

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 May 11, 2021, said regular session of the Board of Directors being conducted solely by use of Zoom Video and telephone conference. The roll was called of the directors of the Board, to-wit:

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 via Zoom Video and telephone conference thus constituting a quorum. Also in attendance via Zoom Video and telephone conference were Mr. Ysrael Valencia; Kristi Hester and Daniel Martinez of Inframark, LLC; Bob West of West Davis & Company; Ron Freeman of the Law Offices of Ronald J. Freeman; Margaret Livingston; Linda Troncoso of TRE & Associates; Joel Guzman 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 to consider and take action concerning the adoption of the Order Canvassing Returns and Declaring Results of the Paseo Del Este Municipal Utility District No. 10, May 1, 2021 Directors Election. Mr. Embrey reported that the official certified results provided by the El Paso County Elections Department resulted in the following persons receiving the following number of votes cast at the May 1, 2021 Directors Election:

Directors

Ysrael Valencia	<u>52</u>	votes
Luis Ortega	<u>47</u>	votes
Antonio Gallardo	<u>37</u>	votes

A copy of the official results provided by the El Paso County Elections Department is attached hereto as **Exhibit “A”**. Mr. Embrey presented the Order Canvassing Returns and Declaring Results of the Paseo Del Este Municipal Utility District No. 10, May 1, 2021 Directors

Election (“Order”) and recommended adoption of the Order, a copy of which is attached hereto as **Exhibit “B”**.

After discussion, upon a motion by Director Ortega and a second by Director Gallardo, the Board unanimously approved and adopted the Order Canvassing Returns and Declaring Results of the Paseo Del Este Municipal Utility District No. 10, May 1, 2021 Directors Election, a copy of which is attached as **Exhibit “B”**.

2. The next item before the Board was to consider and take action concerning qualifying of the newly elected directors. After further discussion, and Mr. Embrey’s recommendation, the Board postponed consideration and action concerning qualifying of the newly elected directors to the Board’s next agenda meeting.

3. The next item before the Board was to consider and take action concerning the election of officers. After further discussion, and Mr. Embrey’s recommendation, the Board postponed consideration and action concerning the election of officers to the Board’s next agenda meeting.

4. The next item on the agenda was the review and approval of the minutes of the Board meeting of April 6, 2021. Upon a motion by Director Spence and a second by Director Gallardo the minutes of said meeting were unanimously approved.

5. 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.

6. 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”). Mr. Freeman provided the Board with a background summary 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. Mr. Freeman informed the Board that in response to the PSB’s rate increase the MUD No. 1 Board approved a 14% rate increase for the residents of the Paseo MUD Districts. Mr. Freeman introduced Ms. Margaret Livingston to Board, noting that Ms. Livingston would be handling public relations efforts to keep the residents informed and educated on 14% rate increase. There was no action required by the Board on this agenda item. No action was taken by the Board.

7. The next item before the Board was to consider the operator’s report. Mr. Martinez next presented the operator’s report, a copy of which is attached as **Exhibit “C”**. Mr. Martinez reported that as of the end of March the District had 1,092 total connections, and that twenty-two new connections were added during the current month. Mr. Martinez provided a brief summary of the activities for March 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. Mr. Valencia asked who residents of the District could contact to get answers to questions

they might have about their bills or information about the District. Mr. Martinez and Ms. Hester replied that the residents of the District could direct their questions to the Inframark staff.

8. 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. Further, Ms. Troncoso provide an update to the Board on the status of identifying the source of possible potable water leaks in the District's water distribution system.

9. Mr. Guzman 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.

10. 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 Spence and a second by Director Ortega, the Board unanimously approved the bookkeeper's report with the list of disbursements and balances, and the list of bills presented for payment.

11. 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, a copy of which is attached as **Exhibit "E"**.

After further discussion by the Board, upon a motion by Director Spence and a second by Director Reynolds, the Board unanimously approved the Second Amended and Restated Agreement for Bookkeeping Services with Municipal Accounts & Consulting, L.P. to the Board's next agenda meeting.

12. The Board next considered the general counsel's report. Mr. Embrey provided the Board with an update on the Governor Abbott's most recent renewal of the COVID-19 Disaster Declaration, which has been extended to June 2021.

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

Passed and approved this 1st day of June, 2021.

Ysmael Valenzuela
Secretary, Board of Directors

(DISTRICT SEAL)

