

MINUTES OF THE REGULAR MEETING OF  
PASEO DEL ESTE MUNICIPAL UTILITY DISTRICT NO. 1  
Wednesday, March 25, 2026

STATE OF TEXAS           §  
  §  
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 Hunt Companies, 601 N. Mesa, Suite 1900, El Paso, Texas 79901, 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, March 25, 2026, 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. Directors Roark and Mills attended the meeting by video/telephone conference call. Director Covington presided over the meeting.

Also present were Geoffrey Kirshbaum, Howard Slobodin and Casey Cooper of Terrill & Waldrop; Cyndi Ferris of Terrill & Waldrop (by video/telephone conference call); Margaret Livingston, General Manager; Karla Espinoza, Arturo Berumen and Joshua Garcia with the District office; Bob West of West, Davis & Company, LLP (by video/telephone conference call); Lexi Kolmodin of Municipal Accounts & Consulting, L.P. (by video/telephone conference call); Shane Mercer of Hunt Companies; Adrian Rosas and Frank Ortiz of TRE & Associates; and Jay Joyce of Expergy (by video/telephone conference call).

1. As its first item of business, the Board considered the February 25, 2026, Board meeting minutes. Upon a motion by Director Haddad 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:

- **TCEQ Inspection.**
  - The District passed a scheduled TCEQ inspection.
- **District facility site.**
  - An interior design consultant was hired to assist with color selection.
  - Medlock Commercial Contractors Construction Contract, Burnett Maintenance Facility Project:
    - Change Order No. 7;

- Upon a motion by Director Haddad and a second by Director Borrett, the Board unanimously approved Change Order No. 7.
    - Pay Application No. 6; and Pay Application No. 7.
      - Upon a motion by Director Borrett and a second by Director Haddad, the Board unanimously approved Pay Application No. 6 and Pay Application No. 7.
    - The mobile construction office was returned to Mobile Modular.
  - **Other.** The District and Hunt Companies have made a deal with the Camino Real Regional Mobility Authority (the “CRRMA”) to complete the clean-up and repair of the Mission Ridge stormwater retention facility. Part of the deal would be that the District performs clean-up and repair of the stormwater retention facility and holds CRRMA harmless while that occurs. The other part of the deal would be for Hunt to install wrought iron gates and complete the rock wall. Draft agreements are under review.
  - **Landscape Maintenance and Landscape Maintenance Acceptances.** Landscape maintenance is going well and is on schedule. The District is seeking public input on, and working with El Paso County and PDEMUD 10’s homeowners association regarding, upgrades to the park at the corner of Emerald Pass and Emerald Park.
  - **Agreement with Accent Maintenance Co., Inc.** After discussion, upon a motion by Director Borrett and a second by Director Haddad, the Board unanimously approved the landscape maintenance Service Contract with Accent Maintenance Co. Inc.
  - **Pond maintenance.** Weed control is being handled in-house.
  - **Trucks, equipment, and materials purchasing.** Bids for dump trucks were received in the amounts of \$110,000.00 and \$174,000.00. This item will be discussed further at the next Board meeting.
  - **Personnel.** Adjustments are being made to personnel according to projects that need to be accomplished. More employees are needed in the field and in the billing department. A utility billing expert is also needed.
  - **Other.**
    - ATV riding is out of control and is a major problem. Potential liability and public safety were discussed in relation to trespassers. The District is coordinating with Hunt Companies to install *No Trespassing* and *Private Property* signs. The El Paso County Sheriff’s Office has been notified. Mr. Mercer noted that trespassers may need to be prosecuted at some point.
    - Animal torture and killing are taking place in parks and on walking paths in the District. The county, animal services, and the El Paso County Sheriff’s Office have been notified.
    - El Paso Electric is in the process of replacing the defective lights on Eastlake Boulevard.
  - **Summary Report of General Manager-Approved Agreements.** Burnett Maintenance Facility - Medlock Commercial Contractors Change Order Nos. 4, 5 and 6 were approved by the General Manager in between board meetings.
3. The Board then considered agreements related to the Mission Ridge stormwater retention facility repair. After discussion, upon a motion by Director Haddad and a second by Director Borrett, the Board unanimously gave authority to Director Roark to negotiate and execute

agreements related to the repair of the Mission Ridge stormwater retention facility, including the previously discussed agreements with CRRMA.

4. The Board next considered bills and invoices, investments and other financial management matters. Lexi Kolmodin presented the financial reports for the District along with bills and invoices. A write-off amount of \$39,985.93 must be approved to close out fiscal year 2025 accounts receivable. Director Roark inquired about El Paso Water's ("EPW") explanation for the discrepancy in water and sewer charges to the District. Volumetric rates are similar for both water and sewer, but the District paid almost double for the purchase of sewer services. EPW confirmed that there was a meter issue on Mission Ridge and it is in the process of checking additional meters and calibrating meters. Director Roark requested that the Board be notified of EPW's resolution for the discrepancy in charges. Upon a motion by Director Mills and a second by Director Borrett, the Board unanimously approved a write-off amount of \$39,985.93 to close out the fiscal year 2025 books. Upon a motion by Director Mills and a second by Director Haddad, the Board unanimously approved (i) the payment of bills and invoices as listed in the report (Check Nos. 9199-9262), (ii) Supplemental Check No. 9263 in the amount of \$324,855.70 payable to Medlock Commercial Contractors; (iii) Supplemental Check No. 9264 in the amount of \$12,607.02 payable to Mobile Modular, and (iv) a transfer to the litigation escrow account in the amount of \$48,188.72.

5. As its next item of business, the Board considered the District's annual financial statements and auditor's report. Mr. West summarized the report and gave his recommendations. Upon a motion by Director Roark and a second by Director Haddad, the Board unanimously (i) approved the Financial Statements, Supplemental Information and Independent Auditor's Report for the Year Ended September 30, 2025, with the following addition to the end of the last paragraph on Page 24: "Affiliated Districts levy Contract Debt Service taxes to cover their share of the debt service payments and contribute these to this District," and (ii) authorized submittals to the TCEQ, Electronic Municipal Market Access (EMMA<sup>®</sup>) and the Texas Comptroller.

6. Under the Developer's Report, Mr. Mercer summarized items that he would work on with the General Manager as expressed in her report and gave a brief report regarding development in Emerald Estates Unit Six in Paseo del Este MUD No. 11. The project is on track for acceptance in late May or early June.

7. Messrs. Ortiz and Rosas gave a brief update on construction projects under the Engineer's Report.

8. The Board then considered wholesale water and sewer charges to the District from El Paso Water Utilities. Jay Joyce presented his report noting that El Paso Water Utilities continues to use the methodology the District has disagreed with in the past and recommended that the District keep its position of using the contract methodology for rate calculations. Mr. Joyce will review retail rates for discussion at next month's Board meeting. Ms. Kolmodin noted that there was a \$0.57 increase in wastewater rates. Mr. Kirshbaum added that wastewater rates have not been contested. This item will be discussed in more detail in executive session.

9. As its next item of business, the Board considered the transition of District responsibilities from Austin to El Paso. The Board's next meeting is scheduled for Wednesday,

April 22, 2026, at TRE & Associates in Austin, Texas. Mr. Joyce left the meeting after discussion of this item.

10. The Board provided time for public comments but received none.

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 8 - Water line break along Mission Ridge Boulevard;
- (b) Agenda Item 9 - Wholesale water and sewer charges to District from El Paso Water Utilities;
- (c) Agenda Item 10 - Dispute with Inframark, LLC;
- (d) Agenda Item 12 - Lawsuit filed by Daddy O's Car Wash; and
- (e) Agenda Item 13 - Personal injury lawsuit filed by Jesus Lopez Rodriguez.

The Board recessed into executive session at 1:25 p.m. MT. The Board concluded the executive session and returned to the open meeting at 1:50 p.m. MT. No action was taken by the Board.

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

Approved April 22, 2026.

  
Assistant Secretary, Board of Directors

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