vendor's Lien dated October 28, 2020 and recorded at 202014226 of the Official Public Records of Burnet County, Texas.
4. BEING 20.20 acres of land, more or less, situated in Burnet County, Texas, part of the Abram Large Survey No. 32, Abstract No. 532; said 20.20 acre tract of land is described in that certain Warranty Deed dated July 17, 2020 and recorded at 202008557 of the Official Public Records of Burnet County, Texas.
5. BEING 25.0 acres of land, more or less, situated in Burnet County, Texas, part of the Abram Large Survey No. 32, Abstract No. 532; said 25.0 acre tract of land is described in that certain Warranty Deed dated May 28, 2020 and recorded at 202006067 of the Official Public Records of Burnet County, Texas.
6. BEING 200.00 acres of land, more or less, situated in Burnet County, Texas, part of the Abram Large Survey No. 32, Abstract No. 532 ; said 200.0 acre tract of land is described in that certain Special Warranty Deed with Vendor's Lien dated May 28, 2020 and recorded at 202006159 of the Official Public Records of Burnet County, Texas.



# City of Burnet

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David Vaughn  
(512) 715-3208  
dvaughn@cityofburne.com

P.O. Box 1369  
1001 Buchanan Drive, Suite 4  
Burnet, TX 78611

June 9, 2021

Honorable James Oakley Via email to [countyjudge@burnetcountytexas.org](mailto:countyjudge@burnetcountytexas.org)  
County Judge  
Burnet County  
220 S. Pierce,  
Burnet, Texas 78611

Re: Reed Ranch Estates Subdivision, Phase One 239.77 acres containing 9 Single Family lots

Dear Judge Oakley:

Please allow this letter serve to memorialize the City of Burnet's agreement to provide adequate wholesale water to serve the above referenced subdivision in consideration for the developer's commitment to resolve certain issues the City has with the existing water treatment plant and water transmission line easements.

It is contemplated that the City shall enter into a water supply agreement with Corix Utilities, and Corix shall serve as the water purveyor for the subdivision.

Should you have any questions or concerns, please do not hesitate to contact me by telephone at (512)715-3208.

Sincerely yours,

David Vaughn, City Manager

CC Kendra Pesek via email to [kendra@hillcountrytitles.com](mailto:kendra@hillcountrytitles.com)>