

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 a special called session, open to the public, on January 9, 2024, 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
George Mendez	Assistant Secretary
Vacant	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; Joel Guzman of Hunt Communities; and Maria Urbina of Hilltop Securities. Bob West of West, Davis & Company; Nur Labardini of Municipal Accounts and Consulting, L.P.; Ron Freeman of the Law Offices of Ronald J. Freeman; and Ty Embrey 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 5, 2023. Upon a motion by Director Ortega and a second by Director Mendez 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 Spence and a second by Director Mendez, 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 discuss, review, and consider approval of the District's annual audit report for the fiscal year ending September 30, 2023. Mr. West presented the audit report to the Board. Mr. West reviewed the audit report with the Board, which included a management discussion and analysis, financial statements, notes to financial statements, and required supplementary information. Mr. West informed the Board he had issued a clean opinion. Upon securing the proper signature on the Annual Filing Affidavit, the Affidavit will be attached and incorporated with the Annual Financial Report that is filed with the Texas Commission on Environmental Quality.

After further discussion, it was then moved by Director Valencia and seconded by Director Ortega that the District's annual audit report for the fiscal year ending September 30, 2023 be approved, which motion carried unanimously.

5. The next item before the Board was to consider the report from Chief Operating Officer regarding the following items:

- a. \$6,000,000 Contract Tax Revenue Bonds;
- b. PSB Litigation;
- c. Inframark contract; and,
- d. Other matters.

Mr. Freeman provided the following updates to the Board.

- a. \$6,000,000 Contract Tax Revenue Bonds – Mr. Freeman provided an update on the status of the Contract Tax Revenue Bonds application to the TCEQ and provided a summary of the projects and related costs associated with the application. Ms. Urbina provided the Board with a brief update on the impact the Contract Tax Revenue Bonds could have on the District's contract tax rate.
- b. PSB Litigation – Mr. Freeman reported that the PSB lawsuit is set to go to trial on May 8, 2024. Mr. Freeman reported that the Parties will make another attempt at mediation to settle the case before going to trial.
- c. Inframark contract – Mr. Freeman provided the Board with an update on the status of contact negotiations with Inframark.
- d. Other matter – No updates were provided related to other matters.

6. 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 "A"**. Ms. Duran reported that as of the end of November the District had 1,239 total connections, and that no new connections were added during the current month. Ms. Duran provided the Board with a brief summary of the activities for November 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.

7. 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.

8. Mr. Guzman 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.

9. The Board next considered the bookkeeper's report, a copy of which is attached as **Exhibit "B"**. Ms. Labardini 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. 5182 in the amount of \$ 5,589.00 payable to Lloyd Gosselink Rochelle & Townsend, P. C.

Upon a motion by Director Spence 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, including the following supplemental check: Supplemental Check No. 5182 in the amount of \$ 5,589.00 payable to Lloyd Gosselink Rochelle & Townsend, P. C.

10. There was no general counsel's report.

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

Passed and approved this 6th day of February, 2024.



(DISTRICT SEAL)


Secretary, Board of Directors