

MINUTES OF REGULAR MEETING OF
PASEO DEL ESTE MUNICIPAL UTILITY DISTRICT NO. 1
Wednesday, June 24, 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, June 24, 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 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 Adrian Rosas of TRE & Associates, LLC; Franklin Stubbs of Hunt Communities; Ray Baca of M1EP Property Management (on behalf of Chapel Hill Apartments); and Fred Marcus of Perim Builders, LLC (developer of Chapel Hill Apartments).

1. The Board first considered approval of the minutes of the Board's May 27, 2020, meeting. Director Covington 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 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 Mills, 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. 6604-6626), as well as customer deposit refunds (Check Nos. 6694-7037). 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 PSB wholesale rate increase conformed to the terms of the wholesale contract in the opinion of the District's consultant, Jay Joyce. Mr. Freeman then stated that Mr. Jansing was still in the process of soliciting information regarding retail rates charged by the PSB, Horizon Regional MUD and other utilities for industrial/commercial apartment-type users, and that Mr. Jansing would consult with Mr. Joyce once Mr. Jansing's research was completed.

Upon a motion by Director Covington and a second by Director Mills, the Board unanimously approved amending the following items approved at its May 27, 2020, Board meeting relating to Chapel Hill Apartments:

- a. Chapel Hill Apartments to pay one-half of both the 8" and 4" meter bills beginning in April 2020 on a month-to-month basis until the rate issue is resolved;
- b. Remaining one-half of amounts billed retroactively to April 2020 to be deferred until the Board determines rates for multi-family projects. Bills are subject to adjustment after rates are determined; and
- c. Inframark will not charge late fees starting in April 2020 until issue is resolved.

Mr. Baca stated that he is working with the Chapel Hill Apartment developer's engineer regarding reducing the size of the 8" meter, as well as adding an irrigation meter. A proposal will be presented to the Board once his studies are complete.

5. As its next item of business, the Board considered amending or approving a new contract with the District Manager/Operator. Discussion to be postponed until the Board's July meeting.

6. 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.

7. As its final act of business, the Board considered the Engineer's Report. Mr. Jansing presented the following Water and Wastewater Service Agreements for approval:

- Hillside Park at Mission Ridge Unit Three**
Drainage, Water and Wastewater Improvements
TRE No.: 1502-11682-35
- Water and Wastewater Service Agreements

Hillside Park at Mission Ridge Unit Four

Drainage, Water & Wastewater Improvements

TRE No.: 1502-11706-35

- Water and Wastewater Service Agreements

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

Mr. Jansing then presented the following change orders, pay estimates and acceptances for approval:

Emerald Estates Unit Four

Drainage, Water and Wastewater Improvements

TRE No.: 1502-11538-35

- Pay Estimate No. 1 - \$287,345.70
- Change Order No. 1 – Increase of \$4,500.00

Hillside Park at Mission Ridge Unit Three

Drainage, Water and Wastewater Improvements

TRE No.: 1502-11682-35

- Pay Estimate No. 2 - \$386,323.20

Hillside Park at Mission Ridge Unit Four

Drainage, Water & Wastewater Improvements

TRE No.: 1502-11706-35

- Pay Estimate No. 2 - \$232,080.30

Hillside Park at Mission Ridge Unit Two

Drainage, Water & Wastewater and

Regional Water and Wastewater Improvements

TRE No.: 1502-11182-35

- Pay Estimate No. 7 (Final) - \$123,658.00
- Acceptance of Utilities for Operation and Maintenance

Peyton Estates Unit Six

Water, Wastewater and Improvements

TRE No.: 1502-11782-35

- Change Order No. 1 (Revised) – Increase of \$6,000

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

Mr. Jansing next presented the following item for approval:

Peyton Estates Unit Six

Water, Wastewater and Improvements

TRE No.: 1502-11782-35

- Acceptance of Utilities for Operation and Maintenance

Upon a motion by Director Mills and a second by Director Mellenbruch, the Board unanimously approved the President accepting the foregoing project for operation and maintenance before the next meeting if all paperwork was received and approved by TRE & Associates.

Mr. Jansing then presented the Chronology and Details of Splitter Manhole Construction for informational purposes since there are ongoing issues with the project. He encouraged anyone with questions to contact him directly.

Next, Mr. Jansing presented the following item for approval:

Accent Maintenance Company

Mission Ridge Boulevard –

- Remove sand along boulevard, medians, parkways, and hike and bike trail - Total Cost \$1,625.00

Upon a motion by Director Holford and a second by Director Covington, the foregoing item was unanimously approved by the Board.

Mr. Jansing then updated the Board on Project William, a 90+ acre regional distribution project. Mr. Holford requested that TRE & Associates provide the Board with a summary of all commercial development in the District.

Lastly, Mr. Jansing updated the Board regarding a three-mile stretch of landscaping on Eastlake Boulevard that was not constructed pursuant to plan. TRE & Associates worked with the El Paso County engineer on possible solutions and is waiting on a price quote from Accent Maintenance Company.

8. No public comments were received.

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

Approved July 22, 2020.

Samuel W. Klein

Secretary, Board of Directors

