

MINUTES OF THE SPECIAL MEETING OF
PASEO DEL ESTE MUNICIPAL UTILITY DISTRICT NO. 1
Wednesday, December 17, 2025

STATE OF TEXAS §
 §
COUNTY OF EL PASO §

The Board of Directors of Paseo del Este Municipal Utility District No. 1 (the “District”) held a special 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, December 17, 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 except Director Haddad, thus constituting a quorum. Director Haddad entered the meeting during discussion of Agenda Item No. 2. Director Covington presided over the meeting.

Also present were Geoffrey Kirshbaum, Ronald J. Freeman, Howard Slobodin and Casey Cooper of Terrill & Waldrop; Cyndi Ferris of Terrill & Waldrop (by video/telephone conference call); Margaret Livingston, District General Manager; Erika Duran and Joshua Garcia with the District Office; Lexi Kolmodin of Municipal Accounts & Consulting, L.P.; 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 Frank Ortiz of TRE & Associates; and Lorena Quezada and Lisa Hernandez of El Paso Disposal LP.

1. As its first item of business, the Board considered the November 19, 2025, Board meeting minutes. Upon a motion by Director Mills 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. Mr. Garcia 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.

Ms. Livingston reported on the following items:

- **District facility site.**
 - Photos of construction site were presented.
- **Pond maintenance.** Pond maintenance is ongoing as scheduled.
- **Landscape Maintenance and Landscape Maintenance Acceptances.** Landscape maintenance is ongoing as scheduled.

- **District facility site.** The Board revisited the District facility site. The following Change Orders were presented for consideration:

Medlock Commercial Contractors

- Change Order No. 1 – Decrease of \$72,654 (remove landscaping line item); and
- Change Order No. 2 – Increase of \$90,920.73 (for items left off of or that needed to be added to original plans).

After discussion, upon a motion by Director Roark and a second by Director Borrett, the Board unanimously approved the foregoing change orders.

- **Trucks, equipment and materials purchasing.** A quote from Lonestar Truck Group for a GapVax® 2027 MC1510-3S3X Combination Jet/Vac Base Unit and Western Star 47X Chassis were presented to the Board. After discussion, upon a motion by Director Roark and a second by Director Mills, the Board unanimously approved the final selling price of \$665,674 for both the base unit and chassis. Payment is due when the truck is delivered. Lonestar Truck Group provides free training to District employees.
- **Other.** Purchasing of commercial meters has increased. District is currently purchasing 500 residential smart meters per month. Approximately 1,300 residential smart meters need to be replaced.

3. The Board then considered a Resolution Reviewing and Approving District’s Purchasing and Procurement Policy. The Purchasing and Procurement Policy governs all purchases made by the District with the exception of the acquisition of real property. Categories include construction materials, professional services (attorneys are exempt), chemicals, etc. The policy also governs procurement of information technology (“IT”). Mr. Slobodin has been working with Ms. Livingston to put the District in a position to purchase IT from the Texas Department of Information Resources (“DIR”). The DIR has pre-negotiated contracts with vendors for software, cell phones, etc. with extremely competitive pricing. Mr. Slobodin noted that the Purchasing and Procurement Policy is a living document and will need to be revised as state laws change. He noted that the policy includes dollar limits for procurements that require Board approval and that some authority is delegated to the District’s General Manager. Upon a motion by Director Covington and a second by Director Borrett, the Board unanimously approved the District’s Purchasing and Procurement Policy.

4. As its next item of business, the Board considered a Resolution Terminating Developer Administration (a/k/a Administrative) Advance Fees. After discussion, upon a motion by Director Borrett and a second by Director Mills, the Board unanimously approved the Resolution Terminating Developer Administration Advances, effective October 1, 2025.

5. 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. Upon a motion by Director Haddad and a second by Director Roark, the Board unanimously approved (i) the payment of bills and invoices as listed in the report (Check Nos. 9031-9071), (ii) Supplemental Check No. 9072 in the amount of \$550 payable to El Paso Disposal for monthly garbage service at the District facility site, (iii) Supplemental Check No. 9073 in the amount of \$813.96 payable to Securitas Security Services, (iv) Supplemental Check No. 9074 in the amount of \$2,425 payable to Tectonic Architecture for District facility site, (v) Supplemental

Check No. 9075 in the amount of \$18,000 payable to Victor Mendez for park improvements, (vi) Supplemental Check No. 9076 in the amount of \$1,608.86 payable to RMP Temps Incorporated for temporary work hours, (vii) Supplemental Check No. 9077 in the amount of \$2,000 payable to Airtime Wireless Inc. for IT services, and (viii) a transfer to the litigation escrow account in the amount of \$57,708.84.

6. Under the Developer's Report, Mr. Mercer noted that Hunt's primary focus is on development in Paseo del Este MUD No. 11.

7. As its next item of business, the Board considered ratification of H.W. Lochner, Inc.'s Limited Notice to Proceed with Master Water Reuse Study – Data Collection and Analysis Phase. After discussion, upon a motion by Director Mills and a second by Director Borrett, the Board unanimously ratified H.W. Lochner Inc.'s Limited Notice to Proceed with Master Water Reuse Study – Data Collection and Analysis Phase.

8. The Board then considered the Engineering Services Agreement with H.W. Lochner, Inc. for Master Water Reuse Study – Data Collection and Analysis Phase. After discussion, upon a motion by Director Roark and a second by Director Mills, the Board unanimously approved the agreement in the form presented with the right to make non-substantive changes. Mr. West left the meeting during discussion of this item.

9. Next, the Board considered the Engineer's Report. Mr. Ortiz presented the following item for consideration:

- Emerald Estates Unit Six**
- Drainage, Water & Wastewater Improvements
- TRE No.: 1502-12122-35
- Pay Estimate No. 4 - \$440,100

Upon a motion by Director Haddad and a second by Director Borrett, the Board unanimously approved the foregoing pay estimate.

10. The Board then considered the transition of District responsibilities from Austin to El Paso. The Board's next meeting is scheduled for Wednesday, January 28, 2026, in El Paso, Texas, at a location to be determined.

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:

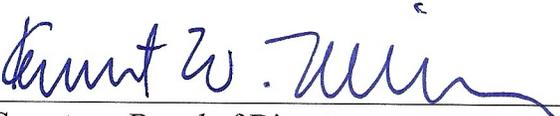
- a. Agenda Item 6 – Request for reimbursement from excavator companies for repair of water line damage at Aiskew Dr. and Eastlake Blvd.
- b. Agenda Item 11 – Water line break along Mission Ridge Boulevard;
- c. Agenda Item 12 – Wholesale water and sewer charges to District from El Paso Water Utilities;
- d. Agenda Item 13 – Dispute with Inframark, LLC.;
- e. Agenda Item 14 – Lawsuit filed by Daddy O's Car Wash; and
- f. Agenda Item 15 – Personal injury lawsuit filed by Jesus Lopez Rodriguez.

The Board recessed into executive session at 12:36 p.m. CT. The Board concluded the executive session and returned to the open meeting at 1:31 p.m. CT. The Board returned to Agenda Item No. 6 to consider a request for reimbursement from excavator companies for repair of water line damage at Aiskew Dr. and Eastlake Blvd. Upon a motion by Director Mills and a second by Director Borrett, the Board unanimously approved writing off a 3-year old claim totaling approximately \$64,000 due from excavator companies for water line repairs at Aiskew Dr. and Eastlake Blvd. The District does not believe it will get paid.

12. The Board provided time for public comments. Ms. Quezada informed the Board that Lisa Hernandez would replace her as Lead Sales Representative at El Paso Disposal and that she had been promoted to Area Manager.

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

Approved January 30, 2026.


Secretary, Board of Directors

