

MINUTES OF SPECIAL MEETING OF
PASEO DEL ESTE MUNICIPAL UTILITY DISTRICT NO. 1
Wednesday, December 20, 2023

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 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, December 20, 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, thus constituting a quorum.

Also present were Ronald J. Freeman, Paul Terrill, Geoff Kirshbaum and Casey Cooper of Terrill & Waldrop; Cyndi Ferris of Terrill & Waldrop (by video/telephone conference call); Margaret Livingston, Chief Operating Officer; John Jansing and Nadia Ganser of TRE & Associates, LLC; Bob West of West, Davis & Company, LLP; Taylor Kolmodin of Municipal Accounts & Consulting, L.P.; Erika Duran of Inframark; Mark Yentzen of Inframark (by video/telephone conference call); Joel Guzman of Hunt Communities; Maria Urbina of Hilltop Securities, Inc. (by video/telephone conference call); Lorena Quezada of El Paso Disposal, LP (by video/telephone conference call); Doug Borrett, President of Paseo del Este MUD No. 2 (by video/telephone conference call); and Houston Holford. Gus Haddad, President of Paseo del Este MUD No. 3, and Frank Ortiz 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 November 29, 2023 minutes. Upon a motion by Director Holford and a second by Director Mills, the Board unanimously approved the minutes with one minor correction.

2. As its next item of business, the Board 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.

3. The Board then considered the Chief Operating Officer's Report. Ms. Livingston presented the following updates:

- **Interim field office.** Electric power pole is scheduled to be installed near the temporary construction office.
- **Pond maintenance.** No report.
- **Landscape Maintenance.** Park canopies are ready for installation.
- **Trucks, equipment and materials purchasing.** Equipment is insured. Trucks will be obtained once employees are hired.
- **Inframark Fuel Surcharge Agreement Letter.** The March 2023 deadline was missed. Ms. Livingston noted that a fuel surcharge is no longer necessary due to declining gas prices. After discussion, upon a motion by Director Covington and a second by Director Mellenbruch, the Board unanimously approved cancellation of the agreement.
- **Other.** Mr. Jansing presented the following projects for consideration under the Engineer's Report:

**Paseo del Este Municipal Utility District No. 1
Storage Office Site Development Plan Phase II
TRE No.: 1451-12239-96**

- Engineer's Letter of Recommendation – ZTEX Construction, Inc.
\$247,110.80

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

Mr. Jansing then presented the following project for consideration:

**Paseo del Este Municipal Utility District No. 1
Storage Office Site Development Plan Phase II
Water, Wastewater and Drainage Improvements
TRE No.: 1451-12239-96**

- Engineer's Letter of Recommendation – ZTEX Construction, Inc.
\$124,182.00

After discussion, upon a motion by Director Covington and a second by Director Mellenbruch, the foregoing project was unanimously approved by the Board. Mr. Ortiz left the meeting after discussion of this item.

4. Next, the Board considered Contract Tax Revenue Bonds, Series 2024. Mr. Borrett noted that a bond's 30-year borrowing lifespan does not align with the water line and pressure reducing valve station improvements project since pressure-reducing valves typically have a 10-year lifespan. Mr. Freeman recommended that engineers file the TCEQ Application for Approval of Projects and Contract Tax Revenue Bonds in the amount of \$6,000,000.00 and noted that the application could be amended within 270 days of the filing date to add the engineering project. Ms. Urbina added that debt could be structured to the life-expectancy of each project.

5. The Board then considered Unlimited Tax Bonds, Series 2024A:
 - a. Consider and take action regarding Resolution Authorizing Application to the Texas Commission on Environmental Quality for Approval of Projects and Bonds;
 - b. Consider and take action regarding an engagement letter from TRE & Associates, LLC for preparation of the District's fifth bond application to the Texas Commission on Environmental Quality; and
 - c. Approve engagement of auditors for preparation of developer reimbursement audit.

This item was tabled.

6. As its next item of business, the Board 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. 7905-7945) (ii) eight Director per diem invoices (iii) a transfer to the Litigation Escrow Account and (iv) a check to the PSB for an estimated amount owed. A copy of the Bookkeeper's Report is attached as an exhibit to these minutes. Director Roark left the meeting after discussion of this item.

7. Mr. Guzman gave a brief update under the Developer's Report.

8. The Board then considered the Engineer's Report. Mr. Jansing updated the Board regarding regional emergency services planned in Paseo del Este Municipal Utility District No. 9, and presented the following item for consideration:

Constellation Trade Center on Bill Burnett Drive

After discussion, upon a motion by Director Covington and a second by Director Mellenbruch, the Board authorized the President to approve acceptance of the foregoing project with the Engineer's recommendation.

Next, Mr. Jansing requested that the Board allow TRE & Associates to respond to the Texas Commission on Environmental Quality's (the "TCEQ") request regarding lead service lines used in the District's community water system. He noted that the District's service lines do not contain lead, but the District needed to respond to the TCEQ's request and provide construction documentation verifying that the service lines do not contain lead. Upon a motion by Director Holford and a second by Director Mills, the Board approved TRE's request to respond to the TCEQ.

Ms. Livingston updated the Board regarding the long-term land lease with a hotel brand for an additional 6,000 square feet of parking space on a portion of **Lot 4, Block 1, Project William Unit One Subdivision**.

9. As its next item of business, the Board considered the water line break along Mission Ridge Boulevard. Engineers are waiting on outstanding invoices before total expenses are submitted to the insurance company for reimbursement. No action was taken by the Board.

10. The Board did not discuss transition of District responsibilities from Austin to El Paso.


11. 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 3(f) – Inframark contract matters; and
- b. Agenda Item 10 – Wholesale water and sewer charges to District from El Paso Water Utilities.

The majority of consultants left the meeting after the announcement with the exception of Cyndi Ferris, Mark Yentzen and Erika Duran. The Board recessed into executive session at 1:54 p.m. Ronald J. Freeman, Geoff Kirshbaum, Paul Terrill, Casey Cooper and Margaret Livingston joined the executive session. The Board concluded the executive session and returned to the open meeting at 2:25 p.m. No action was taken by the Board in executive session.

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

Approved January 24, 2024.


Secretary, Board of Directors

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