Legacy Water Supply Corporation
Special Meeting
MINUTES
August 13, 2025 at
1:00 p.m. CST
1826 North Loop 1604 West, Suite 260,
San Antonio, TX 78248

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1. **Call to Order and Roll Call**:
    a. David Earl called the meeting to order at 1:34 p.m. CST.

    b. Directors Present: Kathleen "Kandy" Walker and Melissa Johnson; Raul Leal attended the meeting virtually via Microsoft Teams.

    c. Others Present: Richard "Dick" McNary, Project Control; David Earl, Counsel for Legacy Water Supply Corporation; Jordan Furnans with LRE Water, LLC; and Hector Flores, public citizen.

2. **Determine Quorum**: A quorum was present.

3. **Public Comments**: A member of the public, Hector Flores, provided his name for the record.

4. **Public Hearing(s)**: None.

5. **Consent:** The following items 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. April 24, 2025;

            1. *Melissa Johnson made a motion to table consideration of the April 24, 2025, Meeting Minutes of the Legacy Water Supply Corporation until a later meeting date. Kathleen "Kandy" Walker seconded the motion. The motion was unanimously approved and carried.*

6. **Action/Discussion Items:**

    a. Briefing on the status of efforts by the Area Groundwater Utility Agency ("AGUA") to establish and obtain funding for a sustainable groundwater resource and economic development project in the Webb County area (the "Regional Project") pursuant to the interlocal agreement between the Corporation, the City of Laredo (the "City"), Webb County (the "County"), the Legacy Municipal Management District (the "District");

i. *Counsel for the Corporation, David Earl, held discussions and answered questions for the Board on Agenda Item 6(a), regarding the current status of AGUA's efforts in the Webb County area. No action was taken.*

b. Discussion of and possible action on an interlocal agreement between the Corporation, City, County, and District to jointly fund and participate in a water analysis and blending study related to the Regional Project to be carried out by the Corporation, for the benefit of the parties to the agreement;

i. *Counsel for the Corporation, David Earl, held discussions and answered questions for the Board on Agenda Item 6(b), regarding an interlocal agreement between the Corporation, City, County, and District to jointly participate in a water analysis and blending study.*

The Meeting was briefly suspended due to a broken quorum at 1:57 p.m. CST, to allow Director, Kathleen "Kandy" Walker, to receive an urgent phone call.

At 2:02 p.m. CST. Director, Kathleen "Kandy" Walker, returned, the quorum was reestablished, and the Meeting resumed.

ii. *After the Meeting resumed, Counsel for the Corporation, David Earl, continued discussions and answered questions for the Board on Agenda Item 6(b). Melissa Johnson then made a motion to table Agenda Item 6(b) until a later meeting date. Kathleen "Kandy" Walker seconded the motion. The motion was unanimously approved and carried.*

c. Briefing on status of Wholesale Water Treatment Contract with TSG Water Resources Texas, LLC, and such other matters incidental thereto;

i. *Counsel for the Corporation, David Earl, held discussions and answered questions for the Board on Agenda Item 6(c), regarding the status of Wholesale Water Treatment Contract with TSG Water Resources, Texas, LLC. Kathleen "Kandy" Walker then made a motion to approve Change Order No. 1 in relation to the Wholesale Water Treatment Contract with TSG Water Resources, Texas, LLC. Melissa Johnson seconded the motion. The motion was unanimously approved and carried.*

d. Briefing on status of the proposed Wastewater Treatment Contract with TSG Water Resources Texas, LLC, and such other matters incidental thereto;

i. *Counsel for the Corporation held discussions and answered questions for the Board on Agenda Item 6(d), regarding the status of the proposed*

Wastewater Treatment Contract with TSG Water Resources, Texas, LLC.

e. Briefing on status of Wholesale Water Rate Study being conducted by NewGen Strategies & Solutions under its contract with the Corporation, and matters related thereto;

   i. *Counsel for the Corporation, David Earl, held discussions and answered questions for the Board on Agenda Item 6(e), regarding the status of the Wholesale Water Rate Study by NewGen Strategies & Solutions under its contract with the Corporation. No action was taken.*

f. Consideration, discussion, and possible action on a proposed groundwater lease agreement between the Corporation and Walker Water, LLC, with consent of surface estate holder(s);

   i. *Counsel for the Corporation, David Earl, held discussions and answered questions for the Board on Agenda Item(s) 6(f) and 6(g), regarding the proposed groundwater lease agreement between the Corporation and Walker Water, LLC. Melissa Johnson then made a motion to table Agenda Item(s) 6(f) and 6(g) until a later meeting date. Kathleen "Kandy" Walker seconded the motion. The motion was unanimously approved and carried.*

g. Consideration, discussion, and possible action on a proposed groundwater lease agreement between the Corporation and Kyley Water, LLC, with consent of surface estate holder(s);

   i. *Counsel for the Corporation, David Earl, held discussions and answered questions for the Board on Agenda Item(s) 6(f) and 6(g), regarding the proposed groundwater lease agreement between the Corporation and Kyley Water, LLC. Melissa Johnson then made a motion to table Agenda Item(s) 6(f) and 6(g) until a later meeting date. Kathleen "Kandy" Walker seconded the motion. The motion was unanimously approved and carried.*

h. Consideration, discussion, and possible action on a proposed water facilities and easement purchase agreement between the Corporation and SE Legacy Development, LLC, in relation to the Project;

   i. *Counsel for the Corporation, David Earl, held discussions and answered questions for the Board on Agenda Item 6(h), regarding a proposed water facilities and easement purchase agreement between the Corporation and SE Legacy Development, LLC. Melissa Johnson then made a motion to table Agenda Item 6(h) until a later meeting date. Raul Leal seconded the motion. The motion was unanimously approved and carried.*

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

i. Counsel for the Corporation provided background on the above item. Melissa Johnson then made a motion to table Agenda Item(s) 6(i) and 6(j) until a later meeting date. Kathleen "Kandy" Walker seconded the motion. The motion was unanimously approved and carried.

j. Consider and take possible action on filling the currently vacant Board positions in compliance with the requirements and procedures set forth in the bylaws of the Corporation, including considering and acting to appoint directors;

i. Counsel for the Corporation provided background on the above item. Melissa Johnson then made a motion to table Agenda Item(s) 6(i) and 6(j) until a later meeting date. Kathleen "Kandy" Walker seconded the motion. The motion was unanimously approved and carried.

k. Consider and take possible action regarding future meeting dates.

i. Melissa Johnson made a motion to propose a future Special Board meeting on August 25, 2025, at 11:00 a.m. CST, at 1826 North Loop 1604 West, Suite 260, San Antonio, Texas 78248. Kathleen "Kandy" Walker seconded the motion. The motion was unanimously approved and carried.

Melissa Johnson made a motion to adjourn into Executive Session at 2:28 p.m. CST regarding Agenda Item(s) 6(i) and 6(j). Raul Leal seconded the motion. The motion was unanimously approved and carried.

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);

   i. *The Board reconvened into open session out of executive session regarding Agenda Item(s) 6(i) and 6(j) at 2:57 p.m. CST. No action was taken during executive session.*

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 2:58 p.m. CST.*

(SEAL)

Secretary, Board of Directors