MINUTES OF THE SPECIAL MEETING OF
PASEO DEL ESTE MUNICIPAL UTILITY DISTRICT NO. 1
Wednesday, July 29, 2026

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 special meeting, open to the public, at Hunt Companies, 601 N. Mesa, Suite 1900, El Paso, Texas 79901, 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. MT on Wednesday, July 29, 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
Vacancy	Assistant Secretary

and all of said persons were continuously present, thus constituting a quorum. Director Roark presided over the meeting.

Also present were Geoffrey Kirshbaum of Terrill & Waldrop; Casey Cooper, Cyndi Ferris and Taylor Jones of Terrill & Waldrop (by video/telephone conference call); Margaret Livingston, General Manager; Karla Espinoza, Joshua Garcia and Arturo Berumen with the District office; Bob West of West, Davis & Company, LLC (by video/telephone conference call); Maria Urbina of Hilltop Securities, Inc.; Lexi Kolmodin of Municipal Accounts & Consulting, L.P.; Adrian Rosas and Frank Ortiz of TRE & Associates; Justin Chapman and Shane Mercer of Hunt Companies; Lisa Hernandez of El Paso Disposal; and Luis Rosas.

1. As its first item of business, the Board considered the June 24, 2026, Board meeting minutes. Upon a motion by Director Mills and a second by Director Haddad, the Board unanimously approved the minutes.

2. Director Roark introduced prospective Board member Luis Rosas noting that prospective Board members should observe a meeting before accepting an appointment to the Board. Ms. Livingston added that a new process was in place for potential Board members to meet with legal and bookkeeping consultants to obtain context and background in legal and accounting matters before deciding if they would like to serve on the Board.

3. As its next item of business, the Board considered the General Manager's Report. Mr. Garcia presented a report on the status of development and operations within 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.** Billing is improving, and a better billing system is being developed.
- **District facility site.**
    - The building is 90 percent complete.
    - Furniture arrives at the end of August.
    - Staff will be moved into the building as soon as furniture is set up.
    - The target date for a complete move-in is at the end of September.
    - The transformer and final touchups are pending.
- **Pond maintenance.** Pond maintenance is on schedule.
- **Landscape maintenance and landscape maintenance acceptances.** Landscape maintenance is on schedule. This time of year is challenging for the landscaper due to heat and high employee turnover.
- **Trucks, equipment, and materials purchasing.** Smaller equipment items were purchased, e.g. sweeper. Twenty-five (25) out of 1,500 manholes were identified for immediate rehabilitation at a budgeted cost of $750,000. The General Manager discussed an option to save on repair costs by purchasing the remaining equipment needed to start an in-house repair operation. The District owns a Vactor truck and other equipment that would be necessary to complete the repairs. For approximately $250,000, the District could purchase the additional equipment needed to complete manhole repairs, including the training and certifying of staff, at a savings of approximately $500,000. A used trailer is available in Iowa for approximately $150,000. Mr. Berumen explained the function of the trailer, and licensing and certification requirements. After discussion, upon a motion by Director Roark and a second by Director Covington, the Board authorized Ms. Livingston to purchase the trailer at a cost of approximately $150,000.
- **Personnel.** Three additional field employees are needed.
- **Summary Report of General Manager-Approved Agreements.** The Texas Water Development Board grant application for the effluent irrigation project is in progress.
- **Other**. All light bulbs on Eastlake Boulevard were defective and have been replaced by El Paso Electric. The County of El Paso requested that the District work with it during the next budget cycle to add lights to parks.

4. The Board then considered a Resolution requesting financial participation from the Texas Water Development Board; authorizing the filing of an application for financial participation; and making certain findings in connection therewith. The District is eligible to receive funding for the effluent irrigation project because it is a major water conservation project. After discussion, upon a motion by Director Roark and a second by Director Haddad, the Board unanimously approved the Application Resolution – Certificate of Secretary. Upon a motion by Director Roark and a second by Director Mills, the Board unanimously approved the Application Filing and Authorized Representative Resolution.

5. 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. Upon a motion by Director Covington and a second by Director Haddad, the Board unanimously approved (i) General Operating Fund ("GOF") Check Nos. 9449-9506, (ii) a

wire to Rudolph Chevrolet in the amount of $94,948.40 for a vehicle purchase, (iii) Capital Projects Fund ("CPF") Check Nos. 2020-2021, and (iv) a transfer of $25,676.29 to the Litigation Escrow Account. Ms. Kolmodin noted that El Paso Water continues to provide credits for overcharging the District for sewer service. Mr. West advised the District not to pay for purchased sewer service in any amount that exceeds purchased water service. Ms. Kolmodin noted that accounts receivable amounts are not confirmed beginning November 2025 pending receipt of correct District reports. She continues to work with the new billing accountant to correct the District's reports.

6. The Board then considered (i) a Resolution Regarding Manager's Accounts, and (ii) accounts payable procedures. Lexi Kolmodin explained that a change in accounts payable procedures required an update to the Resolution Regarding Manager's Accounts. She discussed updates to the Resolution Regarding Manager's Accounts and a change to accounts payable procedures that would incorporate a two-part monthly procedure for processing checks. After discussion, upon a motion by Director Covington and a second by Director Haddad, the Board approved the Resolution Regarding Manager's Accounts to include (a) replacing the District's Office Manager with the District's Assistant District Manager as an authorized signer on the Manager's Accounts, and (b) increasing the $10,000 disbursement limit for the Manager's Accounts to $75,000 to align with the District's Purchasing and Procurement Policy. Upon a motion by Director Covington and a second by Director Haddad, the Board unanimously approved the new accounts payable procedures.

7. As its next item of business, Maria Urbina discussed the public tax hearing process. A 2026 proposed tax rate will be considered by the Board at its August 26, 2026, meeting and a public hearing on tax rate will take place in September. The District's certified values increased by eight percent (8%). Lexi Kolmodin then discussed the budget process.

8. The Board then considered the Developer's Report. Mr. Mercer noted that the Emerald Estates Unit Six residential subdivision was accepted in June 2026, and that it included an HOA amenity center. He then provided updates concerning unauthorized ATV riding on District property.

9. Mr. Roark thanked Lisa Hernandez with El Paso Disposal for excellent solid waste service in the Paseo del Este MUDs. She noted that some of the subdivisions were participating in a pilot program for recycling services.

10. The Board then considered the Engineer's Report. Messrs. Rosas and Ortiz updated the Board on the status of commercial projects.

11. As its next item of business, the Board considered the transition of District responsibilities from Austin to El Paso. The District's new building should be available to host Board meetings in October 2026 when the current office lease expires. Meetings will continue to alternate between El Paso and Austin until that time. The August 26, 2026, Board meeting will take place in Austin.

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 13 - Water line break along Mission Ridge Boulevard;
(b) Agenda Item 14 - Wholesale water and sewer charges to District from El Paso Water Utilities;
(c) Agenda Item 15 - Dispute with Inframark, LLC; and
(d) Agenda Item 16 - Lawsuit filed by Daddy O's Car Wash.

The Board recessed into executive session at 1:10 p.m. MT. The Board concluded the executive session and returned to the open meeting at 2:25 p.m. MT.

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 September 8, 2026.

Secretary, Board of Directors

Paseo del Este Municipal Utility District No. 1