

MINUTES OF REGULAR MEETING OF
PASEO DEL ESTE MUNICIPAL UTILITY DISTRICT NO. 1
Wednesday, October 28, 2020

STATE OF TEXAS §
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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, October 28, 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 except Director Covington, thus constituting a quorum. Director Mellenbruch entered the meeting during discussion of Item No. 2.

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 Ganser of TRE & Associates, LLC; Bob West of West Davis & Company, LLP; Franklin Stubbs of Hunt Communities; Jay Joyce of Expergy (rate consultant); and Ray Baca of M1EP Property Management (on behalf of Chapel Hill Apartments). Adrian Rosas of TRE & Associates, LLC and Fred Marcus of Perim Builders, LLC (developer of Chapel Hill Apartments) entered the meeting during discussion of Item No. 2.

1. The Board first considered approval of the minutes of the Board's September 23, 2020 meeting. Director Mills made a motion to approve the minutes. Director Roark 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 Report:

- a. Monthly Report: Ms. González presented a report on the status of development in the District and the other 10 Paseo del Este MUDs. The Board considered expenses over \$2,000 as shown in the General Manager's Summary Report after discussion of Item No. 8--Engineer's Report. Upon a motion by Director Mellenbruch and a second by Director Holford, the Board unanimously approved expenses over \$2,000 as shown in the General Manager's Summary Report;
- b. Mailout Request from El Paso County: No mailout request was presented.

3. The Board then considered amending District rates and policies for retail water and wastewater services to non-single family residential customers. Mr. Joyce presented his report and Mr. Baca was invited to comment. After discussion, the President requested that by the time of the District's next meeting (i) Ms. Hester prepare a comparison chart of multi-family rates charged by similar districts serviced by Inframark and (ii) that she, Mr. Jansing and Mr. Joyce prepare a memorandum addressed to Board members and representatives of Chapel Hill Apartments before the November 25 Board meeting explaining how to achieve an equitable rate structure for multi-family units.

Messrs. Joyce, Baca and Marcus left the meeting after discussion of this item.

4. The Board next considered ceasing the suspension of certain District service policies, including:

- a. Reinstating termination of service for non-payment;
- b. Taking action regarding payment assistance options or policies related to past-due accounts; and
- c. Taking other actions necessary or appropriate related to the existence of the coronavirus emergency.

After discussion, Mr. Holford requested that Ms. Hester, by the time of the Board's next meeting, (i) provide a draft payment plan for past-due accounts, including effective dates, for the auditor and bookkeeper's review and (ii) have a payment plan ready for Board action at the November 25 meeting.

5. 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 Roark and a second by Director Mellenbruch, the Board unanimously approved the payment of bills and invoices as listed in the report (Check Nos. 6706-6731). A copy of the Bookkeeper's Report is attached as an exhibit to these minutes.

6. As its next item of business, the Board considered ratifying and approving a contract with the District Manager/Operator. Mr. Freeman updated the Board on pending issues being discussed with Inframark's attorney and stated that he thought the remaining issues to be negotiated should not prevent the District's bookkeeper from making payments beginning October 1 under the financial terms of the new contract since those were not at issue and President Holford was expected to execute the new contract effective as of October 1, 2020.

7. The Board then considered the Developer's Report. Mr. Stubbs gave a brief report. 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 construction items for consideration:

Sky View Estates Water Line

Crossing Improvements Phase II

TRE No.: 1851-11660-35

- Pay Estimate No. 2 (Final) - \$16,340.90
- Acceptance of Utilities for Operation and Maintenance

Emerald Estates Unit Four

Drainage, Water and Wastewater Improvements

TRE No.: 1502-11538-35

- Pay Estimate No. 5 - \$52,089.30

Eastlake Marketplace

- Acceptance for Operation and Maintenance – extend authorization for President to accept facilities on behalf of the District.

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

Mr. Jansing then presented the following maintenance items for approval:

Accent Maintenance Company, Inc.

- Proposal No. 1 - Paseo del Este and Peyton - Tree Replacement - \$3,120.00
- Proposal No. 2 - Stansbury/Colonial Bluff Medians - \$16,342.00
- Proposal No. 3 - Pleasant Crest Medians - \$10,460.00

Upon a motion by Director Mills and a second by Director Holford, Proposal No. 1 was unanimously approved by the Board. No action was taken on Proposal Nos. 2 and 3. Mr. Holford requested that Mr. Jansing obtain Accent Maintenance Company's opinion regarding cost-effective ways to landscape medians.

Next, Mr. Jansing notified the Board that someone is turning off **backflow preventer valves** which causes a lack of irrigation water to landscaping, and that TRE & Associates and Inframark will continue to monitor the valves.

Mr. Jansing then updated the Board on requests for proposals for **Leak Detection Services**. Mr. Jansing notified the Board that (i) requests for proposals were limited to regional facilities and (ii) the cost estimate for testing regional lines (including a recheck after repairs are made) is \$150,000.00. He noted that El Paso Water reported there would be another month delay in installing new water master meters due to easement issues. Director Roark instructed Mr. Jansing to proceed with a full proposal package.

Next, the issue of **illegal use of construction meters by builders** was discussed. Mr. Holford requested that Mr. Freeman speak with Ray Adauto, Board member of Paseo del Este MUD No. 3 and Executive Vice President of El Paso Association of Builders, to determine why builders are attaching multiple hoses to single meters and/or removing meter registers. Director Mills left the meeting during discussion of this item.

Alternatives to reduce the cost of maintaining retention ponds was then discussed. After discussion, the President asked Mr. Jansing to contact The University of Texas at El Paso College of Engineering to request a student project to determine cost-effective alternatives.

Lastly, the **Amazon** industrial project was discussed with Mr. Holford emphasizing the need for the District to adopt a multi-family/industrial/commercial rate.

9. No public comments were received.

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

Approved November 25, 2020.

Kuntzalli
Secretary, Board of Directors



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