

MINUTES OF MEETING
OF
BOARD OF DIRECTORS

STATE OF TEXAS §

COUNTY OF EL PASO §

PASEO DEL ESTE MUNICIPAL UTILITY DISTRICT NO. 11 §

The Board of Directors of Paseo del Este Municipal Utility District No. 11 of El Paso County held a regular meeting open to the public, June 10 , 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:

Jose R. Soto	President
Murray Van Gundy	Vice President
Darwin Voge	Secretary
Marisa Lascurain	Assistant Secretary
Alexandra Treviño	Assistant Secretary

All of said persons were present via Zoom Video and telephone conference, with the exception of Director Treviño, thus constituting a quorum. Also in attendance via Zoom Video and telephone conference were Daniel Martinez and Kristi Hester of Inframark, LLC; Ron Freeman of the Law Offices of Ronald J. Freeman; Margaret Livingston of Franklin Mountain Land Services, LLC; Nadia Ganser of TRE & Associates; Franklin Stubbs of Hunt Communities; Nur Labardini and Mike Puffer of Municipal Accounts and Consulting, L.P.; and Ty Embrey and Joe Jimenez, paralegal, of Lloyd Gosselink Rochelle & Townsend.

1. The first item on the agenda was the review and approval of the minutes of the Board meeting of May 13, 2021. Upon a motion by Director Van Gundy and a second by Director Lascurain 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 Zoom Video and telephone conference 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 Paseo del Este Municipal Utility District No. 1 (“MUD No. 1”). Mr. Freeman provided the Board with an update on the latest efforts to negotiate and resolve the 24% rate increase that the El Paso Water Public Service Board (“PSB”) has proposed to the District’s wholesale water rates.

Mr. Freeman reported that in response to the PSB’s 24% rate increase the MUD No. 1 Board approved a 14% rate increase for the residents of the Paseo MUD Districts, but noted that

the Paseo MUD Districts are not in a position to absorb the entire costs associated with the PSB's rate increase. Mr. Freeman reported that the MUD No. 1 Board is also disputing the methodology used by the PSB to determine the water rate increase. There was no action required by the Board on this agenda item. No action was taken by the Board.

4. 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 "A"**. Mr. Martinez reported that as of the end of April the District had 392 total connections, and that no new connections were added during the current month. Mr. Martinez provided a brief summary of the activities for April to the Board on the following: (1) an update of activities and improvements to the District's distribution system, including efforts to make changes to Inframark's billing cycles to better improve the alignment with the PSB's billing cycle; (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. 11.

5. Ms. Ganser 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. Ganser provided an update on the current, ongoing efforts to determine and identify the main source of the water leaks within the District. Ms. Ganser reported that Utilis will present its final leakage report and analysis to the MUD No. 1 Board on June 23, 2021.

6. 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.

7. The Board next considered the bookkeeper's report, a copy of which is attached as **Exhibit "B"**. Mr. Puffer 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, including the following supplemental check: Supplemental Check No. 4916 to Municipal Accounts and Consulting, L.P. in the amount of \$1,472.04.

Upon a motion by Director Voge and a second by Director Van Gundy, the Board unanimously approved the bookkeeper's report with the list of disbursements and balances, and the list of bills presented for payment, including the following supplemental check: Supplemental Check No. 4916 to Municipal Accounts and Consulting, L.P. in the amount of \$1,472.04.

8. The Board next considered the general counsel's report. Mr. Embrey informed the Board that the 87th Regular Session of the Texas Legislature ended Sine Die on May 31, 2021. Mr. Embrey reported that June 20, 2021 is the last day for Governor Abbott to sign or veto bills passed during the regular session. Mr. Embrey reported that Governor Abbott will call a (i) special session to address issues that were not address during the regular session; and (ii) second special session to address the 2021 redistricting process. Mr. Embrey reported that he would provide a legislative report to the Board at the July Board meeting.

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

Upon adjournment, Director Van Gundy informed the Board that he was resigning his position on the Board because he was relocating from El Paso to the city of Kerrville and would no longer be able to attend the meetings of the Board. Director Van Gundy informed the Board that the June meeting would be his last meeting as a Board Member but took a moment to express his appreciation for the opportunity to serve on the Board. Board Members and Staff expressed there appreciation to Director Van Gundy for his service to the Board.

Passed and approved this 8th day of July, 2021.


Secretary, Board of Directors

(DISTRICT SEAL)

