

MINUTES OF REGULAR MEETING OF
PASEO DEL ESTE MUNICIPAL UTILITY DISTRICT NO. 1
Wednesday, June 28, 2023

STATE OF TEXAS §
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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, June 28, 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 Director Roark, thus constituting a quorum. Director Covington attended the meeting by video/telephone conference call.

Also present were Ronald J. Freeman and Cyndi Ferris of Terrill & Waldrop (by video/telephone conference call); Geoff Kirshbaum of Terrill & Waldrop; Erika Duran of Inframark; Todd Burrer and Mark Yentzen of Inframark (by video/telephone conference call); Taylor Kolmodin of Municipal Accounts & Consulting, L.P.; John Jansing and Nadia Ganser of TRE & Associates, LLC; Margaret Livingston of Franklin Mountain Land Services; Joel Guzman of Hunt Communities; and Lorena Quezada of El Paso Disposal, LP. (by video/telephone conference call).

1. As its first item of business, the Board considered the May 24, 2023 minutes. Upon a motion by Director Mellenbruch and a second by Director Mills, the Board unanimously approved the minutes.

2. 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.

3. The Board then considered the Intergovernmental Coordinator’s Report. Ms. Livingston presented the following updates:

- **Interim Field Office.** Building plans are complete. Architect will submit plans to County for final review. The following items are pending: Internet connection, electric service, and District address.

- **Pond Maintenance.** Pond maintenance schedule is complete. Inspection of retention pond walls for illegal penetration is ongoing. Of the 32 retention pond walls that were inspected, 4 were found to have drainage holes from adjacent properties. Forty (40) ponds remain to be inspected. General Counsel requested that residents responsible for illegally penetrating pond walls be notified immediately as they are responsible for correcting the problem(s).
- **Landscape Maintenance.** Deferred landscape projects are nearing completion. Tree replacement is complete. At least 25 trees have been hit by cars, with the majority of those trees located on Eastlake Boulevard. The first playground canopy has been installed. Ms. Livingston requested that Hunt Communities consider installing canopies on future playgrounds.
- **Equipment and Materials Purchasing.** The District purchased a camera for wastewater line inspections. A committee of consultants was given authority to review possible third party inspections of sewer tap connections. Water jetting equipment options are pending.
- **Other Matters.** Ms. Livingston presented a Website Build and Management Proposal from ZAZU Creatives (“ZAZU”). After discussion, upon a motion by Director Covington and a second by Director Mellenbruch, the Board unanimously approved ZAZU’s proposal and authorized the transition of the District’s website from Emagine Creative, LLC to ZAZU Creatives.

Ms. Livingston notified the Board that Inframark billed the District separately for items that should have been included in the base rate. Ms. Livingston and the District’s auditor agree that those charges totaling approximately \$5,000 should be omitted from Inframark’s invoice. Director Covington left the meeting during discussion of this item.

4. As its next item of business, the Board considered bills and invoices, investments and other financial management matters. Ms. Kolmodin presented the financial reports for the District along with bills and invoices. After discussion, upon a motion by Director Holford and a second by Director Mills, the Board unanimously approved the (i) payment of bills and invoices as listed in the report (Check Nos. 7642-7685) (ii) payment of Director invoices in the amount of \$150.00 per day for work conducted between monthly meetings (iii) Supplemental Check No. 7686 in the amount of \$88,265.00 payable to ZTEX Construction, Inc. and (iv) the amount of Check Nos. 7609 and 7610 payable to Inframark and the amount being transferred to the Litigation Escrow Account will be corrected pursuant to discussions in Item No. 3. A copy of the Bookkeeper’s Report is attached as an exhibit to these minutes. Messrs. Burrer and Yentzen left the meeting during discussion of this item.

5. The Board then considered the Developer’s Report. Mr. Guzman notified the Board that a cell company wants to purchase Director Lots in Paseo del Este MUD No. 7. No action was taken by the Board.

6. The Board next considered service to Bill Burnett Unit Two. General Counsel will continue discussions with engineers regarding service to this area. No action was taken by the Board.

7. The Board then considered the Engineer's Report. Mr. Jansing presented the following items for consideration:

**Paseo del Este Municipal Utility District No. 1
Eastlake Blvd. Pavement Repair**

TRE No.: 1451-11303-35

- Change Order No. 1 – Increase of \$14,433.00
- Pay Estimate No. 1 (Final) - \$88,265.00

Paseo del Este Municipal Utility District No. 1

13501 Eastlake Blvd.

TRE No.: 1760-12207-35

- Acceptance of Utilities for Operation and Maintenance

Paseo Del Este Municipal Utility District No. 1

Pond #5.8 Slope Stability Improvements

TRE No.: 1451-11303-35

- Pay Estimate No. 1 (Final) - \$73,428.02

After discussion, upon a motion by Director Mills and a second by Director Mellenbruch, the Board unanimously approved the foregoing projects.

Mr. Jansing presented the following quote for replacement of four concrete manholes on Rojas Drive. The District and Infrastructure Rehabilitation USA are members of a purchasing network association.

- Infrastructure Rehabilitation USA - \$112,702.00

Upon a motion by Director Mills and a second by Director Mellenbruch, the foregoing project was unanimously approved by a vote of 3-0.

Next, Mr. Jansing discussed an Encroachment Agreement requested by ONE Gas. The agreement would allow utility lines to trespass on a District easement. After discussion, upon a motion by Director Mellenbruch and a second by Director Mills, the Board unanimously authorized the President to negotiate and approve the agreement after General Counsel's review and approval.

Mr. Jansing notified the Board that some ponds are holding water. Repairs will be delayed until the dry season in September or October. No action was taken by the Board.

8. As its next item of business, the Board considered wholesale water and sewer charges to District from El Paso Water Utilities. General Counsel gave an update. No action was taken by the Board.

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

10. No public comments were received.

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

Approved August 1, 2023.


Assist. Secretary, Board of Directors

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