

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 January 11, 2024, 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; Ron Freeman of the Law Offices of Ronald J. Freeman; Margaret Livingston of Franklin Mountain Land Services, LLC; and Frank Ortiz of TRE & Associates. Bob West of West, Davis & Company; Maria Urbina of Hilltop Securities; Tyler Wilson of Municipal Accounts and Consulting, L.P.; and Ty Embrey and Joe Jimenez, paralegal, of Lloyd Gosselink Rochelle & Townsend, P.C. and 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 14, 2023. Upon a motion by Director Ruiz and a second by Director Muir 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 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 the first meeting of each calendar year of the Chapter 49 petition process if the district does not have a meeting place within the boundaries of the district. Mr. Embrey reminded the Board that the District does not have a meeting place within the boundaries of the District. Mr. Embrey reviewed the Texas Water Code Chapter 49 petition process to establish a

meeting place within the District's boundaries. After further discussion, it was then moved by Director Ruiz and seconded by Director Treviño that the District continue to have its regular board meetings outside of the District at the offices of TRE & Associates, LLC, 110 Mesa Park Drive, Suite 200, El Paso, Texas.

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 Muir and seconded by Director Treviño 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 discuss, consider and act on the Resolution Authorizing Application to the Texas Commission on Environmental Quality ("TCEQ") for Approval of Project and Bonds ("Resolution"). Mr. Embrey explained that the Resolution being presented to the Board would authorize the preparation and submission of a bond application to the TCEQ to request the approval of bonds to be issued by the District not to exceed the principal amount of Three Million and No/100 Dollars (\$3,000,000.00).

Mr. Embrey reported that the bond issuance would be used to reimburse the developers for projects that the District's financial advisor and District's engineer have identified could be paid back through the issuance of bonds.

Following further discussion, upon a motion by Director Treviño and a second by Director Ruiz, the Board unanimously approved the Resolution Authorizing Application to the Texas Commission on Environmental Quality for Approval of Project and Bonds for approval of bonds to be issued by the District not to exceed the principal amount of Three Million and No/100 Dollars (\$3,000,000.00). A copy of the Resolution authorizing the preparation and submittal of a bond application to the TCEQ is attached hereto as **Exhibit "A"**. A copy of the Certificate of Secretary is attached hereto as **"Exhibit "B"**, certifying the Resolution was duly passed and adopted by the Board on the aforesaid date.

6. The next item before the Board was to discuss, consider and act on the proposal for Engineering Services between Paseo del Este MUD No. 11 and TRE & Associates for preparation and submittal of the Bond Application Report to the Texas Commission on Environmental Quality, a copy of which is attached as **Exhibit "C"**. Mr. Jansing presented the proposal to the Board for approval.

Upon a motion by Director Ruiz and a second by Director Treviño, the Board unanimously approved the proposal for Engineering Services between Paseo del Este MUD No.

11 and TRE & Associates for the preparation and submittal of the Bond Application Report to the Texas Commission on Environmental Quality.

7. The next item on the agenda was to discuss, consider and act on the proposal from West, Davis & Company for preparation of the developer reimbursement audit in relation to the District's third bond application to the Texas Commission on Environmental Quality. Mr. West next presented the engagement letter with West, Davis and Company for the preparation of the developer reimbursement audit in conjunction with the District's third bond application.

After further discussion, upon a motion by Director Ruiz and a second by Director Treviño, the Board unanimously approved the engagement letter with West, Davis and Company for preparation of the developer reimbursement audit in relation to the District's third bond application, a copy of which is attached as **Exhibit "D"**.

8. 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 and Ms. Livingston 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 contract tax rate.
- b. PSB Litigation – No updates were provided related to the PSB Litigation.
- c. Inframark contract – No updates were provided related to the Inframark Contract.
- d. Other Matters – Ms. Livingston provided updates regarding the Interim Field Office, the design of the new Paseo logo, and landscaping within the District and the Paseo del Este community.

9. 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 "E"**. Ms. Duran reported that as of the end of November the District had 392 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) 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.

10. 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.

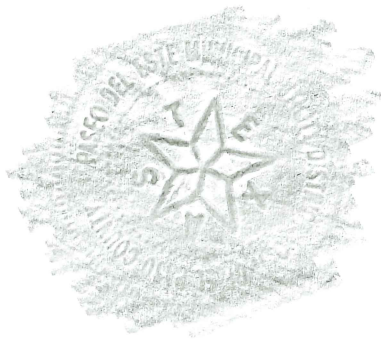
11. There was no developer's report.

12. The Board next considered the bookkeeper's report, a copy of which is attached as **Exhibit "F"**. Mr. Wilson 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 Quintana and a second by Director Treviño, the Board unanimously approved the bookkeeper's report with the list of disbursements and balances.

13. There was no general counsel's report.

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

Passed and approved this 8th day of February, 2024.



(DISTRICT SEAL)



Secretary, Board of Directors