

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

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, March 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 and Daniel Martinez of Inframark; Taylor Kolmodin of Municipal Accounts & Consulting, L.P.; John Jansing, Adrian Rosas and Nadia Ganser of TRE & Associates, LLC; Bob West of West, Davis & Company, LLP; and Lorena Quezada of El Paso Disposal, LP. Franklin Stubbs of Hunt Communities entered the meeting during discussion of Item No. 2.

1. The Board first considered approval of the minutes of the Board's February 24, 2021, meeting. Director Roark 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 the General Manager's and Operator's Report. Mr. Martinez notified the Board that Inframark plans to hold a Builder Appreciation Lunch on April 27, 2021, within the Paseo del Este District. Ms. Hester then presented a report on the status of development in the District and the other 10 Paseo del Este MUDs. Stolen and damaged stormwater grates were discussed in detail and Ms. Hester will discuss the issue of stolen grates with builders at the April 27 lunch. Mr. Freeman requested that Inframark coordinate safety issues with El Paso County. Upon a motion by Director Covington and a second by Director Mills, the Board unanimously approved expenses over \$2,000 as shown in the report.

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 Holford and a second by Director Covington, the Board unanimously approved (i) the payment of bills and invoices as listed in the report (Check Nos. 6824-6846) and (ii) Supplemental Check No. 7434 from the Manager's Account in the amount of \$25,000

payable to Utilis for leak detection services. A copy of the Bookkeeper's Report is attached as an exhibit to these minutes.

4. Next, the Board considered amending District Rates. Mr. Freeman notified the Board that on March 23 he received by email from the EPWU the proposed rate changes for wholesale water from EPWU: approximately 25% rate increase for water and approximately 1% decrease for sewer. District consultants will be reviewing the proposed changes but have not finished review yet. After discussion, the Board instructed Mr. Freeman to schedule a special meeting on Tuesday, March 30, 2021, at 11:30 a.m. CT to address necessary District retail rate changes in light of EPWU's changed wholesale rates. No action was taken by the Board.

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

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

Garden Park at Mission Ridge Unit Two

Water, Wastewater and Drainage Improvements

TRE Job No.: 1502-11765-35

- Pay Estimate No. 1 - \$343,767.96

Peyton Estates Unit Seven

Water, Wastewater and Drainage Improvements

TRE No.: 1502-11932-35

- Change Order No. 1 - Increase of \$1,800.00
- Pay Estimate No. 5 - \$98,238.00

Peyton Estates Unit Eight

Water, Wastewater and Drainage Improvements

TRE No.: 1502-11965-35

- Pay Estimate No. 2 - \$423,855.90
- Change Order No. 1 – Increase of \$7,000.00

Bill Burnett Development

Water, Wastewater and Drainage Improvements

TRE No.: 1700-11844-35

- Pay Estimate No. 2 - \$553,799.70

Emerald Park Unit Five

Drainage, Water and Wastewater Improvements

TRE No.: 1502-11762-96

- Engineer's Letter of Recommendation – Bain Construction - \$587,570.11

Peyton Estates Unit Three

Water, Wastewater and Drainage Improvements

TRE No.: 1502-11751-96

- Engineer's Letter of Recommendation – Bain Construction - \$358,204.01

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

Mr. Jansing then notified the Board that he has a meeting scheduled with Inframark and Hunt Communities to tour landscaping areas that have performed below expectations.

Next, Mr. Jansing notified the Board that Utilis had completed its leak detection study of regional lines and that the final summary report was pending. He noted that no major leaks were detected in regional lines, only small leaks. Utilis is in the process of preparing a price quote for studying the District's smaller infrastructure.

Mr. Jansing then discussed the release of C.D. Stewart Survey No. 318 wastewater facilities easement. After discussion, upon a motion by Director Roark and a second by Director Covington, the Board unanimously approved release of the easement.

Next, Mr. Jansing noted that the landscape architect used for site development is not registered in the State of Texas, but is licensed in New Mexico. After discussion, upon a motion by Director Holford and a second by Director Roark, the Board unanimously approved TRE & Associates' recommendation to work with the landscape architect even though she is not registered in Texas.

7. No public comments were received.

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

Approved April 13, 2021.

A handwritten signature in blue ink, appearing to read "Kurt W. Ullrich", written over a horizontal line.

Secretary, Board of Directors

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