

MINUTES OF SPECIAL MEETING OF
PASEO DEL ESTE MUNICIPAL UTILITY DISTRICT NO. 1
Wednesday, September 11, 2019

STATE OF TEXAS §
 §
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, Building One, Suite 100, Austin, Texas 78730, a regular meeting place of the Board of Directors of the District (the "Board"), at 11:30 a.m., on Wednesday, September 11, 2019, 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 present, thus constituting a quorum.

Also present at the meeting were Ronald J. Freeman of the Law Offices of Ronald J. Freeman; Lourdes González of INFRAMARK; Nur Labardini of Municipal Accounts & Consulting, L.P.; John Jansing, Adrian Rosas and Nadia Ganser of TRE & Associates, LLC; Bob West of West, Davis & Company, LLP; Maria Urbina of Hilltop Securities, Inc. (by telephone); Joel Guzman and Franklin Stubbs of Hunt Communities; and Lorena Quezada of El Paso Disposal.

1. The Board first considered approval of the minutes of the Board's August 14, 2019, meeting. Director Mills made a motion to approve the minutes. Director Covington seconded the motion, which the Board passed unanimously.

2. As its next item of business, the Board considered the General Manager's and Operator's Reports. Ms. González gave a report on the status of development in the District and other districts. No action was taken by the Board.

3. The Board then considered amending the District's service rules, regulations and rates. After discussion, the Board decided to discuss District service rules and regulations at a later date, and to take action on District rates after review of the budget.

4. The Board next considered approving the payment of bills and invoices. Ms. Labardini presented the financial reports for the District along with bills and invoices. After discussion, Director Covington made a motion to approve (i) payment of bills and invoices as listed in the report (Check Nos. 6399-6415); (ii) Supplemental Check No. 6416 in the amount of \$104,832 payable to El Paso Disposal; and (iii) one per diem payment to Jack Holford for

services rendered on September 4, 2019. Director Mellenbruch seconded the motion, which the Board passed unanimously. A copy of the Bookkeeper's Report is attached as an exhibit to these minutes.

5. The Board then considered approving the District's Budget for Fiscal Year 2020. After discussion, Director Roark made a motion to approve the District's Budget for Fiscal Year 2020. Director Mills seconded the motion, which the Board passed unanimously. A copy of the Budget is attached as an exhibit to these minutes.

6. As its next item of business, the Board considered amending District rates. After discussion, upon a motion by Director Roark and a second by Director Mellenbruch, an order approving increases was unanimously approved. A copy of the new rate order is attached to these minutes.

7. The Board then conducted a public hearing for adoption of final tax rates for the 2019 tax year. No public comments were received. By acclamation, the Board closed the public hearing for adoption of final tax rates for the 2019 tax year.

8. Next, the Board considered adopting tax rates. Upon a motion by Director Covington and a second by Director Mills, the Board unanimously approved an Order Levying Taxes for Tax Year 2019, thereby approving a final maintenance tax rate of \$0.46 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.

9. The Board then considered the Developer's Report. Mr. Guzman gave a report on the status of development in the Paseo del Este MUDs. No action was taken by the Board.

10. As its final act of business, the Board considered the Engineer's Report. Mr. Jansing presented the following items for approval:

Peyton Estates Unit Six
Water, Wastewater and Drainage Improvements
TRE Job No.: 1502-11782-96
Engineer's Letter of Recommendation: El Paso Underground Construction -
\$1,367,355.00

Hillside Park at Mission Ridge Unit One
Drainage, Waster & Wastewater and
Regional Water and Wastewater Improvements
TRE No.: 1502-11181-35
Pay Estimate No. 3 - \$419,327.10

Peyton Estates Unit Five
Water, Wastewater & Drainage
and Regional Water and Wastewater Improvements
TRE No.: 1502-11686-35
Pay Estimate No. 6 - \$279,234.90

Emerald Park Unit Four
Water, Wastewater & Drainage
and Regional Wastewater Improvements
TRE No.: 1502-11528-35
Pay Estimate No. 7 - \$56,538.45

Painted Sky at Mission Ridge Unit Two
Drainage, Water & Wastewater Improvements
TRE No.: 1502-11506.35
Change Order No. 1 – Increase of \$8,091.20

Peyton Estates Unit Four
Waster, Wastewater & Drainage
and Regional Water & Wastewater Improvements
TRE No.: 1502-11637-35

- Change Order No. 7 – Increase of \$7,500.00
- Pay Estimate No. 10 (Final) - \$120,170.14
- Recommendation of Acceptance for Operation and Maintenance
Approved by the Director Holford 9-4-19 and ratified by the Board
(12-month warranty effective September 3, 2019)

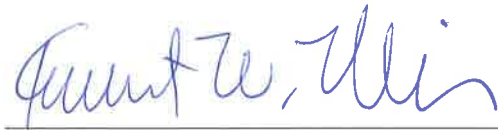
Upon a motion by Director Roark and a second by Director Mellenbruch, the foregoing items were unanimously approved by the Board.

The Board then considered the Hach Company Data Delivery Services contract for two (2) wastewater Hach FloDar meters downstream of the splitter manhole. Upon a motion by Director Mills and a second by Director Covington, the Board unanimously approved the contract.

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

Approved October 23, 2019.

[SEAL]

A handwritten signature in blue ink, appearing to read "Junt W. Ulin", written over a horizontal line.

Secretary, Board of Directors