

MINUTES OF THE SPECIAL MEETING OF
PASEO DEL ESTE MUNICIPAL UTILITY DISTRICT NO. 1
Tuesday, September 8, 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 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 Tuesday, September 8, 2026. The Board meeting was slightly delayed due to unforeseen circumstances and resumed at 1:30 p.m. 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
<i>Vacancy</i>	Assistant Secretary

and all of said persons were continuously present except Director Covington, thus constituting a quorum. Director Covington entered the meeting during discussion of Agenda Item No. 5, discussed under Item No. 2 below. Director Roark presided over the meeting.

Also present were Geoffrey Kirshbaum and Casey Cooper of Terrill & Waldrop; Cyndi Ferris and Taylor Jones of Terrill & Waldrop (by video/telephone conference call); Margaret Livingston, General Manager; Maria Urbina of Hilltop Securities, Inc. (by video/telephone conference call); Joshua Garcia with the District office (by video/telephone conference call); Bob West of West, Davis & Company, LLC; Adrian Rosas of TRE & Associates; and Shane Mercer of Hunt Companies (by video/telephone conference call).

1. As its first item of business, the Board considered the July 29, 2026, Board meeting minutes. Upon a motion by Director Mills and a second by Director Haddad, the Board unanimously approved the minutes.

2. As its next item of business, the Board considered setting a proposed tax rate and setting a date for a hearing regarding adoption of final tax rates. Upon a motion by Director Haddad and a second by Director Mills, the Board unanimously approved the following: (1) a proposed tax rate not to exceed \$0.75/\$100 of assessed valuation; (ii) establishment of a hearing date for consideration of final tax rates on Wednesday, September 23, 2026, at 11:30 a.m. MT at the offices of Paseo del Este Municipal Utility District No. 1, 460 Bill Burnett Drive, El Paso, Texas 79928; and (iii) publication of the required notice for the public hearing. Ms. Urbina left the meeting after discussion of this item.

3. The Board then 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:

- **General Manager Summary Report of Capital Projects Engineering Service Agreements.** Ms. Livingston discussed the status of the following projects:
 - Manhole rehabilitation (Phase I Surveillance and Design);
 - 18-inch wastewater main;
 - Dog park, food truck lot and pond repair; and
 - Mission Ridge Boulevard waterline replacement.

Director Roark requested that the dog park and wastewater main projects be reviewed for cost reductions.

- **Billing.** Billing improvements continue to be made.
- **District facility site.**
 - Pending: electric power and rolling gate.
 - Building should be completed by September 11.
- **Pond maintenance.** Ponds are in great shape. Tumble weeds are non-existent.
- **Landscape maintenance and landscape maintenance acceptances.** The District has hired a former Accent Landscape employee and two irrigation experts. The District will take over weed maintenance. Accent Landscape is responsible for high level maintenance including tree trimming and park maintenance. The contract with Accent Landscape will be revised.
- **Trucks, equipment, and materials purchasing.** A secure supply cage for inventory was ordered. The manhole repair maintenance trailer was received. An additional trailer needs to be purchased for spraying a second chemical. Two additional trucks were purchased for staff.
- **Other.** Ms. Livingston and general counsel for the Paseo del Este MUDs discussed data centers and the effluent irrigation project with an aide from Senator Blanco's office. The Senator's aide agreed to provide a letter of support for the effluent irrigation project. H.W. Lochner, Inc. will update the Board regarding the effluent irrigation project at its December meeting. The project is one of the largest conservation projects in the area. The District has a good chance of receiving financial assistance from the Texas Water Development Board.
- **Personnel.** District has a total of 38 employees. Additional billing clerks and laborers may be needed.

4. The Board next considered H.W. Lochner Inc.'s Engineering Services Agreement for Wastewater Master Plan Modeling – Phase I Data Collection Services. After discussion, upon a motion by Director Covington and a second by Director Haddad, the Board unanimously ratified Director Roark's execution of the contract.

5. The Board then considered bills and invoices, investments and other financial management matters. After discussion, upon a motion by Director Roark and a second by Director Haddad, the Board unanimously approved (i) General Operating Fund Manager's Account Check Nos. 10225-10343, (ii) General Operating Fund Operating Account ("GOF") Check Nos. 1000-1003, (iii) voiding GOF Operating Account Check No. 1000 in the amount of \$149,999.99 and replacing it with Check No. 1004, (iv) Capital Projects Fund ("CPF") Check No. 2022, and (iv) a transfer of \$25,335.44 to the Litigation Escrow Account. Accounts receivable amounts are not confirmed beginning November 2025 pending receipt of correct District reports.

6. As its next item of business, the Board considered a Resolution Designating an Additional Meeting Place. After discussion, upon a motion by Director Covington and a second by Director Roark, the Board unanimously approved designation of an additional meeting place at Paseo del Este Municipal Utility District No. 1, 460 Bill Burnett Drive, El Paso, Texas 79928.

7. The Board then considered the Developer's Report. Mr. Mercer noted that the Emerald Park Unit Six residential subdivision located in Paseo del Este MUD No. 11 is Hunt's current focus. The subdivision will include an amenity center and homeowner's association.

8. Mr. Rosas updated the Board on the status of commercial projects under the Engineer's Report.

9. The Board next considered the transition of District responsibilities from Austin to El Paso. The September 23, 2026, Board meeting will take place in El Paso at the District's new facility site, 460 Bill Burnett Drive, El Paso, Texas 79928.

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

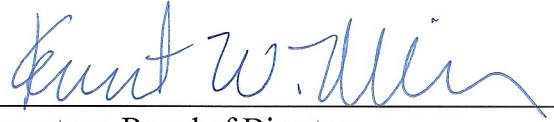
- (a) Agenda Item 9 - Water line break along Mission Ridge Boulevard;
- (b) Agenda Item 10 - Wholesale water and sewer charges to District from El Paso Water Utilities;
- (c) Agenda Item 11 - Dispute with Inframark, LLC; and
- (d) Agenda Item 12 - Lawsuit filed by Daddy O's Car Wash.

The Board recessed into executive session at 2:35 p.m. CT. The Board concluded the executive session and returned to the open meeting at 3:22 p.m. CT. The Board returned to Agenda Item No. 10 – Wholesale water and sewer charges to District from El Paso Water Utilities. Upon a motion by Director Roark and a second by Director Haddad, the Board approved an amendment to the NewGen Strategies & Solutions Agreement, dated May 14, 2026, and approved by the Board on June 24, 2026, to include Additional Scope of Services in an amount not to exceed \$25,000.

11. 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 23, 2026.



Secretary, Board of Directors

