

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 February 6, 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; and, Margaret Livingston of Franklin Mountain Land Services. Bob West of West, Davis & Company; Nur Labardini of Municipal Accounts and Consulting, L.P.; 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 January 9, 2024. 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 discuss, consider, and act on Resolution Authorizing Application to the Texas Commission on Environmental Quality for the Use of Surplus Funds and Maintenance Tax Revenues. Mr. Embrey presented the Resolution to the Board and explained that the Surplus Funds Application would enable the District to use tax revenue to reimburse the developers for costs associated with the construction of certain regional projects. Mr. Embrey explained that if authorized by the Board, the Resolution would authorize

the submission of a Surplus Funds Application to request approval from the TCEQ for the use of surplus funds in an amount not to exceed \$900,000 in order to reimburse the developers.

Upon a motion by Director Spence and seconded by Director Mendez the Board unanimously approved the Resolution and authorized the District's consultants to prepare and submit an application to the TCEQ to request approval of the use of surplus funds in an amount not to exceed \$900,000. A copy of the Resolution authorizing the preparation and submittal of a Surplus Funds 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.

4. The next item on the agenda was to discuss, consider, and act on proposal for Engineering Services between for Paseo del Este MUD No. 10 and TRE & Associates for preparation and submittal of the District's Surplus Funds Application to the Texas Commission on Environmental Quality. Ms. Troncoso presented the proposal to the Board for approval.

After further discussion, it was then moved by Director Ortega and seconded by Director Spence that the engagement proposal with TRE & Associates be approved, which motion carried unanimously.

5. The next item on the agenda was to discuss, consider, and act on proposal from West, Davis & Company for preparation of the developer reimbursement audit in relation to the District's Surplus Funds Application to the Texas Commission on Environmental Quality. Mr. West presented the engagement letter with West, Davis and Company for the preparation of the developer reimbursement audit in conjunction with the District's proposed use of surplus funds. Mr. West informed the Board that as the District's auditor the TCEQ requires the auditor to review the developer's records to verify the accuracy of the developer's costs proposed to be reimbursed and then issue a report. Mr. West explained that the engagement letter, if approved, would engage West, Davis and Company to prepare the developer reimbursement audit and report.

After further discussion, it was then moved by Director Spence and seconded by Director Mendez that the engagement letter with West, Davis and Company be approved, which motion carried unanimously.

6. 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.

Ms. Livingston provided the following updates to the Board.

- a. \$6,000,000 Contract Tax Revenue Bonds – Ms. Livingston provided an update on the status of the Contract Tax Revenue Bonds application to the TCEQ, reporting that the application is close to being finalized and filed with the TCEQ.
- b. PSB Litigation – No updates were provided regarding the PSB Litigation.
- c. Inframark contract – No updates were provided regarding the Inframark contract.
- d. Other matters – No updates were provided related to other matters.

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 hereto as **Exhibit "C"**. Ms. Duran reported that as of the end of December 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 December 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; (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; and (5) reported on the efforts that Inframark is taking to resolve the District's billing issues.

8. 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.

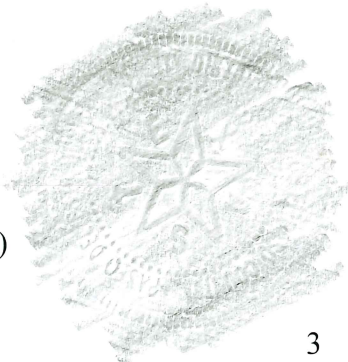
9. There was no developer's report

10. The Board next considered the bookkeeper's report, a copy of which is attached as **Exhibit "D"**. 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. After further discussion, it was then moved by Director Valencia and seconded by Director Spence that the Board unanimously approved the bookkeeper's report with the list of disbursements and balances and the list of bills presented for payment.

11. There was no general counsel's report.

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

Passed and approved this 5th day of March, 2024.



(DISTRICT SEAL)


Secretary, Board of Directors