

MINUTES OF REGULAR MEETING OF  
PASEO DEL ESTE MUNICIPAL UTILITY DISTRICT NO. 1  
Tuesday, April 28, 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, April 28, 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, Daniel Martinez and Erika Duran of Inframark; Taylor Kolmodin of Municipal Accounts & Consulting, L.P.; Bob West of West, Davis & Company, LLP; John Jansing, Adrian Rosas and Nadia Ganser of TRE & Associates, LLC; Joel Guzman of Hunt Communities; David Ballard of D. Michaels Commercial Real Estate; Harrel L. Davis III of Gordon Davis Johnson & Shane P.C.; and Lorena Quezada of El Paso Disposal, LP.

1. The Board first considered approval of the minutes of the Board's April 13, 2021, meeting. Director Mills made a motion to approve the minutes. Director Mellenbruch 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. Ms. Hester presented a report on the status of development in the District and the other 10 Paseo del Este MUDs. She noted that water accountability would be discussed in more detail during the Engineer's Report. Director Holford requested that Inframark breakdown accounts receivables into the following subcategories: (i) builder accounts; and (ii) customers with payment plans. Upon a motion by Director Covington and a second by Director Mellenbruch, 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 Covington and a second by Director Roark, the Board unanimously approved (i) the payment of bills and invoices as listed in the report (Check Nos. 6847-6872), except Check No. 6871, a holding check for El Paso Water Utilities, which would be held until (i) wholesale water meter calibration studies are completed and (ii) the Board has another opportunity to meet

to review the next invoice actually received from El Paso Water Utilities. A copy of the Bookkeeper's Report is attached as an exhibit to these minutes.

4. The Board again considered the General Manager's and Operator's Report. Mr. Freeman notified the Board that Margaret Livingston, a subcontractor of TRE & Associates, would be handling messaging regarding the increase in retail water rates on customer bills and the District website. Ms. Livingston will create a public relations plan to keep customers educated on the rate increase.

5. As its next item of business, the Board considered the engagement of an auditor for preparation of the annual audit. The Board reviewed West, Davis & Company LLP's understanding of the services to be provided to the District for the year ended September 30, 2021. Director Roark made a motion to approve West, Davis & Company' LLP's engagement letter and Director Covington seconded the motion, which was unanimously approved by the Board.

6. The Board then considered the Developer's Report. Messrs. Guzman and Ballard gave a brief report. No action was taken by the Board.

7. As its last item of business, the Board considered the Engineering Report. Mr. Jansing presented the following items for consideration:

**Bill Burnett Development**

Water, Wastewater and Drainage Improvements

TRE No.: 1700-11844-35

- Pay Estimate No. 3 - \$583,446.60
- Change Order No. 1 – Increase of \$84,790.00

**Garden Park at Mission Ridge Unit Two**

Water, Wastewater and Drainage Improvements

TRE Job No.: 1502-11765-35

- Pay Estimate No. 2 - \$25,740.00

**Peyton Estates Unit Eight**

Water, Wastewater and Drainage Improvements

TRE No.: 1502-11965-35

- Pay Estimate No. 3 - \$220,768.20

**Peyton Estates Unit Seven**

Water, Wastewater and Drainage Improvements

TRE No.: 1502-11932-35

- Change Order No. 2 (Revised) - Increase of \$49,529.20
- Pay Estimate No. 6 (Revised) - \$46,046.28

**Garden Park at Mission Ridge Unit Three**  
Drainage, Water and Wastewater Improvements  
TRE No.: 1502-11766-96

- Engineer's Letter of Recommendation –  
El Paso Underground Construction - \$944,632.40

**Paseo del Este Municipal Utility District No. 1**  
Emerald Heights Unit Two Landscaping Improvements  
TRE No.: 1451-11296-35

- Acceptance of Utilities for Operation and Maintenance

**Paseo del Este MUD No. 1**  
Eastlake Marketplace Phase II  
TRE No.: 1451-11692-35/1798-11455-35

- Acceptance of Utilities for Operation and Maintenance

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

Mr. Jansing then updated the Board on leak detection services. He noted that Utilis had completed Phase II of its analysis and reported 23 points of interest within the subdivisions. "Boots on the ground" analysis is scheduled for May 24.

Next, Mr. Jansing discussed accuracy testing of master meters scheduled for Sunday, May 2. El Paso Water Utilities will meet with representatives from TRE & Associates and Inframark on Thursday, April 29 to familiarize representatives with the meters before accuracy testing is conducted. Mr. Jansing recommended the following company for accuracy testing of meters:

**New Mexico Meters** (Albuquerque, New Mexico)  
Master Meter Study of 10 meters in 4 vaults - \$6,800.00

Upon a motion by Director Roark and a second by Director Holford, the Board unanimously approved the foregoing item.

The Board then considered acceptance of landscape facilities. Mr. Ballard presented the following item for consideration:

- Sign easement located at the intersection of Rojas and Eastlake Boulevard

After discussion, upon a motion by Director Holford and a second by Director Covington, the Board voted 4-1 to accept the landscaping, subject to (i) compliance with the District's Rules and Regulations concerning landscaping facilities and (ii) conveyance of appropriate property and access rights to allow the District to be able to access and maintain the area where the landscaping facilities are located. Director Mills voted "No" on this issue. Mr. Davis left the meeting during discussion of this item.

8. No public comments were received.

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

Approved May 26, 2021.



Secretary, Board of Directors

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