

MINUTES OF SPECIAL MEETING OF
PASEO DEL ESTE MUNICIPAL UTILITY DISTRICT NO. 1
Wednesday, December 15, 2021

STATE OF TEXAS §
 §
COUNTY OF EL PASO §

The Board of Directors of Paseo del Este Municipal Utility District No. 1 (the “District”) held a special 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, December 15, 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 were 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); Kristi Hester and Erika Duran of Inframark; Taylor Kolmodin of Municipal Accounts & Consulting, L.P.; John Jansing, Adrian Rosas and Nadia Ganser of TRE & Associates, LLC; Bob West of West, Davis & Company, LLP; Margaret Livingston of Franklin Mountain Land Services; Franklin Stubbs of Hunt Communities (by video/telephone conference call); and Maria Urbina of Hilltop Securities, Inc. (by video/telephone conference call).

1. The Board first considered approval of the minutes of the Board’s November 17, 2021, meeting. Director Mills made a motion to approve the minutes with one correction. Director Covington 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. Ms. Duran 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 accounts receivables totaling \$1,432.61 for collections.

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 Mellenbruch and a second by Director Holford, the Board unanimously approved the payment of bills and invoices as listed in the report (Check Nos. 7035-7093). A copy

of the Bookkeeper's Report is attached as an exhibit to these minutes. Ms. Urbina gave a brief report regarding the status of Bond Issue No. 1; she left the meeting after discussion of this item.

4. The Board next considered Unlimited Tax Bonds, Series, 2022 (Bond Issue No. 2), including:

- a. Resolution Requesting Appraisal of Property and Certificate of Estimated Appraised Value;
- b. Resolution Authorizing Application to the Texas Commission on Environmental Quality for Approval of Projects and Bonds;
- c. Engagement letter from TRE & Associates, LLC for preparation of the District's second bond application to the Texas Commission on Environmental Quality; and
- d. Engagement of auditors for preparation of developer reimbursement audit.

After discussion, upon a motion by Director Mills and a second by Director Covington, the foregoing items were unanimously approved by the Board.

5. As its next item of business, the Board considered the Developer's Report. Mr. Stubbs gave a brief report. No action was taken by the Board.

6. The Board then 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.

7. The Board next considered the Engineering Report. Mr. Jansing presented the following items for consideration:

Bill Burnett Development

Water, Wastewater and Drainage Improvements

TRE No.: 1700-11844-35

- Pay Estimate No. 11 - \$115,153.40

Emerald Heights Unit Four and Five Grading Improvements

TRE No.: 1451-12040-35

- Pay Estimate No. 5 - \$198,662.48

Emerald Park Unit Five

Drainage, Water and Wastewater Improvements

TRE No.: 1502-11762-35

- Pay Estimate No. 6 - \$10,270.80

Garden Park at Mission Ridge Unit Three

Drainage, Water and Wastewater Improvements

TRE No.: 1502-11766-35

- Pay Estimate No. 5 - \$87,233.40

Painted Sky at Mission Ridge Unit 3

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. 3 - \$183,415.50

Peyton Estates Unit Eight

Water, Wastewater and Drainage Improvements

TRE No.: 1502-11965-35

- Pay Estimate No. 9 - \$124,200.00
- Pay Estimate No. 10 - \$213,194.40
- Acceptance of Utilities for Operation and Maintenance

Painted Sky at Mission Ridge Unit Three

Drainage, Water & Wastewater

TRE No.: 1502-12056-35

- Pay Estimate No. 3 - \$297,326.70

Paseo del Este MUD No. 1

Dutch Brothers Coffee – 12221 Eastlake Boulevard

TRE No. 1451-12055-35

- Acceptance of Utilities for Operation and Maintenance

Emerald Pass Commercial Unit 2 Replat B

Wastewater Improvements

TRE No.: 1502-11960-35

- Acceptance of Utilities for Operation and Maintenance

Upon a motion by Director Mills and a second by Director Covington, the foregoing items were unanimously approved by the Board.

Mr. Jansing then presented the following item for ratification by the Board:

Horizon Marketplace – Lot 2

- Acceptance of Utilities for Operation and Maintenance

Upon a motion by Director Mellenbruch and a second by Director Roark, the foregoing item was ratified by the Board.

Next, Mr. Jansing asked the Board to consider authorizing the President to approve the following projects before the next Board meeting:

Emerald Park Unit Five

Drainage, Water and Wastewater Improvements

TRE No.: 1502-11762-35

Bill Burnett Development

Water, Wastewater and Drainage Improvements

TRE No.: 1700-11844-35

After discussion, upon a motion by Director Mills and a second by Director Mellenbruch, the Board unanimously authorized the President to approve the foregoing projects with the engineer's recommendation.

Mr. Jansing then presented the following landscaping item for consideration:

Emerald Pass Park

- Purchase and Installation of Three (3) Secured Trash Cans - \$2,475.00

Upon a motion by Director Covington and a second by Director Holford, the Board unanimously approved the purchase and installation of three secured trash cans in Emerald Pass Park.

Mr. Jansing notified the Board that landscaping cost projections for the next year should be ready within the next month or two. Mr. Holford suggested that the District get commitments from vendors, contractors, builders, and special interest groups to assist with projects throughout the District.

Next, Mr. Freeman discussed easement requests. After discussion, upon a motion by Director Covington and a second by Director Mellenbruch, the Board unanimously approved a Resolution Authorizing District President to Sign Approved Easements and Rights-of-Way on Behalf of District with the engineer's recommendation.

8. The Board then considered wholesale water and sewer charges to District from El Paso Water Utilities. Mr. Freeman gave a brief update. No action was taken by the Board.

9. As its last item of business, the Board considered matters regarding water leaks in the Mission Ridge area. Mr. West gave a brief report regarding his investigation and notified the Board that he needed two additional months to finalize his report. Mr. Stubbs left the meeting during discussion of this item.

10. No public comments were received.

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

Approved January 27, 2022.

A handwritten signature in blue ink, appearing to read "Kurt Ze. Min", written over a horizontal line.

Secretary, Board of Directors

[SEAL]