

MINUTES OF MEETING
OF
BOARD OF DIRECTORS

STATE OF TEXAS §
COUNTY OF EL PASO §
PASEO DEL ESTE MUNICIPAL UTILITY DISTRICT NO. 10 §

The Board of Directors of Paseo del Este Municipal Utility District No. 10 of El Paso County met in regular session, open to the public, on April 6, 2021, 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:

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|----------------------------|---------------------|
| Luis Ortega | President |
| Greg Spence | Vice President |
| B. D. Reynolds, Jr. | Secretary |
| Martin N. “Teen” Lettunich | Assistant Secretary |
| Antonio Gallardo | Assistant Secretary |

All of said persons were present, with the exception of Director Reynolds, via conference call thus constituting a quorum. Also in attendance via conference call were Kristi Hester and Daniel Martinez of Inframark, LLC; Bob West of West Davis & Company; Ron Freeman of the Law Offices of Ronald J. Freeman; Linda Troncoso of TRE & Associates; Franklin Stubbs of Hunt Communities; Taylor Kolmodin and Nur Labardini of Municipal Accounts and Consulting, L.P.; and Ty Embrey, attorney, and Joe Jimenez, paralegal, of Lloyd Gosselink Rochelle & Townsend, P.C.

1. The first item on the agenda was the review and approval of the minutes of the Board meeting of March 2, 2021. Upon a motion by Director Spence and a second by Director Lettunich 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 next item before the Board was to consider an update and information on activities of the Paseo del Este Municipal Utility District No. 1 (“MUD No. 1”). Ms. Hester and Mr. Freeman informed the Board of the rate increase that the El Paso Water Public Service Board (“PSB”) has proposed to the District’s wholesale water rates, approximately a 24% rate increase. Ms. Hester and Mr. Freeman informed the Board that the MUD No. 1 Board has scheduled a special called meeting the week of April 12 to discuss the PSB’s proposed rate increase. Ms. Hester and Mr. Freeman agreed to provide the Board with an update on this issue

at the next Board meeting. There was no action required by the Board on this agenda item. No action was taken by the Board.

4. 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, 2021. 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 Ortega and a second by Director Spence, the Board unanimously approved the engagement letter with West, Davis and Company for the preparation of the audit for the fiscal year ending September 30, 2021, a copy of which is attached as **Exhibit "A"**.

5. The next item before the Board was to consider the operator's report. Ms. Hester next presented the operator's report, a copy of which is attached as **Exhibit "B"**. Ms. Hester reported that as of the end of February the District had 1,070 total connections, and that six new connections were added during the current month. Ms. Hester provided a brief summary of the activities for February to the Board on the following: (1) an update of activities and improvements to the District's distribution system; (2) an update on the population and occupancy rates during the current month; (3) an update on the number of delinquent accounts during the current month; and, (4) reported on the latest construction and maintenance activity within the Paseo del Este community and growth trends for the Paseo del Este MUD No. 10. Further, Ms. Hester reminded the Board that effective April 1, 2021, Inframark resumed implementing its regular process for administering delinquent accounts and disconnections within the District.

6. Ms. Troncoso 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. Troncoso next presented the following item for the Board consideration and approval:

Emerald Park Unit Five
Drainage, Water and Wastewater Improvements
TRE Job No.: 1502-11762-96
Engineer's Letter of Recommendation
Award Contract to Bain Construction for \$587,570.11

Upon a motion by Director Spence and a second by Director Gallardo, the Board unanimously approved the District Engineer's recommendation that the contract for the Emerald Park Unit Five, Drainage, Water and Wastewater Improvements project be awarded to Bain Construction, in the amount of \$587,570.11, and a copy of the District Engineer's letter of recommendation is attached hereto as **Exhibit "C"**.

7. 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.

8. The Board next considered the bookkeeper's report, a copy of which is attached as **Exhibit "D"**. 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 Ortega and a second by Director Gallardo, the Board unanimously approved the bookkeeper's report with the list of disbursements and balances, and the list of bills presented for payment.

9. The Board next considered the Second Amended and Restated Agreement For Bookkeeping Services with Municipal Accounts & Consulting, L.P. ("Agreement") for the Board's consideration. Ms. Kolmodin presented the Agreement to the Board on behalf of Municipal Accounts & Consulting, L.P. ("MAC"), a copy of which was provided in the Board's agenda packet. Ms. Kolmodin explained that MAC was requesting, through the Agreement, the Board's approval to increase the monthly bookkeeping fees to cover the costs for the services the company provides to the District.

After further discussion by the Board, Director Ortega made the motion to table to Agreement to the Board's next agenda meeting to further review the Agreement. Upon a second by Director Gallardo, the Board unanimously approved the motion to table the Second Amended and Restated Agreement for Bookkeeping Services with Municipal Accounts & Consulting, L.P. to the Board's next agenda meeting.

10. The Board next considered the general counsel's report. Mr. Embrey informed the Board of the upcoming the Directors' election scheduled for May 1, 2021. Mr. Embrey reported that three candidates will be on the election ballot: Mr. Ysrael Valencia; Director Ortega, and Director Gallardo. Voters will choose two candidates from the list of three candidates.

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

Passed and approved this 11th day of May, 2021.


Secretary, Board of Directors

(DISTRICT SEAL)

