Legacy Water Supply Corporation
Special Meeting
MINUTES
November 11, 2025
at 1:00 p.m. CST
401 East Sonterra Blvd., Suite 375,
San Antonio, TX 78258

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1. **Call to Order and Roll Call**:
    a. David Earl called the meeting to order at 1:14 p.m. CST.
    b. Directors Present: Kathleen "Kandy" Walker, Melissa Johnson, and Raul Leal attended virtually.
    c. Others Present: David Earl with Earl & Associates, P.C., General Counsel for the Corporation; Tom Sage with Hunton Andrews Kurth LLP, Bond Counsel for the Corporation; Chris Arthur with W.W. Escondido, LP; and Gene Lindgren.
2. **Determine Quorum**: A quorum was present.
3. **Public Comments**: There were no public comments.
4. **Public Hearing(s)**: None.
5. **Consent:** The following item(s) may be acted upon in a single motion. No separate discussion or action on any of these item(s) will be held unless pulled at the request of a member of the Board:
    a. Consider approval of the Minutes of the following Legacy Water Supply Corporation Meeting(s):
        i. October 21, 2025.
            1. *Kathleen "Kandy" Walker made a motion to approve the October 21, 2025, Legacy Water Supply Corporation Meeting Minutes. Raul Leal seconded the motion. The motion was unanimously approved and carried.*
6. **Action/Discussion Items:**
    a. Consider and take possible action on approval and authorization for execution of an agreement between the Corporation and Raul Leal Incorporated ("Leal") for the provision of legal services in the areas of Energy and Oil & Gas Law as well as other matters as requested by the Board, and approval of Leal's Application for

Associate Class Membership in the Corporation as further ratification of Leal's existing Associate Membership which predated the revision of the Corporation's Bylaws;

i. General Counsel provided background on Agenda Item 5(a). Melissa Johnson made a motion to approve Agenda Item 5(a). Kathleen "Kandy" Walker seconded the motion. Raul Leal abstained from the vote on Agenda Item 5(a). The motion was approved and carried.

b. Receive status updates on construction and permitting activities related to the Corporation's Interim and Permanent Water Supply Project from Project Control;

i. Project Control provided an update on Agenda Item 5(b). Project Control provided that Ella has received notice to proceed and will be mobilizing next week; the boring contractor will begin the week of the 24th; there is an upcoming TxDOT meeting; easement coordination with hunters and other lessees is underway; preliminary pricing for yard piping has been received and sent back out for additional bids; and held discussion on timeline to bring power to the Corporation's facilities. No further action was required by the Board.

c. Receive status updates on pursuit of state and federal grants and other funding for Regional Wholesale Water Project from General Counsel, Gene Lindgren, and Bond Counsel;

i. Gene Lindgren and General Counsel provided detailed background on Agenda Item 5(c) and discussed various state and federal funding options the Corporation is currently pursuing. Agenda Item 5(c) was discussed further with General Counsel and Bond Counsel during executive session. No further action was required by the Board.

d. Receive status update on NewGen rate study and analysis from Project Control;

i. Project Control provided a brief update on Agenda Item 5(d) and provided that an updated water-use forecast has been provided to NewGen with completion of the study near finalization. No further action was required by the Board.

e. Consider and take possible action on Resolution setting Initial Wholesale Water Rate(s) for the sale of: (*i*) raw water, (*ii*) fracking water, and (*iii*) wholesale potable water; subject to revision(s) by the Board after treatment processes have been fully approved by TCEQ, and cost estimates for infrastructure and treatment process based on such approval(s) are finalized;

i. General Counsel provided background on Agenda Item 5(e). Melissa Johnson then made a motion to approve the Resolution setting Initial

Wholesale Water Rate(s), being $100.00/1,000 gal for raw water; $0.50/barrel for fracking water; and $2.00/ 1,000 gal for wholesale raw water delivered for treatment. Kathleen "Kandy" Walker seconded the motion. The motion was unanimously approved and carried.

f. Consider and take possible action on establishing terms for draft standard groundwater lease agreements between Corporation and third-party owners of groundwater rights;

   i. *Bond Counsel is currently working on drafts of Agenda Items 5(f) through 5(h). Kathleen "Kandy" Walker then made a motion to table Agenda Items 5(f) through 5(h) until a later meeting date. Melissa Johnson seconded the motion. The motion was unanimously approved and carried.*

g. Consider and take possible action on establishing terms for draft standard wholesale raw water supply agreements between Corporation and raw water customers;

   i. *Bond Counsel is currently working on drafts of Agenda Items 5(f) through 5(h). Kathleen "Kandy" Walker then made a motion to table Agenda Items 5(f) through 5(h) until a later meeting date. Melissa Johnson seconded the motion. The motion was unanimously approved and carried.*

h. Consider and take possible action on establishing terms for a draft standard wholesale treated water supply agreements between Corporation and wholesale treated water customers;

   i. *Bond Counsel is currently working on drafts of Agenda Items 5(f) through 5(h). Kathleen "Kandy" Walker then made a motion to table Agenda Items 5(f) through 5(h) until a later meeting date. Melissa Johnson seconded the motion. The motion was unanimously approved and carried.*

i. Consider and take possible action on approval and authorizing the execution of a Wholesale Raw Water Supply Agreement between the Corporation and WW Escondido, LP ("ESCON") for use in construction and dust suppression, and approval of ESCON's Application for Customer Class Membership in the Corporation;

   i. *General Counsel provided brief background on Agenda Item 5(i). Kathleen "Kandy" Walker made a motion to approve execution of a Wholesale Raw Water Supply Agreement between the Corporation and ESCON and to subsequently approve ESCON's Customer Class Membership Application. Melissa Johnson seconded the motion. The motion was unanimously approved and carried.*

j. Consider and take possible action on approving and authorizing the execution of a Wholesale Treated Water Supply Agreement between the Corporation and the

Legacy Municipal Management District ("LMMD") for the provision of Wholesale Potable Drinking Water for use exclusively within the boundaries of the LMMD for its provision of retail service to its current and or future customers, and approval of the LMMD's Application for Customer Class Membership in the Corporation as further ratification of the LMMD's existing Customer Membership which predated the revision of the Corporation's Bylaws;

i. *General Counsel provided background on Agenda Item 5(j). Kathleen "Kandy" Walker then made a motion to approve the execution of a Wholesale Treated Water Supply Agreement between the Corporation and the LMMD and to subsequently approve LMMD's Customer Class Membership Application. Raul Leal seconded the motion. Melissa Johnson abstained from voting on Agenda Item 5(j). The motion was approved and carried.*

k. Consider and take possible action on filling one or more of the currently vacant Board positions in compliance with the requirements and procedures set forth in the bylaws of the Corporation, including receiving and considering nominations and acting to appoint Members to the Board;

i. *General Counsel provided background on Agenda Item 5(k). Kathleen "Kandy" Walker then made a motion to nominate Chris Arthur to serve on the Board of Directors for the Corporation as an Authorized Representative of ESCON. Melissa Johnson seconded the motion. The motion was unanimously approved and carried.*

l. Consider and take possible action on approval of and authorization to execute a proposed Groundwater Lease Agreement between the Corporation and Walker Water, LLC ("Walker Water"), and approval of Walker Water's Application for Supplier Class Membership in the Corporation as further ratification of Walker Water's existing Supplier Membership which predated the revision of the Corporation's Bylaws;

1. Legacy Municipal Management District;
2. Webb County, Texas; and/or
3. City of Laredo, Texas;

i. *General Counsel provided background on Agenda Items 5(l) through 5(o). Kathleen "Kandy" Walker then made a motion to table Agenda Items 5(l) through 5(o) until a later meeting date. Chris Arthur seconded the motion. The motion was unanimously approved and carried.*

m. Consider and take possible action on approval of and authorization to execute a proposed Groundwater Lease Agreement between the Corporation and Kyley Water, LLC ("Kyley Water"), and approval of Kyley Water's Application for Supplier Class Membership in the Corporation;

i. *General Counsel provided background on Agenda Items 5(l) through 5(o). Kathleen "Kandy" Walker then made a motion to table Agenda Items 5(l) through 5(o) until a later meeting date. Chris Arthur seconded the motion. The motion was unanimously approved and carried.*

n. Consider and take possible action on membership applications received by the Corporation from the following applicants, subject to the provisions of the Bylaws of the Corporation:

    1. Webb County, Texas (Customer Class);
    2. City of Laredo, Texas (Customer Class);

    i. *General Counsel provided background on Agenda Items 5(l) through 5(o). Kathleen "Kandy" Walker then made a motion to table Agenda Items 5(l) through 5(o) until a later meeting date. Chris Arthur seconded the motion. The motion was unanimously approved and carried.*

o. Consider and take possible action on proposed Water Facilities and Easement Purchase Agreement between the Corporation and SE Legacy Development, LLC, for the Corporation to potentially purchase four (4) currently existing public water supply wells, pipelines, and related engineering, hydrology, and associated improvements for the Regional Water Project;

    i. *General Counsel provided background on Agenda Items 5(l) through 5(o). Kathleen "Kandy" Walker then made a motion to table Agenda Items 5(l) through 5(o) until a later meeting date. Chris Arthur seconded the motion. The motion was unanimously approved and carried.*

p. Discussion and consideration of any new business required to be brought before the Board in the immediate future and possible action directing placement of same on agenda of future meeting.

    i. *No action was required by the Board.*

q. Consider and take possible action in consideration of next meeting date.

    i. *After discussion, Melissa Johnson proposed a future Special Board meeting on December 9, 2025, at 1:00 p.m. CST, at 401 East Sonterra Blvd., Suite 375, San Antonio, Texas 78258. No further action was taken.*

7. **Executive Session:** No action shall be taken in Executive Session. A closed Executive Session may be held if the discussion of any of the above agenda items concerns any one of the following:

    a. Seeking the advice of General Counsel concerning pending or contemplated litigation, settlement offers, or any matter in which the duty of General Counsel to the Board of Directors of the Corporation under the Texas Disciplinary Rules of Professional Conduct of the State Bar of Texas clearly conflicts with the Texas Open Meetings Act (TEX. GOV'T CODE § 551.071);

b. Deliberating the purchase, exchange, lease, or value of real property if deliberation in an open meeting would have a detrimental effect on the position of the Corporation in negotiations with a third person (TEX. GOV'T CODE § 551.072);
c. Deliberating a negotiated contract for a prospective gift or donation to the Corporation if the deliberation in an open meeting would have a detrimental effect on the position of the Corporation in negotiations with a third person (TEX. GOV'T CODE § 551.073);
d. Deliberating the appointment, employment, evaluation, reassignment, duties, discipline, or dismissal of a public officer or employee; or to hear a complaint or charge against an employee or officer unless the officer or employee who is the subject of the deliberation or hearing requests a public hearing (TEX. GOV'T CODE § 551.074); or
e. Deliberating economic development negotiations or the offer of a financial or other incentive to a business prospect (TEX. GOV'T CODE § 551.087);
f. Reconvene in Open Session to consider and take possible action on any item discussed in Executive Session.

   i. *Melissa Johnson made a motion to convene into executive session at 2:13 p.m. CST; Kathleen "Kandy" Walker seconded the motion. The motion was unanimously approved and carried.*
   ii. *The Board met in Executive Session with General Counsel on matters permitted by Chapter 551 of the Texas Government Code; no decisions were made and no action was taken by the Board during Executive Session.*
   iii. *Melissa Johnson made a motion to re-convene into regular session at 3:08 p.m. CST; Raul Leal seconded the motion. The motion was unanimously approved and carried.*

8. **Adjourn.**

   i. *Kathleen "Kandy" Walker made a motion to adjourn the meeting. Raul Leal seconded the motion. The motion was unanimously approved and carried, and the meeting was adjourned at 3:09 p.m. CST.*

(SEAL)

Melissa Johnson

Secretary, Board of Directors