

MINUTES OF MEETING  
OF  
BOARD OF DIRECTORS

STATE OF TEXAS §  
COUNTY OF EL PASO §  
PASEO DEL ESTE MUNICIPAL UTILITY DISTRICT NO. 10 §

The Board of Directors of Paseo del Este Municipal Utility District No. 10 of El Paso County met in regular session, open to the public, on January 4, 2022, at its meeting place within the District at the offices of Inframark, LLC, 13034 Eastlake Boulevard, Suites D-E, 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:

Luis Ortega	President
Greg Spence	Vice President
Ysrael Valencia	Secretary
Martin N. “Teen” Lettunich	Assistant Secretary
George Mendez	Assistant Secretary

All of said persons were present thus constituting a quorum. Also present and in attendance were Erika Duran of Inframark, LLC; Margaret Livingston of Franklin Mountain Land Services, LLC; and Linda Troncoso of TRE & Associates. Kristi Hester of Inframark, LLC; Nur Labardini of Municipal Accounts and Consulting, L.P.; Bob West of West, Davis & Company; Franklin Stubbs of Hunt Communities; 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 7, 2021. Upon a motion by Director Ortega and a second by Director Spence 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 telephone conference or Zoom Videoconference. 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 of the Chapter 49, Texas Water Code, petition process to establish a meeting place within the District’s boundaries at the first meeting of each calendar year if the district does not have a meeting place within the boundaries of the district. Mr. Embrey reminded the Board

that the District has its meeting place within the boundaries of the District, therefore, Mr. Embrey advised the Board that 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. Upon securing the proper signature on the Annual Filing Affidavit, the Affidavit will be attached and incorporated with the Annual Financial Report that is filed with the Texas Commission on Environmental Quality.

After further discussion, it was then moved by Director Spence and seconded by Director Ortega 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 the Use of Surplus Funds and Maintenance Tax Revenues ("Resolution"). Mr. Embrey presented the Resolution to the Board and explained that the Surplus Funds Application would enable the District to use tax revenue to reimburse the developer for costs associated with the construction of certain regional projects. Mr. Embrey explained that if authorized by the Board, the Resolution would authorize the submission of a Surplus Funds Application to request approval from the TCEQ for the use of surplus funds in an amount not to exceed \$750,000 in order to reimburse the Developer.

Upon a motion by Director Spence and a second by Director Valencia, the Board unanimously approved the Resolution and authorized the District's consultants to prepare and submit an application to the TCEQ to request approval of the use of surplus funds in an amount not to exceed \$750,000. A copy of the Resolution authorizing the preparation and submittal of a Surplus Funds 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. Livingston informed the Board that she had no updates to report to the Board. Efforts are still ongoing to resolve the issue of the rate increase with the El Paso Water Public Service Board. There was no action required by the Board on this agenda item. No action was taken by the Board.

7. The 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 hereto as **Exhibit "C"**. Ms. Duran reported that as of the end of November the District had 1,120 total connections, and one new connection was 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) reported on the latest construction and maintenance activity within the Paseo del Este community and growth trends for the Paseo del Este MUD No. 10.

8. Ms. Troncoso 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. Troncoso 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 Lettunich and a second by Director Spence, 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.

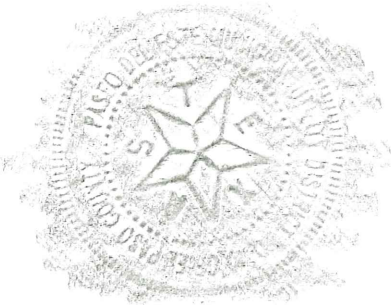
10. The Board next considered the bookkeeper's report, a copy of which is attached as **Exhibit "G"**. Ms. Labardini provided the Board with a list of disbursements and balances, and presented a list of bills for payment for the Board's review and approval, including the following supplemental checks: Supplemental Check No. 4847 in the amount of \$2,218.50 payable to Lloyd Gosselink Rochelle & Townsend, P.C.; and Supplemental Check No. 4848 in the amount of \$6,500 payable to West, Davis & Company.

Upon a motion by Director Spence and a second by Director Mendez, 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. 4847 in the amount of \$2,218.50 payable to Lloyd Gosselink Rochelle & Townsend, P.C.; and Supplemental Check No. 4848 in the amount of \$6,500 payable to West, Davis & Company.

11. There was no general counsel's report.

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

Passed and approved this 1st day of February, 2022.



**(DISTRICT SEAL)**

*Ysrael Valencia*  
Secretary, Board of Directors