

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 January 13, 2022, 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. Also present and in attendance were Erika Duran of Inframark, LLC; and Nadia Ganser of TRE & Associates. Bob West of West, Davis & Company; Franklin Stubbs of Hunt Communities; Nur Labardini 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 December 9, 2021. Upon a motion by Director Treviño and a second by Director Voge 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 on the agenda was to consider and take action regarding the District's meeting place. Mr. Embrey informed the Board that State law requires a district to provide notice the first meeting of each calendar year of the Chapter 49 petition process if the district does not have a meeting place within the boundaries of the district. Mr. Embrey reminded the Board that the District does not have a meeting place within the boundaries of the District. Mr. Embrey reviewed the Texas Water Code Chapter 49 petition process to establish a meeting place within the District's boundaries. There was no action required by the Board on this agenda item. No action was taken by the Board.

4. The next item on the agenda was the review and approval of the District's annual audit report for the fiscal year ending September 30, 2021. Mr. West presented the audit report to the Board. Mr. West reviewed the audit report with the Board, which included a management discussion and analysis, financial statements, notes to financial statements, and required supplementary information. Mr. West informed the Board he had issued a clean opinion and recommended that the Board approve the District's annual audit report for the fiscal year ending September 30, 2021. Upon securing the proper signature on the Annual Filing Affidavit, the Affidavit will be attached and incorporated with the Annual Financial Report filed with the Texas Commission on Environmental Quality.

After further discussion, it was then moved by Director Soto and seconded by Director Lascurain that the District's annual audit report for the fiscal year ending September 30, 2021 be approved, which motion carried unanimously.

5. The next item before the Board was to discuss, consider and act on the Resolution Authorizing Application to the Texas Commission on Environmental Quality ("TCEQ") for Approval of Project and Bonds ("Resolution"). Mr. Embrey explained that the Resolution being presented to the Board would authorize the preparation and submission of a bond application to the TCEQ to request the approval of bonds to be issued by the District not to exceed the principal amount of One Million Seven Hundred Fifty Thousand and No/100 Dollars (\$1,750,000.00).

Mr. Embrey reported that the bond issuance would be used to reimburse the developer for projects that the District's financial advisor and District's engineer have identified could be paid back through the issuance of bonds. It was explained that the Board's Resolution along with the engineering report will be filed with the TCEQ. The TCEQ will review the bond application to ensure that the District complied with all TCEQ requirements. The TCEQ will issue an order authorizing the bond issue.

Following further discussion, upon a motion by Director Ruiz and a second by Director Lascurain, the Board unanimously approved the Resolution Authorizing Application to the Texas Commission on Environmental Quality for Approval of Project and Bonds for approval of bonds to be issued by the District not to exceed the principal amount of One Million Seven Hundred Fifty Thousand and No/100 Dollars (\$1,750,000.00). A copy of the Resolution authorizing the preparation and submittal of a bond application to the TCEQ is attached hereto as **Exhibit "A"**. A copy of the Certificate of Secretary is attached hereto as **"Exhibit "B"**, certifying the Resolution was duly passed and adopted by the Board on the aforesaid date.

6. 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. Ganser provided the Board with an update and background regarding the issue of the rate increase with the El Paso Water Public Service Board. Ms. Ganser reported that a lawsuit has been filed in District Court, on behalf of MUD No. 1, seeking enforcement of the contract with the PSB. There was no action required by the Board on this agenda item. No action was taken by the Board.

7. The next item 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 November 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 November 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) an update on the latest construction and maintenance activity within the Paseo del Este community and growth trends for the Paseo del Este MUD No. 11.

8. 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 recommended approval:

Emerald Park Unit Five
Drainage, Water and Wastewater Improvements
TRE No.: 1502-11762-35
Pay Estimate No. 6 from Bain Construction - \$10,270.80

Emerald Park Unit Five
Drainage, Water and Wastewater Improvements
TRE No.: 1502-11762-35
Pay Estimate No. 7 from Bain Construction - \$135,688.83

Emerald Park Unit Five
Drainage, Water and Wastewater Improvements
TRE No.: 1502-11762-35
Acceptance of Utilities for Operation and Maintenance

Upon a motion by Director Lascurain and a second by Director Ruiz, the Board (i) unanimously approved the processing for Pay Estimate No. 6, attached hereto as **Exhibit "D"**, in the amount of \$10,270.80 from Bain Construction, and Pay Estimate No. 7, attached hereto as **Exhibit "E"**, in the amount of \$135,688.83 for construction of the Emerald Park Unit Five, Drainage, Water & Wastewater Improvements; and (ii) unanimously approved the District Engineer's letter of recommendation addressed to Mr. Jack Holford of Paseo del Este Municipal Utility District No. 1, attached hereto as **Exhibit "F"**, that the District approve the completion of construction activities on the project and accept the improvements for operation and maintenance.

9. Mr. Stubbs next presented the developer's report and updated the Board on the status of development activity within the District and the Paseo del Este community.

10. The Board next considered the bookkeeper's report, a copy of which is attached as **Exhibit "G"**. Ms. Labardini 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 checks: Supplemental Check No. 4997 in the amount of \$2,131.08 payable to Municipal Accounts and Consulting, L.P.; and Supplemental Check No. 4998 in the amount of \$419.28 payable to the U. S. Internal Revenue Service.

Upon a motion by Director Voge and a second by Director Treviño, the Board unanimously approved the bookkeeper's report with the list of disbursements and balances, and the list of bills presented for payment, including the following supplemental checks: Supplemental Check No. 4997 in the amount of \$2,131.08 payable to Municipal Accounts and Consulting, L.P.; and Supplemental Check No. 4998 in the amount of \$419.28 payable to the U. S. Internal Revenue Service.

11. There was no general counsel's report.

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

Passed and approved this 10th day of February, 2022.



(DISTRICT SEAL)


Secretary, Board of Directors