

CERTIFICATE FOR RESOLUTION

THE STATE OF TEXAS

§

COUNTY OF EL PASO

§

§

I, the undersigned officer of the Board of Directors of Paseo del Este Municipal Utility District No. 1, El Paso County, Texas, hereby certify as follows:

1. The Board of Directors of Paseo del Este Municipal Utility District No. 1 convened at a regular meeting on the 22nd day of October 2025, at a regular meeting place of the District, and the roll was called of the duly constituted members of the Board, to wit:

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

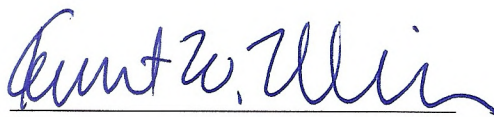
and all of said persons were present, thus constituting a quorum. Whereupon, among other business, the following was transacted at the meeting: a written

RESOLUTION APPROVING THE 2025-2026 FISCAL YEAR OPERATING BUDGET

was introduced for the consideration of the Board. It was then duly moved and seconded that the Resolution be adopted, and, after due discussion, the motion, carrying with it the adoption of the Resolution, prevailed and carried unanimously.

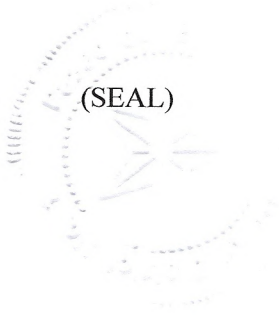
2. A true, full and correct copy of the aforesaid Resolution adopted at the meeting described in the above and foregoing paragraph is attached to and follows this certificate; the Resolution has been duly recorded in the Board's minutes of the meeting; the persons named in the above and foregoing paragraph are the duly chosen, qualified and acting members of the Board as indicated therein; each of the members of the Board was duly and sufficiently notified officially and personally, in advance, of the time, place and purpose of the aforesaid meeting, and that the Resolution would be introduced and considered for adoption at the meeting; and each of the members consented, in advance, to the holding of the meeting for such purpose; the meeting was open to the public as required by law; and public notice of the time, place and subject of the meeting was given as required by Chapter 551, Texas Government Code, as amended.

SIGNED AND SEALED the 22nd day of October 2025.



Secretary
Board of Directors

(SEAL)



**A RESOLUTION APPROVING THE 2025-2026 FISCAL YEAR OPERATING BUDGET
OF PASEO DEL ESTE MUNICIPAL UTILITY DISTRICT NO. 1**

WHEREAS, Paseo del Este Municipal Utility District No. 1 (the "District") is a conservation and reclamation district, a body corporate and politic and governmental agency of the State of Texas, created by the division of Paseo del Este Municipal Utility District and is governed by the provisions of Article XVI, Sec. 59 of the Texas Constitution; Acts 1997, Texas Legislature Chapter 443; and operates under Chapters 49 and 54 of the Texas Water Code, as amended;

WHEREAS, Title 30, Section 293.97(b), Texas Administrative Code, provides that an operating budget shall be passed and approved by a resolution of the governing board and shall be made a part of the governing board minutes; and

WHEREAS, the Board of Directors of the District desires to adopt a budget for the 2025-2026 fiscal year in an open, public meeting, proper notice of which has been given as required by law.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF PASEO DEL ESTE MUNICIPAL UTILITY DISTRICT NO. 1 THAT:

Section 1. The Board of Directors hereby approves that certain operating budget for the District's 2025-2026 fiscal year in the form attached hereto.

Section 2. A copy of this Resolution and the operating budget approved hereby shall be attached to the meeting minutes of the Board's October 22, 2025, meeting.

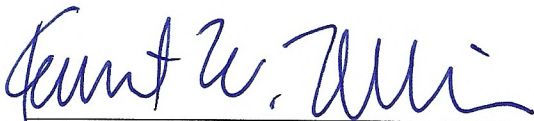
Section 3. The President and Secretary of the Board are hereby authorized and directed to execute this Resolution. After this Resolution is executed, an original Resolution shall be filed in the permanent records of the District.

PASSED AND APPROVED this 22nd day of October 2025.



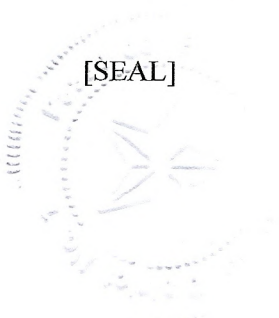
President, Board of Directors

ATTEST:



Secretary, Board of Directors

[SEAL]



Approved Budget

Paseo del Este MUD No. 1 - Fiscal Year ending 09/26

	Nine Month Actuals	Twelve Months Annualized	Approved	Approved Amended	Approved
	10/24 - 06/25	FYE 09/25	2025 Budget	2025 Budget	2026 Budget
Revenues					
14101 · Water - Customer Service Revenu	2,616,751	3,596,341	3,315,000	3,596,000	3,783,351
14104 · Basic Services - Water	3,741,947	4,989,263	4,640,000	4,980,000	5,218,769
14105 · Connection Fees	46,579	62,105	45,000	62,000	50,000
14108 · Transfer Fees	59,140	78,853	65,000	79,000	75,000
14109 · Meter Replacement Income	0	0	7,000	0	0
14110 · TCEQ Regulatory Rev-Water	18,060	27,660	16,000	27,500	28,000
14201 · Wastewater - Customer Service Revenu	1,110,804	1,481,072	1,260,000	1,480,000	1,562,531
14204 · Basic Services - Wastewater	3,763,145	5,017,527	4,660,000	5,000,000	5,248,333
14206 · TCEQ Regulatory Rev-Wastewater	18,060	27,660	16,000	27,500	28,000
14304 · M&O Property Tax- PAS1	2,856,292	2,856,292	2,817,232	2,856,292	3,624,253
14305 · M&O Property Tax Penalty- PAS1	1,251	1,251	350	1,251	500
14306 · Contract Tax Collections-Partic	6,803,435	6,803,435	6,598,307	6,598,307	7,172,050
14308 · Contract/Reserve Tax - PAS1	2,189,260	2,189,260	2,165,167	2,189,260	2,638,257
14309 · Contract Tax Penalty - PAS1	1,043	1,043	500	1,043	500
14502 · Inspection Fees	168,165	224,220	280,000	224,000	100,300
14701 · Administrative Advances	200,250	267,000	412,500	267,000	0
14702 · Penalties & Interest	266,962	355,949	225,000	355,000	300,000
14801 · Interest Earned on Checking	2,389	3,185	2,500	3,100	2,500
14802 · Interest Earned on Temp. Invest	431,001	574,668	450,000	574,000	500,000
14501 · Miscellaneous Income	14,564	14,564	0	14,500	10,000
Total Revenues	\$24,309,098	\$28,571,349	\$26,975,556	\$28,335,753	\$30,342,345
Expenditures					
16101 · Billing Service Fees - Water	71,777	95,703	100,000	95,700	100,000
16104 · Purchase Water- PSB	3,762,112	5,362,112	5,160,000	5,360,000	5,480,000
16105 · Maintenance (Svc Orders) - Water	334,743	446,324	1,000,000	446,000	550,000
16113 · Transfer Expense	4,569	4,569	36,000	4,600	0
16115 · Meter Purchase & Replacement	1,739,951	2,319,935	2,450,000	2,330,000	2,000,000
16116 · TCEQ Water System Fee	23,709	23,709	10,000	24,000	25,000
16117 · TCEQ Regulatory Expense - Water	0	25,000	16,000	25,000	28,000
16122 · Service Connection Fees - Water	49,515	49,515	550,000	50,000	0
16201 · Billing Service Fees-Wastewater	71,777	95,703	100,000	95,700	100,000
16204 · Purchase Sewer Service - PSB	3,330,290	4,830,290	2,915,000	4,830,000	5,750,000
16205 · Maint (Svc Orders) - Wastewater	69,302	92,403	900,000	100,000	125,000
16211 · Utilities - Lift Station	2,255	3,383	3,500	3,500	5,000
16214 · Telephone Expense - Lift Station	3,584	4,779	1,700	5,000	7,000
16218 · TCEQ Regulatory Expense - Wastewater	0	25,000	16,000	25,000	28,000
16221 · Manhole Inspections & Valve Testing	0	0	150,000	15,000	15,000
16222 · Service Conn Fees - Wastewater	49,515	49,515	550,000	50,000	0
16301 · Garbage Expense	1,927,771	2,596,771	2,327,000	2,600,000	2,800,000
16407 · Pond & Drainage Maintenance	217,100	289,467	850,000	300,000	300,000
16502 · Inspection Expense	116,475	155,300	280,000	156,000	50,000

Approved Budget

Paseo del Este MUD No. 1 - Fiscal Year ending 09/26

	Nine Month Actuals	Twelve Months Annualized	Approved	Approved Amended	Approved
	10/24 - 06/25	FYE 09/25	2025 Budget	2025 Budget	2026 Budget
16601 · Park Improvements	42,722	91,524	240,000	100,000	400,000
16602 · Landscape Maintenance	430,873	574,497	650,000	600,000	700,000
16603 · Landscape Improvements	108,508	144,677	225,000	160,000	250,000
16608 · Utilities - Park	3,452	5,178	6,000	5,500	7,500
16611 · Irrigation System Repairs	25,309	37,964	45,000	38,000	50,000
16612 · Landscape Replacement & Repairs	119,191	158,921	300,000	160,000	200,000
16702 · Office Rental	4,550	4,550	30,600	4,550	0
16703 · Legal Fees	588,561	784,748	600,000	800,000	1,100,000
16705 · Auditing Fees	46,000	46,000	30,000	46,000	40,000
16706 · Engineering Fees	129,778	173,037	240,000	175,000	175,000
16707 · Engineering Fees - Special/Capital Projects	118,239	157,652	120,000	160,000	160,000
16708 · Financial Advisor Fees	27,250	27,250	25,000	28,000	28,000
16710 · Website Expense	17,214	20,214	15,000	21,000	21,000
16712 · Bookkeeping Fees	246,667	332,278	180,000	333,000	375,000
16714 · Printing & Office Supplies	14,478	19,304	35,000	20,000	30,000
16715 · Filing Fees	256	341	800	500	500
16716 · Delivery Expense	8,341	11,121	8,000	12,000	12,000
16717 · Postage	939	1,252	12,000	1,500	25,000
16718 · Insurance & Surety Bond	17,566	17,566	6,000	20,000	23,000
16719 · Seminar Expense	540	560	3,000	720	3,000
16720 · Dues & Subscriptions	3,306	3,806	5,500	4,000	5,000
16721 · Meeting Expense	7,510	19,110	8,000	20,000	20,000
16722 · Bank Service Charge	11,497	15,329	0	16,000	16,200
16723 · Travel Expense	62,897	83,863	35,000	85,000	85,000
16724 · Publication Expense (SB 622)	2,480	2,480	2,000	2,500	2,500
16725 · Tax Assessor/Appraisal	74,893	104,893	65,000	105,000	115,000
16728 · Record Storage Fees	3,569	4,391	5,000	5,000	5,500
16729 · TCEQ Certification	0	15,000	15,000	15,000	15,000
16736 · Temporary Employees	16,243	16,243	0	16,243	42,000
16737 · Management & Operations	11,615	11,615	215,000	11,750	0
16738 · Rate Analysis Expense	0	0	6,000	0	10,000
16739 · Chief Operating Officer	52,428	52,428	300,000	53,000	0
16740 · Returned Check Fees	6,140	8,187	10,000	10,000	10,000
16741 · Delinquent Notices	11,293	15,057	110,000	16,000	20,000
16743 · PSB Wholesale Analysis	31,558	42,077	410,000	50,000	50,000
16745 · Engineering Fees-RMA Oversight	0	0	10,000	10,000	0
16746 · Annual Disclosure Fee	1,500	1,500	1,500	1,500	1,500
16747 · Lease Expenses	46,128	63,133	7,000	65,000	75,000
16748 · Special Projects	0	0	30,000	30,000	20,000
16749 · Meter Subscription Fees	39,595	58,792	16,000	60,000	75,000

Approved Budget

Paseo del Este MUD No. 1 - Fiscal Year ending 09/26

	Nine Month Actuals	Twelve Months Annualized	Approved	Approved Amended	Approved
	10/24 - 06/25	FYE 09/25	2025 Budget	2025 Budget	2026 Budget
16750 · Engineering Fees Drainage Management	13,667	18,223	100,000	20,000	20,000
16753 · DigTess/Message Fees Expense	1,525	2,033	3,000	3,000	3,000
16754 · Field Operations	0	0	114,000	114,000	0
16755 · Professional Develop & Training	21,404	28,539	0	30,000	25,000
16760 · District 2 Expense	96,463	128,617	128,595	128,595	136,235
16761 · District 3 Expense	96,943	129,257	139,445	139,445	136,350
16762 · District 4 Expense	79,673	106,231	114,145	114,145	113,595
16763 · District 5 Expense	100,686	134,248	128,420	126,670	136,950
16764 · District 6 Expense	89,134	118,845	126,670	126,670	124,450
16765 · District 7 Expense	86,316	115,088	125,095	125,095	130,395
16766 · District 8 Expense	90,781	121,041	134,945	134,945	131,750
16767 · District 9 Expense	92,318	123,091	132,095	132,095	124,790
16768 · District 10 Expense	124,160	165,547	164,050	164,050	172,200
16769 · District 11 Expense	102,956	137,275	135,750	135,750	137,400
17101 · Payroll Expenses	15,470	20,332	18,000	22,000	24,000
17102 · Payroll Administrative Fees	6,839	9,854	1,800	10,000	12,000
17103 · Payroll Tax Expense	69,038	103,596	1,200	105,000	125,000
17104 · Salary Expense	922,916	1,379,100	0	1,400,000	2,000,000
17105 · Employee Insurance	86,554	129,831	0	150,000	200,000
17106 · Retirement	28,947	48,697	0	60,000	100,000
17401 · Maint & Repairs - Facilities	34,607	46,143	0	50,000	100,000
17402 · Facility Supplies	143,400	191,200	0	200,000	360,000
17404 · Internet - Office	23,080	32,977	0	35,000	40,000
17405 · Electric - Office	1,529	2,294	0	2,500	3,000
17407 · Cleaning - Office	8,070	11,970	0	12,000	15,600
17406 · Telephone - Office	19,994	26,659	4,000	30,000	32,000
17409 · Utilities - Office	1,128	1,504	0	1,600	1,750
17410 · Other Office Expenses	41,284	47,084	0	50,000	75,000
17411 · District Signage	10,852	14,469	0	15,000	15,000
17802 · Miscellaneous Expense	12,055	16,073	43,000	20,000	25,000
Total Expenditures	\$16,529,320	\$23,005,832	\$23,051,810	\$23,434,823	\$26,051,165

Capital Outlay

17901 · Capital Outlay	19,998	19,998	0	25,000	25,000
17903 · Capital Outlay - Trucks	636,852	636,852	260,000	700,000	235,000
17904 · Capital Outlay - Equipment	54,067	54,067	50,000	60,000	700,000
17911 · Manhole Rehab Project	0	0	250,000	0	750,000
17912 · Sector 6 LS Rehab	37,190	49,587	600,000	60,000	100,000
17914 · Pressure Zone Revision	129,604	129,604	0	130,000	100,000
17915 · Leased Equipment	7,837	10,449	8,000	12,000	15,000
17916 · Valve Replacement	0	0	250,000	250,000	250,000

Approved Budget

Paseo del Este MUD No. 1 - Fiscal Year ending 09/26

	Nine Month Actuals	Twelve Months Annualized	Approved	Approved Amended	Approved
	10/24 - 06/25	FYE 09/25	2025 Budget	2025 Budget	2026 Budget
17920 · Capital Outlay-PDE Facility	162,889	187,889	250,000	200,000	500,000
Total Capital Outlay	\$1,048,437	\$1,088,446	\$1,668,000	\$1,437,000	\$2,675,000
Net Excess Revenues <Expenditures>	\$6,731,341	\$4,477,071	\$2,255,746	\$3,463,930	\$1,616,180

Assessed Value	976,813,892
M&O Tax Rate	0.3786
Contract Tax Rate M&O	0.2756
Contract Tax Rate DSF	0.0144
Debt Service Tax Rate	0.0814
Total Tax Rate	0.7500

2025 Developed Water District Voter-Approval Tax Rate Worksheet

Form 50-860

Water District Name	Paseo del Este Municipal Utility District No. 1	Phone (area code and number)	512-474-9100
Water District's Address, City, State, ZIP Code	c/o Terrill & Waldrop, 810 W. 10th Street, Austin, Texas 78701	Water District's Website Address	pdemud1.com

GENERAL INFORMATION: The Comptroller's office provides this worksheet to assist water districts in determining their voter-approval tax rate. The information provided in this worksheet is offered as technical assistance and not legal advice. Water districts should consult legal counsel for interpretations of law regarding tax rate preparation and adoption.

SECTION 1: Voter-Approval Tax Rate

The voter-approval tax rate for developed water districts is the current year's debt service, contract and unused increment tax rates plus the maintenance and operation (M&O) tax rate that would impose no more than 1.035 times the amount of M&O tax imposed by the water district in the preceding year on the average appraised value of a residence homestead in the water district. The average appraised value disregards any homestead exemption available only to people with disabilities or those age 65 or older.

The calculation process starts after the chief appraiser delivers to the taxing unit the certified appraisal roll or certified estimate of value and the estimated values of properties under protest. The designated officer or employee shall certify that the officer or employee has accurately calculated the tax rates and used values shown for the certified appraisal roll or certified estimate. The officer or employee submits the rates to the governing body by Aug. 7 or as soon thereafter as practicable.

If any part of the developed water district is located in an area declared a disaster area during the current tax year by the governor or by the president, the board of the district may calculate the voter-approval tax rate in the manner provided in Water Code Section 49.23601(a) and determine whether an election is required to approve the adopted tax rate in the manner provided in Water Code Section 49.23601(c). In such cases, the developed water district may use Comptroller Form 50-858 *Water District Voter-Approval Tax Rate Worksheet for Low Tax Rate and Developing Districts* to calculate its voter-approval tax rate.

Line	Worksheet	Amount/Rate
1.	Prior year average appraised value of residence homestead. ¹	\$ 299,061
2.	Prior year general exemptions available for the average homestead. Excluding age 65 or older or disabled persons exemptions. ²	\$ 0.00
3.	Prior year average taxable value of residence homestead. Line 1 minus Line 2.	\$ 299,061
4.	Prior year adopted M&O tax rate.	\$ 0.3586 /\$100
5.	Prior year M&O tax on average residence homestead. Multiply Line 3 by Line 4, divide by \$100.	\$ 1,072.43
6.	Highest M&O tax on average residence homestead with increase. Multiply Line 5 by 1.035. ³	\$ 1,109.97
7.	Current year average appraised value of residence homestead.	\$ 276,424
8.	Current year general exemptions available for the average homestead. Excluding age 65 or older or disabled persons exemptions. ⁴	\$ 0.00
9.	Current year average taxable value of residence homestead. Line 7 minus Line 8.	\$ 276,424
10.	Highest current year M&O tax rate. Line 6 divided by Line 9, multiply by \$100. ⁵	\$ 0.4015 /\$100
11.	Current year debt tax rate.	\$ 0.0814 /\$100
12.	Current year contract tax rate.	\$ 0.29 /\$100
13.	Year 3 Foregone Revenue Amount. Subtract the 2024 unused increment rate and 2024 actual tax rate from the 2024 voter-approval tax rate. Multiply the result by the 2024 current total value.	
	A. Voter-approval tax rate	\$ 0.7734 /\$100
	B. Unused increment rate	\$ 0.0164 /\$100
	C. Subtract B from A	\$ 0.7570 /\$100
	D. Adopted Tax Rate	\$ 0.7500 /\$100
	E. Subtract D from C	\$ 0.0070 /\$100
	F. 2024 Total Taxable Value	\$ 299,061
	G. Multiply E by F and divide the results by \$100	\$ 20.93

¹ Tex. Water Code § 49.236(a)(2)(C)

² Tex. Water Code § 49.236(a)(2)(D)

³ Tex. Water Code § 49.23602(a)(2)(A)

⁴ Tex. Water Code § 49.236(a)(2)(E)

⁵ Tex. Water Code § 49.236(a)(2)(F)

Line	Worksheet	Amount/Rate
14.	Year 2 Foregone Revenue Amount. Subtract the 2023 unused increment rate and 2023 actual tax rate from the 2023 voter-approval tax rate. Multiply the result by the 2023 current total value.	
	A. Voter-approval tax rate	\$ 0.7668 /\$100
	B. Unused increment rate	\$ 0.00 /\$100
	C. Subtract B from A	\$ 0.7668 /\$100
	D. Adopted Tax Rate	\$ 0.7500 /\$100
	E. Subtract D from C	\$ 0.0168 /\$100
	F. 2023 Total Taxable Value	\$ 288,908
	G. Multiply E by F and divide the results by \$100	\$ 48.54
15.	Year 1 Foregone Revenue Amount. Subtract the 2022 unused increment rate and 2022 actual tax rate from the 2022 voter-approval tax rate. Multiply the result by the 2022 current total value	
	A. Voter-approval tax rate	\$ _____ /\$100
	B. Unused increment rate	\$ _____ /\$100
	C. Subtract B from A	\$ _____ /\$100
	D. Adopted Tax Rate	\$ _____ /\$100
	E. Subtract D from C	\$ _____ /\$100
	F. 2022 Total Taxable Value	\$ _____
	G. Multiply E by F and divide the results by \$100	\$ 0.00
16.	Total Foregone Revenue Amount. Add Lines 13G, 14G and 15G.	\$ 69.47
17.	2025 Unused Increment Rate. Divide Line 16 by the current total value as defined in Tax Code Section 26.012(6). Multiply the result by 100. ⁶	\$ 0.0251 /\$100
18.	Total 2025 voter-approval tax rate, including the unused increment rate.	\$ 0.8649 /\$100

SECTION 2: Mandatory Tax Election Rate

The mandatory tax election rate is the highest total tax rate a developed water district may adopt without holding an election. The mandatory tax election rate is the rate that would impose 1.035 times the amount of tax imposed by the district in the preceding year on the average appraised value of a residence homestead in the water district plus the unused increment rate. The average appraised value disregards any homestead exemption available only to people with disabilities or those age 65 or older. ⁷

Line	Worksheet	Amount/Rate
19.	Prior year average taxable value of residence homestead. Enter the amount from Line 3.	\$ 299,061
20.	Prior year adopted total tax rate.	\$ 0.75 /\$100
21.	Prior year total tax on average residence homestead. Multiply Line 19 by Line 20 divide by \$100.	\$ 2,242.96
22.	Current year mandatory election amount of taxes per average residence homestead. Multiply Line 21 by 1.035.	\$ 2,321.46
23.	Current year mandatory election tax rate, before unused increment. Divide Line 22 by Line 9 and multiply by \$100.	\$ 0.8398 /\$100
24.	Current year mandatory tax election rate. Add Line 17 and Line 23.	\$ 0.8649 /\$100

SECTION 3: Taxing Unit Representative Name and Signature

Enter the name of the person preparing the voter-approval tax rate and mandatory tax election rate as authorized by the governing body of the water district. By signing below, you certify that you are the designated officer or employee of the taxing unit and have calculated the tax rates in accordance with requirements in Water Code. ⁸

print
here

Geoffrey P. Kirshbaum

Printed Name of Water District Representative

sign
here


Water District Representative

August 20, 2025

Date

⁶ Tex. Tax Code § 26.013⁷ Tex. Water Code § 49.23602(a)(2)⁸ Tex. Water Code § 49.23602