

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, on November 11, 2021, at its meeting place located outside of the District at the offices of TRE & Associates, LLC, 110 Mesa Park Drive, Suite 200, El Paso, Texas and via means of telephone conference number and Zoom Videoconference. The roll was called of the directors of the Board, to-wit:

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

All of said persons were present thus constituting a quorum, with Director Ruiz and Director Voge joining the meeting in progress during the discussion of Item 5 in these minutes. Also present and in attendance were Erika Duran of Inframark, LLC; Nadia Ganser of TRE & Associates; Franklin Stubbs of Hunt Communities; and Margaret Livingston of Franklin Mountain Land Services, LLC. Kristi Hester of Inframark, LLC; Bob West of West, Davis & Company; Taylor Kolmodin of Municipal Accounts and Consulting, L.P.; and Ty Embrey, attorney, and Joe Jimenez, paralegal, of Lloyd Gosselink Rochelle & Townsend, P.C. participated in the meeting via Zoom Videoconference.

1. The first item on the agenda was the review and approval of the minutes of the Board meeting of October 14, 2021. Upon a motion by Director Treviño 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 to speak at the meeting or via Zoom Video and telephone conference. There was no action required by the Board on this agenda item. No action was taken by the Board.

3. The next item before the Board was to consider an update and information on activities of the Paseo del Este Municipal Utility District No. 1 ("MUD No. 1"). Ms. Livingston informed the Board that efforts are still ongoing to resolve the issue of the rate increase with the El Paso Water Public Service Board. With regard to the water loss issue, Ms. Livingston reported that the District's consultants believe that the discrepancy in water usage data is influenced by

the District's billing procedures. Ms. Livingston reported that District is making changes to its billing procedures to improve the accuracy of water usage data and ensure the data is being accurately calculated. There was no action required by the Board on this agenda item. No action was taken by the Board.

4. The next item before the Board was to consider and take action regarding the District's Resolution Requesting Appraisal of Property and Certificate of Estimated Appraised Value from the El Paso Central Appraisal District ("Appraisal District"). Mr. Embrey presented the Resolution to the Board. Upon a motion by Director Lascurain and a second by Director Treviño, the Board unanimously approved the District's Resolution Requesting Appraisal of Property and Certificate of Estimated Appraised Value from the Appraisal District, attached hereto as **Exhibit "A"**.

5. The next item before the Board was to discuss, consider and act on the proposal for Engineering Services between Paseo del Este MUD No. 11 and TRE & Associates for preparation and submittal of the Bond Application Report to the Texas Commission on Environmental Quality, a copy of which is attached as **Exhibit "B"**. Ms. Ganser presented the proposal to the Board for approval.

Upon a motion by Director Treviño and a second by Director Lascurain, the Board unanimously approved the proposal for Engineering Services between Paseo del Este MUD No. 11 and TRE & Associates for the preparation and submittal of the Bond Application Report to the Texas Commission on Environmental Quality.

6. The next item on the agenda was to discuss, consider and act on the proposal from West, Davis & Company for preparation of the developer reimbursement audit in relation to the District's third bond application to the Texas Commission on Environmental Quality. Mr. West next presented the engagement letter with West, Davis and Company for the preparation of the developer reimbursement audit in conjunction with the District's third bond application.

Mr. West informed the Board that as the District's auditor the TCEQ requires the auditor to review the developer's records to verify the accuracy of the developer's costs proposed to be reimbursed and then issue a report. Mr. West explained that the engagement letter, if approved, would engage West, Davis and Company to prepare the developer reimbursement audit and report. Following further discussion, upon a motion by Director Lascurain and a second by Director Treviño, the Board unanimously approved the engagement letter with West, Davis and Company for preparation of the developer reimbursement audit in relation to the District's third bond application, a copy of which is attached as **Exhibit "C"**.

7. The next item before the Board was to consider and act on the Resolution Evidencing Annual Review of the District's Investment Policy ("Resolution"). Mr. Embrey reported that the Board is required by state law to review the District's Investment Policy ("Policy") on an annual basis to make certain the Policy complies with current state law requirements and, if necessary, recommend changes that are needed to bring the Policy into compliance with those requirements.

Mr. Embrey stated that there were no recommended changes that needed to be made to the District's current Investment Policy, which was last revised and adopted on October 10, 2019, and adopted and reaffirmed on October 8, 2020. Mr. Embrey reported that Municipal Accounts and Consulting provided an updated list of qualified brokers that are authorized to engage in investment transactions with the District, and recommended approval of the updated list of qualified brokers, attached as **Exhibit "6"** to the Investment Policy.

Mr. Embrey recommended that the Board adopt the Resolution Evidencing Annual Review of the Investment Policy, reaffirm the revised written Investment Policy dated November 11, 2021, and adopt the revised list of qualified brokers that are authorized to engage in investment transactions with the District, attached as **Exhibit "6"** to the Investment Policy.

Upon review of the Resolution Evidencing Annual Review of the Investment Policy, the revised written Investment Policy dated November 11, 2021, and the updated list of qualified brokers as incorporated as **Exhibit "6"** to the Investment Policy, it was moved by Director Treviño and seconded by Director Lascurain that the Resolution, the revised written Investment Policy dated November 11, 2021, and the updated list of qualified brokers attached as **Exhibit "6"** to the Investment Policy be approved, which motion carried unanimously. A copy of the Resolution, the Investment Policy dated November 11, 2021 with the updated list of qualified brokers is attached hereto as **Exhibit "D"**.

8. The next item next item before the Board was to consider the operator's report. Ms. Hester informed the Board that Daniel Martinez had resigned his position as the Account Manager for Inframark and the Paseo del Este Municipal Utility Districts ("MUDs") to pursue another job opportunity with the Tesla company. Ms. Hester introduced Ms. Erika Duran to the Board, informing the Board that Ms. Duran had accepted Inframark's offer to serve as the Interim Account Manager for Inframark and the Paseo del Este MUDs.

Ms. Duran next presented the operator's report, a copy of which is attached as **Exhibit E**. Ms. Duran reported that as of the end of September the District had 392 total connections, and that no new connections were added during the current month. Ms. Duran provided a brief summary of the activities for September 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) reported on the latest construction and maintenance activity within the Paseo del Este community and growth trends for the Paseo del Este MUD No. 11.

9. 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. 5 from Bain Construction - \$58,128.30

Upon a motion by Director Treviño and a second by Director Ruiz, the Board unanimously approved the processing for Pay Estimate No. 5 in the amount of \$58,128.30 from Bain Construction for construction of the Emerald Park, Unit Five, Drainage, Water & Wastewater Improvements, attached hereto as **Exhibit "F"**.

Ms. Ganser next presented the following items for the Board's consideration and approval:

Emerald Estates Unit Five  
Water, Wastewater and Drainage Improvements  
Engineer's Letter of Recommendation  
TRE Job No.: 1502-11763-96

Upon a motion by Director Treviño and a second by Director Ruiz, the Board unanimously approved the Engineer's Letter of Recommendation that the contract for Emerald Estates Unit Five Water, Wastewater and Drainage Improvements project be awarded to El Paso Underground Construction, in the amount of \$1,452,797.90, attached hereto as **Exhibit "G"**.

10. There was no developer's report.

11. The Board next considered the bookkeeper's report, a copy of which is attached as **Exhibit "H"**. Ms. Kolmodin 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. 4974 in the amount of \$1,680.70 payable to the Texas Municipal League Intergovernmental Risk Pool.

Upon a motion by Director Treviño and a second by Director Ruiz, the Board unanimously approved the bookkeeper's report with the list of disbursements and balances, and the list of bills presented for payment, including Supplemental Check No. 4974 in the amount of \$1,680.70 payable to the Texas Municipal League Intergovernmental Risk Pool.

12. The Board next considered the general counsel's report. Mr. Embrey reminded the Board that the Board's December meeting will be held on Thursday, December 9, 2021. Mr. Embrey asked the Board members to review their personal calendars for any potential conflicts and to confirm that a quorum of the Board will be available for the December meeting.

13. There being no further business before the Board, it was moved by Director Treviño, and seconded by Director Lascurain, to adjourn the meeting, which motion carried unanimously.

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

  
Secretary, Board of Directors

(DISTRICT SEAL)

