

MINUTES OF REGULAR MEETING OF
PASEO DEL ESTE MUNICIPAL UTILITY DISTRICT NO. 1
Wednesday, March 25, 2020

STATE OF TEXAS §
 §
COUNTY OF EL PASO §

The Board of Directors of Paseo del Este Municipal Utility District No. 1 (the "District") held a regular meeting, open to the public, at 11:30 a.m., by free telephone conference call only, at 11:30 a.m. on Wednesday, March 25, 2020, 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 and Cyndi Ferris of the Law Offices of Ronald J. Freeman; Todd Burrer and Lourdes González of Inframark; Taylor Kolmodin of Municipal Accounts & Consulting, L.P.; John Jansing, Adrian Rosas and Nadia Ganser of TRE & Associates, LLC; Bob West of West, Davis & Company, LLP; and Maria Urbina of Hilltop Securities, Inc. Kristi Hester of Inframark entered the meeting during discussion of Item 4 in these minutes. Franklin Stubbs of Hunt Communities entered the meeting during discussion of Item 6 in these minutes.

1. The Board first considered approval of the minutes of the Board's February 26, 2020, meeting. Director Covington made a motion to approve the minutes. Director Mellenbruch 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 presented a report on the status of development in the District and other districts. Upon a motion by Director Mellenbruch and a second by Director Mills, the Board unanimously approved expenses over \$2,000 as shown in the Summary Report.

Ms. González then introduced a PowerPoint presentation regarding the provision of water service by the District to the El Paso ISD Eastlake High School campus in the amount of \$266,627.36 going back over a period of approximately 24 months. Ms. González and Mr. Burrer discussed reasons why the overcharge occurred: (i) same water was metered twice--irrigation meter was being submetered out of the domestic meter; (ii) irrigation meter was in gallons/minute instead of CCF (one hundred cubic feet); and (iii) meter was installed on wrong side of distribution line. A new 4" CCF irrigation meter was installed at a different location coming from the same water main but not connected to the same domestic meter line. Mr. Burrer recommended

reimbursing the \$266,627.36 overcharge to Eastlake ISD over a 24-month period in the form of a credit of \$11,109.47 per month. Upon a motion by Director Mills and a second by Director Roark, the Board unanimously agreed to reimburse Eastlake High School \$266,627.36 over a 24-month period in the form of a credit of \$11,109.47 per month and Inframark was authorized to implement the refund if El Paso ISD agreed. A copy of the presentation is attached as an exhibit to these minutes.

3. The Board next considered approving the payment of bills and invoices. Ms. Kolmodin presented the financial reports for the District along with bills and invoices. Upon a motion by Director Roark and a second by Director Holford, the Board unanimously approved the payment of bills and invoices as listed in the report (Check Nos. 6533-6555). A copy of the Bookkeeper's Report is attached as an exhibit to these minutes.

4. The Board then considered the following related to the novel coronavirus ("COVID-19") epidemic:

Mr. Freeman presented a Resolution Authorizing Payments During a Disaster Declaration. After discussion, the Board unanimously agreed to table the resolution to determine future feasibility.

Mr. Freeman next presented a draft Resolution Acknowledging Declaration of Disaster and Establishing Procedures for Continuity of District Operations and Management. After discussion, the Board unanimously agreed to table the resolution.

By acclamation, the Board agreed that:

- a. There would be no disconnections of retail water or wastewater service to retail customers in the District for non-payment of amounts owed by the customer to the District for retail service provided by the District during the COVID-19 epidemic; and
- b. Enforcement of any late fees, penalties, interest, additional deposit or similar fees or penalties imposed by the District's Rules and Regulations related to such service by the District to retail customers would be suspended; provided, however, no other portion of the District's Rules and Regulations (including, without limitation, fees, deposits, penalties and similar charges not directly related to the provision of retail service by the District to its retail customers) shall be affected by this action by the Board.

5. The Board then considered a contract with the District Manager/Operator. Discussion of this item was tabled for a future meeting.

6. As its next item of business, the Board considered a landscape maintenance contract with Accent Maintenance Company, Inc. Mr. Jansing discussed the District taking over landscape maintenance expenses from Hunt Communities and Inframark totaling approximately \$35,350.00 per month. The Board authorized the President to negotiate and approve the contract if the contract proved to be consistent with what the District has agreed to in the past with Hunt Communities.

7. The Board then considered the Developer's Report. Mr. Stubbs gave a brief report on development in the Paseo del Este MUDs. No action was taken by the Board.

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

Americas Estates Unit Two Replat A

Water, Wastewater & Drainage Improvements

TRE No.: 1519-11666-35

- Water Service Agreement
- Wastewater Service Agreement

By acclamation, the Board ratified Mr. Holford's acceptance of the water and wastewater agreements.

Emerald Heights Unit Two

Water, Wastewater & Drainage Improvements

TRE No.: 1451-11486-35

- Pay Estimate No. 10 - \$16,065.00
- Pay Estimate No. 11 (Final) - \$217,116.86

Note: This project was accepted for operation and maintenance at the February 26, 2020 Board meeting so that Mr. Bowling could obtain meters.

Emerald Pass Commercial Unit Two

Drainage, Water & Wastewater Improvements

TRE No.: 1502-11422-35

- Pay Estimate No. 4 - \$65,597.40

Paseo del Este MUD 1

Lift Station Improvements

TRE No.: 1851-11471-35

- Pay Estimate 3 - \$72,000.00
- Pay Estimate 4 (Final) - \$106,004.34
- Acceptance for Operation and Maintenance. By acclamation, the Board ratified Mr. Holford's acceptance of the project.

HCA-Del Sol Medical Center

Utility Improvements

TRE No.: 1915-11661-35

- Acceptance of Utilities for Operation and Maintenance

Emerald Estates Unit Four

Drainage, Water and Wastewater Improvements

TRE No.: 1502-11538-96

- Engineer's Letter of Recommendation – El Paso Underground Construction - \$1,123,919.60

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

Mr. Jansing then presented the following item for approval:

Hillside Park at Mission Ridge Unit One

Drainage, Water & Wastewater and

Regional Water and Wastewater Improvements

TRE No.: 1502-11181-35

- Acceptance for Operation and Maintenance of Utilities

Upon a motion by Director Holford and a second by Director Mellenbruch, the Board unanimously approved the President's review and acceptance for operation and maintenance subject to the engineer's recommendation.

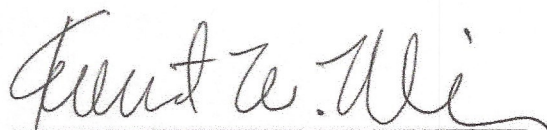
Mr. Jansing then presented the following items for consideration:

- **District Fire Hydrant Map.** Emergency Services Management requested a map showing each fire hydrant (with corresponding address) located in the District. Mr. Holford instructed Inframark to provide Emergency Services Management with the existing address list of fire hydrants and to work with TRE & Associates to resolve the issue.
- **River Oaks Commercial Sites.** El Paso Electric requested consent to cross the District's easements for underground utilities. Upon a motion by Director Mellenbruch and a second by Director Mills, the Board unanimously agreed that the President, with assistance from Mr. Freeman and Mr. Jansing, be authorized to negotiate and execute an agreement or other documents, as appropriate, to permit El Paso Electric to extend service to the River Oaks Commercial Sites in the District.

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

Approved April 22, 2020.

[SEAL]


Secretary, Board of Directors