

MINUTES OF REGULAR MEETING OF
PASEO DEL ESTE MUNICIPAL UTILITY DISTRICT NO. 1
Wednesday, February 23, 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 regular 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, February 23, 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. 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); Clayton Chandler of McCall Parkhurst & Horton; Kristi Hester 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; Joel Guzman and Franklin Stubbs of Hunt Communities (by video/telephone conference call); Maria Urbina of Hilltop Securities, Inc. (by video/telephone conference call); and Lorena Quezada and Andy Ponce of El Paso Disposal, LP. (by video/telephone conference call).

1. The Board first considered approval of the minutes of the Board's January 27, 2022, meeting. Director Mills made a motion to approve the minutes. Director Mellenbruch 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. Hester presented a report on the status of development in the District and the other 10 Paseo del Este MUDs. Mr. Ponce notified the Board that the transition to new schedules for El Paso Disposal had gone smoothly. After discussion, upon a motion by Director Covington and a second by Director Mills, the Board unanimously approved expenses over \$2,000 as shown in the report.

3. The Board then considered the Intergovernmental Coordinator's Report and the District's 5-Year Plan. Ms. Livingston updated the Board on the following items:

- Pond maintenance expense analysis - The goal of the analysis is to develop a maintenance program to mitigate costs. Mr. Roark requested that she work with TRE & Associates to put together a legitimate bidding process and that TRE & Associates develop standard specifications for maintenance projects.
- Maintenance yard(s) search; and
- Underbilled commercial accounts.

Ms. Hester left the meeting during discussion of this item.

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 the District's Unlimited Tax Bonds, Series, 2022, including:

- a. Approving contract for EMMA compliance regarding District Issued Bonds;
- b. Delivery of the Districts Bond Issue No. 1, approval of Developer Reimbursement Audit Report, distribution of Bond proceeds and related matters; and
- c. Resolution Adopting Written Procedures for Post Bond Issuance Federal Tax Compliance.

After discussion, upon a motion by Director Covington and a second by Director Roark, the Board approved (i) the Agreement for Continuing Disclosure Services By and Between the District and HTS Continuing Disclosure Services, a Division of Hilltop Securities, Inc. and (ii) the Resolution Adopting Written Procedures for Post Bond Issuance Federal Tax Compliance by a vote of 5-0.

The Board then considered delivery of District's Bond Issue No. 1, approval of Developer Reimbursement Audit Report and distribution of Bond proceeds and related matters. After discussion, Director Holford made a motion to approve the Report on the Application of Certain Agreed Upon Procedures relating to the District's \$7,945,000 Unlimited Tax Bonds, Series 2022 Use of Proceeds. Director Covington seconded the motion, which the Board passed by a vote of 5-0.

6. The Board next considered approving the payment of bills and invoices. Ms. Kolmodin presented the financial reports for the District along with bills and invoices. During discussion of the Bookkeeper's Report, Director Roark clarified that Ms. Livingston's role as the District's Intergovernmental Coordinator includes being the Board's agent on matters specifically assigned to her by the Board, such as invoice review, and he requested that consultants and subcontractors cooperate with her on all matters that she has been assigned to work on by the Board as she reports directly to the Board. After conclusion of the discussion, upon a motion by Director Covington and a second by Director Mellenbruch, the Board unanimously approved the

payment of bills and invoices as listed in the report (Check Nos. 7125-7150). A copy of the Bookkeeper's Report is attached as an exhibit to these minutes.

7. As its next item of business, the Board considered the Developer's Report. Mr. Guzman gave a brief report. No action was taken by the Board. Director Mills and Mr. West left the meeting after discussion of this item.

8. 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. Ms. Livingston gave a brief report. No action was taken by the Board.

9. 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. 13 - \$28,305.25
- Pay Estimate No. 14 (Final) - \$122,493.70
- Acceptance of Utilities for Operation and Maintenance

Upon a motion by Director Covington and a second by Director Mellenbruch, (i) the foregoing pay estimates were unanimously approved by the Board and (ii) the Board authorized the President to accept utilities for operation and maintenance subject to completion of punch list items and engineer's approval.

Mr. Jansing then presented the following acceptances for consideration:

Project William Unit One

Lot 7 & 8 Replat 'A'

Street, Drainage, Water and Wastewater Improvements

TRE No.: 1700-11989-35

- Acceptance of Utilities for Operation and Maintenance

Project William Unit One

Lot 6 Replat 'B'

Street, Drainage, Water and Wastewater Improvements

TRE No.: 1700-11989-35

- Acceptance of Utilities for Operation and Maintenance

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

Next, Mr. Jansing asked the Board to authorize the President to accept the following project before the next meeting subject to his recommendation:

The Village at Mission Ridge Unit One
Grading, Drainage, and Utilities Improvements
TRE No.: 1700-11988-35

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

Mr. Jansing then asked the Board to authorize the President to act on the acceptance of the following project subject to his recommendation:

East Lake Boulevard - County Drainage/Landscaping Improvements

Upon a motion by Director Roark and a second by Director Mellenbruch, the Board unanimously authorized the President to accept the foregoing project pursuant to TRE & Associates' recommendation.

Next, Mr. Jansing notified the Board that the TCEQ Emergency Preparedness Plan due March 1, 2022, was complete and pending approval by Inframark. After discussion, upon a motion by Director Covington and a second by Director Holford, the Board unanimously approved the Emergency Preparedness Plan.

Mr. Guzman then discussed concrete signage and landscaping at subdivision entrances. He noted that both County and District approval is required and that he is working with the County in completing the approval process. Hunt Communities will maintain landscaping for one year before transferring maintenance of signage and landscaping to the District.

10. As its last item(s) of business, the Board considered (i) wholesale water and sewer charges to the District from El Paso Water Utilities and (ii) matters regarding water leaks in the Mission Ridge area. The Board entered into executive session at 2:21 p.m. All meeting participants, except Mses. Ferris and Livingston, left the meeting before the Board entered into executive session. The Board returned to the meeting at 2:42 p.m. No action was taken by the Board.

11. No public comments were received.

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

Approved March 23, 2022.

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

Secretary, Board of Directors

[SEAL]