

MINUTES OF SPECIAL MEETING OF
PASEO DEL ESTE MUNICIPAL UTILITY DISTRICT NO. 1
Thursday, April 30, 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 special meeting, open to the public, by video/telephone conference only, at 11:00 a.m. on Thursday, April 30, 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; Kristi Hester and Lourdes González of Inframark; Taylor Kolmodin of Municipal Accounts & Consulting, L.P.; Linda Troncoso and John Jansing of TRE & Associates, LLC; Bob West of West, Davis & Company, LLP; Joel Guzman and Franklin Stubbs of Hunt Communities; and Lorena Quezada of El Paso Disposal, LP.

1. The Board first considered approval of the minutes of the Board's April 22, 2020, meeting. Director Holford made a motion to approve the minutes. Director Mills seconded the motion, which the Board passed unanimously.

2. As its next item of business, the Board considered amending the District's Budget for Fiscal Year 2020 with the goal of determining increased costs to the District for anticipated increases in wholesale water and wastewater costs and with a goal of replenishing the District's 90-day O&M Reserve within a reasonable period of time. Mr. West led the discussion referring to the Fiscal Year 2020 Budget Amendment worksheet, dated April 28, 2020. Upon a motion by Director Mills and a second by Director Mellenbruch, the Board unanimously approved the Fiscal Year 2020 Budget Amendment as proposed by Mr. West. A copy of the Fiscal Year 2020 Budget Amendment is attached as an exhibit to these minutes.

3. The Board then considered amending District rates to meet the goals of the increased budget. Mr. West compared increasing the District's current retail rates for customers with meters smaller than 1-inch (and certain other customers) by 10 percent (10%); (ii) by 15 percent (15%); and (iii) by simply adopting retail rates for customers with smaller than 1-inch meters to match City of El Paso in-city retail single-family residential rates. Mr. West and other District consultants recommended a rate increase to match City of El Paso in-city retail rates noting that the rate increase amounts to an additional charge of \$5.02 per month per 8CCF (equivalent to 5,984 gallons) for residential customers. Upon a motion by Director Covington

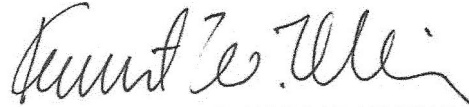
and a second by Director Mills, the Board unanimously approved the recommended rate increase with an effective date that corresponds with usage for billing cycles starting May 12, 2020, and later. A copy of the amended rate order is attached as an exhibit to these minutes.

4. No public comments were received.

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

Approved May 27, 2020.

[SEAL]



Secretary, Board of Directors