

MINUTES OF REGULAR MEETING OF
PASEO DEL ESTE MUNICIPAL UTILITY DISTRICT NO. 1
Wednesday, September 22, 2021

STATE OF TEXAS §
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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, September 22, 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. Director Roark attended the meeting by video/telephone conference call.

Also present at TRE & Associates were Ronald J. Freeman of the Law Offices of Ronald J. Freeman; Kristi Hester and Daniel Martinez of Inframark; 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; and Margaret Livingston. Also present by video/telephone conference call were Cyndi Ferris of the Law Offices of Ronald J. Freeman; Michael G. McLean and Kayla Marshall of Gordon Davis Johnson & Shane, P.C.; Franklin Stubbs of Hunt Communities; and Lorena Quezada of El Paso Disposal, LP. Maria Urbina of Hilltop Securities and Joel Guzman of Hunt Communities entered the meeting by video/telephone conference call during discussion of Item No. 1.

1. The Board first considered approval of the minutes of the Board's August 25, 2021, and August 31, 2021, meetings. Director Mills made a motion to approve the August 25, 2021, minutes. Director Covington seconded the motion, which the Board passed unanimously. Director Holford made a motion to approve the August 31, 2021, 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. 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. Regarding water accountability issues, Mr. Martinez noted that El Paso County had not paid for past-due irrigation costs to date. Ms. Hester added that adjustments had

been made to 32 commercial accounts that were underbilled. The two largest underbilled accounts were Socorro High School and Daddy O's Car Wash. Socorro High School agreed to pay the District in one-lump sum. Mr. Holford asked Inframark to discuss the issue with Daddy O's Car Wash and report to the Board at its October meeting. Ms. Quezada 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 Covington, the Board unanimously approved the payment of (i) bills and invoices as listed in the report (Check Nos. 6983-7006) and (ii) Supplemental Check No. 7007 in the amount of \$29,303.85 payable to Accent Maintenance Company, Inc. A copy of the Bookkeeper's Report is attached as an exhibit to these minutes.

4. The Board next considered the District's Budget for Fiscal Year 2022. After discussion, Director Covington made a motion to approve the District's Budget for Fiscal Year 2022. Director Mellenbruch seconded the motion, which the Board passed unanimously. A copy of the Budget is attached to these minutes.

5. The Board then 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.

6. As its next item of business, the Board considered adopting final tax rates. Upon a motion by Director Mills and a second by Director Mellenbruch, the Board unanimously approved the Order Levying Taxes for Tax Year 2021, thereby approving a final maintenance and operations tax rate of \$0.46 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.

7. The Board then considered the Developer's Report. Messrs. Guzman and Stubbs gave a brief report. No action was taken by the Board.

8. The Board next 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.

9. The Board then considered the Engineering Report. Mr. Jansing presented the following pay estimates, change orders and acceptances for consideration:

Bill Burnett Development

Water, Wastewater and Drainage Improvements

TRE No.: 1700-11844-35

- Pay Estimate No. 8 - \$17,820.00

Emerald Heights Unit Four and Five Grading Improvements

TRE No.: 1451-12040-35

- Change Order No. 1 – Increase of \$293,100.00
- Pay Estimate No. 3 - \$140,715.00

Emerald Park Unit Five

Drainage, Water and Wastewater Improvements

TRE No.: 1502-11762-35

- Pay Estimate No. 4 - \$58,901.40

Garden Park at Mission Ridge Unit Three

Drainage, Water and Wastewater Improvements

TRE No.: 1502-11766-35

- Change Order No. 1 – Increase of \$96,926.00
- Pay Estimate No. 3 - \$270,466.38

Painted Sky at Mission Ridge Unit 3 Regionals

12" & 16" Regional Waterline Improvements and Regional Wastewater Line Segments C2-B, C2-C & C2-D Improvements

TRE No.: 1502-12058-35

- Pay Estimate No. 1 - \$31,680.00

Peyton Estates Unit Three

Water, Wastewater and Drainage Improvements

TRE No.: 1502-11751-35

- Pay Estimate No. 5 - \$27,785.70
- Pay Estimate No. 6 (Final) - \$75,845.53
- Acceptance of Utilities for Operation and Maintenance

Peyton Estates Unit Eight

Water, Wastewater and Drainage Improvements

TRE No.: 1502-11965-35

- Pay Estimate No. 8 - \$7,695

Upon a motion by Director Mellenbruch and a second by Director Roark, the Board unanimously approved the foregoing pay estimates, change orders and acceptances.

Mr. Jansing next presented the following landscaping matters for consideration:

Medians at Stansbury and Colonial Bluff in Paseo del Este MUD No. 2

- Remove rock, check irrigation and install plants - \$16,342.00

Emerald Pass

- Replace ten trees - \$3,350.00

Ashford Drive in Paseo del Este MUD No. 10

Modification to Landscaping Agreement for Section 1

- Add \$845 per month with new monthly fee totaling \$4,331.17

Upon a motion by Director Mills and a second by Director Covington, the Board unanimously approved the foregoing landscaping matters. Director Mills left the meeting after discussion of this item.

Mr. Jansing then notified the Board that the total cost for the emergency repair of a failed manhole at Rojas was \$21,667.00. Upon a motion by Director Holford and a second by Director Covington, the Board unanimously approved the cost of the emergency repair. Mr. Jansing will prepare a report listing additional manhole repairs needed on Rojas.

Next, Mr. Jansing requested that the Board authorize the President to accept utility work at the following sites before its next meeting:

- Amazon
- Eastlake Marketplace – Lot 2

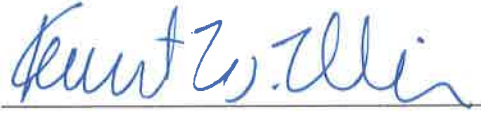
Upon a motion by Director Covington and a second by Director Mellenbruch, the Board unanimously authorized the President to accept utility work at the referenced sites with the engineer's recommendation.

10. As its final act of business, the Board considered wholesale water and sewer charges to the District from El Paso Water Utilities. Mr. Freeman gave a brief update. No action was taken by the Board

11. No public comments were received.

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

Approved October 27, 2021.



Secretary, Board of Directors

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