

MINUTES OF THE REGULAR MEETING OF  
PASEO DEL ESTE MUNICIPAL UTILITY DISTRICT NO. 1  
Wednesday, April 22, 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 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, April 22, 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 except Director Mills, thus constituting a quorum. Director Roark presided over the meeting.

Also present were Geoffrey Kirshbaum, Howard Slobodin, Ronald J. Freeman and Casey Cooper of Terrill & Waldrop; Cyndi Ferris of Terrill & Waldrop (by video/telephone conference call); Margaret Livingston, General Manager; Joshua Garcia with the District office (by video/telephone conference call); Bob West of West, Davis & Company, LLP; Lexi Kolmodin of Municipal Accounts & Consulting, L.P.; Adrian Rosas and Frank Ortiz of TRE & Associates; Jay Joyce of Expergy (by video/telephone conference call); Evan Batton of Utility Engineering Group (by video/telephone conference call); Shwetha Pandurangi, Phil Williams and Andy Chavira with H.W. Lochner, an Egis Company; and two interns from the Ann Richards School for Young Women Leaders.

1. As its first item of business, the Board considered the March 25, 2026, Board meeting minutes. Upon a motion by Director Haddad and a second by Director Covington, the Board unanimously approved the minutes.

2. Shwetha Pandurangi with H.W. Lochner (“Lochner”) updated the Board regarding the Master Water Reuse Study. She presented the following items:

- a. An overview of the proposed reuse water system.
- b. Phase I findings. The District is roughly 10% from full-buildout of total area. Irrigation accounts for 17% on average of the total potable water usage. The irrigation maximum demand is 1.26 million gallons per day.
- c. Phase II tasks include (i) developing hydraulic models for the existing potable water system and the water system at full buildout, verifying field data and calibrating models, (ii) developing a hydraulic model for the reclaimed water (reuse) irrigation system and a prioritized Capital Improvement Programs (“CIP”)

list for the reuse system, and (iii) the final engineering report documenting methodology, findings and recommendations.

Ms. Pandurangi also discussed the timeline for completion of Phase II of the study and discussed grant funding and loan applications available through the Texas Water Development Board. She then discussed Lochner's proposal for the Master Water Reuse Study – Hydraulic Modeling, Reuse Study and Master Plan Development – Phase II. Upon a motion by Director Roark and a second by Director Covington, the Board unanimously authorized Director Roark to negotiate and execute Lochner's proposal for Phase II of the Master Water Reuse Study in an amount not to exceed \$300,000.00.

3. The Board then considered the General Manager's Report. Mr. Garcia presented a report on the status of development in the District and the other ten Paseo del Este MUDs. No action was taken by the Board.

Ms. Livingston reported on the following items:

- **Billing.** Ms. Livingston is working with Director Covington, Bob West and Lexi Kolmodin to resolve billing issues with AVR, Inc. She noted that mail delays are a problem for sending out invoices and receiving payments, and that customers are choosing to pay by check to avoid electronic payment and credit card processing fees. Approximately 1,000 meters remain to be replaced by smart meters. Once smart meter replacement is complete, the billing process will be reduced from a three-month process to a one-month process.
- **District facility site.**
  - An interior designer was hired to assist with interior finish out of the building.
  - Site landscaping starts this week.
- **Pond maintenance.**
  - Two employees are certified by the Texas Department of Agriculture to spray weeds. The District's pond maintenance team repairs rock walls and maintains signage and inlets.
  - Accent Maintenance Co. ("Accent") handles irrigation repair, tree trimming, park maintenance and fertilizing.
  - The maintenance road leading to the Mission Ridge stormwater retention facility is being cleaned. Silt and trees have been removed. Weeds are being removed from the riprap. Hunt Companies is taking care of repairing the rock wall and installing wrought iron fencing. A fence was installed around the perimeter of the stormwater retention facility for public safety, and a temporary construction gate was installed to deter ATV riders.
  - ATV Rider Issue: Approximately 16 *No Trespassing* and *Private Property* signs have been installed in areas where ATV riders are trespassing. A call is scheduled with the El Paso County Commissioner and the El Paso County Sheriff's Office to discuss the issue.
- **Landscape maintenance and landscape maintenance acceptances.** Landscape maintenance is going well and is on schedule. The majority of landscaping is handled by Accent Maintenance Co.
- **Trucks, equipment, and materials purchasing.** A dump truck was ordered and is scheduled to arrive in approximately six weeks.

- **Personnel.** Temporary staff were hired to handle incoming and outgoing calls. A Class “B” operator was hired. District field staff consists of operators certified at various levels.
- **CPI Inspections.** The District’s CPI inspections are up to date.
- **Utility Easement – Tenet Hospitals Limited.** After discussion, upon a motion by Director Roark and a second by Director Haddad, the Board unanimously approved the Utility Easement with Tenet Hospitals Limited.
- **Other.** Director Covington requested that the District move to a purchase order system. Bulk fuel purchases for fleet trucks and heavy equipment were discussed.

4. As its next item of business, the Board considered agreements related to the Mission Ridge stormwater retention facility repair. The Indemnity, Release, and Hold Harmless Agreement between the District and the Camino Real Regional Mobility Authority (the “CRRMA”) executed by General Manager Livingston was discussed. The agreement gives the District permission to clean out the stormwater retention facility so that the County of El Paso can move forward with repair of the stormwater retention facility. Once the County completes the repair, the pond will be conveyed to the District. Additional agreement(s) are being drafted for the repair of the stormwater drainage pipeline that drains stormwater into the pond from Mission Ridge Boulevard.

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 Covington and a second by Director Borrett, the Board unanimously approved (i) the payment of bills and invoices as listed in the report (General Operating Fund (“GOF”) Check Nos. 9265-9323), (ii) GOF Supplemental Check No. 9324 in the amount of \$24,898.99 payable to Airtime Wireless Inc. for a mobile surveillance trailer, (iii) GOF Supplemental Check No. 9325 in the amount of \$296.00 payable to Arturo Berumen for a Texas Water Conference per diem, (iv) GOF Supplemental Check No. 9326 in the amount of \$296.00 payable to David Gutierrez for a Texas Water Conference per diem, (v) GOF Supplemental Check No. 9327 in the amount of \$296.00 payable to Edson Conejo for a Texas Water Conference per diem, (vi) a wire transfer from the General Operating Fund to the Texas CLASS money market account in the amount of \$4,500,000.00; (vii) Capital Projects Fund Check No. 2016 in the amount of \$303,518.91 payable to Medlock Commercial Contractors, LLC for Pay Application No. 8. Ms. Kolmodin noted that accounts receivable amounts are not confirmed starting in October 2025 because correct billing reports have not be received. Ms. Kolmodin noted that she is working on a new bills processing system where bills would be processed twice a month instead of once a month. Credit card and electronic payment processing fees were also discussed.

Leix Kolmodin also reported that El Paso Water has credited the District \$240,000.00 for a sewer meter reading discrepancies. Director Roark pointed out that volumetric rates are similar for both water and sewer purchases, but the District paid almost double for sewer purchases. El Paso Water has acknowledged that there are meter issues and is recalibrating its meters. Additional credits will be received from El Paso Water. Mr. Joyce left the meeting during discussion of this item.

6. The Board did not consider amending District charges for services from the District, including retail water, wastewater and solid waste rates and fees.

7. No Developer’s Report was provided.

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

9. As its next item of business, the Board considered the possible award of the Mission Ridge Boulevard waterline replacement project. After discussion, upon a motion by Director Roark and a second by Director Borrett, the Board authorized Director Roark to execute the contract with Hawk Construction in the amount of \$1,449,000.00 after General Counsel's approval.

10. Lexi Kolmodin notified the Board that charges for services from the District, including retail water, wastewater and solid waste rates and fees would be ready for discussion next month.

11. The Board then considered the transition of District responsibilities from Austin to El Paso. The Board's next meeting is scheduled for Wednesday, May 27, 2026, in El Paso, Texas.

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

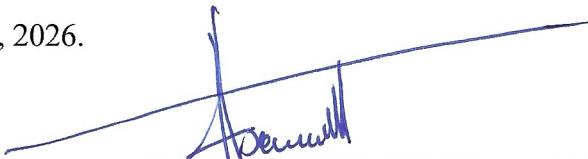
- (a) Agenda Item 9 - Water line break along Mission Ridge Boulevard;
- (b) Agenda Item 10 - Wholesale water and sewer charges to District from El Paso Water Utilities;
- (c) Agenda Item 11 - Dispute with Inframark, LLC; and
- (d) Agenda Item 12 - Lawsuit filed by Daddy O's Car Wash.

The Board recessed into executive session at 1:28 p.m. CT. The Board concluded the executive session and returned to the open meeting at 1:48 p.m. CT. No action was taken by the Board.

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

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

Approved May 27, 2026.

  
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Assistant Secretary, Board of Directors

