

MINUTES OF REGULAR MEETING OF
PASEO DEL ESTE MUNICIPAL UTILITY DISTRICT NO. 1
Wednesday, April 24, 2024

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, April 24, 2024, 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
L. Gus Haddad	Assistant Secretary

and all of said persons were continuously present, thus constituting a quorum.

Also present were Ronald J. Freeman, Geoffrey Kirshbaum and Casey Cooper of Terrill & Waldrop; Cyndi Ferris of Terrill & Waldrop (by video/telephone conference call); Margaret Livingston, Chief Operating Officer; John Jansing, Linda Troncoso, Nadia Ganser and Bradley Lane of TRE & Associates, LLC; Lexi 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 (by video/telephone conference call); Lorena Quezada of El Paso Disposal, LP (by video/telephone conference call); and Bob West of West Davis & Company. Doug Borrett, President of Paseo del Este MUD No. 2, entered the meeting by video telephone conference call during discussion of Agenda Item No. 9.

1. As its first item of business, the Board considered the March 27, 2024, minutes. Upon a motion by Director Covington and a second by Director Mills, the Board unanimously approved the minutes.

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:

- **Other.** A baseball night is planned for staff.

- **District facility site.** The following Change Order was presented for consideration:

**Paseo del Este Municipal Utility District No. 1
Storage Office Site Development Plan Phase II
TRE No.: 1451-12239-35**

- Change Order No. 1 – Increase of \$6,388.22 for addition of three hundred thirty-six (336) square yards of 2”-4” loose rock rip-rap, due to existing field conditions

Upon a motion by Director Holford and a second by Director Roark, the Board unanimously approved the foregoing change order.

- **Other.** The Bond Anticipation Note (“BAN”) loan program has been abandoned.
- **Pond maintenance.** Maintenance on major ponds has been completed.
- **Landscape maintenance.** Photos of park improvements made in Paseo del Este MUD No. 3 were presented. Director Holford suggested an opening event for the new and improved park.
- **Trucks, equipment and materials purchasing.** Research is ongoing regarding sewer cleaning equipment for major sewer events (vactor truck). The Lower Valley Water District offered the District assistance with a vactor truck, if needed. District needs a dump truck and trailer for transporting the back hoe. Director Holford requested that the District logo be added to all trucks and equipment. Ms. Livingston noted that she will add Apple tags to all equipment for tracking purposes.

4. As its next item of business, the Board considered a hotel parking ground lease in the Lot 4, Block 1, Project William Unit One Subdivision. Mr. Kirshbaum gave a brief update. Director Haddad requested that a CPI escalator clause be added to the contract. Upon a motion by Director Mills and a second by Director Roark, the Board unanimously authorized the President to execute the contract, with the addition of a CPI escalator clause, once contract terms are agreed upon by both parties and recommended by General Counsel.

5. The Board did not consider an agreement with the Town of Horizon City to permit District to landscape and maintain a 16-foot strip of land that runs alongside the eastern end of Paseo Del Este MUD 10’s boundary.

6. The Board next considered Contract Tax Revenue Bonds, Series 2024. The COO reiterated that the Bond Anticipation Note (“BAN”) loan program had been dropped. Ms. Ganser updated the Board on the TCEQ application process.

7. 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. 8085-8123) and (ii) a transfer to the Litigation Escrow Account in the amount of \$67,087.44. A copy of the Bookkeeper's Report is attached as an exhibit to these minutes.

8. The Board next considered a Collateral Security Agreement with West Star Bank. General Counsel notified the Board that the agreement had expired and needed to be updated. No action was taken by the Board.

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

10. As its next item of business, the Board considered the Engineer's Report. General Counsel requested that the Board ratify its vote on the following items from the March 27, 2024 Board meeting:

Emerald Heights Units Six and Seven

Grading Improvements

TRE No.: 1451-12446-35

- Pay Estimate No. 1 - \$295,382.78

Emerald Heights Units Six and Seven

Water, Wastewater and Drainage Improvements

TRE No.: 1519-12246-96/1519-12247-96

- Engineer's Letter of Recommendation – El Paso Underground Construction - \$967,600.00

Paseo del Este Municipal Utility District No. 1

Eastlake Logistics Phase II – Stonelake Unit 2

TRE No.: 1451-12125-35

- **RATIFY** - Acceptance of Utilities for Operation and Maintenance

Upon a motion by Director Mills and a second by Director Roark, the Board unanimously ratified the foregoing items.

Ms. Ganser presented the following items for the Board's consideration:

Emerald Heights Units Six and Seven

Grading Improvements

TRE No.: 1451-12234-35/1451-12235-35

- Pay Estimate No. 2 (Final) - \$86,624.32
- Acceptance of Utilities for Operation and Maintenance

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

Mr. Jansing notified the Board that the **irrigation water study** had been placed on hold until new TCEQ Rules and Regulations for Public Water Systems are drafted and/or adopted.

11. The Board did not discuss wastewater splitter box maintenance and provision of wholesale wastewater transportation and/or treatment services with Horizontal Regional Municipal Utility District and El Paso Water Utilities.

12. No update was presented regarding the lawsuit filed by Daddy O's Car Wash.

13. No update was presented on the DuPont Class Action Lawsuit or the 3M Company Class Action Lawsuit.

14. As its next item of business, the Board considered the water line break along Mission Ridge Boulevard. Mr. Kirshbaum informed the Board that he and the insurance company had finalized the release document and that a settlement check had been issued.

15. The Board did not discuss further items regarding transition of District responsibilities from Austin to El Paso.

16. 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 12 – Wholesale water and sewer charges to District from El Paso Water Utilities; and
- b. Agenda Item 13 – Amend District rules, regulations and charges for services from the District, including retail water, wastewater and solid waste rates and fees.

The Board recessed into executive session at 1:02 p.m. The Board concluded the executive session and returned to the open meeting at 1:38 p.m. Director Roark left the meeting during the executive session.

17. The Board next considered Agenda Item 10(h) – Easements, leases or similar land use agreements. General Counsel notified the Board that engineers and attorneys agreed and recommended a Reciprocal Easement Agreement with Logika Properties. Upon a motion by Director Covington and a second by Director Mills, the Board unanimously approved the Reciprocal Easement Agreement.

18. The Board next considered wholesale water and sewer charges to District from El Paso Water Utilities. Upon a motion by Director Mills and a second by Director Covington, the Board unanimously authorized attorneys to appeal the rate increase from El Paso Water Utilities.

19. As its final act of business, the Board considered amending District rules, regulations and charges for services from the District, including retail water, wastewater and solid waste rates and fees. This item was postponed until more information is received.

20. No public comments were received.

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

Approved May 22, 2024.


Secretary, Board of Directors

[SEAL]