

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 January 7, 2020, at its meeting place within the District at the offices of Inframark, LLC, 13034 Eastlake Boulevard, Suites D-E, 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; Bob West of West, Davis & Company; Lorena Quezada of El Paso Disposal; and Mr. Valencia of the Emerald Springs Retreat Homeowners Association. Ty Embrey, attorney, and Joe Jimenez, paralegal, of Lloyd Gosselink Rochelle & Townsend; Joel Guzman of Hunt Communities; and 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 December 3, 2019. Upon a motion by Director Spence and a second by Director Reynolds 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. Mr. Valencia informed the Board that he heard or read that the City of Horizon (“Horizon”) was considering walkway improvements and inquired if there was opportunity for the District to partner with Horizon on the District’s Hike and Bike Trail project. Ms. Troncoso explained that the walkway improvements overlap across the Horizon’s and El Paso County’s rights-of-way. Ms. Troncoso reported that she would start with contacting the appropriate staff in El Paso County (“County”) to discuss and inquire if the County would consider partnering with the District on the Hike and Bike Trail improvements. Ms. Troncoso agreed to provide the Board with a report next month of her discussion with the County. There was no action required by the Board on this agenda item. No action was taken by the Board.

3. The next item on the agenda was to consider and take action regarding the District's meeting place. Mr. Embrey reviewed the Texas Water Code Chapter 49 petition process to establish a meeting place within the District's boundaries.

Mr. Embrey informed the Board that State law requires a district to provide notice of the Chapter 49 petition process the first meeting of each calendar year if the district does not have a meeting place within the boundaries of the district. Mr. Embrey reminded the Board that the District has its meeting place within the boundaries of the District, therefore, Mr. Embrey noted that the description of the Chapter 49 petition process on the agenda should be corrected to delete the word "not" in the first sentence to read that the District "does have a meeting place within the boundaries of the District". Mr. Embrey advised the Board that there was no action required by the Board on this agenda item. No action was taken by the Board.

4. The next item on the agenda was the review and approval of the District's annual audit report for the fiscal year ending September 30, 2019. Mr. West presented the audit report to the Board. Mr. West reviewed the audit report with the Board, which included a management discussion and analysis, financial statements, notes to financial statements, and required supplementary information. Mr. West informed the Board he had issued a clean opinion.

Mr. West presented the Annual Filing Affidavit to the Board for signature upon the Board's approval of the District's annual audit report. Mr. West advised the Board that the Annual Filing Affidavit would be attached and filed with the Annual Financial Report filed with the Texas Commission on Environmental Quality ("TCEQ").

It was then moved by Director Reynolds and seconded by Director Gallardo that the District's annual audit report for the fiscal year ending September 30, 2019 be approved, which motion carried unanimously.

5. The next item on the agenda was to consider and take action regarding the District's Resolution Requesting Appraisal of Property and Certificate of Estimated Appraised Value. Mr. Guzman presented the Resolution to the Board. Upon a motion by Director Lettunich and a second by Director Spence, the Board unanimously approved the District's Resolution Requesting Appraisal of Property and Certificate of Estimated Appraised Value.

6. Ms. Gonzalez next presented the operator's report, a copy of which is attached as **Exhibit "A"**. Ms. Gonzalez reported that as of the end of November the District had 969 total connections, and that 19 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, (3) reported on the latest growth trends for the Paseo del Este MUD No. 10. Ms. Gonzalez also reported on the status of the District's new web page.

Mr. Valencia asked about recycling efforts in the District. Ms. Quesada explained that in 2017 China instituted a ban policy on certain recycled waste materials. Ms. Quesada explained how China's ban policy has affected the waste industry's ability to process recyclable materials, resulting in more recyclables ending up in landfills. Ms. Quesada explained that China's ban

policy has also resulted in rising costs to haul away recyclable materials, in some cases rendering the practice unprofitable for waste companies. Ms. Quesada that China's ban policy has affected El Paso Disposal ability to process recycled materials.

7. 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. Mr. Valencia asked if there a plans to extend the roadway from Darrington Road to Montana Avenue. Ms. Troncoso reported that she was aware that extension of Darrington Road to Montana Avenue is part of El Paso County long-range transportation plans but was not aware of the County's timeline for constructing the road extension.

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

Emerald Pass Commercial Unit Two  
Drainage, Water & Wastewater Improvements  
TRE Job No.: 1502-11422-35  
Pay Estimate No. 3 - \$30,690.00

Upon a motion by Director Reynolds and a second by Director Spence, the Board unanimously approved the processing for Pay Estimate No. 3 for the construction of Emerald Pass Commercial, Unit Two, Drainage, Water & Wastewater Improvements in the amount of \$30,690.00, and a copy of the District Engineer's letter of recommendation for Pay Estimate No. 3 is attached hereto as **Exhibit "B"**.

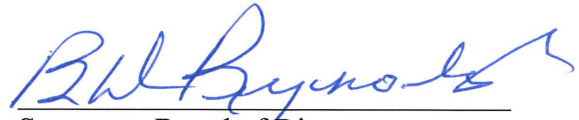
8. Mr. Guzman next presented the developer's report and updated the Board on the status of development activity within the District and the Paseo del Este community.

9. The Board next considered the bookkeeper's report, a copy of which is attached as **Exhibit "C"**. 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 Ortega and a second by Director Gallardo, the Board unanimously approved the bookkeeper's report with the list of disbursements and balances, and the list of bills presented for payment.

10. There was no general counsel's report.

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

Passed and approved this 4th day of February, 2020.



Secretary, Board of Directors

(DISTRICT SEAL)

