

MINUTES OF REGULAR MEETING OF
PASEO DEL ESTE MUNICIPAL UTILITY DISTRICT NO. 1
Wednesday, June 23, 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, at TRE & Associates, LLC, located at 6101 West Courtyard Drive, Building One, Suite 100, Austin, Texas 78730, a regular meeting place of the Board of Directors of the District (the "Board"), and by video/telephone conference call at 11:30 a.m. CT on Wednesday, June 23, 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 continuously present, thus constituting a quorum. Directors Roark and Covington attended the meeting by video/telephone conference call.

Also present at the meeting were Ronald J. Freeman and Cyndi Ferris of the Law Offices of Ronald J. Freeman (by video/telephone conference call); Kristi Hester and Kay Olsen of Inframark (by video/telephone conference call); Daniel Martinez and Erika Duran of Inframark; Taylor Kolmodin of Municipal Accounts & Consulting, L.P.; John Jansing, Adrian Rosas and Nadia Ganser of TRE & Associates, LLC; Harrel L. Davis III of Gordon Davis Johnson & Shane P.C. (by video/telephone conference call); Joel Guzman and Franklin Stubbs of Hunt Communities (by video/telephone conference call); Lorena Quezada of El Paso Disposal, LP.; and Margaret Livingston (by video/telephone conference call).

1. The Board first considered wholesale water and sewer charges to the District from El Paso Water Utilities. Mr. Davis updated the Board regarding the petition appealing the wholesale water rate filed at the Public Utility Commission of Texas (the "PUC"). No action was taken by the Board. Mr. Davis left the meeting after discussion of this item.

2. As its next item of business, the Board considered approval of the minutes of the Board's May 26, 2021, and June 15, 2021, meetings. Director Holford made a motion to approve the minutes. Director Mills seconded the motion, which the Board passed unanimously.

3. The Board then considered the General Manager's and Operator's Report. Mr. Martinez presented a report on the status of development in the District and the other 10 Paseo del Este MUDs. After discussion, upon a motion by Director Mellenbruch and a second by Director Mills, the Board unanimously approved expenses over \$2,000 as shown in the report.

4. As its next item of business, the Board 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. 6901-6926), as well as (ii) Supplemental Check No. 6927 in the amount of \$10,000.00 payable to Terrill & Waldrop. Ms. Kolmodin confirmed that all payments made to El Paso Water Utilities would be paid as follows: (i) full payment of metered wastewater at the new sewer rate effective April 1, 2021, and (ii) payment of the metered wholesale water at the wholesale water rate that existed prior to April 2021. A copy of the Bookkeeper's Report is attached as an exhibit to these minutes.

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

6. The Board next considered a Resolution Authorizing Application to the Texas Commission on Environmental Quality for Projects and Bonds. Upon a motion by Director Mills and a second by Director Mellenbruch, the Board unanimously approved the resolution.

7. The Board then considered provision of water and sewer service to areas adjacent to, or proposed to be annexed into, Paseo del Este MUD No. 6. Mr. Freeman gave a brief report. No action was taken by the Board.

8. 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. 5 - \$191,421.00

Emerald Park Unit Five

Drainage, Water and Wastewater Improvements

TRE No.: 1502-11762-35

- Pay Estimate No. 1 - \$56,744.24

Garden Park at Mission Ridge Unit Two

Water, Wastewater and Drainage Improvements

TRE No.: 1502-11765-35

- Pay Estimate No. 3 - \$81,495.00
- Change Order No. 1 – Decrease of \$5,760.00
- Pay Estimate No. 4 (Final) - \$52,351.44
- Acceptance of Utilities for Operation and Maintenance

Mission Ridge Towne Center Unit One

Drainage, Water and 16" Regional Water Line Improvements

TRE No.: 1502-11499-35

- Pay Estimate No. 2 - \$161,505.00

Peyton Estates Unit Three

Water, Wastewater and Drainage Improvements

TRE No.: 1502-11751-35

- Pay Estimate No. 2 - \$60,281.13

Peyton Estates Unit Eight

Water, Wastewater and Drainage Improvements

TRE No.: 1502-11965-35

- Pay Estimate No. 5 - \$226,306.80

Painted Sky at Mission Ridge Unit Three

Water, Wastewater and Drainage Improvements

TRE No.: 1502-12056-96

- Engineer's Letter of Recommendation – El Paso Underground Construction
- \$2,087,017.70

Painted Sky at Mission Ridge Unit Three

12" and 16" Regional Waterline Improvements, and

Regional Wastewater Line Segments C2-B, C2-C & C2-D Improvements

TRE No.: 1502-12058-96

- Engineer's Letter of Recommendation – El Paso Underground Construction
- \$1,015,872.00

Upon a motion by Director Holford and a second by Director Covington, the Board unanimously approved the foregoing items.

Mr. Jansing then presented the following landscaping item for consideration:

Accent Maintenance Company Contract

- Add maintenance of two additional parks in Paseo del Este MUD No. 6 -
\$1,570.00

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

Next, Mr. Jansing reminded the Board that he is working with Mr. Guzman regarding landscape maintenance projects that Hunt may participate in funding for presentation at the next Board meeting.

Mr. Jansing then updated the Board on leak detection. The Utilis Phase II study found small leaks at 24 locations, including (i) construction meter leaks, and (ii) leaks in residential meter boxes. Some leaks detected by satellite imagery were not found on the ground. Director Holford asked that TRE & Associates provide a report listing all items checked for leaks.

Mr. Jansing next presented the following item for consideration:

**Eastlake Boulevard Phase I
Improvements and Landscaping**

After discussion, upon a motion by Director Mellenbruch and a second by Director Roark, the Board authorized the President to accept the project (i) with TRE & Associates' recommendation and (ii) after El Paso County paid its water debt to the District.

Mr. Jansing then presented the following easements for consideration:

Bill Burnett Drive – El Paso Electric Easements

- **10' Wide Underground Easement – West Side of Mercantile**
- **12' Wide Overhead Easement – East Side of Mercantile**

After discussion, upon a motion by Director Mellenbruch and a second by Director Roark, the Board authorized the President to negotiate and execute documents subject to review by General Counsel and Director Mills.

9. No public comments were received.

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

Approved July 28, 2021.

Larry M. Melnick
Assist_n Secretary, Board of Directors

[SEAL]