

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, August 12, 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
Vacant	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 thus constituting a quorum, with Director Treviño joining the meeting in progress during the discussion of Item 6 in these minutes. Also in attendance via Zoom Video and telephone conference were Cynthia Ruiz; Kristi Hester and Daniel Martinez of Inframark, LLC; Margaret Livingston of Franklin Mountain Land Services, LLC; Maria Urbina of Hilltop Securities; Nadia Ganser of TRE & Associates; Franklin Stubbs of Hunt Communities; Nur Labardini and Michael Puffer of Municipal Accounts and Consulting, L.P.; 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 July 8, 2021. Upon a motion by Director Voge 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 on the agenda was to consider and act on the appointment of the new director to fill the vacancy created by resignation of the Director Van Gundy. Cynthia Ruiz was introduced as the new director to the Board. Upon a motion by Director Lascurain and a second by Director Voge, the Board unanimously approved the appointment of Cynthia Ruiz to the Board of Directors to serve out the term of office left vacant by Director Van Gundy's resignation, whose term expires on May 3, 2025.

4. The next item on the agenda was to consider and act on the qualifying of the new director. Following the appointment of a new director to the Board, the newly appointed director is required to execute the sworn statement of office and oath of office. Director Ruiz executed her Statement of Appointed Official and took her Oath of Office. Director Ruiz participated in the remainder of the meeting.

5. The next item on the agenda was to consider and act on the election of officers for the District. After further discussion, upon a motion by Director Lascurain and a second by Director Voge, Board unanimously approved the appointment of officers' positions for the directors of the District as follows:

Jose R. Soto	President
Darwin Voge	Vice President
Marisa Lascurain	Secretary
Alexandra Treviño	Assistant Secretary
Cynthia Ruiz	Assistant Secretary

6. The next item before the Board was to review the tax rate recommendation, set the date for the public hearing, and authorize the publication of the notice of the public hearing on the tax rate.

Ms. Urbina next presented the tax rate recommendation letter to the Board, a copy of which is attached as **Exhibit "A"**. Ms. Urbina's letter recommendation to the Board is that the Board consider setting a tax rate not to exceed a rate of \$0.75 per \$100 assessed value, by setting a debt service tax rate of \$0.4500 per \$100 assessed valuation, which leaves \$0.3000 per \$100 assessed valuation for the maintenance and operations tax and contract and reserve tax.

Mr. Jimenez briefly informed the Board of the steps that the Board will need to take in setting the tax rate for the 2021 tax year (fiscal year ending September 30, 2021), including publishing a notice for a public hearing on the tax rate, which will take place on Thursday, September 9, 2021. For purposes of today's Board meeting, Mr. Jimenez informed the Board that it will (1) approve the proposed tax rate that will be included in the notice of the public hearing on the tax rate, (2) approve the date on which the public hearing will take place, and (3) approve the publication of the notice of the public hearing. Mr. Jimenez noted that the notice of the public hearing will be published in the West Texas County Courier newspaper. Mr. Jimenez noted that, following the public hearing, the Board will consider and adopt the tax rate and final operating budget of the District at the September Board meeting.

After further discussion, it was moved by Director Lascurain and seconded by Director Treviño that the public hearing on the tax rate be scheduled for Thursday, September 9, 2021 and further that the notice be published in the West Texas County Courier newspaper with a proposed tax rate of \$0.75 per \$100 assessed value, which motion carried unanimously.

7. The next item before the Board was to consider and discuss the District's preliminary operating budget for the fiscal year ending September 30, 2022, a copy of which is attached as **Exhibit "B"**. Ms. Labardini presented the preliminary operating budget to the Board

and informed the Board that a copy of the preliminary operating budget was included in the agenda packet for their review. The Board took no action on this item. The Board will consider and adopt the final operating budget of the District at the September Board meeting.

8. 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”). Ms. Livingston provided the Board with an update on MUD No. 1’s efforts to resolve the issue of the rate increase that the El Paso Water Public Service Board (“PSB”) has proposed to the District’s wholesale water rates, noting that negotiations with PSB are ongoing. Further, Ms. Ganser provided an update on the current, ongoing efforts to determine and identify the main source of the water leaks and water loss within the District. Ms. Ganser reported that Bob West of West, Davis & Company, has been retained to conduct an audit focused on identifying any water meter discrepancies and billing discrepancies that might trace the source of the water leaks within the District. There was no action required by the Board on this agenda item. No action was taken by the Board.

9. 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 June 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 June 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) an update on the latest construction and maintenance activity within the Paseo del Este community and growth trends for the Paseo del Este MUD No. 11.

10. 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 next presented the following items for the Board’s consideration and approval:

Emerald Park Unit Five
Drainage, Water and Wastewater Improvements
TRE No.: 1502-11762-35
Pay Estimate No. 2 from Bain Construction - \$149,356.40.

Upon a motion by Director Lascrain and a second by Director Ruiz, the Board unanimously approved the processing for Pay Estimate No. 2 in the amount of \$149,356.40 from Bain Construction for construction of the Emerald Park, Unit Five, Drainage, Water & Wastewater Improvements. A copy of the District Engineer’s letter for Pay Estimate No. 2 is attached hereto as **Exhibit “D”**.

11. 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.

12. The Board next considered the bookkeeper's report, a copy of which is attached as **Exhibit "E"**. 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, including the following supplemental check: Supplemental Check No. 4937 to Municipal Accounts and Consulting, L.P. in the amount of \$1,803.48.

Upon a motion by Director Lascurain and a second by Director Voge, 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. 4937 to Municipal Accounts and Consulting, L.P. in the amount of \$1,803.48.

13. There was no general counsel's report.

14. 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.

Passed and approved this 9th day of September, 2021.



Secretary, Board of Directors

(DISTRICT SEAL)

