

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 August 10, 2023, 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
Cynthia Ruiz	Vice President
Alexandra Treviño	Secretary
Jon Muir	Assistant Secretary
Marcela Quintana	Assistant Secretary

All of said persons were present thus constituting a quorum. Also present and in attendance were Erika Duran of Inframark, LLC; Maria Urbina of Hilltop Securities; Frank Ortiz of TRE & Associates; Franklin Stubbs of Hunt Communities; and Margaret Livingston of Franklin Mountain Land Services, LLC. Bob West of West, Davis & Company; Nadia Ganser of TRE & Associates; Isaias Moreno of Municipal Accounts and Consulting, L.P.; 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 July 13, 2023. Upon a motion by Director Treviño and a second by Director Ruiz 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 consider the District's tax rate recommendation, set the date for the public hearing on the District's tax rate, and authorize notice of the public hearing. Ms. Urbina provided the Board with an update and status of the tax rate recommendation for the District. Ms. Urbina informed the Board that she had reviewed the certified appraised values of the taxable property within the District as provided by the El Paso Central Appraisal District. Ms. Urbina's informed the Board that her recommendation is that the

Board consider setting a tax rate not to exceed a rate of \$0.7387 per \$100 assessed value. Ms. Urbina reported that she will present her final tax rate recommendation to the Board at the September Board meeting.

Mr. Jimenez briefly informed the Board of the steps that the Board needed to take in setting the tax rate for the 2023 tax year, including publishing a notice for a public hearing on the tax rate, which will take place on Thursday, September 14, 2023. For purposes of today's Board meeting, Mr. Jimenez informed the Board that it will (1) approve the proposed tax rate that will be included in the notice of the public hearing on the tax rate, (2) approve the date on which the public hearing will take place, and (3) approve the publication of the notice of the public hearing. Mr. Jimenez noted that the Board will consider and adopt the tax rate and final operating budget of the District at the September Board meeting.

After further discussion, it was moved by Director Muir and seconded by Director Quintana that the Board (1) accept Ms. Urbina's recommendation consider setting a tax rate not to exceed a rate of \$0.7387 per \$100 assessed value; (2) approve the public hearing on the tax rate to take place on Thursday, September 14, 2023, and (3) approve the publication of the notice of the public hearing in the newspaper, which motion carried unanimously.

4. The next item before the Board was to consider and discuss the District's preliminary operating budget for the fiscal year ending September 30, 2024. Mr. Moreno presented the preliminary operating budget for the fiscal year ending September 30, 2024 to the Board. Mr. Moreno informed the Board that a copy of the preliminary operating budget was included in the agenda packet for their review. The Board took no action on this item. The Board will consider and adopt the final operating budget of the District at the September Board meeting.

5. The next item before the Board was to consider and act on the engagement letter with West Davis & Company for the preparation of the audit for the fiscal year ending September 30, 2023. 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. Mr. West also informed the Board that the fees for these services remained the same as last year. Mr. West requested the Board's approval. Upon a motion by Director Treviño and a second by Director Quintana, the Board unanimously approved the engagement letter with West, Davis & Company for the preparation of the audit for the fiscal year ending September 30, 2023, a copy of which is attached as **Exhibit "A"**.

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 provided a brief update on the activities of MUD No. 1 within the Paseo del Este community; and an update on the landscape improvements within the Paseo del Este community.

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 as **Exhibit "B"**. Ms. Duran reported that as of the end of June the District had 392 total connections, and that no new connections were added during the current month. Ms. Duran provided the Board a brief

summary of the activities for June 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.

8. Mr. Ortiz 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.

9. Mr. Stubbs next presented the developer's report and provided a brief update to 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 "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 Treviño and a second by Director Quintana, the Board unanimously approved the bookkeeper's report with the list of disbursements and balances.

11. There was no general counsel's report.

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

Passed and approved this 14th day of September, 2023.



Secretary, Board of Directors

(DISTRICT SEAL)

