MINUTES OF THE REGULAR MEETING OF
PASEO DEL ESTE MUNICIPAL UTILITY DISTRICT NO. 1
Wednesday, September 23, 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 regular meeting, open to the public, at Paseo del Este Municipal Utility District No. 1, 460 Bill Burnett Drive, El Paso, Texas 79928, 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, September 23, 2026. 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 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 Heather Cook with the District office; Maria Urbina and Ivan Alvarado of Hilltop Securities, Inc.; Bob West of West, Davis & Company, LLC; Taylor Kolmodin of Municipal Accounts & Consulting, L.P. (by video/telephone conference call); Lexi Kolmodin of Municipal Accounts & Consulting, L.P.; Adrian Rosas of TRE & Associates; Shane Mercer of Hunt Companies; Luis C. Rosas; and Michael Miller (by video/telephone conference call). Taylor Jones with Terrill & Waldrop entered the meeting by video/telephone conference call during discussion of Agenda Item No. 2.

1. As its first item of business, the Board considered the September 8, 2026, Board meeting minutes. Upon a motion by Director Haddad and a second by Director Covington, the Board unanimously approved the minutes.

2. As its next item of business, the Board considered the appointment of a new Director. Upon a motion by Director Roark and a second by Director Covington, the Board unanimously approved the appointment of Luis Carlos Rosas as Director.

3. The Board then considered the official Bond, Oath of Office and Statement of Officer of the new Director and authorizing the filing of the Oath. Upon a motion by Director Roark and a second by Director Covington, the Board unanimously approved the Official Bond, Oath of Office and Statement of Officer for Director Rosas, and authorized the filing of the Oath of Office with the Secretary of State.

4. The Board next considered organizing of the Board of Directors and electing officers. After discussion, upon a motion by Director Covington and a second by Director Mills, the Board unanimously agreed that Director Rosas would serve as Assistant Secretary and that all other officers would remain the same.

5. The Board then considered the billing recap reconciliation under the Bookkeeper's Report. Taylor Kolmodin noted that Municipal Accounts & Consulting ("MAC") has attempted to reconcile monthly billing recaps to the cash activity report for the past three years with no meaningful progress. With the auditor's approval, MAC will no longer attempt to reconcile billing reports. MAC will continue to record cash activity based on what is deposited in the District's bank account, but will no longer attempt to reconcile cash deposits to the monthly billing recap. The responsibility for ensuring that the billing recap is reconciled to the cash activity report will remain with in-house staff. Ms. Livingston noted that the District's new billing software should be ready to roll out in June 2027. Taylor Kolmodin left the meeting after discussion of this item.

Lexi Kolmodin discussed bills and invoices, investments and other financial management matters. After discussion, upon a motion by Director Haddad and a second by Director Covington, the Board unanimously approved (i) General Operating Fund ("GOF") Checking Account - Check Nos. 9448 and 9505, (ii) GOF Managers Account - Check Nos. 10344-10445, (iii) GOF Operating Account - Check Nos. 1005-1010 and a wire to Rudolph Chevrolet in the amount of $59,023.03 for a vehicle purchase, (iv) GOF Operating Account - Supplemental Check No. 1011 in the amount of $489.97 payable to Safeguard, (v) Capital Projects Fund ("CPF") Check No. 2023, and (vi) a transfer of $23,576.79 to the Litigation Escrow Account. Billing recap revenue amounts are not reconciled for Fiscal Year 2026.

6. As its next item of business, the Board considered the General Manager's Report. Ms. Espinoza 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:

- **District facility site.** The building is complete with the exception of a few punch list items.
- **Landscape maintenance and landscape maintenance acceptances.** The District hired a former Accent Landscape employee and two irrigation technicians. District employees will take care of all irrigation repairs, tree and plant replacements, and weed control. Mowing of parks will be brought in-house at a future date. The contract with Accent Landscape is being revised. Temporary employees are being phased out.
- **Trucks, equipment, and materials purchasing.** The District needs to purchase a forklift, a second trailer for landscaping chemicals, a generator, a large pump, and a trailer for traffic control.
- **Pond maintenance.** Ponds are in great shape.
- **Personnel.** Ms. Livingston introduced Heather Cook, the District's Records Retention Manager. Additional employees need to be hired for the manhole crew.

- **Capital Projects Engineering Service Agreements**. The following agreements have been initiated:
    - 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.
- **Other.** The District has a good chance of receiving financial assistance from the Texas Water Development Board for its Water Reuse Project. Shwetha Pandurangi with H.W. Lochner, Inc. ("Lochner") will present Lochner's final engineering report documenting methodology, findings and recommendations to the Board at its December meeting.

7. The Board then considered CEA Engineering Group Inc.'s Engineering Services Agreement for pond and stormwater system repairs and improvements to the stormwater retention pond located in Lot 1, Block 1, Mission Ridge Boulevard Subdivision. Ms. Livingston discussed the history of the project noting that the District is working with the Camino Real Regional Mobility Authority ("CRRMA") on the project. She noted that CRRMA may have enough money to cover the costs of the project. After discussion, upon a motion by Director Mills and a second by Director Covington, the Board unanimously ratified Director Roark's execution of the contract on September 9, 2026.

8. As its next item of business, the Board considered a public hearing regarding tax rate. Upon a motion by Director Roark and a second by Director Mills, the Board unanimously opened the public hearing for adoption of final tax rates for the 2026 tax year. No public comments were received. Upon a motion by Director Mills and a second by Director Covington, the Board unanimously closed the public hearing.

9. The Board then considered an Order Levying Taxes for the Tax Year 2026. After discussion, upon a motion by Director Haddad and a second by Director Mills, the Board unanimously approved an Order Levying Taxes for Tax Year 2026, thereby approving a final maintenance tax rate of $0.3786 per $100 of assessed valuation, a final debt service tax rate of $0.0814 per $100 of assessed valuation, and a final contract tax rate of $0.29 per $100 of assessed valuation, all in accordance with the Financial Advisor's recommendation.

10. The Board next considered the District's Budget for Fiscal Year 2027. After discussion, upon a motion by Director Roark and a second by Director Mills, the Board unanimously approved the budget as presented with one change -- Line Item No. 17912 (Sector 6 Lift Station Rehab) was reduced to $25,000.

11. The Board then considered the Developer's Report. Mr. Mercer provided an update regarding the Emerald Park Unit Six residential subdivision located in Paseo del Este MUD No. 11.

12. Adrian Rosas updated the Board on the status of commercial projects under the Engineer's Report, and presented the following items for consideration:

Mission Ridge Town Center Unit 1 Replat A

- Water Service Agreement
- Wastewater Service Agreement

Upon a motion by Director Roark and a second by Director Covington, the Board unanimously ratified Director Roark's execution of the foregoing service agreements.

13. 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 1:04 p.m. MT. The Board concluded the executive session and returned to the open meeting at 2:25 p.m. MT.

14. As its next item of business, the Board considered the transition of District responsibilities from Austin to El Paso. Upon a motion by Director Roark and a second by Director Mills, the Board unanimously agreed that all future Board meetings will take place in El Paso at the District's new facility site, 460 Bill Burnett Drive, El Paso, Texas 79928, unless extraordinary circumstances arise.

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

16. As its final act of business, the Board returned to Agenda Item No. 15 – Dispute with Inframark, LLC. The District received a settlement offer from Inframark, LLC. Upon a motion by Director Haddad and a second by Director Covington, the Board authorized the acceptance of the terms of settlement as recommended by General Counsel. Upon a motion by Director Covington and a second by Director Haddad, the Board authorized Director Roark to negotiate and execute the final settlement agreement.

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

Approved October 28, 2026.

Assistant Secretary, Board of Directors

