



*Regional. Reliable. Everyday.*

September 15, 2023

Mr. David Naylor  
Board President  
RCH Water Supply Corporation  
P.O. Box 2318  
Rockwall, Texas 75087

Re: Request to become a direct customer of North Texas Municipal Water District (NTMWD)

Dear Mr. Naylor:

NTMWD is in receipt of RCH Water Supply Corporation's (RCH's) request to become a direct customer of NTMWD dated August 21, 2023. Additionally, NTMWD is aware that there is support for RCH's request while at the same time a neighboring municipal utility may oppose the request.

We appreciate your providing NTMWD access to the Water Utility Asset Purchase Agreement with Aqua Texas and the Amended and Restated Operation and Maintenance Services Agreement with Aqua Texas' affiliate, Aqua Operations, Inc. We understand the Purchase Agreement is subject to further approvals from RCH's membership and then the Public Utility Commission. It appears from these agreements that RCH's Board of Directors anticipates and is planning for Aqua Texas to take over RCH's CCN and system at some point in 2024, if RCH receives these approvals. If so, NTMWD needs clarification and additional information about whether the request by RCH is intended to be inclusive of supplying water to Aqua Texas and if RCH intends for Aqua Texas to join in any agreement. To the extent that you can share with us the nature of any dispute or opposition to the proposed transfer, that will be important to our consideration of RCH's request.

Please be advised that NTMWD customer contracts cannot be assigned or transferred to a different entity without the prior written consent of NTMWD. Additionally, the type of information NTMWD requires when considering water service requests can vary depending on the entity who would be the ultimate customer and its unique needs. Receiving clarification on these questions is material to NTMWD considering RCH's request for direct water service.

Should you have questions, do not hesitate to contact me at (972) 442 -5405.

Sincerely,

JENNAFER P. COVINGTON  
Executive Director

cc: Billy George, NTMWD  
R.J. Muraski, NTMWD