

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 3, 2023, 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; Linda Troncoso of TRE & Associates; and Margaret Livingston of Franklin Mountain Land Services. Taylor Kolmodin and Isaias Moreno 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 December 6, 2022. Upon a motion by Director Spence and a second by Director Valencia 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. Upon a motion by

Director Valencia and a second by Director Lettunich, the Board unanimously approved that the District continue to have its meeting place within the boundaries of the District.

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, 2022. Mr. West was not in attendance to present the audit report to the Board. Mr. Embrey recommended that the Board postpone action of the District's annual audit report to its February Board meeting. After further discussion, it was then moved by Director Spence and seconded by Director Valencia, that the Board postpone action of the District's annual audit report to its February Board meeting.

5. The next item on the agenda was to consider approval of the Audit Report of developer reimbursables in connection with the District's fifth surplus funds reimbursement to developer. Mr. Embrey informed the Board that Mr. West had completed his audit report, a copy of which was included in the agenda packet for the Board's review. Mr. West's audit report provides a summary of the facilities associated with the sixth surplus funds application and information of the costs the District will be reimbursing the developer for its (the District's) pro rata share for the cost of the facilities. After further discussion, it was moved by Director Spence and seconded by Director Valencia to approve the audit report, a copy of which is attached as **Exhibit "A"**, which motion carried unanimously.

6. The next item on the agenda was to consider approval of the disbursement of the District's sixth surplus funds proceeds, including accepting the conveyance of facilities. Mr. Embrey recommended that the Board approve the surplus funds reimbursements as discussed in Mr. West's Audit Report in connection with the District's sixth surplus funds application and authorize Director Ortega to execute the necessary conveyance documents on behalf of the District and accept the conveyance of the facilities from the developer.

Upon a motion by Director Ortega and a second by Director Mendez, the Board unanimously approved the surplus funds reimbursements as discussed in Mr. West's Audit Report and authorized Director Ortega to execute the necessary conveyance documents on behalf of the District and accept the conveyance of the facilities from the developer.

7. The next item before the Board was to consider the report and update on activities of the Paseo del Este Municipal Utility District No. 1 ("MUD No. 1"). Ms. Livingston provided a brief update on the activities of MUD No. 1 and activities within the Paseo del Este community.

8. 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 "B"**. Ms. Duran reported that as of the end of November the District had 1,205 total connections, and that no new connections were 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.

9. 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.

10. There was no developer's report.

11. The Board next considered the bookkeeper's report, a copy of which is attached as **Exhibit "C"**. Mr. Moreno 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. Upon a motion by Director Ortega 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.

12. There was no general counsel's report.

13. 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 7th day of February, 2023.



(DISTRICT SEAL)

Ysrael Valencia
Secretary, Board of Directors