

MINUTES OF MEETING
OF
BOARD OF DIRECTORS

STATE OF TEXAS §

COUNTY OF EL PASO §

PASEO DEL ESTE MUNICIPAL UTILITY DISTRICT NO. 11 §

The Board of Directors of Paseo del Este Municipal Utility District No. 11 of El Paso County held a regular meeting open to the public, on September 12, 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:

Jose R. Soto	President
Mary Suzann Pell	Vice President
Darwin Voge	Secretary
Marisa Lascurain	Assistant Secretary
Murray Van Gundy	Assistant Secretary

All of said persons were present, with the exception of Director Soto, thus constituting a quorum. Also in attendance were Lourdes Gonzalez of Inframark, LLC; Maria Urbina of Hilltop Securities, Nadia Ganser of TRE & Associates; Franklin Stubbs of Hunt Communities; Ty Embrey, attorney, and Joe Jimenez, paralegal, of Lloyd Gosselink Rochelle & Townsend; and Lorena Quezada of El Paso Disposal. Nur Labardini 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 August 8, 2019. Upon a motion by Director Voge and a second by Director Lascurain the minutes of said meeting were unanimously approved.

2. The next item before the Board was to open the meeting to consider comments from the public. No persons presented themselves to speak at the Board meeting. No action was required by the Board on this agenda item. No action was taken by the Board.

3. The next item before the Board was to call the Public Hearing on the 2019 Tax Rate for the District. Director Ortega opened the public hearing. Mr. Embrey stated that Notice of the Public Hearing on the Tax Rate was published in the *West Texas Courier* on August 22, 2019, which notified the public that the proposed 2019 tax rate will be \$0.75 per \$100 assessed valuation.

No persons presented themselves to speak at the Public Hearing. There being no persons present to speak at the Public Hearing on the 2019 Tax Rate for the District, the public hearing on the tax rate was closed by unanimous consent of the Board.

4. The next item before the Board was to consider and act on the District's operating budget for the fiscal year ending September 30, 2020. Following further discussion, it was moved by Director Van Gundy and seconded by Director Lascrain that the Resolution approving the 2019-2020 Fiscal Year operating budget and the operating budget for the fiscal year ending September 30, 2020 be adopted, which motion carried unanimously. A copy of the Resolution approving the 2019-2020 Fiscal Year operating budget and the adopted operating budget is attached as Exhibit "A."

5. The next item before the Board was to consider and act on amending the operating budget for the fiscal year ending September 30, 2019. Ms. Labardini and Mr. Embrey informed the Board that there were no amendments to the operating budget for the fiscal year ending September 30, 2019, and therefore, no action was required by the Board on this agenda item. No action was taken by the Board.

6. The next item before the Board was to consider and act on the Order Setting 2019 Tax Rates, a copy of which is attached as Exhibit "B". Mr. Embrey stated that the Order provides that the District's 2019 debt service tax be set at \$0.4500, the maintenance tax be set at \$0.0100, and the contract tax rate be set at \$0.2900 per \$100 assessed valuation for a total tax rate of \$0.75 per \$100 assessed valuation.

After further discussion, it was moved by Director Van Gundy and seconded by Director Voge that the Order Setting 2019 Tax Rates be approved and further that the District's 2019 debt service tax be set at \$0.4500, the maintenance tax be set at \$0.0100, and the contract tax rate be set at \$0.2900 per \$100 assessed valuation for a total tax rate of \$0.75 per \$100 assessed valuation, which motion carried unanimously.

7. The next item before the Board was to consider and act on the District Information Form. Mr. Embrey informed the Board that Chapter 49 of the Water Code requires that once a District adopts its tax rate, the District must file with the real property records of El Paso County notice of the tax rate for the purpose of providing notice to a purchaser of real property in the District of the tax rate. Mr. Embrey stated that the District Information Form has been revised to reflect the 2019 tax rate components. In addition, Mr. Embrey stated that the particular form of Notice to Purchasers that is required to be furnished by a seller to a prospective purchaser of real property in the District is included as an exhibit ("Exhibit C") to the District Information Form. Mr. Embrey stated that upon the Board's approval, the District Information Form and the related exhibits, including the Notice to Purchasers Form will be filed in the real property records of El Paso County. Following further discussion, it was moved by Director Voge and seconded by Director Lascrain that the District Information Form be approved, which motion carried unanimously. A copy of the District Information Form is attached as Exhibit "C".

8. The next item before the Board was to discuss and consider an Order Designating District Offices and Meeting Places Outside the District and authorize publication of the notice. Because of the change in address of the El Paso office of Inframark, LLC, the District was in the position to update its meeting and office locations to reflect the change in office address of the El Paso office of Inframark, LLC. Mr. Embrey explained that state law requires that any changes in the District's offices or meeting locations be designated through a Board order and that notice be published in a newspaper of general circulation within the District.

Upon a motion by Director Van Gundy and a second by Director Lascurain, it was moved to approve the Order Designating District Offices and Meeting Places Outside the District and to authorize the publication of the notice related to same, which motion carried unanimously. A copy of the order is attached as Exhibit "D."

9. Ms. Gonzalez next presented the operator's report, a copy of which is attached as Exhibit "E". Ms. Gonzalez reported that as of the end of August the District had 392 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 (3) reported on the latest growth trends for the Paseo del Este MUD No. 10. Further, Ms. Gonzalez provided an update on the water usage during the current month.

10. Ms. Ganser 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. Ganser 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. 6 for \$295,769.70 from El Paso Underground Construction
TRE No.: 1502-11528-35

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 Van Gundy and a second by Director Lascurain, the Board unanimously approved the processing for (1) Pay Estimate No. 6 for the construction of Emerald Park, Unit Four, Water, Wastewater and Drainage and Regional Wastewater Improvements to El Paso Underground Construction in the amount of \$295,769.70; and (2) Pay Estimate No. 7 for the 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.

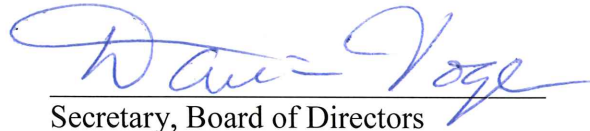
11. Mr. Stubbs next presented the developer's report and updated the Board on the status of development activity within the District and the Paseo del Este community.

12 The Board next considered the bookkeeper's report, a copy of which is attached as Exhibit "F". Ms. Labardini 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 Voge and a second by Director Van Gundy, the Board unanimously approved the bookkeeper's report with the list of disbursements and balances, and the list of bills presented for payment.

13. There was no general counsel's report.

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

Passed and approved this 10th day of October, 2019.


Secretary, Board of Directors

(DISTRICT SEAL)

