

LAKE MUNICIPAL UTILITY DISTRICT

IMPORTANT NOTICE REGARDING GARBAGE COLLECTION

Dear residents of Bay River Colony, Highlands Ranch, West Meadows and Meadow Lake Subdivisions:

This is to inform you that, beginning in January, 2009, Lake Municipal Utility District (the "District") will take over responsibility for garbage collection services for the entire district under a contract with **Hotchkiss Disposal Service Ltd.** The District is authorized by Section 54.203 of the Texas Water Code to enter into an exclusive contract to provide municipal solid waste collection services to residents within the District's boundaries.

The District's Board of Directors believes that bringing the garbage collection services under one contract will result in a more reliable collection schedule, will reduce the monthly cost, and will improve the overall appearance of the subdivision by reducing the number of days that garbage is out on the curbs for collection. Additionally, quarterly heavy trash services will be provided under the new contract.

The contract price negotiated with Hotchkiss is \$14.25 per month, which will include twice-weekly garbage collection service on Mondays and Thursdays, and once per quarter heavy trash collection. The District will notify you of heavy trash collection dates on your water bills.

To avoid the need to collect sales taxes on the garbage charge, the additional fee will be built into the base sewer charge, so your January bill will reflect the \$14.25 increase in the sewer rate. The Board feels that this represents a significant savings to the residents over the individual contracts with the various haulers who have been operating in the District. It is important to understand that all residents of the District will be required to pay for garbage collection service through your monthly water and sewer bills. To make this work, you cannot "opt out" or decline the service, or your water bill will be considered delinquent.

Please take steps to cancel your service with your current garbage collection contractor effective January 1, 2009. We expect a smooth transition in the garbage collection. The billing increase will be on the January water bill from the District. Please contact any member of the Board or Hotchkiss (281-427-6666) with any questions.

Respectfully,

Kathleen Witkowski  
Paul Batenhorst  
Eleanor Provins  
Shelia Crianza  
Kathleen Nuss

Board of Directors  
Lake Municipal Utility District