

MINUTES OF REGULAR MEETING OF
PASEO DEL ESTE MUNICIPAL UTILITY DISTRICT NO. 1
Wednesday, November 25, 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, November 25, 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 Mills, thus constituting a quorum. Director Mills entered the meeting during discussion of Item No. 3.

Also present at the meeting were Ronald J. Freeman and Cyndi Ferris of the Law Offices of Ronald J. Freeman; Lourdes González of Inframark; Nur Labardini 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); Ray Baca of MIEP Property Management (on behalf of Chapel Hill Apartments); Fred Marcus of Perim Builders, LLC (developer of Chapel Hill Apartments); Sal Alonzo of El Paso County Transportation Division and Board member of Paseo del Este MUD No. 5; and Houston Holford. Kristi Hester of Inframark entered the meeting during discussion of Item No. 1. Ray Adaudo of El Paso Association of Builders and Board member of Paseo del Este MUD No. 3 entered the meeting during discussion of Item No. 3.

1. The Board first considered a request from Sal Alonzo of El Paso County Transportation Division that the District, at the time of acceptance of landscaping on Eastlake Boulevard and Mission Ridge Boulevard, not charge the County for water used for irrigation of that landscaping during the contractor's one-year warranty in order to assist the County in reducing its expenses during the on-going COVID emergency. After discussion, upon a motion by Director Covington and a second by Director Roark, the Board unanimously approved the request. Mr. Alonzo thanked the Board and noted that El Paso County's contractor would continue to be responsible for vegetation maintenance and repairing irrigation leaks within the one-year warranty period after acceptance.

2. As its next item of business, the Board considered approval of the minutes of the Board's October 28, 2020 meeting. Director Holford made a motion to approve the minutes. Director Roark seconded the motion, which the Board passed unanimously.

3. The Board then considered amending District rates and policies for retail water and wastewater services to non-single family residential customers. After discussion, the President requested the following:

- a. Chapel Hill developer have his engineer submit a proposal for a new backup meter to the District's engineer and review options with the District's engineer one week prior to the Board's December 23, 2020, meeting; and
- b. Mr. Baca discuss rates with the District's rate consultant prior to the meeting.

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

4. The Board next considered the General Manager's and Operator's Report. 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 Mellenbruch and a second by Director Mills, the Board unanimously approved expenses over \$2,000 as shown in the General Manager's Summary Report. Mr. Stubbs left the meeting during discussion of this item.

5. The Board then considered ceasing the suspension of certain District service policies, including:

- a. Consider reinstating termination of service for non-payment;
- b. Discuss and take action regarding payment assistance options or past-due accounts; and
- c. Any another actions necessary or appropriate related to the existence of the coronavirus emergency.

No action was taken by the Board.

6. As its next item of business, the Board considered approving the payment of bills and invoices. Ms. Labardini presented the financial reports for the District along with bills and invoices. Upon a motion by Director Covington and a second by Director Mills, the Board unanimously approved the payment of bills and invoices as listed in the report (Check Nos. 6732-6754). A copy of the Bookkeeper's Report is attached as an exhibit to these minutes.

7. The Board then considered the following items relating to the District's first bond issuance:

- a. Resolution Requesting Appraisal of Property and Certificate of Estimated Appraised Value;
- b. Resolution Authorizing Application to the Texas Commission on Environmental Quality (the "TCEQ") for Approval of Projects and Bonds;
- c. Engagement letter from TRE & Associates, LLC for preparation of the District's first bond application to the TCEQ; and

- d. Engagement of auditors for preparation of the developer reimbursement audit.

Mr. Covington requested an informal work session amongst Board members and consultants to review the bond process. Upon a motion by Director Covington and a second by Director Holford, the Board unanimously approved the foregoing items.

8. No Developer's Report was presented.

9. As its next item of business, the Board discussed illegal use of construction meters by builders. Mr. Adaauto requested a copy of the District's procedures for meter connections. Upon a motion by Director Holford and a second by Director Roark, the Board unanimously approved amending the District's Rules and Regulations effective November 25, 2020, to authorize the District's General Manager to permit the use by a homebuilder of a single residential meter at a lot owned by that homebuilder to supply water for construction purposes at up to two additional lots with houses under construction by that homebuilder so long as all three lots are owned by the same homebuilder, are adjacent to each other and there are no intervening streets, alleyways or other public rights-of-way accessible to vehicular traffic between the three lots.

10. As its final act of business, the Board considered the Engineer's Report.

Mr. Holford requested that discussion of **Leak Detection Services** be tabled until water line repairs had been made at Eastlake Boulevard and Chapel Hill as discussed in the General Manager's Report. Mr. Jansing notified the Board that requests for proposals had been published with a deadline date of December 15, 2020.

Mr. Jansing presented the following construction items for consideration:

Garden Park at Mission Ridge Unit Two

Water, Wastewater and Drainage Improvements

TRE Job No.: 1502-11765-96

- Engineer's Letter of Recommendation – El Paso Underground Construction - \$509,114.00

Peyton Estates Unit Seven

Water, Wastewater and Drainage Improvements

TRE No.: 1502-11932-35

- Pay Estimate No. 1 - \$384,588.20

Hillside Park at Mission Ridge Unit Three

Drainage, Water and Wastewater Improvements

TRE No.: 1502-11682-35

- Pay Estimate No. 4 (Final) - \$176,395.95
- Acceptance of Utilities for Maintenance and Operation

Peyton Estates Unit Eight

Water, Wastewater and Drainage Improvements

TRE No.: 1502-11965-96

- Engineer's Letter of Recommendation – CMD Endeavors, Inc. - \$2,079,944.00

Bill Burnett Development

Water, Wastewater and Drainage Improvements

TRE No.: 1700-11844-96

- Engineer's Letter of Recommendation – CMD Endeavors, Inc. - \$2,337,889.00

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

Next, Mr. Jansing presented the following **landscaping/irrigation repairs** for approval:

Paseo del Este Boulevard at Southwick

- Accent Maintenance Company, Inc. - \$765.00

Bob Hope and Mission Ridge Boulevard

- Repair irrigation line under Bob Hope – Bain Construction - \$22,110.00. Hunt Communities ("Hunt") agreed to pay for repavement of the street, but has requested that the District trench the street, and repair and sleeve the irrigation line.

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

Mr. Jansing requested more time to study **alternatives to rock medians** in Americas Estates (Paseo del Este MUD No. 2), and to discuss developer participation with Hunt.

Mr. Jansing then discussed the following **easement inquiries** he had received recently:

Lot 3 – Emerald Pass at State Street

- El Paso Electric requested a 12-foot-wide **electric easement** on perimeter of lot. Lot 4—retention pond lot—is in District.
- David Ballard, owner of Lot 3, requested an easement tract for an **access road** from Lot 3 to State Street (across Lot 4). Mr. Ballard agreed to put in drainage infrastructure, but needs Board approval of the easement.

No action was taken. Mr. Holford requested that Mr. Jansing obtain more information from Mr. Ballard to present at the Board's next meeting.

Next, Mr. Jansing discussed the following:

Eastlake Marketplace

- Acceptance for Operation and Maintenance – By acclamation, the Board approved the previous authorization for President to accept facilities on behalf of the District.

9. No public comments were received.

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

Approved December 23, 2020.


Secretary, Board of Directors

[SEAL]

