

MINUTES OF REGULAR MEETING OF  
PASEO DEL ESTE MUNICIPAL UTILITY DISTRICT NO. 1  
Wednesday, July 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, 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, July 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 continuously present, thus constituting a quorum. Directors Roark, Mills and Covington attended the meeting by video/telephone conference call.

Also present at the meeting were Ronald J. Freeman of the Law Offices of Ronald J. Freeman; Daniel Martinez of Inframark; Kay Olsen of Inframark (by video/telephone conference call); Taylor Kolmodin of Municipal Accounts & Consulting, L.P.; Bob West of West, Davis & Company; 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); Scott Berry, Mike Olivas and Lorena Quezada of El Paso Disposal, LP. (by video/telephone conference call); and Margaret Livingston (by video/telephone conference call).

1. The Board first considered approval of the minutes of the Board's June 23, 2021, meeting. Director Mellenbruch made a motion to approve the minutes. Director Mills 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. Mr. Martinez presented a report on the status of development in the District and the other 10 Paseo del Este MUDs. Representatives from El Paso Disposal notified the Board that they are having a parts shortage issue that is affecting trash service; they will provide an official statement for publication on the District website. Ms. Livingston provided an update on the emergency utility assistance program. After discussion, 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. Messrs. Berry and Olivas left the meeting after discussion of this item.

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 Holford and a second by Director Mills, the Board unanimously approved (i) the payment of bills and invoices as listed in the report (Check Nos. 6928-6952), as well as (ii) Supplemental Holding Check No. 6953 for El Paso Water Utilities. A copy of the Bookkeeper's Report is attached as an exhibit to these minutes.

4. As its next item of business, the Board considered wholesale water and sewer charges to the District from El Paso Water Utilities. Mr. Davis updated the Board on the status of 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.

5. The Board then considered a preliminary Budget, setting a proposed tax rate and setting a date for a hearing regarding adoption of final tax rates. Upon a motion by Director Holford and a second by Director Covington, the Board unanimously approved the following: (1) a proposed tax rate of \$0.75/\$100 of assessed valuation; (ii) establishment of a hearing date for consideration of final tax rates on Wednesday, August 25, 2021, at 11:30 a.m. CT at the offices of TRE & Associates, LLC, located at 6101 West Courtyard, Building One, Suite 100, Austin, Texas 78730, and by video/telephone conference call; and (iii) publication of the required notice for the public hearing.

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

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. 6 - \$108,378.00

**Emerald Park Unit Five**

Drainage, Water and Wastewater Improvements

TRE No.: 1502-11762-35

- Pay Estimate No. 2 - \$149,356.40

**Garden Park at Mission Ridge Unit Three**  
Drainage, Water and Wastewater Improvements  
TRE No.: 1502-11766-35

- Pay Estimate No. 1 - \$163,800.00

**Mission Ridge Towne Center Unit One**  
Drainage, Water and 16" Regional Water Line Improvements  
TRE No.: 1502-11499-35

- Pay Estimate No. 3 - \$27,847.80

**Peyton Estates Unit Three**  
Water, Wastewater and Drainage Improvements  
TRE No.: 1502-11751-35

- Pay Estimate No. 3 - \$140,462.96

**Peyton Estates Unit Seven**  
Water, Wastewater and Drainage Improvements  
TRE No.: 1502-11932-35

- Pay Estimate No. 7 - \$11,875.80

**Peyton Estates Unit Eight**  
Water, Wastewater and Drainage Improvements  
TRE No.: 1502-11965-35

- Pay Estimate No. 6 - \$196,942.50

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

Mr. Jansing then presented the following water and wastewater service commitments for consideration:

- **Emerald Heights Unit Five**

Upon a motion by Director Holford and a second by Director Mellenbruch, the foregoing commitments were 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. No action was taken by the Board.

Mr. Jansing then updated the Board on leak detection. Representatives from TRE & Associates and Inframark discussed system issues that may be contributing to water loss, and came up with the following plan: (i) old meters will be tested for accuracy, and (ii) a section in the Paseo del Este development will be isolated to measure flow and meter reading timing. Director Roark made a motion for the President to negotiate and execute an agreement with the District's auditor, West Davis & Company, to investigate possible causes of on-going water loss issues.

Mr. Jansing next presented the following easements for consideration:

- **Vacation of Temporary Drainage Easement-Eastlake Estates Unit One**
- **El Paso Electric Easement Crossing**

After discussion, upon a motion by Director Mills 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.

Mr. Jansing then updated the Board on the District's application for Bond Issue No. 1 and the EPA Emergency Preparedness Plan.

9. No public comments were received.

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

Approved August 25, 2021.

A handwritten signature in blue ink, appearing to read "Tina L. Hill", written over a horizontal line.

Secretary, Board of Directors

[SEAL]