

MINUTES OF THE REGULAR MEETING OF
PASEO DEL ESTE MUNICIPAL UTILITY DISTRICT NO. 1
Wednesday, August 27, 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 TRE & Associates, LLC, 6101 West Courtyard Drive, Building One, Suite 100, Austin, Texas 78730, a regular meeting place of the Board of Directors of the District (the "Board"), and by video/telephone conference call at 11:30 a.m. CT on Wednesday, August 27, 2025, and the roll was called of the directors of the Board, to-wit:

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 Covington attended the meeting by video/telephone conference call.

Also present were Geoffrey Kirshbaum and Ronald J. Freeman of Terrill & Waldrop; Cyndi Ferris of Terrill & Waldrop (by video/telephone conference call); Margaret Livingston, General Manager; Lexi Kolmodin of Municipal Accounts & Consulting, L.P.; Maria Urbina of Hilltop Securities Inc.; Bob West of West, Davis & Company, LLP (by video/telephone conference call); Shane Mercer of Hunt Companies (by video/telephone conference call); Adrian Rosas and Nadia Ganser of TRE & Associates; Frank Ortiz of TRE & Associates (by video/telephone conference call); and Lorena Quezada of El Paso Disposal LP (by video/telephone conference call). Erika Duran, Office Manager, and Franklin Stubbs of Hunt Companies entered the meeting during discussion of Agenda Item No. 2.

1. As its first item of business, the Board considered the August 13, 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 the General Manager's Report. Ms. Livingston reported on the following items:

- **District facility site.** The design plan is being updated due to items that are missing or that need to be adjusted. A complete list of additions and adjustments will be provided to the Board once completed. An IT camera will be bid separately and signage improvements will be made in the future. The contractor is worried about tariffs affecting the cost of steel.
- **Pond maintenance.** Pond maintenance is ongoing as scheduled.
- **Landscape Maintenance and Landscape Maintenance Acceptances.** Landscape maintenance is ongoing as scheduled.

- **Other Matters:**

- The District and the County of El Paso are working on a food truck lot due to traffic issues and vendors dumping grease into the District's wastewater system.
- Hunt Companies and TRE & Associates worked together to modify a ramp to be ADA compliant on the hike and bike trail in Paseo del Este MUD No. 4.

Ms. Duran presented a report on the status of development in the District and the other 10 Paseo del Este MUDs. No action was taken by the Board.

The Board then considered the following item:

- **Ratification of professional services agreement with Utility Engineering Group to manage construction of the District's building.**

After discussion, upon a motion by Director Mills and a second by Director Borrett, the Board unanimously approved the forgoing item.

3. The Board then considered bills and invoices, investments and other financial management matters. Lexi Kolmodin presented the financial reports for the District along with bills and invoices. The Board decided to discuss Check No. 9665 in executive session and return to the Bookkeeper's Report at the close of the executive session.

4. As its next item of business, the Board opened a public hearing for adoption of final tax rates for the 2025 tax year. No public comments were received. The public hearing was closed.

5. The Board then considered an Order Levying Taxes for the Tax Year 2025. After discussion, upon a motion by Director Haddad and a second by Director Mills, the Board unanimously approved an Order Levying Taxes for Tax Year 2025, thereby approving a final maintenance tax rate of \$0.3786 per \$100 of assessed valuation, a final debt service tax rate of \$0.0814 per \$100 of assessed valuation, and a final contract tax rate of \$0.29 per \$100 of assessed valuation, all in accordance with the Financial Advisor's recommendation.

6. The Board next considered the District's Budget for Fiscal Year End 2026. A few revisions were made since the Board's last meeting and consultants need more time to work on budget line items. Approved budgets for Paseo del Este MUD Nos. 2-11 will be reviewed for any additional adjustments that need to be made to the District's Fiscal Year End 2026 Budget before the Board's September meeting. No action was taken by the Board.

7. Shane Mercer gave an update under the Developer's Report. He summarized accessibility modifications made to approximately two miles of the hike and bike trail in Paseo del Este MUD No. 4, including ADA compliant ramps at ten intersections, new signage and marked crosswalks. No action was taken by the Board.

8. As its next item of business, the Board considered the Engineer's Report. Engineers are monitoring different stages of commercial construction as well as construction in Emerald Heights Unit Six. The Discount Tire site plan review should be complete before the Board's September meeting. No action was taken by the Board.

9. The Board then considered the water line break along Mission Ridge Boulevard. The original, repaired water line is being prepared as a last resort backup if the new water line becomes compromised. The original water line has been flushed. Two air relief valves have been ordered to be placed on two fire hydrants to release any air that gets trapped in the line. This will prevent the water line from being compromised due to trapped air. This matter will be discussed further in executive session.

10. The Board next considered the transition of District responsibilities from Austin to El Paso. The Board decided to continue alternating meetings between Austin and El Paso. No action was taken by the Board.

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

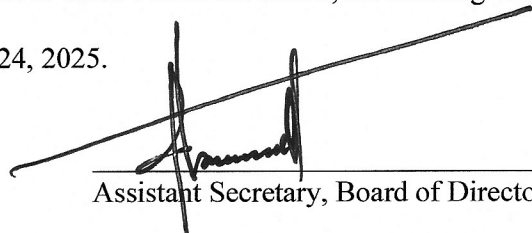
- a. Agenda Item 3 – Bookkeeper’s Report;
- b. Agenda Item 9 – Water line break along Mission Ridge Boulevard;
- c. Agenda Item 10 - Wholesale water and sewer charges to District from El Paso Water Utilities;
- d. Agenda Item 11 – Dispute with Inframark, LLC.; and
- e. Agenda Item 12 – Lawsuit filed by Daddy O’s Car Wash.

The Board recessed into executive session at 12:19 p.m. CT. The Board concluded the executive session and returned to the open meeting at 1:03 p.m. CT. The Board returned to Agenda Item 3 to consider the Bookkeeper’s Report. 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. 8843-8877 and Check No. 9665), and (ii) a transfer to the litigation escrow account in the amount of \$87,906.54.

12. No public comments were received.

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

Approved September 24, 2025.


Assistant Secretary, Board of Directors

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