

MINUTES OF MEETING
OF
BOARD OF DIRECTORS

STATE OF TEXAS §

COUNTY OF EL PASO §

PASEO DEL ESTE MUNICIPAL UTILITY DISTRICT NO. 11 §

The Board of Directors of Paseo del Este Municipal Utility District No. 11 of El Paso County held a regular meeting open to the public, on August 13, 2020, said regular session of the Board of Directors being conducted solely by use of the free audio conference call-in number. The roll was called of the directors of the Board, to-wit:

Jose R. Soto	President
Murray Van Gundy	Vice President
Darwin Voge	Secretary
Marisa Lascurain	Assistant Secretary
Alexandra Treviño	Assistant Secretary

All of said persons were present via conference call thus constituting a quorum. Also in attendance via conference call were Lourdes Gonzalez of Inframark, LLC; Bob West of West, Davis & Company; Maria Urbina of Hilltop Securities; Nadia Ganser of TRE & Associates; Franklin Stubbs of Hunt Communities; Nur Labardini of Municipal Accounts and Consulting, L.P.; and Ty Embrey, attorney, and Joe Jimenez, paralegal, of Lloyd Gosselink Rochelle & Townsend.

1. The first item on the agenda was the review and approval of the minutes of the Board meeting of July 9, 2020. Upon a motion by Director Van Gundy and a second by Director Lascurain the minutes of said meeting were unanimously approved.

2. The next item before the Board was to consider public comments. No persons presented themselves via conference call to speak at the meeting. There was no action required by the Board on this agenda item. No action was taken by the Board.

3. The Board next considered the engagement letter with West, Davis and Company for the preparation of the audit for the fiscal year ending September 30, 2020. Mr. West explained that the West, Davis and Company engagement letter before the Board includes the standard contract terms, conditions and fees as in prior years and requested the Board's approval. Upon a motion by Director Van Gundy and a second by Director Treviño, the Board unanimously approved the engagement letter with West, Davis and Company.

4. The next item before the Board was to review the tax rate recommendation, set the date for the public hearing, and authorize the publication of the notice of the public hearing on the tax rate.

Mr. Embrey directed the Board's attention to the tax rate recommendation letter from Ms. Urbina, a copy of which is attached as **Exhibit "A"**. Ms. Urbina's letter recommendation to the Board is that the Board consider setting a tax rate of \$0.75 per \$100 assessed value, by setting a debt service tax rate of \$0.4500 per \$100 assessed valuation, which leaves \$0.3000 per \$100 assessed valuation for the maintenance and operations tax and contract and reserve tax.

Mr. Embrey briefly informed the Board of the steps that the Board will need to take in setting the tax rate for the 2020 tax year (fiscal year ending September 30, 2020), including publishing a notice for a public hearing on the tax rate, which will take place on Thursday, September 10, 2020. For purposes of today's Board meeting, Mr. Embrey informed the Board that it will (1) approve the proposed tax rate that will be included in the notice of the public hearing on the tax rate, (2) approve the date on which the public hearing will take place, and (3) approve the publication of the notice of the public hearing. Mr. Embrey noted that the notice of the public hearing will be published in the West Texas County Courier newspaper. Mr. Embrey noted that, following the public hearing, the Board will consider and adopt the tax rate and final operating budget of the District at the September Board meeting.

After further discussion, it was moved by Director Lascurain and seconded by Director Treviño that the public hearing on the tax rate be scheduled for Thursday, September 10, 2020 and further that the notice be published in the West Texas County Courier newspaper with a proposed tax rate of \$0.75 per \$100 assessed value, which motion carried unanimously.

5. The Board next considered the District's preliminary operating budget for the fiscal year ending September 30, 2021, a copy of which is attached as **Exhibit "B"**. Ms. Labardini informed the Board that a copy of the preliminary operating budget is also included with bookkeeper's report for their review. The Board took no action on this item. The Board will consider and adopt the final operating budget of the District at the September Board meeting.

6. Ms. Gonzalez next presented the operator's report, a copy of which is attached as **Exhibit "C"**. Ms. Gonzalez reported that as of the end of July the District had 392 total connections, and that no new connections were added during the current month. Ms. Gonzalez reported on the following to the Board: (1) reported on the population and occupancy rates during the current month; (2) reported on the number of delinquent accounts during the current month; and, (3) reported on the latest growth trends for the Paseo del Este MUD No. 11.

7. Ms. Ganser next presented the engineer's report and updated the Board on the status of development activity within the District and the Paseo del Este community.

Ms. Ganser next presented the following item for the Board's consideration and approval:

Emerald Estates Unit Four

Drainage, Water and Wastewater Improvements

TRE No.: 1502-11538-35

Pay Estimate No. 2 from El Paso Underground Construction - \$449,546.94.

Upon a motion by Director Van Gundy and a second by Director Lascurain, the Board unanimously approved the processing for Pay Estimate No. 2 from El Paso Underground Construction for construction of the Emerald Estates, Unit Four, Drainage, Water & Wastewater Improvements in the amount of \$449,546.94, and a copy of the District Engineer's letter for Pay Estimate No. 2 is attached hereto as **Exhibit "D"**.

8. Mr. Stubbs next presented the developer's report and updated the Board on the status of development activity within the District and the Paseo del Este community.

9. The Board next considered the bookkeeper's report, a copy of which is attached as **Exhibit "E"**. Ms. Labardini provided the Board with a list of disbursements and balances, and presented a list of bills for payment for the Board's review and approval. Upon a motion by Director Lascurain and a second by Director Van Gundy, the Board unanimously approved the bookkeeper's report with the list of disbursements and balances, and the list of bills presented for payment.

10. There was no general counsel's report.

11. There being no further business before the Board, it was moved by Director Van Gundy and seconded by Director Lascurain, to adjourn the meeting, which motion carried unanimously.

Passed and approved this 10th day of September, 2020.


Secretary, Board of Directors

(DISTRICT SEAL)

