

MINUTES OF REGULAR MEETING OF
PASEO DEL ESTE MUNICIPAL UTILITY DISTRICT NO. 1
Wednesday, January 25, 2023

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, January 25, 2023, 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, except Directors Holford and Roark. Director Holford entered the meeting during discussion of Item No. 6 by video/telephone conference call. Director Roark was absent.

Also present were Ronald J. Freeman of Terrill and Waldrop; Cyndi Ferris of Terrill & Waldrop (by video/telephone conference call); Maria Urbina of Hilltop Securities; Clayton Chandler of McCall Parkhurst & Horton; Erika Duran of Inframark; Taylor Kolmodin of Municipal Accounts & Consulting, L.P.; Bob West of West, Davis & Company; Franklin Stubbs of Hunt Communities (by video/telephone conference call); John Jansing and Adrian Rosas of TRE & Associates, LLC; Margaret Livingston of Franklin Mountain Land Services; Lorena Quezada of El Paso Disposal, LP. (by video/telephone conference call); and Caleb Burson of Accurate Meter & Supply. Joel Guzman of Hunt Communities entered the meeting during discussion of Item No. 6 by video/telephone conference call.

1. As its first item of business, the Board considered the December 14, 2022 minutes. Upon a motion by Director Mills and a second by Director Mellenbruch, the minutes were unanimously approved by the Board.

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 closing/cancelling domain name *paseodelestemud.com* with web hosting provider IONOS. After discussion, upon a motion by Director Covington and a second by Director Mills, the Board unanimously approved a Resolution Approving Cancellation of District Website Domain With Web Hosting Provider IONOS and Authorizing Certain District

Officers and Representatives to Take All Actions Necessary, Convenient or Appropriate to Effectuate the Cancellation.

4. The Board next considered District membership in the Association of Water Board Directors-Texas. After a brief discussion, upon a motion by Director Covington and a second by Director Mellenbruch, the Board unanimously approved District membership.

5. The Board then considered an Order Calling Director Election for May 6, 2023. Director Covington made a motion to approve the Order Calling Directors Election and to approve the election contracts with El Paso County. Director Mills seconded the motion, which the Board passed unanimously. A copy of the Order is attached as an exhibit to these minutes.

6. As its next item of business the Board considered revising rules and regulations regulating connections to the water and wastewater system and penalties for violation of District rules. No action was taken by the Board.

7. The Board then considered Unlimited Tax Bonds, Series 2023, including:
- a. Receiving bids and awarding the sale of the \$2,015,000 Paseo del Este Municipal Utility District No. 1 Unlimited Tax Bonds, Series 2023;
 - b. "Resolution Authorizing the Issuance of \$2,015,000 Paseo del Este Municipal Utility District No. 1 Unlimited Tax Bonds, Series 2023; 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 \$2,015,000 Paseo del Este Municipal Utility District No. 1 Unlimited Tax Bonds, Series 2023.

Ms. Urbina, Mr. Chandler and Mr. Freeman discussed the three items above. After that discussion, Director Covington made a motion to (i) approve the sale of bonds as recommended by the financial advisor to SAMCO Capital Markets, Dallas, NIC: 4.559761% (ii) approve the Resolution Authorizing Issuance of the Bonds and (iii) approve the closing procedures as discussed by the District's consultants. Director Mellenbruch seconded the motion, which the Board approved by a vote of 4-0.

Next, the Board considered the engagement of Locke Lord as Disclosure Counsel for the issuance of unlimited tax bonds. After a brief discussion, upon a motion by Director Mills and a second by Director Covington, the Board unanimously approved the engagement of Locke Lord as Disclosure Counsel.

8. As its next item of business, the Board considered the General Manager's and Operator's Report. Ms. Duran presented a report on the status of development in the District and the other 10 Paseo del Este MUDs. No action was taken by the Board.

9. The Board then considered the District's annual financial statements and Auditor's Report. Mr. West discussed the report and his recommendations. Upon a motion by Director Mills and a second by Director Covington, the Board unanimously approved the Financial Statements, Supplemental Information and Independent Auditor's Report for the Year Ended September 30, 2022.

10. The Board next considered the Intergovernmental Coordinator's Report. Ms. Livingston introduced Caleb Burson with Accurate Meter & Supply. He gave a presentation on the ultrasound Beacon Meters. Mr. Chandler left the meeting during the presentation.

Ms. Livingston then presented the following updates:

- **Interim Field Office.** Building should be in place by mid-February.
- **Five-Year Plan.** A draft plan is scheduled to be distributed in mid-February.
- **Pond Maintenance.** Mr. Rosas presented photos of side-slope stabilization techniques used at the Greater El Paso Landfill. He notified the Board that a pond on the list for scheduled maintenance has been chosen as the demonstration pond for testing seven (7) side-slope stabilization techniques.
- **Landscape Maintenance.** (i) Ms. Livingston presented Hunt Communities' priority list of unfinished landscaping improvements for projects that have already been accepted by the District; and (ii) 100 to 120 trees need to be replaced within the District and Accent Maintenance is under contract to replace those trees.

11. The Board then considered the payment of bills and invoices. Ms. Kolmodin presented the financial reports for the District along with bills and invoices. After discussion, upon a motion by Director Mills and a second by Director Covington, the Board unanimously approved the (i) payment of bills and invoices as listed in the report (Check Nos. 7453-7490) and (ii) a transfer of \$86,659.40 to the Litigation Escrow Account. A copy of the Bookkeeper's Report is attached as an exhibit to these minutes.

12. Mr. Stubbs presented the Developer's Report. No action was taken by the Board.

13. As its next item of business, the Board considered the Engineer's Report. Mr. Jansing presented the following item for consideration:

Hillside Park at Mission Ridge Unit Five

Drainage, Water & Wastewater Improvements

TRE No.: 1502-11808-35

- Pay Estimate No. 3 - \$489,220.65

Hillside Park at Mission Ridge Unit Six

Drainage, Water & Wastewater Improvements

TRE No.: 1502-11809-35

- Pay Estimate No. 2 - \$735,352.56

Garden Park at Mission Ridge Unit Four
Drainage, Water and Wastewater Improvements
TRE No.: 1502-11807-35

- Pay Estimate No. 6 - \$154,579.60

Paseo del Este Municipal Utility District No. 1
Parcel 12 Phase 4 North Pond Repairs
TRE No.: 1451-11303-35

- Pay Estimate No. 1 - \$78,552.00

Paseo del Este MUD No. 1
Pond 2.1 and 6.5 Rehabilitation Improvements
TRE No.: 1451-11303-35

- Pay Estimate No. 2 (Final) - \$41,200.00

Paseo del Este MUD No. 1
Pond 5.1 and 5.2 Rehabilitation Improvements
TRE No.: 1451-11303-35

- Pay Estimate No. 2 - \$18,241.65
- Pay Estimate No. 3 (Final) - \$7,551.90

Paseo del Este Municipal Utility District No. 1
Pond Rehabilitation 5.3 and 6.3
TRE No.: 1451-11303-35

- Pay Estimate No. 1 (Final) - \$74,200.00

After discussion, upon a motion by Director Covington and a second by Director Mellenbruch, the Board unanimously approved the foregoing pay estimates.

Mr. Jansing then requested that the Board approve water and wastewater service commitment agreements for the following project:

Emerald Heights Unit Four

Upon a motion by Director Covington and a second by Director Mills, the Board unanimously approved the foregoing service commitments.

Mr. Jansing next requested that the Board extend its authorization given to the President to approve the following project for operation and maintenance before the February Board meeting:

Eastlake Commons Phase III
Water, Wastewater and Drainage

Mr. Freeman stated no action was required to be taken by the Board because its previous authorization would remain in effect.

Mr. Jansing informed the Board that painting of the logo on the water tank will resume April 1.

Next, Mr. Jansing asked the Board to consider the following landscaping items:

- **Texas Department of Transportation's (the "TXDOT") license agreement (the "Agreement") for maintaining landscaping and irrigation in the median on Eastlake Boulevard.** The agreement requires that future plans for landscaping and irrigation in the median be submitted and approved by the TXDOT before implementation. Upon a motion by Director Mills and a second by Director Covington, the Board unanimously approved the license agreement; and
- **AT&T's installation of fiber optics line(s)** in the District's right-of-way has caused approximately \$55,000 in damage to infrastructure to date. Mr. Freeman was authorized to take action to protect the District's system by contacting AT&T.

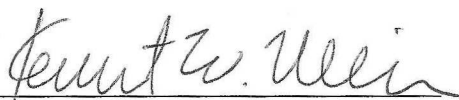
14. The Board next considered wholesale water and sewer charges to the District from El Paso Water Utilities. Mr. Freeman gave a brief update. No action was taken by the Board.

15. The Board did not consider the lawsuit filed by Daddy O's Car Wash.

16. No public comments were received.

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

Approved February 22, 2023.


Secretary, Board of Directors

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