

MINUTES OF REGULAR MEETING OF  
PASEO DEL ESTE MUNICIPAL UTILITY DISTRICT NO. 1  
Wednesday, September 27, 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, September 27, 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 Director Covington, thus constituting a quorum. Director Covington entered the meeting by video/telephone conference call after discussion of Item No. 1.

Also present were Ronald J. Freeman and Geoff Kirshbaum of Terrill & Waldrop; Cyndi Ferris of Terrill & Waldrop (by video/telephone conference call); Linda Troncoso, John Jansing and Nadia Ganser of TRE & Associates, LLC; Margaret Livingston of Franklin Mountain Land Services; Erika Duran of Inframark; Todd Burrer of Inframark (by video/telephone conference call); Joel Guzman and Franklin Stubbs of Hunt Communities (by video/telephone conference call); Lorena Quezada of El Paso Disposal, LP; Nick Harper, General Counsel for Home Depot; and Peter Monte, Construction Manager for Home Depot. Bob West of West Davis & Company entered the meeting by video/telephone conference call during discussion of Agenda Item No. 2(a); Taylor Kolmodin of Municipal Accounts & Consulting, L.P. entered the meeting by video/telephone conference call during discussion of Agenda Item No. 7.

1. As its first item of business, the Board considered service to Home Depot under the General Manager's and Operator's Report (Agenda Item 2-e). Ms. Troncoso updated the Board on pre-construction punch list items that need to be completed for water service to be provided to the site. No action was taken by the Board. Messrs. Harper and Monte left the meeting after discussion of this item.

2. The Board next considered the August 23, 2023 minutes. Upon a motion by Director Roark and a second by Director Mellenbruch, the Board unanimously approved the minutes.

3. 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.

4. As its next item of business, the Board considered amending District rules, regulations and charges for services from the District. Ms. Duran presented Inframark's suggested changes to the District's Order Adopting Rates and Charges for Service from the District (the "Rate Order") and the District's Rules and Regulations Regarding Water, Sewer and Solid Waste Services (the "Rules and Regulations"). After discussion, upon a motion by Director Mellenbruch and a second by Director Mills, the Board unanimously approved Inframark's revisions and additions to the Rate Order, and Rules and Regulations by a vote of 5-0. General Counsel will prepare a notice of changes in Rules and Regulations for publication in a newspaper of general circulation.

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

- **Interim field office.** A second request was made to relocate the electric transformer.
- **Pond maintenance.** Pond assessment is ongoing.
- **Authorize hiring of District employees/equipment operators.** Hiring of employees and equipment operators needs to start soon.
- **Landscape maintenance.** Landscape maintenance is proceeding as planned.
- **Equipment and materials purchasing.** District will take possession of the following equipment at the same time: (1) jetter trailer; (2) heavy equipment backhoe and (3) multi-terrain motor. Equipment insurance will be taken care of once equipment is in the District's possession.
- **Other matters.** David Ballard requested an amendment to Grant of Easement for a portion of Lot 4, Block 1, Project William Unit One Subdivision, El Paso County for parking. Engineers will review the land request. Director Holford asked Ms. Livingston to prepare a list of possible trades as consideration for the additional land.

6. The Board next considered the Contract Tax Revenue Bonds Application to the Texas Commission on Environmental Quality. No action was taken by the Board.

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

8. 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 Covington and a second by Director Mills, the Board unanimously approved (i) the payment of bills and invoices as listed in the report (Check Nos. 7783-7807) (ii) Supplemental Check Nos. 7828 payable to Tectonic Architecture in the amount of \$2,745 and Check No. 7829 payable to Paseo del Este MUD No. 3 in the amount of \$12,870.83 and (iii) a transfer to the Litigation Escrow Account in the amount of \$152,576.40. A

copy of the Bookkeeper's Report is attached as an exhibit to these minutes. Bob West left the meeting during discussion of this item.

Next, Ms. Kolmodin discussed amending the District's 2023 Budget. After discussion, upon a motion by Director Roark and a second by Director Mellenbruch, the Board unanimously approved the 2023 Proposed Amended Budget. Ms. Kolmodin left the meeting after discussion of this item.

9. Mr. Jansing presented the Engineer's Report. He presented the following items for consideration:

**Hillside Park at Mission Ridge Unit Six**

Drainage, Water & Wastewater Improvements

TRE No.: 1502-11809-35

- Pay Estimate No. 4 (Final) - \$233,648.35
- Acceptance of Utilities for Operation and Maintenance

**Paseo del Este Municipal Utility District No. 1**

**Falcon Village Retail Center Phase II – 12900 Eastlake Boulevard**

TRE No.: 1451-12217-35

- Acceptance of Utilities for Operation and Maintenance

Upon a motion by Director Covington and a second by Director Mills, the Board unanimously approved the foregoing items.

Mr. Jansing then requested that the Board authorize the President to accept the following project between meetings:

**Lago del Este – Replat A**

TRE No.: 1851-11966-35

- Acceptance of Utilities for Operation and Maintenance

After discussion, upon a motion by Director Mellenbruch and a second by Director Roark, the Board unanimously authorized the President to accept the foregoing project before the next Board meeting.

Ms. Troncoso gave a brief update regarding commercial development at Eastlake Boulevard and I-10.

Mr. Jansing then presented the following item for consideration:

**Manhole Rehabilitation (4 Manholes) – Rojas Drive**

- Infrastructure Rehab USA, Inc. - \$112,702.00

After discussion, upon a motion by Director Holford and a second by Director Roark, the foregoing invoice was unanimously approved by the Board.

Next, Mr. Jansing presented the following item for consideration by the Board:

**Ponds 3.4, 4.1 and 10.7**

**Well Improvements**

- Hardy Hole Drilling - \$152,000.00

After discussion, upon a motion by Director Roark and a second by Director Mellenbruch, the Board unanimously approved the foregoing contract. Mr. Guzman left the meeting during discussion of the Engineer's Report.

10. The Board then considered the following items:
  - a. Provision of wholesale wastewater transportation and/or treatment services with Horizon Regional MUD and El Paso Water Utilities ("EPWU"); and
  - b. Non-potable water supply and facilities for landscaping and other non-potable uses.

After discussion of Item 10(a), upon a motion by Director Covington and a second by Director Roark, the Board unanimously authorized the President to negotiate and execute an Interlocal Agreement among the District, Horizon Regional MUD and EPWU for the temporary diversion of wastewater allowing more wastewater to run through the District's lift station to the EPWU line at no cost to the District.

Ms. Troncoso then discussed Item 10(b):

**Engineering Feasibility Study**

**Irrigation Water Supply Alternatives and Distribution Requirements**

TRE Proposal No.: 23053

After discussion, upon a motion by Director Roark and a second by Director Mellenbruch, the Board unanimously approved TRE & Associates' proposal with a modification to exclude the development of water wells. Messrs. Burrer and Stubbs left the meeting during discussion of this item.

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

12. As its next item of business, the Board considered the water line break along Mission Ridge Boulevard. After discussion, upon a motion by Director Covington and a second by Director Mills, the Board unanimously authorized the President to negotiate and execute appropriate agreements to repair damage caused by the water line break and to file appropriate insurance claims.

13. The Board then considered the transition of District responsibilities from Austin to El Paso:

- a. Authorize retaining AVR for billing and collection services; and
- b. Other matters.

Ms. Livingston is reviewing the AVR contract for billing and collection services.

14. 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. Items 2(c) and 4(f) – Inframark contract matters;
- b. Item 2 (d) – Subpoena;
- c. Item 10 – Wholesale water and sewer charges to District from El Paso Water Utilities; and
- d. Item 12 – Dupont class action lawsuit.

All consultants left the meeting after the announcement with the exception of those invited to attend the executive session. The Board recessed into executive session at 2:45 p.m. Ronald J. Freeman, Geoff Kirshbaum, Margaret Livingston and Linda Troncoso joined the executive session. The Board concluded the executive session and returned to the open meeting at 3:25 p.m. No action was taken by the Board in executive session.

15. No public comments were received.

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

Approved October 25, 2023.

  
Assist. Secretary, Board of Directors

[SEAL]