

MINUTES OF SPECIAL MEETING OF  
PASEO DEL ESTE MUNICIPAL UTILITY DISTRICT NO. 1  
Thursday, January 27, 2022

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 Thursday, January 27, 2022, 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. Directors Roark and Covington 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); Clayton Chandler of McCall Parkhurst & Horton; Kristi Hester of Inframark; Erika Duran of Inframark (by video/telephone conference call); Taylor Kolmodin of Municipal Accounts & Consulting, L.P. (by video/telephone conference call); John Jansing of TRE & Associates (by video/telephone conference call); Adrian Rosas and Nadia Ganser of TRE & Associates, LLC; Bob West of West, Davis & Company, LLP; Margaret Livingston of Franklin Mountain Land Services; Joel Guzman and Franklin Stubbs of Hunt Communities (by video/telephone conference call); Maria Urbina of Hilltop Securities, Inc. (by video/telephone conference call); David Ballard (by video/telephone conference call); and Lorena Quezada and Andy Ponce of El Paso Disposal, LP.

1. The Board first considered approval of the minutes of the Board’s December 15, 2021, meeting. Director Mills made a motion to approve the minutes with one correction. Director Holford seconded the motion, which the Board passed unanimously.

2. As its next item of business, the Board considered Texas law regarding District meeting places. Mr. Freeman summarized the Texas Water Code Chapter 49 petition process to establish a meeting place within the District’s boundaries. No action was taken by the Board.

3. The Board then considered the General Manager’s and Operator’s Report. Ms. Hester and 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 Mills and a second by Director Mellenbruch, the Board unanimously approved expenses over \$2,000 as shown in the report, and

approved doubling the purchase of new 5/8" meters from 120 to 240 to stock up on meters due to supply chain issues.

4. The Board did not consider amending District rules, regulations and charges applicable to obtaining services from the District.

5. As its next item of business, the Board considered route expansion for El Paso Disposal residential service. Mr. Ponce and Ms. Quezada proposed (i) two new routes for Monday/Thursday service and (ii) two new routes for Tuesday/Friday service. After discussion, upon a motion by Director Mellenbruch and a second by Director Covington, the Board unanimously approved the new routes to improve the quality of service throughout the District. Mr. Guzman left the meeting during discussion of this item.

6. 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 Mills, the Board unanimously approved the payment of bills and invoices as listed in the report (Check Nos. 7094-7123). A copy of the Bookkeeper's Report is attached as an exhibit to these minutes. Ms. Kolmodin left the meeting after discussion of this item.

7. Next, the Board considered the District's annual financial statements and Auditor's Report. Mr. West gave a brief report. Upon a motion by Director Roark and a second by Director Mellenbruch, the Board unanimously approved the Financial Statements, Supplemental Information and Independent Auditor's Report for the Year Ended September 30, 2021.

8. The Board then considered the District's Unlimited Tax Bonds, Series, 2022, including:

- a. Receiving bids and awarding the sale of the \$7,945,000 Paseo del Este Municipal Utility District No. 1 Unlimited Tax Bonds, Series 2022;
- b. "Resolution Authorizing the Issuance of \$7,945,000 Paseo del Este Municipal Utility District No. 1 Unlimited Tax Bonds, Series 2022; Prescribing the Terms and Provisions Thereof; Making Provision for the Payment of the Interest Thereon and the Principal Thereof; Levying and Pledging the Proceeds of a Tax; Authorizing the Sale of the Bonds; Authorizing a Paying Agent/Registrar Agreement; and Containing Other Provisions Relating to the Subject"; and
- c. Closing procedures for the issuance and delivery of \$7,945,000 Paseo del Este Municipal Utility District No. 1 Unlimited Tax Bonds, Series 2022.

After discussion, the sale of bonds was awarded to RBC Capital Markets (Dallas), NIC: 3.097252%. Director Mills made a motion to approve the sale of the bonds and the Resolution Authorizing Issuance of the Bonds. Director Mellenbruch seconded the motion, which the Board passed by a vote of 5-0.

9. As its next item of business, the Board considered the Developer's Report. Messrs. Ballard and Stubbs gave brief reports. No action was taken by the Board. Mr. Chandler left the meeting after discussion of this item.

10. 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.

11. The Board next considered the Engineering Report. Mr. Jansing presented the following acceptances for consideration:

**Garden Park at Mission Ridge Unit Three**

Drainage, Water and Wastewater Improvements

TRE No.: 1502-11766-35

- Acceptance of Utilities for Operation and Maintenance

**Mission Ridge Towne Center Unit One**

Drainage, Water and 16" Regional Water Line Improvements

TRE No.: 1502-11499-35

- Acceptance of Utilities for Operation and Maintenance

Upon a motion by Director Roark and a second by Director Mellenbruch, the foregoing acceptances were unanimously approved by the Board.

Mr. Jansing then presented the following pay estimates and change orders for consideration:

**Bill Burnett Development**

Water, Wastewater and Drainage Improvements

TRE No.: 1700-11844-35

- Pay Estimate No. 2 - \$111,160.45
- Change Order No. 2 – Increase of \$27,195

**Emerald Heights Unit Four and Five Grading Improvements**

TRE No.: 1451-12040-35

- Pay Estimate No. 6 - \$207,880.93

**RATIFIED - Emerald Park Unit Five**

Drainage, Water and Wastewater Improvements

TRE No.: 1502-11762-35

- Pay Estimate 7 (Final) – \$135,688.83
- Acceptance for Operation and Maintenance

**Painted Sky at Mission Ridge Unit 3**

Drainage, Water & Wastewater Improvements

TRE No.: 1502-12058-35

- Pay Estimate No. 4 - \$129,998.70
- Pay Estimate No. 5 - \$78,049.80

**Painted Sky at Mission Ridge Unit 3**

12" and 16" Regional Waterline Improvements and Regional Wastewater Line  
Segments C2-B, C2C & C2-D Improvements

TRE No.: 1502-12058-35

- Pay Estimate No. 4 – \$203,040.90
- Pay Estimate No. 5 - \$43,448.40

**Mission Ridge Towne Center Unit One**

Drainage, Water and 16" Regional Water Line Improvements

TRE No.: 1502-11499-35

- Pay Estimate No. 5 (Final) - \$118,228.34

**Garden Park at Mission Ridge Unit Three**

Drainage, Water and Wastewater Improvements

TRE No.: 1502-11766-35

- Pay Estimate No. 6 (Final) - \$119,230.84

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

Mr. Rosas presented the following easements for consideration by the Board:

**El Paso Electric Company**

- Easement crossing at Lot 9, Block 1 of The Village at Mission Ridge Unit One

After discussion, upon a motion by Director Mellenbruch and a second by Director Holford, the Board unanimously approved the easement crossing under the condition that metes and bounds are received and reviewed by TRE & Associates and no conflicts are found.

**Paseo del Este Boulevard - Vacation of Temporary Construction Easement**

- Vacate slope easement area and give land back to landowner.
- Public Utility Easement with Right of Ingress and Egress will be granted to access box culvert(s) under Paseo del Este Boulevard for maintenance.

Upon a motion by Director Holford and a second by Director Mills, the Board unanimously approved the vacation of the temporary construction easement.

**East Lake Boulevard - County Drainage/Landscaping Improvements**

- Improvements are ready to be accepted by the District. TRE & Associates recommended that the District hold acceptance until the County paid its water bill through January 31, 2022, for meters located along East Lake Boulevard.

Upon a motion by Director Holford and a second by Director Mellenbruch, the Board unanimously granted conditional approval of drainage and landscaping improvements pursuant to TRE & Associates recommendation.

Next, Mr. Jansing asked the Board to consider authorizing the President to review and approve the following project for operation and maintenance before the February Board meeting:

**Bill Burnett Development**

Water, Wastewater and Drainage Improvements

TRE No.: 1700-11844-35

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

Mr. Jansing then presented the following item for consideration:

**Manhole Rehabilitation on Rojas**

- Four (4) manholes are in critical condition and need repair
- Infrastructure Rehabilitation USA - \$118,550.00

After discussion, upon a motion by Director Mellenbruch and a second by Director Roark, the Board conditionally approved the emergency rehabilitation of four (4) manholes subject to legal review.

The last engineering item to be discussed was water accountability. Mr. Jansing informed the Board that permits are in place to conduct strap-on meter checks in isolated areas. At Mr. Holford's request, TRE & Associates will provide a cost estimate for conducting the study at the February meeting. Mr. West added that he continues to watch billing since the installation of new mag meters in August 2021. He noted that it appears the District has been overbilled for a number of years based on erroneous meter readings.

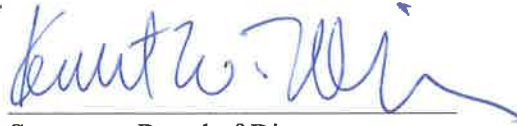
12. The Board then considered wholesale water and sewer charges to District from El Paso Water Utilities. Mr. Freeman gave a brief update. No action was taken by the Board.

13. As its last item of business, the Board considered matters regarding water leaks in the Mission Ridge area. No action was taken by the Board.

14. No public comments were received.

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

Approved February 23, 2022.

A handwritten signature in blue ink, appearing to read "Kuntz W.", written over a horizontal line.

Secretary, Board of Directors

[SEAL]