

MINUTES OF REGULAR MEETING OF  
PASEO DEL ESTE MUNICIPAL UTILITY DISTRICT NO. 1  
Wednesday, August 23, 2023

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, located at 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, August 23, 2023, and the roll was called of the directors of the Board, to-wit:

Jack Holford	President
Dan Roark	Vice President
Ken Mills	Secretary
Sid Covington	Assistant Secretary
Larry Mellenbruch	Assistant Secretary

and all of said persons were continuously present except Directors Covington and Mellenbruch, thus constituting a quorum. Director Covington entered the meeting by video/telephone conference call after discussion of Item No. 1. Director Mellenbruch entered the meeting by video/telephone conference call after discussion of Item No. 2.

Also present were Ronald J. Freeman and Geoff Kirshbaum of Terrill & Waldrop; Cyndi Ferris of Terrill & Waldrop (by video/telephone conference call); Taylor Kolmodin of Municipal Accounts & Consulting, L.P.; John Jansing and Adrian Rosas of TRE & Associates, LLC; Margaret Livingston of Franklin Mountain Land Services; Bob West of West Davis & Company; Erika Duran and Mark Yentzen of Inframark; Maria Urbina of Hilltop Securities, Inc. (by video/telephone conference call); Joel Guzman of Hunt Communities (by video/telephone conference call) and Lorena Quezada of El Paso Disposal, LP. Linda Troncoso of TRE & Associates, LLC entered the meeting by video/telephone conference call during discussion of Item No. 3.

1. As its first item of business, the Board considered the August 1, 2023 minutes. Upon a motion by Director Holford and a second by Director Roark, the Board unanimously approved the minutes with a vendor name change in the Bookkeeper's Report.

2. The Board then (i) opened a public hearing for adoption of final tax rates for the 2023 tax year and (ii) considered adopting tax rates. No public comments were received. By acclamation, the Board closed the public hearing for adoption of final tax rates for the 2023 tax year. After discussion, upon a motion by Director Mills and a second by Director Roark, the Board unanimously approved an Order Levying Taxes for Tax Year 2023, thereby approving a final maintenance tax rate of \$0.2544 per \$100 of assessed valuation, a final debt service tax rate of \$0.2056 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. A copy of the Order approved by the Board is attached as an exhibit to these minutes.

3. As its next item of business, the Board considered the District's Budget for Fiscal Year 2024. After discussion, with an emphasis on Line Item Nos. 16759 (16" butterfly value replacement) and Item No. 16760 (retention pond slope stabilization) and discussion of El Paso Water 2024 rate increases, Director Roark made a motion to approve the District's Budget for Fiscal Year 2024 as presented with the option of amending the Budget as needed. Director Covington seconded the motion, which the Board passed unanimously. A copy of the Budget is attached to these minutes.

4. The President announced through General Counsel that the Board would go into executive session for consultation with legal counsel regarding (i) Agenda Item 2—Road damage on Mission Ridge Boulevard. All consultants left the meeting room after the announcement with the exception of those that were invited to attend the executive session. The Board recessed into executive session at 12:30 p.m. Geoff Kirshbaum, Ronald J. Freeman, Margaret Livingston and Linda Troncoso, John Jansing and Adrian Rosas joined the executive session. The Board concluded the executive session and returned to the open meeting at 12:53 p.m. No action was taken by the Board in executive session. Upon a motion by Director Roark and a second by Director Mills, the Board unanimously authorized the President to negotiate and execute agreements necessary and appropriate to hire contractor(s) to remediate road damage and to work with El Paso County, the District's insurance company, engineers and attorneys in negotiating agreements.

5. As part of the Engineer's Report, Ms. Troncoso discussed the Mission Ridge logo replacement on the water tank. Upon a motion by Director Roark and a second by Director Covington, the Board unanimously (i) authorized, or reauthorized if previously authorized, the President to negotiate and execute all necessary agreements with Hunt Communities, El Paso Water and Gulf States Protective Coatings for painting the Mission Ridge logo on the water tank and (ii) approved payment to El Paso Water for right-of-entry inspection fees.

6. As its next item of business, the Board considered (i) a Resolution Authorizing Application to the TCEQ for Approval of Projects and Bonds and (ii) an engagement letter from TRE & Associates for preparation of the District's bond application. The Contract Tax Revenue Bonds will be used to finance the acquisition and construction of an office and associated improvements associated with the District's waterworks, sanitary sewer, and drainage system. President Holford requested that Board members of Paseo del Este MUD Nos. 2-11 be notified of the bond application. Upon a motion by Director Holford and a second by Director Mills, the Board unanimously approved (i) the Resolution Authorizing Application to the TCEQ for Approval of Projects and Contract Tax Revenue Bonds in an amount not to exceed \$6,000,000 (ii) TRE & Associates' engagement letter for preparation of the bond application and (iii) notifying Board members of PDEMUD Nos. 2-11 of the bond application and debt service payment plan.

7. The Board then considered the General Manager's and Operator's Report. Ms. Duran 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.

8. The Board next considered the Intergovernmental Coordinator's Report. Ms. Livingston presented the following updates:

- **Interim Field Office.** Electric transformer was installed, but needs to be relocated. AT&T internet connection is pending. Mr. Freeman suggested Starlink as an option for internet service.
- **Pond Maintenance.** Pond assessment is ongoing.
- **Landscape Maintenance.** Landscape maintenance is proceeding as planned.
- **Equipment and Materials Purchasing.** The following equipment will be in the District's possession soon: (1) jetter trailer; (2) heavy equipment backhoe and (3) multi-terrain motor. Ms. Livingston is looking into extra Sheriff/Police patrolling in the District. General Counsel reminded the Board that the District does not have policing powers.

9. The Board then considered bills and invoices, investments and other financial management matters. Ms. Kolmodin presented the financial reports for the District along with bills and invoices. After discussion, upon a motion by Director Mills and a second by Director Holford, the Board unanimously approved (i) the payment of bills and invoices as listed in the report (Check Nos. 7749-7780) (ii) a transfer to the Litigation Escrow Account in the amount of \$167,670 and (iii) Director per diem payments for work completed between meetings. A copy of the Bookkeeper's Report is attached as an exhibit to these minutes.

10. As its next item of business, the Board considered a new form for Notice to Purchaser. After discussion, upon a motion by Director Holford and a second by Director Roark, the Board unanimously approved a new form for Notice to Purchaser to include any modifications made by General Counsel.

11. Joel Guzman presented the Developer's Report. No action was taken by the Board.

12. Mr. Jansing presented the Engineer's Report. He gave a brief update regarding easements. No action was taken by the Board.

13. The Board next considered wholesale water and sewer charges to District from El Paso Water Utilities. No updates were reported.

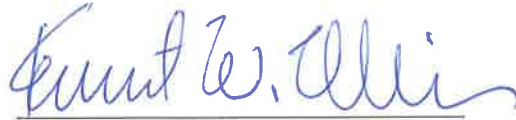
14. No updates were provided regarding the lawsuit filed by Daddy O's Car Wash.

15. The President announced through General Counsel that the Board would go into executive session for consultation with legal counsel regarding (i) Agenda Item 4(e)—Inframark contract matters. All consultants left the meeting after the announcement with the exception of Cyndi Ferris, Erika Duran, Mark Yentzen, and consultants that were invited to attend the executive session. The Board recessed into executive session at 2:19 p.m. Ronald J. Freeman, Geoff Kirshbaum and Margaret Livingston joined the executive session. The Board concluded the executive session and returned to the open meeting at 2:50 p.m. No action was taken by the Board in executive session.

16. No public comments were received.

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

Approved September 27, 2023.



Secretary, Board of Directors

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