Legacy Water Supply Corporation
Special Meeting
MINUTES
September 23, 2025
at 1:00 p.m. CST
1826 North Loop 1604 West, Suite 260,
San Antonio, TX 78248

---

1. **Call to Order and Roll Call**:
   a. David Earl called the meeting to order at 1:21 p.m. CST.

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

   c. Others Present: David Earl, General Counsel for Legacy Water Supply Corporation; Byrne James; Gene Lindgren; and Dick McNary, Project Control.

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. April 24, 2025; and
      ii. September 9, 2025.

         1. *Kathleen "Kandy" Walker made a motion to approve the April 24, 2025, and September 9, 2025, Legacy Water Supply Corporation Meeting Minutes. Melissa Johnson seconded the motion. The motion was unanimously approved and carried.*

6. **Action/Discussion Items:**

Due to time constraints of the Board Members and Gene Lindgren, General Counsel requested to address Agenda Item 5(c) first in order.

Due to time constraints of the Board Members and Gene Lindgren, General Counsel requested *to address Agenda Item 5(e) second in order.*

Due to time constraints of the Board Members and Gene Lindgren, General Counsel requested to address Agenda Item 5(f) second in order.

Melissa Johnson made a motion to address Agenda Item 5(c) and 5(e) out of order. Kathleen "Kandy" Walker seconded the motion. The motion was unanimously approved and carried.

Melissa Johnson then made a motion to address Agenda Item 5(f) out of order. Kathleen "Kandy" Walker seconded the motion. The motion was unanimously approved and carried.

a. Consider and act on certification of existing membership roster and ratification of memberships accepted prior to approval and implementation of amendment of bylaws of the Corporation;

   i. *General Counsel for the Corporation provided background on Agenda Item 5(a) and clarified the existing members(s) of the Legacy Water Supply Corporation to be: Legacy Municipal Management District, Walker Water, LLC, and Raul Leal. Melissa Johnson made a motion to approve Agenda Item 5(a) as clarified by General Counsel. Raul Leal seconded the motion. The amended motion was unanimously approved and carried.*

b. Receive status updates on construction and activities related to Regional Water Project and its customers from Project Control;

   i. *Dick McNary with Project Control provided background on Agenda Item 5(b). No further action was required by the Board.*

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

   i. *Counsel for the Corporation and Gene Lindgren provided detailed background on Agenda Item 5(c). No further action was required by the Board.*

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

   i. *Dick McNary with Project Control provided background on Agenda Item 5(d). No further action was required by the Board.*

e. Consider and take possible action on agreement with Hance Scarborough, LLP, for the provision of legal services related to state and federal grant and loan applications and legal representation on state and federal administrative and legislative issues as directed by the Board;

i. *Counsel for the Corporation provided background on Agenda Item 5(e). Melissa Johnson then made a motion to approve Agenda Item 5(e) with a condition that General Counsel clarify the $5,000 monthly retainer be allocated towards monthly hourly fees rather than being applied separately. Kathleen "Kandy" Walker seconded the motion. The motion was unanimously approved and carried.*

f. Consider and take possible action on agreement with legislative Solutions for the provision of legal services related to state and federal grant and loan application and legal representation on state and federal administrative and legislative issues as directed by the Board;

   i. *Counsel for the Corporation provided background on Agenda Item 5(f). Melissa Johnson then made a motion to approve Agenda Item 5(f). Kathleen "Kandy" Walker seconded the motion. The motion was unanimously approved and carried.*

g. Consider and take possible action on an interlocal agreement between the Corporation, City of Laredo, Texas, Webb County, Texas, and Legacy Municipal Management 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 provided background on Agenda Item 5(g). Raul Leal made a motion to approve Agenda Item 5(g) subject to additional review and approval by Raul Leal. Kathleen "Kandy" Walker seconded the motion. The motion was unanimously approved and carried.*

At 2:00 p.m., Director, Raul Leal, had to leave the Board Meeting to attend a prior engagement. A quorum was still present as Directors Melissa Johnson and Kathleen "Kandy" Walker remained at the Meeting.

h. Consider and take possible action on an interlocal agreement between the Corporation, City of Laredo, Texas, Webb County, Texas, and Legacy Municipal Management District for jointly funding and participating in the Regional Project;

   i. *Counsel for the Corporation provided background on Agenda Item(s) 5(h) through 5(o) and suggested the Board meet in Executive Session on Agenda Item(s) 5(h) through 5(p). Melissa Johnson then made a motion to convene into Executive Session on Agenda Item(s) 5(h) through 5(o). Kathleen "Kandy" Walker seconded the motion. The motion was unanimously approved and carried and the Board convened to Executive Session at 2:02 p.m.*

i. Consider and take possible action on establishing terms for standard groundwater lease agreements;

i. *Counsel for the Corporation provided background on Agenda Item(s) 5(h) through 5(o) and suggested the Board meet in Executive Session on Agenda Item(s) 5(h) through 5(p). Melissa Johnson then made a motion to convene into Executive Session on Agenda Item(s) 5(h) through 5(o). Kathleen "Kandy" Walker seconded the motion. The motion was unanimously approved and carried and the Board convened to Executive Session at 2:02 p.m.*

j. Consider and take possible action on establishing terms for standard wholesale water supply agreements;

i. *Counsel for the Corporation provided background on Agenda Item(s) 5(h) through 5(o) and suggested the Board meet in Executive Session on Agenda Item(s) 5(h) through 5(p). Melissa Johnson then made a motion to convene into Executive Session on Agenda Item(s) 5(h) through 5(o). Kathleen "Kandy" Walker seconded the motion. The motion was unanimously approved and carried and the Board convened to Executive Session at 2:02 p.m.*

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 Directors.

i. *Counsel for the Corporation provided background on Agenda Item(s) 5(h) through 5(o) and suggested the Board meet in Executive Session on Agenda Item(s) 5(h) through 5(p). Melissa Johnson then made a motion to convene into Executive Session on Agenda Item(s) 5(h) through 5(o). Kathleen "Kandy" Walker seconded the motion. The motion was unanimously approved and carried and the Board convened to Executive Session at 2:02 p.m.*

l. Consider and take 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 provided background on Agenda Item(s) 5(h) through 5(o) and suggested the Board meet in Executive Session on Agenda Item(s) 5(h) through 5(p). Melissa Johnson then made a motion to convene into Executive Session on Agenda Item(s) 5(h) through 5(o). Kathleen "Kandy" Walker seconded the motion. The motion was unanimously approved and carried and the Board convened to Executive Session at 2:02 p.m.*

m. Consider and take 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 provided background on Agenda Item(s) 5(h) through 5(o) and suggested the Board meet in Executive Session on Agenda Item(s) 5(h) through 5(p). Melissa Johnson then made a motion to convene into Executive Session on Agenda Item(s) 5(h) through 5(o). Kathleen "Kandy" Walker seconded the motion. The motion was unanimously approved and carried and the Board convened to Executive Session at 2:02 p.m.*

n. Consider and take 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 provided background on Agenda Item(s) 5(h) through 5(o) and suggested the Board meet in Executive Session on Agenda Item(s) 5(h) through 5(p). Melissa Johnson then made a motion to convene into Executive Session on Agenda Item(s) 5(h) through 5(o). Kathleen "Kandy" Walker seconded the motion. The motion was unanimously approved and carried and the Board convened to Executive Session at 2:02 p.m.*

o. 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 Agenda Item(s) 5(h) through 5(o) and suggested the Board meet in Executive Session on Agenda Item(s) 5(h) through 5(p). Melissa Johnson then made a motion to convene into Executive Session on Agenda Item(s) 5(h) through 5(o). Kathleen "Kandy" Walker seconded the motion. The motion was unanimously approved and carried and the Board convened to Executive Session at 2:02 p.m.*

At 2:42 p.m., made a motion for the Board to reconvene into Open Session. Kathleen "Kandy" Walker seconded the motion. The motion was unanimously approved and carried.

Melissa Johnson then made a motion to table Agenda Items 5(h) through 5(o) until a later meeting date. Kathleen "Kandy" Walker 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 on a future agenda and possible action directing placement on the agenda of a future meeting;

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

q. Consider and act on next meeting date.

   i. *After discussion, Melissa Johnson made a motion propose a future Special Board meeting on October 14, 2025, at 1:00 p.m. CST, at 401 Ease Sonterra Blvd., Suite 375, San Antonio, Texas 78258. Kathleen "Kandy" Walker seconded the motion.*

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. *The Board met in Executive Session on Agenda Item(s) 5(h) through 5(o). No decisions were made and no action was taken by the Board during Executive Session.*

8. **Adjourn.**

i. *Kathleen "Kandy" Walker made a motion to adjourn the meeting. Melissa Johnson seconded the motion. The motion was unanimously approved and carried, and the meeting was adjourned at 2:45 p.m. CST.*

(SEAL)

Secretary, Board of Directors