

MINUTES OF REGULAR MEETING OF  
PASEO DEL ESTE MUNICIPAL UTILITY DISTRICT NO. 3  
Thursday, January 13, 2022

STATE OF TEXAS                   §  
  §  
COUNTY OF EL PASO           §

The Board of Directors of Paseo del Este Municipal Utility District No. 3 (the “District”) held a regular meeting, open to the public, at TRE & Associates, LLC, located at 110 Mesa Park Drive, Suite 200, El Paso, Texas 79912, a regular meeting place of the Board of Directors of the District (the “Board”), and by video/telephone conference call at 9:00 a.m. MST on Thursday, January 13, 2022, and the roll was called of the directors of the Board, to-wit:

- |               |                     |
|---------------|---------------------|
| Ivan Alcocer  | President           |
| L. Gus Haddad | Vice President      |
| Mark Dyer     | Secretary           |
| Sandy Boswell | Assistant Secretary |
| Ray Adauto    | Assistant Secretary |

and all said persons were continuously present, thus constituting a quorum. Directors Alcocer and Adauto attended the meeting via video/telephone conference call.

Also present were Michael G. McLean of Gordon Davis Johnson & Shane P.C.; Kayla Marshall of Gordon Davis Johnson & Shane P.C. (by video/telephone conference call); Kristi Hester of Inframark (by video/telephone conference call); Erika Duran of Inframark; Lorena Quezada of Inframark (by video/telephone conference call); Tyler Wilson of Municipal Accounts & Consulting, L.P. (by video/telephone conference call); Bob West of West, Davis & Company, LLP (by video/telephone conference call); Franklin Stubbs of Hunt Communities (by video/telephone conference call); Nadia Ganser of TRE & Associates, LLC.; and Margaret Livingston of Franklin Mountain Land Services (by video/telephone conference call).

1. The Board first considered approval of the minutes of the Board’s December 9, 2021, meeting. Director Dyer made a motion to approve the minutes. Director Haddad 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. McLean referred the Board to the agenda language regarding the Texas Water Code Chapter 49 petition process to establish a meeting place within the District’s boundaries. He then presented a Resolution Changing Address of Offices and Regular Meeting Places of the District. After discussion, Director Adauto made a motion to approve the Resolution changing the Address of the District’s General Counsel. Director Haddad seconded the motion, which the Board passed unanimously.

3. The Board then received a report from Paseo del Este MUD No. 1 regarding Master District activities. Ms. Livingston provided a brief update on Master District activities. Mr. McLean provided a report on the status of the petition appealing the wholesale water rate filed with the Public Utility Commission of Texas. No action was taken by the Board.

4. The Board next considered the General Manager's and Operator's Report. Ms. Duran gave a brief report on the status of development in the District and other districts. She then summarized internal system studies being conducted to further analyze water accountability issues. No action was taken by the Board.

5. The Board then considered approving payment of bills and invoices and the financial report. Mr. Wilson presented the financial report for the District along with bills and invoices. After discussion, Director Adatao made a motion to approve the payment of (i) bills and invoices listed in the report (Check Nos. 4592-4603) and (ii) Supplemental Check No. 4604 in the amount of \$2,500.00 payable to West, Davis & Company, LLP. Director Dyer seconded the motion, which the Board passed unanimously. A copy of the Bookkeeper's Report is attached to these minutes.

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

7. The Board then considered approval of distribution of 8<sup>th</sup> Use of Surplus Funds. Mr. West provided a brief update on the status of 8<sup>th</sup> Use of Surplus Funds Application for Expedited Review to the Texas Commission on Environmental Quality. Director Adatao made a motion to approve the Resolution. Director Haddad seconded the motion, which the Board unanimously approved.

8. The Board then considered the Developer's Report. Mr. Stubbs gave a brief report. No action was taken by the Board. Director Adatao left the meeting during discussion of this item.

9. As its final act of business, the Board considered the Engineer's Report. Ms. Ganser gave a brief report providing updates on the development within the District. No action was taken by the Board. Ms. Quezada left the meeting during discussion of this item.

10. No public comments were received.

There being no further business, the meeting was adjourned.

Approved April 14, 2022.

(SEAL)

  
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Secretary, Board of Directors