

MINUTES OF REGULAR MEETING OF
PASEO DEL ESTE MUNICIPAL UTILITY DISTRICT NO. 2
Thursday, September 9, 2021

STATE OF TEXAS §
 §
COUNTY OF EL PASO §

The Board of Directors of Paseo del Este Municipal Utility District No. 2 (the "District") held a regular meeting, open to the public, at TRE & Associates, LLC, located at 110 Mesa Park Drive, Suite 200, El Paso, Texas 79912, a regular meeting place of the Board of Directors of the District (the "Board"), and by video/telephone conference call at 1:00 p.m. MT on Thursday, September 9, 2021, and the roll was called of the directors of the Board, to-wit:

Doug Borrett	President
Anne Jorjorian-Raynal	Vice President
Clint Newsom	Secretary
Hector Esparza	Assistant Secretary
Gina Mezzacappa	Assistant Secretary

and all said persons were continuously present except Director Esparza, thus constituting a quorum. Director Esparza entered the meeting by video/telephone conference call during discussion of Item No. 2.

Also present were Michael G. McLean and Kayla Marshall of Gordon Davis Johnson & Shane P.C.; Ronald J. Freeman of the Law Offices of Ronald J. Freeman; Cyndi Ferris of the Law Offices of Ronald J. Freeman (by video/telephone conference call); Daniel Martinez of Inframark; Tyler Wilson of Municipal Accounts & Consulting, L.P. (by video/telephone conference call); Maria Urbina of Hilltop Securities Inc.; Franklin Stubbs of Hunt Communities (by video/telephone conference call); Nadia Ganser of TRE & Associates, LLC.; and Margaret Livingston.

1. The Board first considered approval of the minutes of the Board's August 12, 2021, meeting. Director Newsom made a motion to approve the minutes. Director Borrett seconded the motion, which the Board passed unanimously.

2. As its next item of business, the Board received a report from Paseo del Este MUD No. 1 regarding Master District activities. Mr. Freeman updated the Board on the status of the petition appealing the wholesale water rate filed with the Public Utility Commission of Texas. Ms. Livingston and Ms. Ganser provided a brief update on water accountability issues. No action was taken by the Board.

3. The Board then considered the General Manager's and Operator's Reports. Mr. Martinez presented a report on the status of development in the District and other districts. He summarized internal system studies being conducted to further analyze water accountability issues. No action was taken by the Board.

4. The Board next considered approving payment of bills and invoices and the financial report. Mr. Wilson presented the financial report for the District along with bills and invoices. After discussion, Director Jorjorian-Raynal made a motion to approve (i) the payment of bills and invoices as listed in the report (Check Nos. 2341-2351) and (ii) Supplemental Check Nos. 2352 in the amount of \$3,170.03 payable to El Paso Central Appraisal District and Check No. 2353 in the amount of \$2,433.49 payable to Municipal Accounts & Consulting, LP. Director Newsom seconded the motion, which the Board passed unanimously. A copy of the Bookkeeper's Report is attached to these minutes.

5. The Board then considered the District's Budget for Fiscal Year 2022. After discussion, Director Jorjorian-Raynal made a motion to approve the District's Budget for Fiscal Year 2022. Director Esparza seconded the motion, which the Board passed unanimously. A copy of the Budget is attached to these minutes.

6. As its next item of business, the Board conducted a public hearing for adoption of final tax rates for the 2021 tax year. No public comments were received. By acclamation, the Board closed the public hearing for adoption of final tax rates for the 2021 tax year.

7. The Board then considered adopting final tax rates. Upon a motion by Director Jorjorian-Raynal and a second by Director Esparza, the Board unanimously approved the Order Levying Taxes for Tax Year 2021, thereby approving a final debt service tax rate of \$0.3398 per \$100 of assessed valuation, a final maintenance and operations tax rate of \$0.1202 per \$100 of assessed valuation and a final contract tax rate of \$0.29 per \$100 of assessed valuation, all in accordance with the Financial Advisor's recommendation. A copy of the Order approved by the Board is attached to these minutes.

8. The Board next considered the Developer's Report. Mr. Stubbs gave a brief report on development in the Paseo del Este MUDs. No action was taken by the Board.

9. As its final act of business, the Board considered the Engineer's Report. Ms. Ganser presented the following item for consideration.

- Garden Park at Mission Ridge Unit Three**
Drainage, Water and Wastewater Improvements
TRE No.: 1502-11766-35
- Pay Estimate No. 2 - \$175,788.18

Upon a motion by Director Jorjorian-Raynal and a seconded by Director Newsom, the Board unanimously approved the foregoing item.

10. No public comments were received.

There being no further business, the meeting was adjourned.

Approved October 14, 2021.

(SEAL)

A handwritten signature in black ink, appearing to read "H. C. ...", written over a horizontal line.

Secretary, Board of Directors