<u>Legacy Water Supply Corporation</u>
Special Meeting
MINUTES
May 20, 2026 at
12:00 p.m. CST
1826 North Loop 1604 West, Ste. 125
San Antonio, Texas 78248

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1. **Call to Order and Roll Call**:

   a. Johnathan Earl called the meeting to order at 12:10 p.m. CST.

   b. Directors Present: Kathleen "Kandy" Walker, Melissa Johnson; Kyle Koonce; Raul Leal attended virtually; Chris Arthur joined virtually at 12:14 p.m. CST.

   c. Others Present: Johnathan L. Earl, David L. Earl, and Robert Byrne James IV with Earl & Associates, P.C., General Counsel for the Corporation; Jordan Wise, Developer's Representative; James P. Walker Jr.; Tom Sage and Justin Hicks with Hunton Andrews Kurth LLP, Bond Counsel for the Corporation; Erik Felthous with NewGen Strategies & Solutions, LLC.

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. Minutes of the Board of Directors for the Corporation Meeting held on April 30, 2026;

      i. Melissa Johnson made a motion to approve the April 30, 2026, Legacy Water Supply Corporation Meeting Minutes. Kyle Koonce seconded the motion. The motion was unanimously approved and carried.

6. **Action/Discussion Items:**

   a. Receive status updates on construction schedule and permitting activities related to the Corporation's Interim Water Treatment and Permanent Water Supply Project from Developer's Representative;

i. *Developer's Representative, Jordan Wise, provided updates on Agenda Item 5(a) and discussed development progress of the Corporation's Interim Water Treatment and Permanent Water Supply Project. No action was taken by the Board.*

b. 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. *General Counsel, Gene Lindgren, and Bond Counsel provided updates on Agenda Item 5(b) and discussed current funding pursuits. No action was taken by the Board.*

c. Receive status update on Corporation's efforts through Groundwater Management District ("GMA") 13 and report on Groundwater Availability Model ("GAM") simulation(s) and Desired Future Condition(s) ("DFC") by General Counsel for the Corporation and consider and take possible action in connection therewith;

i. *General Counsel for the Corporation provided background on Agenda Item 5(c) and discussed current legal action being taken through the Area Groundwater Utility Agency ("AGUA"). No action was taken by the Board.*

d. Receive updates and/or presentation of formal rate study for wholesale water being conducted by NewGen Strategies & Solutions;

i. *Erik Felthous with NewGen Strategies & Solutions provided a presentation of the formal rate study for wholesale water and answered questions presented by the Board. No action was taken by the Board on this item.*

e. Consider and take possible action on Resolution Adopting Formal Rate Study Report conducted by NewGen Strategies & Solutions and Adopting Wholesale Rates as provided therein; and such other related actions incidental thereto;

i. *Melissa Johnson made a motion to approve the Resolution Adopting Formal Rate Study Report conducted by NewGen Strategies & Solutions and Adopting Wholesale Rates as provided therein; and such other related actions incidental thereto. Raul Leal seconded the motion. The motion was unanimously approved and carried.*

f. Consider and take possible action approving execution of a Line of Credit Agreement between the Corporation and Huisache Land and Minerals, Ltd., for up to the amount of $5,000,000.00;

i. *General Counsel provided background on Agenda Item 5(f). Melissa*

Johnson made a motion to approve the execution of a Line of Credit Agreement between the Corporation and Huisache Land and Minerals, Ltd., for up to the amount of $5,000,000.00. Kathleen "Kandy" Walker seconded the motion. The motion was unanimously approved and carried.

g. Receive status update on contract negotiations with the City of Laredo, Texas, Webb County, Texas, and the Corporation pertaining to the Multi-Party Agreement and the Wholesale Water Purchase Agreement, and take possible action in connection therewith;

   i. *Melissa Johnson made a motion to table Agenda Item 5(g) through 5(i). Kathleen "Kandy" Walker seconded the motion. The motion was unanimously approved and carried.*

h. Consider and take possible action approving and authorizing execution of a Multi-Party Agreement between the Corporation and the Legacy Municipal Management District, Webb County, Texas, and the City of Laredo, Texas, Relating to the Corporation's Wholesale Water Supply Project;

   i. *Melissa Johnson made a motion to table Agenda Item 5(g) through 5(i). Kathleen "Kandy" Walker seconded the motion. The motion was unanimously approved and carried.*

i. Consider and take possible action approving and authorizing execution of a *Wholesale Water Supply and Services Agreement* between the Corporation and the Legacy Municipal Management District;

   i. *Melissa Johnson made a motion to table Agenda Item 5(g) through 5(i). Kathleen "Kandy" Walker seconded the motion. The motion was unanimously approved and carried.*

j. Consider and take possible action regarding tentative meeting dates for the Corporation;

   i. *Melissa Johnson proposed a future Special Board meeting on May 28, 2026, at 9:00 a.m. CST, at 1826 North Loop 1604 West, Suite 125, San Antonio, Texas 78248. Kathleen "Kandy" Walker seconded the motion. The motion was unanimously approved and carried.*

k. New Business/Future Agenda Items; and

   i. *The Board discussed items to be considered at a future Board meeting. No action was taken by the Board on this item.*

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);
    i. *Discussion regarding contractual obligations under Master Services Agreement with Spheros Environmental Parent Group, Inc.*
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 did not convene into Executive Session.*

8. **Reconvene in Open Session**

    i. *The Board did not convene into Executive Session.*

9. **Adjourn.**

    i. *Kathleen "Kandy" Walker made a motion to adjourn the meeting. Kyle Koonce seconded the motion. The motion was unanimously approved and carried, and the meeting was adjourned at 1:04 p.m. CST.*

[Signature and Corporate Seal Located on Following Page]

Approved on this the 28th day of May, 2026.

(SEAL)

Secretary, Board of Directors