

MINUTES OF MEETING  
OF  
BOARD OF DIRECTORS

STATE OF TEXAS §  
COUNTY OF EL PASO §  
PASEO DEL ESTE MUNICIPAL UTILITY DISTRICT NO. 10 §

The Board of Directors of Paseo del Este Municipal Utility District No. 10 of El Paso County met in regular session, open to the public, on December 7, 2021, at its meeting place within the District at the offices of Inframark, LLC, 13034 Eastlake Boulevard, Suites D-E, 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:

Luis Ortega	President
Greg Spence	Vice President
Ysrael Valencia	Secretary
Martin N. “Teen” Lettunich	Assistant Secretary
George Mendez	Assistant Secretary

All of said persons were present, with the exception of Director Mendez, thus constituting a quorum. Also present and in attendance were Erika Duran of Inframark, LLC; Margaret Livingston of Franklin Mountain Land Services, LLC; and Linda Troncoso of TRE & Associates. Mark Burton of Municipal Accounts and Consulting, L.P.; Bob West of West, Davis & Company; Maria Urbina of Hilltop Securities, 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 November 2, 2021. Upon a motion by Director Ortega and a second by Director Lettunich 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 telephone conference or Zoom Videoconference. 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 she had no updates to report to the Board. Efforts are still ongoing to resolve the issue of the rate increase with the El Paso Water Public Service Board. 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 discuss, consider and act on the proposal for Engineering Services between Paseo del Este MUD No. 10 and TRE & Associates for the preparation and submittal of the District's Surplus Funds Application to the Texas Commission on Environmental Quality.

Ms. Troncoso next presented the Board with information on the preparation of the proposed Surplus Funds Application for submission to the TCEQ. Ms. Troncoso explained that the Surplus Funds Application would enable the District to use tax revenue to reimburse the developer for costs associated with the construction of certain regional projects. Ms. Troncoso informed the Board that the amount of funds proposed for developer reimbursement in the Surplus Funds Application will be for an amount not to exceed \$750,000.

Ms. Troncoso next presented for the Board's consideration and approval a proposal from TRE & Associates, LLC ("TRE") to assist Paseo del Este Municipal Utility District No. 10 in the preparation and submittal of a Surplus Funds Application to the TCEQ. Ms. Troncoso explained that the proposal from TRE would not exceed \$35,000.

Upon a motion by Director Spence and a second by Director Valencia, the Board unanimously approved the proposal from TRE & Associates, LLC to assist Paseo del Este Municipal Utility District No. 10 in the preparation and submittal of a Surplus Funds Application to the TCEQ in an amount not to exceed \$35,000, a copy of which is attached as **Exhibit "A"**.

5. The next item before the Board was to consider and act on the proposal from West, Davis & Company for preparation of the developer reimbursement audit in relation to the District's Surplus Funds Application to the Texas Commission on Environmental Quality.

Mr. West presented the proposal of West, Davis and Company for the preparation of the developer reimbursement audit in relation to the District's Surplus Funds Application to the Texas Commission on Environmental Quality. 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 proposal, if approved, would engage West, Davis and Company to prepare the developer reimbursement audit and report. Upon a motion by Director Spence and a second by Director Lettunich, the Board unanimously approved the proposal from West, Davis and Company, a copy of which is attached as **Exhibit "B"**.

6. The next item before the Board was to consider the operator's report. Ms. Duran next presented the operator's report, a copy of which is attached as **Exhibit "C"**. Ms. Duran reported that as of the end of October the District had 1,119 total connections, and no new connections were added during the current month. Ms. Duran provided a brief summary of the activities for October 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. 10.

7. Ms. Troncoso 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.

8. There was no developer's report.

9. The Board next considered the bookkeeper's report, a copy of which is attached as **Exhibit "D"**. Mr. Burton 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. 4834 in the amount of \$4,523.92 payable to Lloyd Gosselink Rochelle & Townsend, P.C.

Upon a motion by Director Spence and a second by Director Lettunich, 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. 4834 in the amount of \$4,523.92 payable to Lloyd Gosselink Rochelle & Townsend, P.C.

10. The Board next considered the general counsel's report. Mr. Embrey reminded the Board that the Board's next meeting will be held on Tuesday, January 4, 2022. 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 January meeting.

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

Passed and approved this 4th day of January, 2022.

  
Secretary, Board of Directors

(DISTRICT SEAL)

