

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 September 8, 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, with the exception of Director Soto and Director Lascurain, thus constituting a quorum. Also present and in attendance were Erika Duran of Inframark, LLC; Margaret Livingston of Franklin Mountain Land Services, LLC; Nadia Ganser of TRE & Associates; and Franklin Stubbs of Hunt Communities. Maria Urbina of Hilltop Securities; Bob West of West, Davis and Company; Taylor Kolmodin 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 August 11, 2022. Upon a motion by Director Ruiz and a second by Director Treviño 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 before the Board was to call the Public Hearing on the 2022 Tax Rate for the District. Director Voge opened the public hearing. Mr. Embrey and Ms. Urbina discussed the components that comprise the District's tax rate and recommended that the Board adopt a tax rate of 0.7496 per one hundred dollars (\$100) of assessed valuation for the year 2022. No persons presented themselves to speak at the Public Hearing. There being no persons present

to speak at the Public Hearing on the 2022 Tax Rate for the District, the public hearing on the tax rate was closed by unanimous consent of the Board.

4. The next item before the Board was to consider and act on the Order Setting 2022 Tax Rates, a copy of which is attached as **Exhibit “A”**. After further discussion, it was moved by Director Treviño and seconded by Director Ruiz that the Board adopt a tax rate of 0.7496 per one hundred dollars (\$100) of assessed valuation for the year 2022, approve the Order Setting 2022 Tax Rates (“Order”), and that the Order reflect the following tax rates of the District: (1) debt service tax rate of \$0.4345; (2) maintenance and operation tax rate of \$0.0251, and (3) contract tax rate of \$0.2900 per one hundred dollars (\$100) of assessed valuation, for a total tax rate of \$0.7496 per one hundred dollars (\$100) of assessed valuation, which motion carried unanimously.

5. The next item before the Board was to consider and act on amending the operating budget for the fiscal year ending September 30, 2022. Ms. Kolmodin and Mr. Embrey informed the Board that there were no amendments required to the operating budget for the fiscal year ending September 30, 2022, and therefore, no action was required by the Board on this agenda item. No action was taken by the Board.

6. The next item before the Board was to consider and act on the District’s operating budget for the fiscal year ending September 30, 2023. After further discussion, it was moved by Director Ruiz and seconded by Director Treviño that the operating budget for the fiscal year ending September 30, 2023 be approved, which motion carried unanimously. A copy of the Resolution Approving the 2022-2023 Fiscal Year Operating Budget of Paseo del Este Municipal Utility District No. 10 and adopted budget are attached as **Exhibit “B”**.

7. The next item before the Board was to consider and act on the District Information Form. Mr. Embrey informed the Board that Chapter 49 of the Water Code requires that once a District adopts its tax rate, the District must file with the real property records of El Paso County notice of the tax rate for the purpose of providing notice to a purchaser of real property in the District of the tax rate. Mr. Embrey stated that the District Information Form has been revised to reflect the 2022 tax rate components. In addition, Mr. Embrey stated that the particular form of the Notice to Purchasers that is required to be furnished by a seller to a prospective purchaser of real property in the District is included as an exhibit (“Exhibit C”) to the District Information Form. Mr. Embrey stated that upon the Board’s approval, the District Information Form and the related exhibits, including the Notice to Purchasers Form will be filed in the real property records of El Paso County. Following further discussion, it was moved by Director Treviño and seconded by Director Ruiz that the District Information Form be approved, which motion carried unanimously. A copy of the District Information Form is attached as **Exhibit “C”**.

8. The Board next considered the engagement letter with West, Davis and Company for the preparation of the audit for the fiscal year ending September 30, 2022. Mr. West informed the Board that the West, Davis and Company engagement letter includes the Company’s standard contract terms and conditions as in prior years, with the exception of the fees for these services which are lower this year. Mr. West requested the Board’s approval.

Upon a motion by Director Ruiz and a second by Director Treviño, the Board unanimously approved the engagement letter with West, Davis and Company for the preparation of the audit for the fiscal year ending September 30, 2022, a copy of which is attached as **Exhibit “D”**.

9. The Board next considered the Third Amended and Restated Agreement For Bookkeeping Services with Municipal Accounts & Consulting, L.P. Ms. Kolmodin presented the Agreement to the Board on behalf of Municipal Accounts & Consulting, L.P. (“MAC”), a copy of which is attached as **Exhibit “E”**. Ms. Kolmodin explained that MAC was requesting, through the Agreement, the Board’s approval to revise and convert the current monthly bookkeeping fees to an hourly fee structure for the services the company provides to the District.

After further discussion by the Board, and upon a motion by Director Treviño and a second by Director Ruiz, the Board unanimously approved the Third Amended and Restated Agreement for Bookkeeping Services with Municipal Accounts & Consulting, L.P.

10. 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 reported that MUD No. 1 and the El Paso Water Utilities Service Board were not able to reach a settlement in mediation and that the parties will proceed with litigating the matter in court. Ms. Livingston provided an update on the activities of MUD No. 1 within the Paseo del Este community; the status of the temporary field office and the storage and maintenance facility; and the five-year plan to address the landscape and pond maintenance needs of the Paseo del Este community.

11. 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 as **Exhibit “F”**. Ms. Duran reported that as of the end of July 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 July 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.

12. 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 item for the Board’s consideration and approval:

Emerald Estates, Unit Five  
Water, Wastewater and Drainage Improvements  
TRE No.: 1502-11763-35  
Pay Estimate No. 5 from El Paso Underground Construction - \$3,834.00.

Upon a motion by Director Treviño and a second by Director Ruiz, the Board unanimously approved the processing for Pay Estimate No. 5 in the amount of \$3,834.00 from El

Paso Underground Construction for construction of the Emerald Estates, Unit Five, Water, Wastewater, and Drainage Improvements. A copy of the District Engineer's letter for Pay Estimate No. 5 is attached hereto as **Exhibit "G"**.

13. 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.

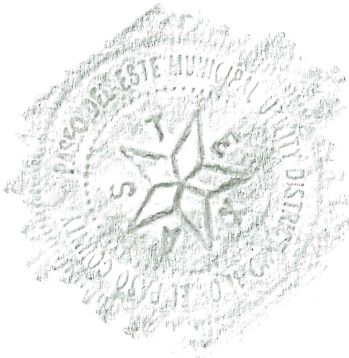
14. The Board next considered the bookkeeper's report, a copy of which is attached as **Exhibit "H"**. Ms. Kolmodin provided the Board with a list of disbursements and balances, and presented a list of bills for payment for the Board's review and approval, including the following supplemental check: Supplemental Check No. 5090 in the amount of \$1,823.96 to Municipal Accounts and Consulting, L.P.

Upon a motion by Director Ruiz and a second by Director Treviño, the Board unanimously approved the bookkeeper's report with the list of disbursements and balances, including the following supplemental check: Supplemental Check No. 5090 in the amount of \$1,823.96 to Municipal Accounts and Consulting, L.P.

15. There was no general counsel's report.

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

Passed and approved this 13th day of October, 2022.



**(DISTRICT SEAL)**

  
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Secretary, Board of Directors