



PO Box 2318
Rockwall, TX 75087

October 4, 2023

Jennafer Covington, PE
Executive Director and General Manager
North Texas Municipal Water District
Administration Building
P.O. Box 2408
Wylie, TX 75098

Re: RCH Water Supply Corporation – Updates

Dear Ms. Covington:

On behalf of RCH Water Supply Corporation ("RCH"), I wanted to provide an update on several matters resulting from RCH's October Board Meeting that was held yesterday:

1. Termination of Agreements with Aqua Texas, Inc. RCH's Board of Directors has terminated the Asset Purchase Agreement and the Amended and Restated Operation and Maintenance Services Agreement with Aqua Texas, Inc. ("Aqua"). Once the termination agreement is formally signed, Aqua will continue to operate RCH's system for another 60 days following the formal date of termination. Thereafter all operations will continue under RCH.
2. Hiring of RCH General Manager. The RCH Board of Directors also authorized me to hire a general manager and any necessary support staff to come in and operate the RCH system when Aqua's operation period ends. RCH anticipates hiring the general manager in the next few weeks.

RCH believes both steps will benefit RCH's members and will be critical in ensuring water security for this region for the future. We appreciate your continued cooperation.

Please let me know if you have any questions.

Sincerely,

A handwritten signature in blue ink, appearing to read "DNaylor", is written over a circular blue stamp or watermark.

David Naylor
RCH Board President

cc: RJ Muraski
Billy George