

## **CHAMPIONS MUD STATE OF THE DISTRICT 2026**

Because of the many changes in and around our community, the Champions Municipal Utility District (District) Board of Directors (Board) would like to issue its annual state of the District.

**Waterline Replacement Project and Direct Surface Water Connection.** At the end of 2024, the District had completed the replacement of 50+ year old water lines, valves and fire hydrants in Champions West, North, Northwest, South, and East subdivisions as well as Champions Forest Drive and eliminated some dead-end lines and established a direct connection from the North Harris County Regional Water Authority (NHCRWA) facilities to the District's water plant on Champions Forest Drive. The NHCRWA direct connection allows the District to receive water directly from the NHCRWA instead of through the plants and facilities of a neighboring water district. This cuts out the "middle-man" to increase reliability for the District receiving surface water. The NHCRWA direct connection has provided the District with more consistency in the quality of surface water it receives, making it easier to treat on a day-to-day basis, and the rehabilitated water lines and removal of some dead-ends have provided more efficient flow of treated water. In the first full year these improvements were in service, the District received significantly fewer water quality complaints. The District's operator received fewer than 10 water quality complaints in the last 12 months when the District had typically seen 20-30 water quality complaints in previous years.

**Resiliency and Self-Sufficiency.** While 2025 did not have the storms of 2024 or droughts of 2022 or 2023, the Board remained focused on maintaining the District's self-sufficiency. In furtherance of this objective, the District is currently designing and constructing improvements to its reclaimed water plant to enable the District to seamlessly transfer between potable water and reclaimed water for irrigating Champions Drive and Champions Forest Drive. If reclaimed water is not available for some reason, the potable water system will activate to ensure that Champions Drive and Champions Forrest Drive are irrigated and no plants die due to lack of irrigation.

**Capital Improvement Plan.** The District's 2015 Bond Election was originally anticipated to cover District capital projects for a portion of the 20-year period from 2016 through 2035. Unfortunately, especially since COVID-19, construction pricing skyrocketed with certain material costs more than doubling. Additionally, the District participated in projects that were not previously considered during the bond election, including the rehabilitation of Champions Drive and construction of a reclaimed water system, which utilized some of the District's bonding capacity and cash reserves. Such projects either became necessary or a higher priority and were implemented and funded over non-necessary, lower priority projects. As a result, the District does not have enough voter approved bond authority to accomplish all of the projects it had planned for in 2015, such as some of the sanitary sewer rehabilitation. The District, with the assistance and expertise from its engineer, has updated its capital improvement plan, consulted with its Financial Advisor on financing options for the capital projects in the coming years, and intends to use revenue bonds and cash reserves to finance capital projects for the next 10 years.

**Base Rate Increase and Financing Plan.** In order to make annual payments on proposed revenue bonds and to maintain a cash reserve for future capital projects, the District needs to increase the sewer base rates for all customers. In determining the need to increase rates, the Board conducted a six-month rate review study with an outside consultant. As part of the review for revenue options, it was noted that the District did not have a tax rate for almost 20 years before 2016, and since 2016, the District has maintained the maximum residential homestead tax-exemption as allowed by law. Additionally, the District has not increased the water or sewer base rates since 2008 or the tax rate since 2016. Starting in 2026, residential customers will see a \$20.00 per month increase in the sewer base rate while commercial customers will see a \$90.00 per month increase in the rate. This increase will be used to pay for revenue bonds that the District intends to issue in 2026 to finance its capital improvement plan for the next 3-5 years. Additionally, the District intends to build a reserve to finance future capital projects out of cash flow to save the District millions of dollars on bond issuance costs and interest on bonds. The Board will review its base rates and cash position at the end of each calendar year to determine if any adjustments to its rates are necessary to maintain this financing plan. The Board's goal is to provide future Boards with a clear plan and funds to finance District improvements.

**Partnerships with the Golf Club and HOAs.** The District has partnered with Champions Golf Club, Champions Community Improvement Association, and other Homeowners Associations in the District on several projects including maintenance of the sound barrier wall on FM 1960, assistance with private water and sewer lines, provision of reclaimed water to Champions Golf Club, and esplanade landscaping and paradise valley trail maintenance. The District is grateful for its partners' collaboration and commitment to working together to improve the Champions area for its residents. The Board looks forward to continuing to work cooperatively with local partners to enhance the quality of life of residents in the District.

**Smart Water Meter Program.** With the rising cost of water, the Board has implemented a smart meter program which should not only improve water accountability but will also allow every customer to track and receive alerts regarding water usage and leaks which are useful with today's significantly higher-cost water, primarily due to the fees from the NHCRWA. Remember to register for Eye-On Water to track your water usage daily and set up alerts for potential water leaks through the District's website with instructional videos on how to set-up your account, get leak alerts, and see your usage history: [Champions MUD - Eye On Water <https://championswater.com/sign-up-for-eye-on-water>](https://championswater.com/sign-up-for-eye-on-water)

**Emergency Alert System.** The District has created a FREE Emergency Alert System, which provides instant notifications with important details, explanations, and instructions about natural disasters or other emergencies. The District may also use this system to announce area construction projects and special events. Residents can sign up for this system on the Champions MUD website – <https://championswater.com/alerts>. Also, go to our website ([www.ChampionsWater.com](http://www.ChampionsWater.com)) to see the Water Authority newsletter, find out more about your water meter and download the smart meter app, sign up for emergency water alerts, and see what's going on Next Door!

**...and so, what else is going on?** The Board is continuing the long process of inspection and repairs to our aging systems as well as remaining on the lookout for new opportunities, such as the recently completed reclaimed water system. Please feel free to reach out to the District or its Board Members through the District website. The current Board Members and Officers of the District are:

Scott B. Chenoweth	President
Bob Pryor	Vice President
Jeff Kanaly	Vice President
Jim Pugliese	Secretary
Mike Harrison	Assistant Secretary

The Board welcomes its newest director, Mike Harrison, who filled the open position on the Board previously held by Tom Hargrove. The Board would like to thank Tom Hargrove for his time serving on the Board as a director and will miss the guidance and experience he brought.

The District maintains the landscaping on Champions Drive and the Champions Forest Drive esplanades from Bermuda Dunes to Strack Road by providing irrigation and replacing dead trees, flowers or grass. The Board would like to thank Barbara Schlattman for assisting the Board in coordinating with the District's landscapers for maintenance of the public areas within the District.