

MINUTES OF REGULAR MEETING OF  
PASEO DEL ESTE MUNICIPAL UTILITY DISTRICT NO. 1  
Wednesday, May 27, 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, by video/telephone conference call only, at 11:30 a.m. CT on Wednesday, May 27, 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.; John Jansing and Nadia Ganer of TRE & Associates, LLC; Joel Guzman and Franklin Stubbs of Hunt Communities; Ray Baca of M1EP Property Management (on behalf of Chapel Hill Apartments); and Fred Marcus, developer of Chapel Hill Apartments.

1. The Board first considered approval of the minutes of the Board's April 30, 2020, meeting. Director Holford made a motion to approve the minutes. Director Covington 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 Covington and a second by Director Mellenbruch, the Board unanimously approved expenses over \$2,000 as shown in the General Manager's Summary Report.

3. The Board then 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 Mellenbruch and a second by Director Mills, the Board unanimously approved the payment of bills and invoices as listed in the report (Check Nos. 6579-6603). A copy of the Bookkeeper's Report is attached as an exhibit to these minutes.

4. The Board next considered the following:
  - i. District rates for retail service to customers with one-inch or larger water meters; and
  - ii. concerns from Chapel Hill Apartments.

Mr. Freeman noted that the rate increase approved by the Board at its April 30, 2020, meeting applied to residential customers only, and that the Board was open to a rate change for multi-family complexes and commercial sites. Mr. Baca then presented his concerns to the Board regarding (1) rates and (2) meter size versus need. After discussion, Director Holford made the following motion:

- i. District to hire rate consultant/analyst for advice regarding non-residential usage and rates;
- ii. Chapel Hill Apartments to pay one-half of both the 8" and 4" meter bills for April, May and June;
- iii. Remaining one-half of amount billed in April, May and June to be deferred until the June meeting when the Board determines rates for multi-family projects. Bills are subject to adjustment after rates are determined; and
- iv. Inframark will not charge late fees for the months of April, May and June, 2020.

Director Covington seconded the motion, which the Board unanimously approved. Messrs. Baca and Marcus left the meeting after discussion of this item.

5. As its next item of business, the Board considered amending or approving a new contract with the District Manager/Operator. Mr. Freeman noted that he was still working on details with Inframark and discussion would be postponed until the Board's June meeting.

6. The Board then considered ratifying and approving a landscape maintenance contract with Accent Maintenance Company, Inc. Upon a motion by Director Roark and a second by Director Mellenbruch, the Board unanimously approved the President's execution of the contract and acceptance of landscaping subject to approval of the engineer.

7. The Board then considered the Developer's Report. Mr. Guzman 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:

**McDonald's – Eastlake Marketplace**  
Water & Wastewater Service Commitment  
TRE Project No. 1451-11882-54

**Sector 6 Phase III Lift Station Rehabilitation Improvements**  
TRE No.: 1451-11691-35

- Pay Estimate 2 (Final) - \$145,427.11
- Acceptance of Utilities for Operation and Maintenance

**Hillside Park at Mission Ridge Unit One**

Drainage, Water & Wastewater and  
Regional Water and Wastewater Improvements

TRE No.: 1502-11181-35

- Pay Estimate No. 8 - \$28,802.70
- Pay Estimate No. 9 - \$207,127.85
- Acceptance of Utilities for Operation and Maintenance

**Hillside Park at Mission Ridge Unit Three**

Drainage, Water and Wastewater Improvements

TRE No.: 1502-11682-35

- Pay Estimate No. 1 - \$457,435.35

**Hillside Park at Mission Ridge Unit Four**

Drainage, Water & Wastewater Improvements

TRE No.: 1502-11706-35

- Pay Estimate No. 1 - \$230,257.80

**Emerald Pass Commercial Unit Two**

Drainage, Water & Wastewater Improvements

TRE No.: 1502-11422-35

- Pay Estimate No. 5 (Final) - \$107,097.50
- Acceptance of Utilities for Operation and Maintenance

**Americas Estates Unit Two Replat A**

Water, Wastewater & Drainage Improvements

TRE No.: 1519-11666-35

- Pay Estimate No. 5 - \$24,988.32
- Pay Estimate No. 6 (Final) - \$74,429.30
- Acceptance of Utilities for Operation and Maintenance

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

Mr. Jansing then presented the following items for approval:

**McDonald's – Eastlake Marketplace**

Water & Wastewater Service Commitment

TRE Project No. 1451-11882-54

Mr. Jansing requested a one-year time limit for the Water & Wastewater Service Commitment if conditions were granted for 13 LUEs to the project. Upon a motion by Director Holford and a second by Director Covington, the Board unanimously approved the one-year time limit on the Water & Wastewater Service Commitment.



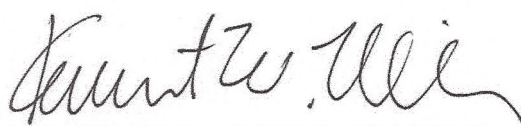
Next, Mr. Jansing asked the District to consider maintaining the hike and bike trail located in Mission Ridge Unit Four, a part of Horizon Regional Municipal Utility District. Director Holford tabled discussion of this item until Board members of Paseo del Este MUDs 2-9 are notified of the additional maintenance expense.

Mr. Jansing noted that he would address calibration of meter issues addressed in the Operations Report at the June meeting.

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

Approved June 24, 2020.

[SEAL]

A handwritten signature in dark ink, appearing to read "Kuntze Uli", written over a horizontal line.

Secretary, Board of Directors