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September 24, 2004

Via Overnight Delivery

The Honorable Craig Estes
Bank One Tower
4245 Kemp, Suite 306
Wichita Falls, Texas 76308

Re: MUDs and Other Districts

Dear Senator Estes:

We see that you are scheduled to speak to the rural mayors' meeting sponsored by Joe Jaynes each month at the Collin County Commissioners' Court Room in McKinney. I look forward to hearing your remarks.

Some time ago, we discussed the various issues revolving around MUDs and other Special Utility Districts (SUDS). It is my intention, with the continued support of Commissioner Jaynes and others, to try to find some legislative balance in the criteria necessary to create a SUD in rural areas of developing counties. I believe there are a growing number of counties which recognize both an individual's rights to develop his property, and the significant burden that SUD-based high-density development can have in rural areas.

To that end, I thought I would provide you with early versions of House Bills 2564 and 2565, from the regular session of the 78th Legislature. We wound up putting most of our efforts behind 2564, which I personally thought was a good compromise between the near zero control a county currently has, and the rights of conditional veto that cities have within their ETJs.

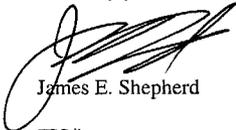
I have spent the last 10 years as a city councilman for the City of Richardson, Texas. I must admit, issues like SUDs are the only thing that make me appreciate the fact that Richardson is landlocked, and no longer has an ETJ.

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I look forward to seeing you next week. Please let me know if you would like to discuss these issues. We are in need of good senatorial support and wisdom.

Sincerely yours,

A handwritten signature in black ink, appearing to read 'James E. Shepherd', with a large, stylized flourish at the end.

James E. Shepherd

JES/jss
Enclosure