

RCH WATER SUPPLY CORPORATION

www.rchwater.com

Meeting Location: The Chapel at Tate Farms, 12992 FM 548, Rockwall, TX 75032

Meeting Time: 4:00 p.m.

Board Members Present: David Naylor, Warren Hodges, Jackie Pullen, Steve Hatfield, Lowell English

Others Present for All/Portion of the Meeting: Kyle Weldon, Attorney at Law; Tyler Hendrickson, Velvin-Weeks; Troy Hill, Aqua Texas; Nicholas Whitley and Deanna Degeyter, NW Natural; Devan Pharis, A&V Water

David Naylor called the RCH Water Supply meeting to order.

Minutes of the June 7, 2023 Regular Board Meeting were reviewed. Upon motion by Jackie Pullen, second by Steve Hatfield the minutes were accepted as presented.

Minutes of the June 22, 2023 Special Board Meeting were reviewed. Upon motion by Warren Hodges, second by Jackie Pullen the minutes were accepted as presented.

Public Comments were made by members of RCH Water Supply Corporation.

Board President Naylor then provided comments, updating the membership on the status of billing, water restrictions and discussed the request for proposal process and rationale. Given the RCH territory is inside and outside the city limits of McLendon-Chisholm, it is the Board's desire to find a solution that benefits all members.

The Board expressed appreciation for the members' conservation efforts to remain below the contract limits of its purchase agreement with Rockwall. A new watering schedule was presented. Upon motion by Warren Hodges, second by Jackie Pullen, the Board adopted this schedule. Usage above the contract limits will trigger another alert and potential jump to Stage 4 Water Restrictions.

The Board then heard presentations from Troy Hill of Aqua Texas, Devan Pharis of A&V Water, and Nicholas Whitley and Deanna Degeyter of NW Natural regarding their qualifications and proposals to acquire the RCH system. Members were permitted to ask questions of each presenter.

Kyle Weldon then provided an overview of the RFP process and emphasized that the decisions made today would be to select a proposal to begin negotiations with the selected party. The asset transfer agreement would be subject to a vote of the membership.

Tyler Hendrickson provided the Board with his independent analysis of the proposals and recommended Aqua Texas as the preferred party.

Members were then allowed to ask questions regarding the proposals and the analysis.

Upon motion by Steve Hatfield, seconded by Jackie Pullen, the Board unanimously adopted the recommendation of the independent analysis and selected Aqua Texas.

Upon motion by Steve Hatfield, seconded by Lowell English, the Board authorized the Board President and Legal Counsel to negotiate and execute an agreement for the sale of assets and operations with Aqua Texas.

There was no executive session.

Upon motion by Warren Hodges, seconded by Jackie Pullen, the meeting was adjourned at 5:47 p.m.