

MINUTES OF THE REGULAR MEETING OF
PASEO DEL ESTE MUNICIPAL UTILITY DISTRICT NO. 1
Wednesday, May 28, 2025

STATE OF TEXAS §
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COUNTY OF EL PASO §

The Board of Directors of Paseo del Este Municipal Utility District No. 1 (the "District") held a regular meeting, open to the public, at the Marriott El Paso, 1600 Airway Boulevard, El Paso, Texas 79925, a meeting place of the Board of Directors of the District (the "Board"), and by video/telephone conference call at 11:30 a.m. MT on Wednesday, May 28, 2025, and the roll was called of the directors of the Board, to-wit:

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| Dan Roark | President |
| Sid Covington | Vice President |
| Ken Mills | Secretary |
| L. Gus Haddad | Assistant Secretary |
| Doug Borrett | Assistant Secretary |

and all of said persons were continuously present, thus constituting a quorum. Director Mills attended the meeting by video/telephone conference call.

Also present were Ronald J. Freeman, Geoffrey Kirshbaum and Casey Cooper of Terrill & Waldrop; Cyndi Ferris of Terrill & Waldrop (by video/telephone conference call); Margaret Livingston, General Manager; Erika Duran, Office Manager; Lexi Kolmodin of Municipal Accounts & Consulting, L.P.; Joel Guzman and Franklin Stubbs of Hunt Companies; and Frank Ortiz of TRE & Associates. Nadia Ganser of TRE & Associates entered the meeting during discussion of the Engineer's Report.

1. As its first item of business, the Board considered the April 23, 2025, Board meeting minutes. Upon a motion by Director Roark and a second by Director Borrett, the Board unanimously approved the minutes.

2. As its next item of business, the Board considered a Resolution Designating an Additional Meeting Place of the Board of Directors. Upon a motion by Director Haddad and a second by Director Covington, the Board unanimously approved designation of an additional meeting place at Hunt Companies, 601 N. Mesa, Suite 1900, El Paso, Texas 79901.

3. The Board then considered the following election matters:
- a. Consider and take action regarding new terms of office of Board of Directors and reorganization of Board of Directors; and
 - b. Consider and take action regarding Oaths of Office and Statements of Officers.

After discussion, upon a motion by Director Covington and a second by Director Haddad, the Board unanimously approved the new terms of office of the Board of Directors and agreed that Board member roles would remain as-is. Upon a motion by Director Roark and a second by Director Borrett, the Board unanimously approved Oaths of Office and Statements of Officer.

4. The Board next considered the General Manager's Report. Ms. Livingston reported on the following items:

- **District facility site.** Bids were solicited for the project and are due at the end of June 2025. Construction is projected to start August 1, 2025. Total costs are estimated to be between \$3,500,000 to \$4,000,000.
- **Pond maintenance.** Pond maintenance is ongoing as scheduled. Two laborers have been hired to help reduce costs.
- **Landscape Maintenance and Landscape Maintenance Acceptances.** Accent Landscape Contractors Inc. will continue to handle landscape maintenance in the foreseeable future. Hunt Companies ("Hunt") requested that the District take over the maintenance of seven parks. These projects will be presented to the Board for consideration at its next meeting.
- **Other matters.** Projects scheduled for the District's next fiscal year include a park pond, installation of a large dog park and rehabilitation of the park behind the current District office on Eastlake.
- **Trucks, Equipment and Materials Purchasing.** An experienced licensed and certified employee was hired and a truck was purchased for his use. A vehicle was also purchased for administrative use. Interviews are scheduled for another field employee, and an additional truck is needed for the laborers.
- **Other matters.** Ongoing issues with the Sector 6 lift station and pumps are being addressed. Programs for manhole and value inspections have been developed and are in progress. Backflow inspections are ongoing and TCEQ compliance issues are being followed.
- **Personnel.** Additional employees are needed, including an assistant district manager for field operations and a bookkeeper with experience in utility billing.

Ms. Duran then presented a report on the status of development in the District and the other 10 Paseo del Este MUDs. She noted that the District will restart efforts to collect for non-payments after a hiatus during the District's transition to in-house billing. No action was taken by the Board.

5. As its next item of business, the Board considered bills and invoices, investments and other financial management matters. Lexi Kolmodin presented the financial reports for the District along with bills and invoices. After discussion, upon a motion by Director Borrett and a second by Director Haddad, the Board unanimously approved (i) the payment of bills and invoices as listed in the report (Check Nos. 8662-8717), (ii) a wire to Rudolph Chevrolet in the amount of \$48,116.93 for a vehicle purchase, (iii) a transfer to the litigation escrow account in the amount of \$113,751.82 for March 2025, and (iv) a transfer to the litigation escrow account in the amount of \$77,577.90 for April 2025.

6. The Board then discussed the annual CPI rate increase for solid waste services. El Paso Disposal implemented a CPI rate increase effective July 1, 2025, pursuant to its contract with the District. Upon a motion by Director Covington and a second by Director Roark, the Board unanimously approved a 2.3% increase (\$0.50) in base service fees for 2025.

7. The Board next discussed amending the District rules, regulations and charges for services from the District, including retail water, wastewater and solid waste rates and fees. Ms. Kolmodin presented a preliminary rate analysis noting that additional input is needed from the District's rate analyst.

8. Under the Developer's Report, Mr. Stubbs noted that the Overlook Amenity Center is scheduled to open on May 31, 2025.

9. As its next item of business, the Board considered the Engineer's Report. Mr. Ortiz presented the following items for consideration:

Emerald Heights Unit Three

Grading Improvements

TRE No.: 1451-11860-35/1519-12487-35

- Pay Estimate No. 8 (Final) - \$208,009.78
- Acceptance of Utilities for Operation and Maintenance

Milestone at Mission Ridge

Grading, Drainage and Utility Improvements

TRE No.: 1502-12342-35

- Acceptance of Utilities for Operation and Maintenance

After discussion, upon a motion by Director Haddad and a second by Director Borrett, the Board unanimously approved the foregoing items.

10. The Board then considered a request for Interlocal Agreement with Horizon Regional MUD for well site. After discussion, upon a motion by Director Covington and a second by Director Borrett, the Board unanimously authorized District President Roark to execute the agreement.

11. The Board did not consider repair contracts for Mission Ridge Boulevard.

12. The Board next considered the transition of District responsibilities from Austin to El Paso. District President Roark clarified that the Board would alternate meeting locations between El Paso and Austin until the District building is completed and that the Board would meet in Austin for its next meeting.

13. The President announced through General Counsel that the Board would go into executive session for consultation with legal counsel regarding the following agenda items:

- a. Agenda Item 11 – Water line break along Mission Ridge Boulevard;
- b. Agenda Item 13 – Wholesale water and sewer charges to District from El Paso Water Utilities;
- c. Agenda Item 14 – Dispute with Inframark, LLC.; and
- d. Agenda Item 15 – Lawsuit filed by Daddy O's Car Wash.

The Board recessed into executive session at 12:47 p.m. MT. The Board concluded the executive session and returned to the open meeting at 1:43 p.m. MT. No action was taken by the Board in open session.

14. No public comments were received.

There being no further business to come before the Board, the meeting was adjourned.

Approved July 16, 2025.



Assistant Secretary, Board of Directors

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