

Hillwood drops opposition to Westlake water service bid

By Mile Moffeit
Star-Telegram staff writer

Another legal battle between Ross Perot Jr.'s Hillwood Development Corp. and Westlake appears to have been extinguished after Hillwood attorneys withdrew their opposition to the town's bid for a state license to furnish water service in its domain.

Still in limbo is an "interlocal" agreement between the two camps that would further spell out Westlake's control of water and sewer facilities and how much the town would reimburse Hillwood for future development costs on the Hillwood-owned Circle T Ranch.

Yesterday, Westlake leaders praised Hillwood's move, which ended a festering three- year dispute involving the Texas Natural Resource Conservation Commission.

"This is one small step," Westlake Mayor Scott Bradley said. "It shows the town's determination."

Mike Berry, president of Hillwood Properties, a division of Hillwood Development, said that dropping the appeal marks a milestone in relations between the sides.

"Basically, we have handed over everything the town needs toward establishing a service plan for all lands within the town, including the Circle T Ranch," Berry said. "This satisfies a core piece of the interlocal agreement."

For seven years, Hillwood and the town have grappled at the state level about who would provide utility service on the Circle T Ranch, which covers more than 60 percent of the town and is being primed for a massive golf course and commercial development. A commission hearing was set for Monday to air each side's case, but it was canceled after Hillwood attorneys sent letters to an administrative law judge dropping their protests.

The town still wants more, especially Hillwood's contractual pledge to dissolve its three utility districts and to clearly designate Westlake as the exclusive provider of water service.

Hillwood, in turn, wants assurances that the town will reimburse it for millions of dollars in expenses incurred on behalf of several utility district water projects.

The parties appeared to be close to resolving most of the issues in mid-December when the Westlake Board of Aldermen signed a tentative agreement with Hillwood designating the town the exclusive provider of utility service and indemnifying Westlake against "past obligations."

However, over the holidays Hillwood officials let the deal expire, citing concerns about the indemnification language and the lack of a finance plan that would funnel future town revenues toward building waterlines and roads on the ranch.

"The quintessential issue remains: Who's going to pay for infrastructure and what is the reimbursement mechanism going to be," said Town Manager Trent Petty. "We're trying to come up with a methodology."

The sides have returned to the negotiating table during the past few weeks. Berry called the meetings productive.

"I'd like to see something done in the first quarter," he said.