

RCH WATER SUPPLY CORPORATION

PO Box 2034, 5763 SH 205 South, Rockwall, Texas 75032 (972) 722-3203
www.rchwater.com

NOTICE OF MEETING

Notice is hereby given that the RCH Water Supply Corporation will meet on January 4, 2023, at 2:00 PM at 5763 SH 205 South, Rockwall, Texas 75032.

- I. Call to Order
- II. Public Comments (limited to 3 minutes)
- III. Reading of Minutes
- IV. Maintenance Updates
- V. Executive Session

RCH WSC will recess into Executive Session to discuss the following matters as authorized by Chapter 551 of the Texas Government Code:

- Discussion on MC Trilogy/Compensation for Release of CCN*
- Discussion of City of McLendon Chisholm Transfer Agreement*
- Discussion of relocation of water lines along Hwy 205 per TXDot*

- VII: Adjourn Executive Session
- VIII: Reconvene Public Meeting
- IX: Directors' s Report
- X: Adjourn

Agenda posted this the 29th day of December 2022.

RCH Water Supply Corporation will provide reasonable accommodations for persons attending meetings. Please contact the RCH WSC office at (972) 772-0120 no later than 48 hours prior to a meeting if you require special assistance.

RCH WATER SUPPLY CORPORATION

PO Box 2034, 5763 SH 205 South, Rockwall, Texas 75032 (972) 722-3203
www.rchwater.com

NOTICE OF MEETING

Notice is hereby given that the RCH Water Supply Corporation will meet on February 1, 2023, at 2:00 PM at 5763 SH 205 South, Rockwall, Texas 75032.

- I. Call to Order
- II. Public Comments (limited to 3 minutes)
- III. Reading of Minutes
- IV. Maintenance Updates
- V. Annual Meeting Discussion
- VI. Executive Session

RCH WSC will recess into Executive Session to discuss the following matters as authorized by Chapter 551 of the Texas Government Code:

Discussion of City of McLendon Chisholm Transfer Agreement

Discussion of relocation of water lines along Hwy 205 per TXDot

- VII: Adjourn Executive Session
- VIII: Reconvene Public Meeting
- IX: Directors' s Report
- X: Adjourn

Agenda posted this the 27th day of January 2022.

RCH Water Supply Corporation will provide reasonable accommodations for persons attending meetings. Please contact the RCH WSC office at (972) 722-0120 no later than 48 hours prior to a meeting if you require special assistance.

Dear RCH Water Customers,

The summer of 2022 proved to be a challenging time for our customers and for RCH as well. Through the process of navigating all the requirements placed upon a utility from regulatory agencies and the commitment we have to our customers, **the RCH Board of Directors has conducted or participated in town meetings and Board meetings to discuss the future of the RCH Water Supply Corporation.** While we are proud of the accomplishments and progress that RCH has made over the years, RCH still has many more improvements that are necessary.

RCH Water Supply Corporation was incorporated in 1961 to provide rural customers with water service that would not otherwise be provided because of the distance between our customers. RCH has grown through fiscal conservatism to a point where it is now providing suburban level service through a system that was intended for rural customers. **The needs of our customers may simply have outgrown RCH and a new provider may be necessary.**

To that end, RCH has looked at options of merging the RCH system with the City of McClendon-Chisholm. The discussions have been fruitful, but the **merger is not yet finalized.**

However, in order to finalize any plan, **RCH will conduct an election of our members on the question of whether to dissolve and convey all RCH Water Supply Corporation assets, customers, and property to the City of McClendon-Chisholm. If the election approves of the asset transfer, RCH can proceed with the transfer of customers to the City of McClendon-Chisholm.**

This will no doubt raise valid and reasonable questions. We are currently working on providing a Frequently Asked Question publication on our website (www.rchwater.com) which we hope will answer all your questions. Please be patient as we proceed through this process. More information will be coming your way.

Sincerely,

RCH Water Supply Board of Directors

Jack Pullen – President
Warren Hodges – Vice President
Steve Hatfield – Secretary
Gary Lovell – Director
Lowell English – Director

RCH Water Supply

Committed to Providing Clean, Safe Water
for All Our Customers

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BALLOT ENCLOSED

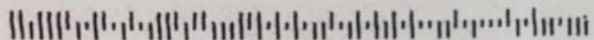
11554
JASON & ADRIENNE BALKUM
[REDACTED]
ROCKWALL TX 75032

 DirectVote®

22

BJEDIP1

75032



RCH Water Supply

Committed to Providing Clean, Safe Water
for All Our Customers

11554
JASON & ADRIENNE BALKUM

Voting Instructions

- Mark your selection by filling in the box next to the candidate of your choice.
- Do not mail or return to RCH Water Supply office.
- Detach ballot and place in the enclosed return envelope. Mail to Survey & Ballot Systems, 7653 Anagram Drive, Eden Prairie, MN 55344. Ballots must be received no later than March 27, 2023.
- No other information can be contained in this envelope
- Please allow sufficient time for delivery.

PLEASE DETACH BEFORE RETURNING BALLOT

MARKING INSTRUCTIONS
EXAMPLE ■

11554

RCH Water Supply 2023 Board of Directors Election

I hereby cast one (1) vote for the following member for election to the Board of Directors of the RCH Board of Directors.

Candidacy statements can be viewed online at RCHWATER.COM

Vote for one (1)

- Steve Hatfield
- Laurie A. Lehmborg
- David Naylor

BALLOT MUST HAVE YOUR COMPLETE NAME, ADDRESS, WATER ACCOUNT NUMBER AND SIGNATURE TO BE VALID.

Full Name: _____

Property Address: _____

Water Account Number: _____

Signature: _____ Date: _____

My signature above affirms that I have been informed of the purpose of the upcoming meeting which is to elect one (1) member to the Board of Directors and I am the owner of the property. I understand that the annual meeting will be held on March 29, 2023 at 2:00PM at 5763 SH 205 South, Suite 101, Rockwall, Texas 75032.

11554

DirectVote

Ballot must be received no later than March 27, 2023. Ballots tabulated by Survey & Ballot Systems.

2023

RCH Board of Directors 2023 Election
Candidate Qualifications and Personal Statements

STEVE HATFIELD

Qualifications:

RCH WSC Board Member 2016 – Present
McLendon Chisholm City Council Member 2002-2016
McLendon Chisholm Volunteer Fire Department 1995-2010
Owner of Hatfield Acoustics and Drywall 1977-2015
Associates of Applied Science - Richland

Personal Statement:

I have a thorough understanding of the present operations of RCH WSC and the future goals it is working to achieve. My Goals have always been to serve all of the customers of RCH WSC not just a few. As a community and neighbors, we must work together to ensure safe and adequate drinking water for all of RCH WSC customers. I have been very involved in serving the citizens of RCH and McLendon Chisholm since 1985 and I hope to continue this service with the help of your vote.

LAURIE A. LEHMBERG

Qualifications:

A dedicated and forward-thinking environmental, safety, health, and sustainability leader with extensive corporate and regulatory experience and progressive responsibility in developing and executing strategy, reducing risk, integrating innovative solutions, and solving problems.

Bachelor of Science degree in Aquatic Biology with second major in Psychology working more than 30 years in an engineering intensive environment.

Personal Statement:

I have been an RCH member for less than 1 year but clearly see opportunity for improvement in leadership, transparency, and accountability. I bring more than 30 years' experience in environmental, safety and health (ESH) management (including water management) with large semiconductor manufacturing companies and would be happy to share my experience in benefit of the RCH members and bring some 21st century experience to the RCH Board...water is too important to allow the status quo to continue.

DAVID NAYLOR

Qualifications:

Board of Directors for ACES Power Marketing 2017-Present
Exec VP of Rayburn Electric Cooperative 2011-2017
President and CEO of Rayburn Electric Cooperative 2017-Present
BS in Electrical Engineering

Personal Statement:

I've lived in this area for 12 years and seen it grow and expand. I'm CEO at an electric cooperative, which is also member owned, and provides wholesale electricity for over 200,000 members. I understand the challenges faced due to growth and necessary infrastructure. Transparency is critical. Unfortunately, RCH has lost focus and forgotten that it is there to serve its members. I believe my experience would benefit RCH and the members.

passage, and it is accordingly so resolved.

SECTION 4. The City Council hereby approves the acquisition by McLendon-Chisholm of the RCH water system and customers, and authorizes the City Administrator to: (i) execute and file with the PUC a Sale, Transfer or Merger Application relating to the acquisition and transfer of the RCH water system and customers to McLendon-Chisholm; and (ii) take all other actions and execute all other documents necessary or requested to complete the acquisition and transfer of the RCH water system and customers to McLendon-Chisholm including, but not limited to, an Interim Management Agreement and Water System Asset Transfer Agreement with RCH and any other petition which may be filed as authorized by Chapter 13 of the Texas Water Code.

DULY PASSED by the City Council of the City of McLendon-Chisholm, Texas, on the 24th day of May 2023.

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- Return Receipt (hardcopy) \$
 Return Receipt (electronic) \$
 Certified Mail Restricted Delivery \$
 Adult Signature Required \$
 Adult Signature Restricted Delivery \$

Postage \$ 2.00

Total Postage and Fees \$ 9.50

Steve Hatfield, Director
 RCH Water Supply Corporation
 1081 S. Hwy. 205
 Rockwall, TX 75032

PS Form 3800, April 2015 PSN 7530-02-000-9047 See Reverse for Instructions



7020 1610 0002 2252 6141

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- Extra Services & Fees (check box, add fee as appropriate)
- Return Receipt (hardcopy) \$
 Return Receipt (electronic) \$
 Certified Mail Restricted Delivery \$
 Adult Signature Required \$
 Adult Signature Restricted Delivery \$

Postage \$ 2.00

Total Postage and Fees \$ 9.50

Warren Hodges, Director
 RCH Water Supply Corporation
 [Redacted]
 Rockwall, TX 75032

PS Form 3800, April 2015 PSN 7530-02-000-9047 See Reverse for Instructions



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- Return Receipt (hardcopy) \$
 Return Receipt (electronic) \$
 Certified Mail Restricted Delivery \$
 Adult Signature Required \$
 Adult Signature Restricted Delivery \$

Postage \$ 9.90

Total Postage and Fees \$

Jackie Pullen, Secretary/Treasurer
 RCH Water Supply Corporation
 [Redacted]
 Rockwall, TX 75032

PS Form 3800, April 2015 PSN 7530-02-000-9047 See Reverse for Instructions



SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

Steve Hatfield, Director
RCH Water Supply Corporation
1081 S. Hwy. 205
Rockwall, TX 75032



9590 9402 6307 0274 6390 81

2. Article Number (Transfer from service label)

7020 1810 0002 2252 8589

PS Form 3811, July 2020 PSN 7530-02-000-9053

COMPLETE THIS SECTION ON DELIVERY

A. Signature

X

 Agent Addressee

B. Received by (Printed Name)

C. Date of Delivery

D. Is delivery address different from item 1? Yes
If YES, enter delivery address below: No

3. Service Type

- | | |
|--|---|
| <input type="checkbox"/> Adult Signature | <input type="checkbox"/> Priority Mail Express® |
| <input type="checkbox"/> Adult Signature Restricted Delivery | <input type="checkbox"/> Registered Mail™ |
| <input type="checkbox"/> Certified Mail® | <input type="checkbox"/> Registered Mail Restricted Delivery |
| <input type="checkbox"/> Certified Mail Restricted Delivery | <input type="checkbox"/> Signature Confirmation™ |
| <input type="checkbox"/> Collect on Delivery | <input type="checkbox"/> Signature Confirmation Restricted Delivery |
| <input type="checkbox"/> Collect on Delivery Restricted Delivery | |
| <input type="checkbox"/> Insured Mail | |
| <input type="checkbox"/> Insured Mail Restricted Delivery (over \$500) | |

Domestic Return Receipt

SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

Jackie Pullen, Secretary/Treasurer
RCH Water Supply Corporation
 [Redacted]
Rockwall, TX 75032



9590 9402 6610 1028 7634 04

2. Article Number (Transfer from service label)

7020 0090 0000 6961 4244

PS Form 3811, July 2020 PSN 7530-02-000-9053

COMPLETE THIS SECTION ON DELIVERY

A. Signature

X

 Agent Addressee

B. Received by (Printed Name)

C. Date of Delivery

D. Is delivery address different from item 1? Yes
If YES, enter delivery address below: No

3. Service Type

- | | |
|--|---|
| <input type="checkbox"/> Adult Signature | <input type="checkbox"/> Priority Mail Express® |
| <input type="checkbox"/> Adult Signature Restricted Delivery | <input type="checkbox"/> Registered Mail™ |
| <input type="checkbox"/> Certified Mail® | <input type="checkbox"/> Registered Mail Restricted Delivery |
| <input type="checkbox"/> Certified Mail Restricted Delivery | <input type="checkbox"/> Signature Confirmation™ |
| <input type="checkbox"/> Collect on Delivery | <input type="checkbox"/> Signature Confirmation Restricted Delivery |
| <input type="checkbox"/> Collect on Delivery Restricted Delivery | |
| <input type="checkbox"/> Insured Mail | |
| <input type="checkbox"/> Insured Mail Restricted Delivery (over \$500) | |

Domestic Return Receipt

Ryan Kelly admits trying to teach his young golden doodle Dolly to walk on leash and heel is a challenge, but they are making good progress on the generous sidewalks at Harry Myers Park. That is until an adorable cousin of Dolly's, another, much shorter, poodle named Princess walked by Penny Daus and Kumar Hireworth, grabs her attention.

AROUND THE AREA

McLendon-Chisholm issues water service notice

SPECIAL TO THE HERALD-BANNER

The City of McLendon-Chisholm has issued a statement from Mayor Pro Tem Adrienne Balkum concerning water service within the city limits.

The city desires the right to provide water service to the city limits and extraterritorial jurisdiction of McLendon-Chisholm, Balkum said. McLendon-Chisholm is complying with the provisions of Chapter 13 of the Texas Water Code, as applicable, and the corresponding Texas Public Utility Commission (PUC) regulations.

Balkum added that RCH Water Supply Corporation no longer has any administrative employee, officer or agent to carry out its day-to-day operations and business affairs, including, but not limited to: repair and maintenance of its system, water meter reading, or water billing, and this has negatively impacted its ability to provide water service to the area and customers served by RCH.

McLendon-Chisholm will be able to accomplish a public purpose and is in the best interest of McLendon-Chisholm, its citizens and RCH customers to provide

continuous and adequate service to consumers, Balkum said.

She added that the plan is to make immediate operational management improvements to the pumping station, provide a meter reader solution and implement billing administration with quality customer service.

In addition to accounting services the council will consider combining the water, wastewater and waste management services on a single billing statement, the mayor pro tem said.

The city will work with our engineers to address infrastructure improvements and work towards becoming a direct customer with North Texas Municipal Water District, Balkum concluded.

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revimenasche@yahoo.com

ANGLICAN

**First Baptist Church -
Rockwall**

(972) 771-8459
610 Goliad St., Rockwall

Lake Pointe Church

(469) 698-2200
701 E. Interstate 30, Rockwall

New Caldonia Baptist

**Church Cedar
Christian**

(972) 771-7337
Rr. 3, Rockwall

First Christian

(972) 771-5526
3375 Ridge Rd., Roc

CHURCH OF CHRIS

From: Smith, Mary <MSmith@rockwall.com>
Sent: Monday, June 12, 2023 1:35 PM
To: Adrienne Balkum <council4@mclendon-chisholm.com>
Subject: RE: RCH Invoices/Payments for April and May 2023

Late last week David Naylor reached out and asked for a copy of the April invoice so he could get it paid. Friday morning we emailed both the April invoice (your amounts below are correct) along with the May invoice which was \$110,205.88 for 26,749,000 gallons. He replied back that he would get them both paid.

We won't bill June until the first week or so of July.

Thanks
Mary

From: Adrienne Balkum <council4@mclendon-chisholm.com>
Sent: Saturday, June 10, 2023 7:56 AM
To: Smith, Mary <MSmith@rockwall.com>
Subject: RCH Invoices/Payments for April and May 2023

Good morning Mary,

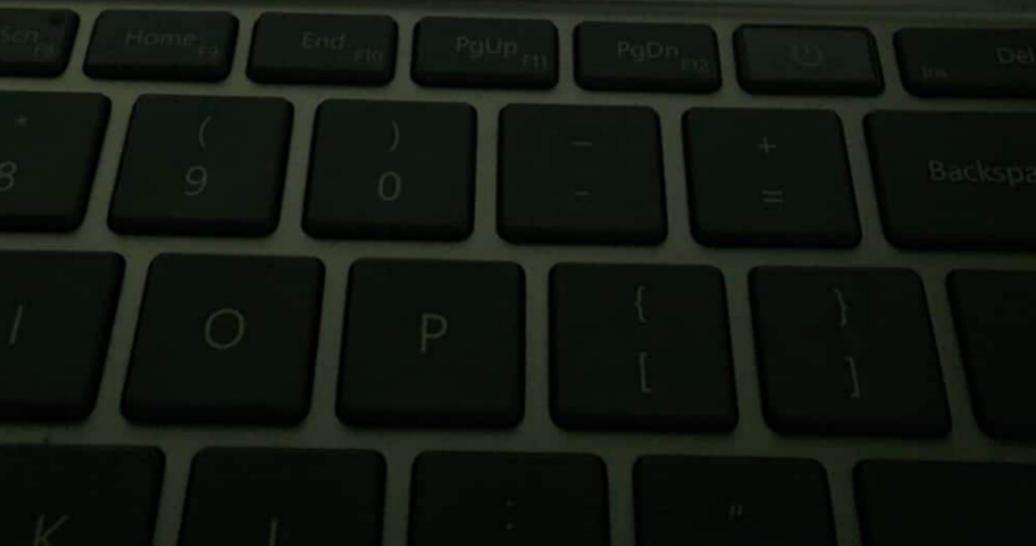
Has the April 2023 been paid by RCH WSC (26,160,000 gallons | \$107,779.20)? Also, has there been other invoice(s) sent to RCH WSC for May/June 2023? If so, what are they and have they been paid?

Sincerely,

Adrienne Balkum
Mayor Pro Tem
1271 West FM 550

RE: RCH Invoices/Payment... CC Notes for June 1... X Re: RCH Invoices/Pay... X

System tray area showing icons for network, volume, and date/time: 4:19 PM 6/14/2023





COPY

Delivered Via Certified Mail

July 13, 2023

Board Director Steve Hatfield
RCH Water Supply Corporation
1081 S. State Highway 205
Rockwall, Texas 75032

RE: Notice of Intent to Provide Service to the Incorporated and Annexed Areas of the City of McLendon-Chisholm

To the Board of Directors of RCH Water Supply Corporation:

Pursuant to Texas Water Code § 13.255, the City of McLendon-Chisholm ("City") hereby provides notice to RCH Water Supply Corporation ("RCH") of its intent to provide water service to the areas certificated to RCH that are located within the incorporated and annexed areas of the City. The City requests that RCH enter into an agreement with the City to allow the City to acquire all of the service area of RCH.

Attached to this letter is the draft agreement that was provided to Jackie Pullen Board President for the transfer of all of RCH's water system and customers to the City on September 28, 2022.

At the October 5, 2022 RCH WSC Board Meeting the board motion passed for the transfer agreement from the City of McLendon-Chisholm was reviewed to forward this agreement to attorney for review on proceeding.

A letter enclosed in the March 2023 Billing Statement to customers with the following excerpts:

"The summer of 2022 proved to be a challenging time for our customers and for RCH as well. Through the process of navigating all the requirements placed upon a utility from regulatory agencies and the commitment we have to our customers, the RCH Board of Directors has conducted or participated in town meeting and Board meetings to discuss the future of the RCH Water Supply Corporation. While we are proud of the accomplishments and progress that RCH has made over the years, RCH still has many more improvements that are necessary.

...ment that RCH needs to be with the City. We don't need a separate water system
the City at this point in time."

At the April 5, 2023 meeting the board passed to allow the City of McLendon-Chisholm to inspect the RCH WSC system. Also, the board approved for the RCH WSC attorney to proceed working on information for customers and ballots for review on a potential transfer to the City of McLendon-Chisholm.

The City of McLendon-Chisholm did not receive an update, revisions/amendments of the agreement or was able to review the RCH Water Supply system. In addition to that, RCH WSC did not present to the customer members a ballot measure at the March 29, 2023 meeting.

If an agreement has not been executed within 180 days of after the municipality, in writing, notifies the retail public utility of its intent to provide service to the incorporated or annexed area, and if the municipality desires and intends to provide retail utility services to the area, the municipality, prior to providing service to the area, shall file an application with the utility commission to grant single certification to the municipally owned water or sewer utility or to a franchised utility. If an application for single certification is filed, the utility commission shall fix a time and place for a hearing and give notice of the hearing to the municipality and franchised utility, if any, and notice of the application and hearing to the retail public utility, as provided by the Texas Water Code § 13.255.

The City of McLendon-Chisholm with a motion to forward this notice was passed on Tuesday, July 11, 2023.

Sincerely,



Mayor Keith Short
City of McLendon-Chisholm

RCH Response to the City of McLendon Chisholm's PUCT Extension Request

December 15, 2023

Dear RCH Members,

I would like to provide an important update regarding the ongoing proceedings related to the City of McLendon Chisholm's application for a Certificate of Convenience and Necessity (CCN). Recently, the City of McLendon Chisholm requested and was granted an extension to address deficiencies in their application. The new filing deadline is January 16th, 2024. Below is a summary of RCH's response. The full document can be found at:

https://interchange.puc.texas.gov/Documents/55623_23_1352838.PDF

In a letter addressed to the Honorable Susan E. Goodson, Administrative Law Judge at the Public Utility Commission of Texas (PUCT), RCH Water Supply Corporation's legal counsel articulated several concerns about the City's application. The letter highlighted that the City's application had faced persistent deficiencies and legal shortcomings from its initial filing. Despite multiple opportunities to rectify these issues, the City's filings continue to fall short of the legal requirements to proceed with their application.

Key concerns outlined by RCH include:

Failure to Meet Legal Requirements: RCH contends that the City of McLendon Chisholm filed its application prematurely and did not adhere to the mandated 180-day waiting period after issuing its Notice of Intent in July 2023. Furthermore, substantial changes to the requested areas in the application raise questions about the validity of the original notice.

Lack of Infrastructure Details: The City's application lacks essential information about its ability to provide a reliable water source and operate a water system. This absence of details on a source of water, treatment facilities, storage tanks, and other necessary infrastructure is a significant concern.

Inadequate Water Supply: The City's application fails to demonstrate how it will secure an adequate and lawful water supply. This is a crucial requirement under Texas law and regulations.

Despite the City's request for an extension and modifications to its application, RCH maintains that the deficiencies in the application render it untenable. RCH has expressed concern that allowing the application to proceed in its current state would lead to errors and appeals, resulting in unnecessary expenses. **This undue financial burden affects all RCH members and has a doubled impact on RCH members who are residents of McLendon Chisholm.**

As a result, RCH Water Supply Corporation respectfully urges the Public Utility Commission of Texas to dismiss the City of McLendon Chisholm's application.

RCH will continue to monitor the City's application and work to maintain its members' best interests. Your support is greatly appreciated as we work diligently to ensure our community receives quality water services.

Sincerely,

David Naylor

RCH Board President