MINUTES

The Pecos 4B Economic Development Corporation

BOARD OF DIRECTORS' MEETING

Minutes.PEDC.20261019

A. CALL TO ORDER

The Regular Meeting of the Pecos 4B Economic Development Corporation (PEDC) Board of Directors was called to order at 5:34 p.m.

B. INVOCATION

Hector Carrasco gave the invocation.

C. PLEDGE OF ALLEGIANCE

Teresa Winkles led the Pledge of Allegiance.

D. PUBLIC COMMENTS

Randy Graham addressed the Board and congratulated the Board members. He shared his opinions and requested that PEDC review its bylaws, consider concerns regarding the hiring of an Executive Director with a felony conviction, examine documents involving Pete Gallego, clarify whether $50,000 had been approved, pursue recovery of funds from Kleinman, and look into the Test Track matter.

E. DECLARATION OF A QUORUM

A quorum was present, consisting of Venetta Seals, Teresa Winkles, Hector Carrasco, and Lawrence Burleson Sr. Also present were PEDC staff, City staff, and members of the public.

F. CONSENT AGENDA

F.1 Approve Minutes

a) Regular Board Meeting – September 21, 2026

b) Special Board Meeting – October 7, 2026

The Board considered the minutes of the September 21, 2026 Regular Board Meeting and the October 7, 2026 Special Board Meeting.

Teresa Winkles made a motion to approve both sets of minutes. Lawrence Burleson Sr. seconded the motion. The motion carried.

F.2 Investment Report

The Board reviewed the investment report. The TexPool Sales Tax Account No. 1-0258 had an ending balance of $770,746.28 and earned $2,373.95 in interest. The TexPool Non-Sales Tax Account No. 2-8456 had an ending balance of $36,178,491.50 and earned $111,431.93 in interest. The average money market interest rate was reported at 3.7590%.

Teresa Winkles made a motion to approve the investment report. Hector Carrasco seconded the motion. The motion carried.

F.3 Approve September 2026 Financial Statements and Reports – Monthly Report

The Board reviewed the September 2026 financial statements and reports. Discussion included account classifications and transfers, advertising support for the literacy program, scholarship expenditures and related documentation, and the proposed establishment of a third account with an initial deposit of $5,000. Board members requested additional information regarding scholarship recipients and supporting records.

Hector Carrasco made a motion to approve the September 2026 financial statements and reports. Teresa Winkles seconded the motion. The motion carried.

F.4 Monthly Sales Tax Report

The Board reviewed the monthly sales tax report.

Teresa Winkles made a motion to approve the report. Lawrence Burleson Sr. seconded the motion. The motion carried.

F.5 PEDC Monthly Advisory Report – CJ Aragon (September 2026)

The Board discussed the September 2026 monthly advisory report from CJ Aragon. Mr. Aragon was unable to attend due to a medical matter. The Board discussed the report and related rodeo matters.

Teresa Winkles made a motion to table the item. Venetta Seals seconded the motion. The motion carried.

G. NON-CONSENT ITEMS

G.1 Discuss, consider, and take action on the election of a PEDC Secretary/Treasurer.

The Board discussed electing a Secretary/Treasurer and whether to wait until additional Board members were appointed. Hector Carrasco volunteered to serve temporarily.

Teresa Winkles made a motion to elect Hector Carrasco as PEDC Secretary/Treasurer. Lawrence Burleson Sr. seconded the motion. The motion carried.

G.2 Discuss, consider, and take action on Resolution No. 20261019.1 authorizing the President or Vice President to execute deeds, contracts, mortgages, bonds, and other instruments approved by the Board of Directors.

The Board considered Resolution No. 20261019.1, authorizing the President or Vice President to execute deeds, contracts, mortgages, bonds, and other instruments approved by the Board.

Hector Carrasco made a motion to approve Resolution No. 20261019.1. Lawrence Burleson Sr. seconded the motion. The motion carried.

G.3 Discuss, consider, and take action on a resolution to update PEDC signature cards.

The Board discussed updating PEDC signature cards to include Hector Carrasco as Secretary/Treasurer.

Teresa Winkles made a motion to approve the resolution updating the PEDC signature cards. Venetta Seals seconded the motion. The motion carried.

G.4 Discuss, consider, and take action regarding the PEDC check-writing process.

The Board discussed the check-writing process, including providing copies of invoices with checks presented for signature and having the President and Vice President review and initial invoices before signing. Discussion also included the review of expenses and the need for a consistent invoice approval process.

Teresa Winkles made a motion to have Joe Keese review the check-writing process and report back to the Board. Lawrence Burleson Sr. seconded the motion. The motion carried.

G.5 Discuss, consider, and take action regarding the PEDC corporate credit card and policies governing access to and use of the card.

The Board discussed the PEDC corporate credit card, including the bank's personal guarantee requirements, potential liability for individual cardholders, and options for managing business expenses. Discussion also included the use of credit cards for travel and other purchases, separate statements for tracking expenses, and the possibility of using personal funds and requesting reimbursement.

The Board agreed to continue using the reimbursement process for the time being and revisit the corporate credit card arrangement at a later date. No action was taken.

G.6 Discuss, consider, and take action regarding whether to retain Bobby Maldonado as PEDC legal counsel or select a replacement attorney.

The Board discussed whether to retain Bobby Maldonado as PEDC legal counsel or select replacement counsel. Discussion included identifying any pending matters being handled by current counsel, the possibility of engaging another law firm, and the PEDC's prior use of that firm without a formal contract.

The Board emphasized the need to obtain all active files and records belonging to the PEDC before making any change in legal representation. No action was taken.

G.7 Discuss, consider, and take action regarding Mr. Dutchover's accrued paid time off (PTO) through his termination date.

The Board discussed Jimmy Dutchover's accrued paid time off (PTO), including the City's policies regarding accrual, carryover, and payment of unused time off.

Hector Carrasco made a motion to deny payment of Jimmy Dutchover's accrued paid time off. Lawrence Burleson Sr. seconded the motion. The motion carried.

G.8 Discuss, consider, and take action on a policy for disclosing outside interests or outside business activities.

The Board discussed the need for policies addressing outside interests, outside business activities, ethics, and conflicts of interest. Discussion included reviewing an example policy and coordinating with the City as it develops its ethics ordinance.

Teresa Winkles made a motion for the potential Interim Executive Director to work with the City to establish ethics and conflict-of-interest policies. Venetta Seals seconded the motion. The motion carried.

G.9 Discuss, consider, and take action regarding expectations, pay scale, and benefits for the Interim Executive Director position.

The Board noted that the expectations, pay scale, and benefits for the Interim Executive Director position were addressed during the Executive Session and subsequent Open Session discussion under Item I. For further discussion and action, please refer to Item I.

G.10 Discuss, consider, and take action on the resolution regarding acceptance of the City ordinance concerning the PEDC Board's authority to hire and fire the Executive Director.

The Board discussed the City ordinance concerning the PEDC Board's authority to hire and terminate the Executive Director, including the need to align the PEDC's governing documents with the ordinance.

Lawrence Burleson Sr. made a motion to accept the City ordinance. Hector Carrasco seconded the motion. The motion carried.

G.11 Discuss, consider, and take action regarding a forensic audit of PEDC rather than waiting for the City to complete its process.

The Board discussed proceeding with a forensic audit of the PEDC rather than waiting for the City's process. Discussion included the possibility of PEDC hiring a firm directly, the scope and timeframe of the audit, and having the firm report to City staff as requested by City Council. The Board discussed obtaining City Council approval before proceeding.

Teresa Winkles made a motion to table the item pending City Council approval. Lawrence Burleson Sr. seconded the motion. The motion carried.

G.12 Update regarding the fiscal year 2025–2026 audit planning and document request submitted by Painter and Associates, P.C.

The Board received an update regarding the fiscal year 2025–2026 audit. The engagement letter with Painter and Associates, P.C., had been signed in August by the President and Executive Director. The auditor had submitted a document request.

G.13 Discuss, consider, and take action regarding existing PEDC professional services contracts.

The Board discussed reviewing the PEDC's existing professional services contracts.

Teresa Winkles made a motion to have Joe Keese review all existing professional services contracts and report back to the Board. Venetta Seals seconded the motion. The motion carried.

G.14 Discuss, consider, and take action on the proposal submitted by Villescas Research, Media & Instruction, LLC (VRMI), for grant-writing and marketing services in response to PEDC's Request for Qualifications (RFQ).

The Board discussed the proposal submitted by Villescas Research, Media & Instruction, LLC (VRMI), for grant-writing and marketing services. Discussion included the need to broaden advertising for both RFQs to reach more potential applicants.

Teresa Winkles made a motion to resubmit the RFQs for grant-writing and marketing services. Venetta Seals seconded the motion. The motion carried.

G.15 Discuss, consider, and take action on a proposed PEDC sponsorship of the Ranch Rodeo in the amount of $20,000.

The Board discussed the proposed $20,000 Ranch Rodeo sponsorship, including the event's purpose, timing, and relationship to economic development activities.

Venetta Seals made a motion to deny the proposed $20,000 Ranch Rodeo sponsorship. Teresa Winkles seconded the motion. The motion carried.

G.16 Discuss, consider, and take action regarding land designated for Hidden Heroes Phase 1 and Phase 2.

The Board discussed the Troy Vines property designated for Hidden Heroes Phase 1 and Phase 2. Discussion included the property's environmental conditions, whether previous cleanup had occurred, and the need for additional information regarding any environmental assessment or remediation. Nicole Alderete-Ferrini, Interim City Manager, advised that the matter would be discussed with City Council before being brought back to the PEDC Board.

Teresa Winkles made a motion to table the item until after the next City Council meeting. Lawrence Burleson Sr. seconded the motion. The motion carried.

G.17 Discuss, consider, and take action regarding the refund of escrow payments to 115 Tolivar LLC:

a) $5,000 deposited September 18, 2025, for 70 acres for the Acid Delinters property.

b) $5,000 deposited October 22, 2025, for 30 acres of land near PP 1 & 2.

c) $50,000 deposited January 21, 2026, for the Pecos Data Park LLC purchase of New West Pecos land.

The Board discussed 115 Tolivar LLC's request for refunds of the three escrow payments after City Council turned down its proposal for the properties. Lyndon Nance explained the request, and PEDC staff confirmed that the checks from 115 Tolivar LLC had cleared. Nance also requested the return or destruction of confidential development documents submitted to the PEDC.

Hector Carrasco made a motion to approve the refund of the escrow payments to 115 Tolivar LLC. Lawrence Burleson Sr. seconded the motion. The motion carried.

G.18 Discuss, consider, and take action regarding land inquiries and potential development opportunities:

a) Dylan Bader / VeridianField – Inquiry regarding available properties for potential data center development, including County Road 118, County Road 118 and County Road 115, U.S. Highway 285, and other qualifying properties.

b) SKR Properties LLC / AZTEKS Legacy Investments LLC – Proposed land development and potential partnership with PEDC.

c) Fahim Azam – Inquiry regarding property near Starbucks and land owned by BJ Patel, including possible execution of a clawback.

d) Jacob Shotmeyer / Jeff Levine (BTGV) – Inquiry regarding available land, retail development opportunities, and a potential partnership involving Pecos Freight Village.

e) ProtonGenix – Proposed Gupta 3 solar and battery storage project in Reeves County near Saragosa, including a request for a meeting with PEDC.

The Board discussed the land inquiries and potential development opportunities listed on the agenda. Discussion included having Joe Keese review the inquiries, contact the parties involved, and return to the Board with recommendations.

Teresa Winkles made a motion to table the listed items until Joe Keese could review them and provide recommendations. Venetta Seals seconded the motion. The motion carried.

G.19 Discuss, consider, and take action regarding Danielle Bass's inquiry concerning 69.44 acres along U.S. Highway 285.

Danielle Bass and Bob Wilson of Legacy Real Estate presented the 69.44-acre property on behalf of its owners. They discussed the property's location, zoning, and potential for future development, including the possibility of PEDC and other local entities acquiring the property. The Board discussed the property's potential. No action was taken.

G.20 Discuss, consider, and take action on CFive LLC's request for survey permission and a proposed right-of-way easement on PEDC-owned property, Parcel ID 4539.

The Board discussed CFive LLC's request for survey permission and a proposed right-of-way easement on PEDC-owned property identified as Parcel ID 4539. The Board requested additional information, including a map clearly identifying the property's location and further details regarding the proposed easement and its potential effect on future development.

Hector Carrasco made a motion to table the item pending further information. Teresa Winkles seconded the motion. The motion carried.

G.21 Discuss, consider, and take action regarding the Permian Resources Operating, LLC division order and oil royalty payments for Pecos 4B Economic Development Corporation.

The Board discussed the division order and oil royalty payments, including questions regarding the existing lease and well. The Board requested additional information from Joe Keese.

Hector Carrasco made a motion to table the item pending further information from Joe Keese. Teresa Winkles seconded the motion. The motion carried.

G.22 Update regarding the Reeves County Regional Mobility Authority (RMA) petition and its anticipated consideration by the Texas Transportation Commission.

The Board received an update regarding the RMA petition and was advised that the process was moving forward. Discussion included requesting an email update from David Garcia and arranging a meeting with David Garcia, Nicole Alderete-Ferrini, and Joe Keese to discuss the status of the RMA. No action was taken.

G.23 Discuss, consider, and take action on Two85 Prime's applications for assistance through the PEDC Storefront Improvement Program and Signage Program.

The Board discussed Two85 Prime's applications for assistance through the PEDC Storefront Improvement Program and Signage Program. Discussion included program requirements, eligibility criteria, scoring, maximum funding amounts, and amounts requested. PEDC staff confirmed that the applicant used a different tax identification number from the one previously associated with King Sharks.

Teresa Winkles made a motion to table the item pending additional information. Venetta Seals seconded the motion. The motion carried.

H. EXECUTIVE SESSION

Executive Session as authorized by the Texas Open Meetings Act, § 551.101, for the purpose of:

a) Texas Government Code § 551.074 – Personnel Matters: Interview candidate(s) for the Interim Executive Director position.

I. OPEN SESSION

Open Session pursuant to Texas Government Code § 551.102 to take action, if any, on matters deliberated in Executive Session.

a) Texas Government Code § 551.074 – Personnel Matters: Interview candidate(s) for the Interim Executive Director position.

The Board returned to Open Session at 7:19 p.m.

Teresa Winkles made a motion to appoint Joe Keese as Interim Executive Director with an annual salary of $130,000, a vehicle allowance of $12,000, a work phone through the City contract paid for by PEDC, no medical or retirement benefits, and paid time off in accordance with the City's PTO rate and practices. Hector Carrasco seconded the motion. The motion carried.

The Board recessed from 7:22 p.m. to 7:27 p.m.

J. ITEMS FOR NEXT MEETING

The Board identified the items tabled during the meeting for follow-up and additional information. Discussion included obtaining updates on outstanding items, reviewing the items individually, and the possibility of scheduling a special meeting between regular meetings to allow sufficient time for consideration.

K. ADJOURNMENT

The meeting adjourned at 8:45 p.m.

Venetta Seals, President — Date: 11/19/2024

Teresa Winkles, Vice President — Date: 11-16-26