

MINUTES OF REGULAR MEETING OF  
PASEO DEL ESTE MUNICIPAL UTILITY DISTRICT NO. 1  
Wednesday, February 24, 2021

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, February 24, 2021, 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; Kristi Hester of Inframark; Taylor Kolmodin of Municipal Accounts & Consulting, L.P.; John Jansing, Adrian Rosas and Nadia Ganser of TRE & Associates, LLC; Daniel Ames, Assistant Fire Chief of Horizon Fire Department; Katherine Ames, Fiscal Administrator of El Paso County Emergency Services District No. 1; Wendy Duncan of Touchstone District Services (consultant for El Paso County Emergency Services District No. 1); and Lorena Quezada of El Paso Disposal, LP. Daniel Martinez of Inframark entered the meeting during discussion of Item No. 2.

1. The Board first considered approval of the minutes of the Board's January 27, 2021, meeting. Director Mills made a motion to approve the minutes. Director Holford seconded the motion, which the Board passed unanimously.

2. As its next item of business, the Board considered a presentation by El Paso County Emergency Services District No. 1 regarding services in the Paseo del Este development. After discussion, upon a motion by Director Covington and a second by Director Roark, the Board unanimously approved a resolution supporting the approval of the local sales and use tax as proposed by El Paso County Emergency Services District No. 1. Mr. Ames, Ms. Ames and Ms. Duncan left the meeting after discussion of this item.

3. The Board then considered the General Manager's and Operator's Report. Ms. Hester introduced Daniel Martinez, new account manager for the District. She then presented a report on the status of development in the District and the other 10 Paseo del Este MUDs. After review of the Executive Summary Report, Mr. Holford requested that Inframark inspect and verify work completed by subcontractors before presenting to the Board for approval. Upon a motion by Director Covington and a second by Director Roark, the Board unanimously approved expenses

over \$2,000 as shown in the report. Mr. Holford requested that Inframark (i) provide a breakdown of past-due accounts into the following categories: residential, commercial and builder and (ii) report why wastewater expenses for Meter E showed no corresponding revenue. Mr. Jansing updated the Board on leak detection satellite imagery.

4. The Board next considered an amendment to the General Manager's and Operator's contract. No action was taken by the Board.

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 Mellenbruch and a second by Director Covington, the Board unanimously approved the payment of bills and invoices as listed in the report (Check Nos. 6801-6822). 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 an amendment to the District bookkeeping contract. After discussion, upon a motion by Director Covington and a second by Director Mellenbruch, the Board unanimously approved the Third Amended and Restated Agreement for Bookkeeping Services.

7. The Board then considered approving a Certificate of Unopposed Candidates and an Order Canceling the Director Election scheduled for May 1, 2021. Director Holford made a motion to approve (i) the Certificate of Unopposed Candidates, (ii) the Order Canceling the Director Election, and (iii) Statements of Officers. Director Covington seconded the motion, which the Board passed unanimously. Copies of the Certificate and Order are attached as exhibits to these minutes.

8. No Developer's Report was presented.

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

**Peyton Estates Unit Eight**

Water, Wastewater and Drainage Improvements

TRE No.: 1502-11965-35

- Pay Estimate No. 1 - \$228,402.90

**Peyton Estates Unit Seven**

Water, Wastewater and Drainage Improvements

TRE No.: 1502-11932-35

- Pay Estimate No. 4 - \$227,069.76

**Bill Burnett Development**

Water, Wastewater and Drainage Improvements

TRE No.: 1700-11844-35

- Pay Estimate No. 1 - \$77,747.40

**Bob Hope Irrigation Repair**

- Application and Certificate for Payment - \$16,015.00

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

Mr. Jansing then presented the following service commitments for approval:

**Peyton Estates Unit Eight**

Water, Wastewater and Drainage Improvements

TRE No.: 1502-11965-35

- Water and Wastewater Service Agreements

Upon a motion by Director Covington and a second by Director Holford, the foregoing service commitments were unanimously approved by the Board.

Mr. Jansing next presented the following item for approval:

**Peyton Estates Unit 3**

Water, Wastewater and Drainage Improvements

TRE No.: 1502-11751-35

- Authorize President to approve Engineer's Letter of Recommendation for award of bid.

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

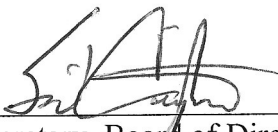
Mr. Jansing then discussed the possibility that water loss may be caused by broken irrigation lines. After discussion, Director Roark suggested that the Board wait to address irrigation lines after satellite imagery was complete. No action was taken by the Board.

10. No public comments were received.

Mr. Freeman suggested that the Board create a Rate Committee to analyze PSB wholesale rate increases. Directors Roark and Covington agreed to work on the committee.

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

Approved March 24, 2021.

  
Assist. Secretary, Board of Directors

[SEAL]

