

MINUTES OF MEETING
OF
BOARD OF DIRECTORS

STATE OF TEXAS §
COUNTY OF EL PASO §
PASEO DEL ESTE MUNICIPAL UTILITY DISTRICT NO. 10 §

The Board of Directors of Paseo del Este Municipal Utility District No. 10 of El Paso County met in regular session, open to the public, on October 1, 2019, at its meeting place located outside of the District at the offices of TRE & Associates, LLC, 110 Mesa Park Drive, Suite 200, El Paso, Texas. The roll was called of the directors of the Board, to-wit:

Luis Ortega	President
Greg Spence	Vice President
B. D. Reynolds, Jr.	Secretary
Martin N. "Teen" Lettunich	Assistant Secretary
Antonio Gallardo	Assistant Secretary

All of said persons were present thus constituting a quorum. Also in attendance were Lourdes Gonzalez of Inframark, LLC; Linda Troncoso of TRE & Associates; Joel Guzman of Hunt Communities; and Mr. and Mrs Ysrael Valencia, and representatives, of the Emerald Springs Retreat Homeowners Association. Ty Embrey, attorney, and Joe Jimenez, paralegal, of Lloyd Gosselink Rochelle & Townsend; and Taylor Kolmodin of Municipal Accounts and Consulting, L.P., participated in the meeting via conference call.

1. The first item on the agenda was the review and approval of the minutes of the Board meeting of September 3, 2019. Upon a motion by Director Ortega and a second by Director Spence the minutes of said meeting were unanimously approved.

2. Public Comment. The next item before the Board was to hear comments and received information from members of the public. The Board heard comments from representatives of the Emerald Springs Retreat Homeowners Association.

Mr. Ysrael Valencia, President of the Emerald Springs Retreat Homeowners Association stated three issues that he wanted to bring to the Board's attention. First, Mr. Valencia asked about the District's plans to construct a sidewalk along Ashford Street to the Emerald Springs gate. Mr. Valencia wanted to bring this issue to the Board's attention and ask if the District had plans to construct the sidewalk. Director Ortega explained that the District is looking into construction of the sidewalk, including the cost that would be involved to construct the sidewalk. Further, Director Ortega informed Mr. Valencia that he (Director Ortega) is currently working with the District's engineer to have the sidewalk constructed. The District's engineer and

developer also provided information to Mr. Valencia on the District's plans to provide landscape improvements along the hike and bike trails.

Second, Mr. Valencia stated that the Homeowner's Association has an interest in being more involved in the Board. Mr. Valencia asked what public announcements the District provides to notify the public of upcoming Board meetings and elections. With regard to Board's meetings, Mr. Embrey explained that notices of the Board's agenda meetings are posted on two bulletin boards within the District. Mr. Embrey reported that he provided Mr. Valencia (via electronic transmission) with the locations of the bulletin boards within the District, including photos showing the posting of the Board's agenda. Mr. Valencia could not confirm that he received Mr. Embrey's via electronic transmission. Mr. Embrey agreed to follow up with Mr. Valencia after the meeting to confirm he (Mr. Embrey) has the correct contact information for Mr. Valencia. Mr. Embrey informed Mr. Valencia that the Board's meetings are regularly held on the first Tuesday of the month. The meetings are open to the public to any person who wishes to attend the meeting. Ms. Gonzalez also mentioned that the Board's agendas are also posted on the District's web page.

With regard to the Board's elections, Mr. Embrey reported that the District follows the statutory notice requirements as set forth in the Water Code and Election Code. Mr. Embrey reported that Board Members were in re-elected in May 2019 and noted that the next elections are scheduled for May 2021.

Third, Mr. Valencia expressed concern that Board members should include persons who live within the District, for instance the Emerald Spring Retreat neighborhood.

3. The next item before the Board was the Resolution Evidencing Annual Review of the District's Investment Policy ("Resolution"). Mr. Embrey reported that the Board is required by state law to review the District's Investment Policy ("Policy") on an annual basis to make certain the Policy complies with current state law requirements and, if necessary, recommend changes that are needed to bring the Policy into compliance with those requirements.

The Texas Legislature convened in 2019. Mr. Embrey stated that there were recommended changes that needed to be made to the District's current Investment Policy, which was last revised on October 3, 2017. Mr. Embrey explained that the Investment Policy has been revised consistent with the changes enacted by the 86th Legislature to the Public Funds Investment Act. Mr. Embrey reported that the revised District's Investment Policy was also provided to Municipal Accounts and Consulting for review. Mr. Embrey reported that Ms. Kolmodin also recommended that the District update the list of qualified brokers that are authorized to engage in investment transactions with the District. Mr. Embrey reported that the updated list of qualified brokers has been incorporated to the revised District's Investment Policy. Mr. Embrey recommended that the Board adopt the Resolution Evidencing Annual Review of the Investment Policy, adopt the revised written Investment Policy, and adopt the revised list of qualified brokers that are authorized to engage in investment transactions with the District.

Upon review of the Resolution Evidencing Annual Review of the Investment Policy, the revised written Investment Policy, and the revised list of qualified brokers as incorporated therein, it was moved by Director Spence and seconded by Director Gallardo that the Resolution, the revised written Investment Policy, and the revised list of qualified brokers be approved, which motion carried unanimously. A copy of the Resolution and the revised list of qualified brokers is attached as Exhibit "A".

4. Ms. Gonzalez next presented the operator's report, a copy of which is attached as Exhibit "B". Ms. Gonzalez reported that as of the end of August the District had 950 total connections, and that no new connections were added during the current month. Ms. Gonzalez reported on the following to the Board: (1) reported on the population and occupancy rates during the current month; (2) reported on the number of delinquent accounts during the current month, and efforts to address concerns with the delinquent accounts; and (3) reported on the latest growth trends for the Paseo del Este MUD No. 10.

5. Ms. Troncoso next presented the engineer's report and updated the Board on the status of development activity within the District and the Paseo del Este community.

Ms. Troncoso next presented the following item for the Board's consideration and approval:

Emerald Park, Unit Four
Water, Wastewater and Drainage and Regional Wastewater Improvements
Pay Estimate No. 7 for \$56,538.45 from El Paso Underground Construction
TRE No.: 1502-11528-35

Upon a motion by Director Lettunich and a second by Director Gallardo, the Board unanimously approved the processing for Pay Estimate No. 7 for construction of Emerald Park, Unit Four, Water, Wastewater and Drainage and Regional Wastewater Improvements to El Paso Underground Construction in the amount of \$56,538.45.

6. Mr. Guzman next presented the developer's report and updated the Board on the status of development activity within the District and the Paseo del Este community.

7. The Board next considered the bookkeeper's report, a copy of which is attached as Exhibit "C". Ms. Kolmodin provided the Board with a list of disbursements and balances, and presented a list of bills for payment for the Board's review and approval. Upon a motion by Director Gallardo and a second by Director Spence the Board unanimously approved the bookkeeper's report with the list of disbursements and balances, and the list of bills presented for payment.

8. There was no general counsel's report.

9. There being no further business before the Board, it was moved by Director Ortega, and seconded by Director Lettunich, to adjourn the meeting, which motion carried unanimously.

Passed and approved this 5th day of November, 2019.


Secretary, Board of Directors

(DISTRICT SEAL)

