

MINUTES OF REGULAR MEETING OF
PASEO DEL ESTE MUNICIPAL UTILITY DISTRICT NO. 1
Wednesday, August 26, 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, at 11:30 a.m. CT on Wednesday, August 26, 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; Lourdes González of Inframark; Taylor Kolmodin of Municipal Accounts & Consulting, L.P.; John Jansing, Adrian Rosas and Nadia Ganser of TRE & Associates, LLC; Maria Urbina of Hilltop Securities, Inc.; and Bob West of West Davis & Company, LLP. Lorena Quezada of El Paso Disposal, LP entered the meeting during discussion of Item No 2. Franklin Stubbs of Hunt Communities entered the meeting during discussion of Item No. 9.

1. The Board first considered approval of the minutes of the Board's July 22, 2020 meeting. Director Roark 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 the other 10 Paseo del Este MUDs. Upon a motion by Director Roark and a second by Director Covington, the Board unanimously approved the expenses over \$2,000 as shown in the General Manager's Summary Report. Director Holford lost Wi-Fi connection during discussion of this item.

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 Covington and a second by Director Mellenbruch, the Board unanimously approved the payment of bills and invoices as listed in the report (Check Nos. 6652-6677), as well as Supplemental Check No. 6678 in the amount of \$1,150.00 payable to Security Dynamics, Inc. A copy of the Bookkeeper's Report is attached as an exhibit to these minutes. Director Holford rejoined the meeting during discussion of this item.

4. The Board next considered a preliminary Budget, setting a proposed tax rate and setting a date for a hearing regarding adoption of final tax rates. Upon a motion by Director Mills and a second by Director Covington, the Board unanimously approved the following: (1) a proposed tax rate of \$0.75/\$100 of assessed valuation; (ii) establishment of a hearing date for consideration of final tax rates on Wednesday, September 23, 2020, at 11:30 a.m. CT by video/telephone conference; and (iii) publication of the required notice for the public hearing.

5. The Board then considered the engagement of an auditor for preparation of the annual audit. The Board reviewed West, Davis & Company LLP's understanding of the services to be provided to the District for the year ended September 30, 2020. Director Holford made a motion to approve West, Davis & Company' LLP's engagement letter and Director Roark seconded the motion, which was approved unanimously.

6. As its next item of business, the Board considered review of the District's Investment, Records Retention and Ethics policies. Upon a motion by Director Roark and a second by Director Covington, the Board unanimously approved (i) the Records Retention and Ethics policies as-is, and (ii) the Investment Policy with the following changes: consultant names to be replaced by position titles, and the addition of the updated list of brokers.

7. The Board then 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. Jansing gave a brief report and noted that studies were ongoing. No action was taken by the Board.

8. As its next item of business, the Board considered amending or approving a new contract with the District Manager/Operator. Mr. Freeman updated the Board on the status of the contract. No action was taken by the Board.

9. The Board then considered the Developer's Report. Mr. Stubbs gave a brief report. No action was taken by the Board.

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

- Hillside Park at Mission Ridge Unit Four**
Drainage, Water & Wastewater Improvements
TRE No.: 1502-11706-35
- Pay Estimate No. 4 - \$305,136.00

Emerald Estates Unit Four

Drainage, Water and Wastewater Improvements

TRE No.: 1502-11538-35

- Pay Estimate No. 3 - \$132,030.00
- Change Order No. 2 – Increase of \$47,525.00

Peyton Estates Unit Seven

Water, Wastewater and Drainage Improvements

TRE No. 1502-11932-96

- Engineer's Letter of Recommendation – El Paso Underground Construction – \$2,116,622.60.

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

Mr. Jansing next presented the following item for approval:

Accent Maintenance Company, Inc.

- Contract Amendment No. 1 – Monthly increase of \$1,372.00 for Section 5 street median landscape maintenance

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

Mr. Jansing then presented the following item for approval:

Accent Maintenance Company, Inc.

- 820.28 Medians at Paseo del Este – Tree Replacement - \$1,575.00

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

Next, Mr. Jansing presented the following for consideration:

New Mexico Meters, LLC

Albuquerque, New Mexico

- Quote for Master Meter Calibration - \$5,315.00
(quote good for one year)

Mueller (recommended by New Mexico Meters, LLC)

- Quote for Leak Detection Product – Echologics LeakFinder-ST System, Echologics LeakTuner System and Hydrophones - \$27,910.00

After discussion, Director Roark suggested that the Board refrain from making a decision for three months to give El Paso Water time to replace its calibration meters, and for the District to test its internal infrastructure for leaks.

Mr. Jansing then presented the following item for approval:

Plat – Bill Burnett Section 1 – Retail Commercial – B&G

- Application for submittal of plat

Upon a motion by Director Roark and a second by Director Mills, the Board authorized President Holford to execute the application on behalf of the District for submittal to the City of El Paso.

Next, Mr. Jansing discussed having Mr. Holford re-execute the plat for Emerald Heights with a name correction. No action was needed from, or taken by, the Board as it had previously given Mr. Holford authority to execute the document.

Lastly, Mr. Jansing discussed a resident complaint regarding Palo Verde trees located in the right-of-way on Paseo del Este Boulevard. Resident requested that trees behind the resident property be removed because the trees attract bees. After discussion, TRE & Associates agreed to evaluate the bee situation and report to the Board at its September meeting.

8. No public comments were received.

Mr. Covington suggested the Board have a backup plan for future video/telephone conference meetings due to the server outage Zoom experienced on August 24. Mr. Freeman agreed to come up with a plan for the next meeting.

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

Approved September 23, 2020.

Kunt W. Ullin
Secretary, Board of Directors

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