

NEWPORT MUNICIPAL UTILITY DISTRICT
Minutes of Meeting of Board of Directors
March 21, 2024

The Board of Directors (“Board”) of Newport Municipal Utility District (“District”) met at 16401 Country Club Drive, Crosby, Texas, on March 21, 2024, in accordance with the duly posted notice of said meeting, with a quorum of directors present, as follows:

Margarette Chasteen, President
DeLonne L. Johnson, Vice President
Deborah Florus, Secretary
Earl B. Boykin, Assistant Secretary
R. Gary Hasse, Director

and the following director absent:

None.

Also present were, Billy Killian, Abby Stanhouse, Rich Harcrow, Jeff Baughman, Clint Sutton, Andrea Martin, Debbie Shelton, Rhonda Giddeon, Jorge Diaz, Jonathan Carrington, Brandon Lankford, Lori G. Aylett, and Douglas McNiel.

The President called the meeting to order and declared it open for such business as might properly come before it.

1. The Chair entertained public comments. Jonathan Carrington, a District resident, thanked the Board for the District’s cooperation in resolving a billing issue. The Board welcomed Mr. Carrington to the meeting and thanked him for his gracious comments.

2. Minutes of the meeting of February 15, 2024 were presented for the Board’s review and approval. Upon unanimous vote, the minutes were approved as presented.

3. Billy Killian presented a brief garbage report. He reported on Frontier’s growth and the role that Newport’s business assisted in the growth.

4. Abby Stanhouse presented the engineer’s report, a copy of which is attached. First, Ms. Stanhouse presented Pay Estimate No. 3 to Crostex Construction, Inc. for construction of the Water, Sanitary Sewer, Force Main and Drainage Facilities and Paving and Appurtenances to serve Newport Pointe Section 2 in the amount of \$245,986.12. Upon unanimous vote, the Board approved Pay Application No. 3. Then Ms. Stanhouse presented Pay Application No. 2 to Crostex Construction, Inc. for construction of the Water, Sanitary Sewer, Force Main and Drainage Facilities and Paving and Appurtenances to serve Newport Pointe Section 3 in the amount of \$184,061.70. Upon unanimous vote, the Board approved Pay Application No. 2. Then, Ms. Stanhouse presented Pay Application No. 1 to PLD Construction, LLC for construction of the Clearing and Grubbing to serve Newport Pointe in the amount of \$187,425.00. Upon unanimous vote, the Board approved Pay Application No. 1. Then, Ms. Stanhouse presented Pay Application No. 10 to FMG Construction Group, LLC for Wastewater Treatment Plant (“WWTP”) Operations

Building in the amount of \$239,627.25. Upon unanimous vote, the Board approved Pay Application No. 10. Then Ms. Stanhouse presented Change Order No. 2 to FMG Construction Group, LLC for WWTP Operations Building increasing the contract cost by \$21,800. Upon unanimous vote, the Board approved Change Order No. 2. Then Ms. Stanhouse presented Pay Application No. 8 to AR Turnkey Construction Co., Inc. for South Diamondhead at Gum Gully Utility Relocation in the amount of \$362,025.90. Upon unanimous vote, the Board approved Pay Application No. 8.

Next, Ms. Stanhouse updated the Board on the engineer's review of the pump issues at Water Plant No. 1 and the summary letter prepared by the engineer. The engineer, the operator, the attorney, and the Board discussed the impact of the District's problems with water supply and a the impact of a potential closing of the San Jacinto River Authority's ("SJRA") canal. The consultants informed the Board that the District's contract with the SJRA includes maintenance provisions that allow for the closing of the canal, which could have severe impacts on the District's water supply. The consultants will schedule a meeting with the proper SJRA officials to discuss their scheduling for canal maintenance. The Board requested that the water supply issue and construction of the next water well be a topic of discussion at the District's next meeting.

Upon unanimous vote, the Board approved the engineer's report as presented.

5. Lori Aylett provided a brief attorney's report. She informed the Board that she plans to present updated Drought Contingency Plans and Water Conservation Plans at the District's April meeting.

6. Debbie Shelton did not have a financial advisor's to report.

7. Rhonda Giddeon presented a tax assessor collector's report, a copy of which is attached. The District's 2023 taxes were 94.54% collected. Fifteen checks were presented for the Board's review and approval, and two wire transfers were made. Upon unanimous vote, the Board approved the tax assessor collector's report as presented.

8. Jorge Diaz presented a bookkeeper's report, a copy of which is attached. He reviewed the checks and invoices with the Board in some detail. Upon unanimous vote, the Board approved the bookkeeper's report as presented and authorized payment of bills with checks listed thereon.

9. The Board discussed an operations and billing collection report, a copy of which is attached. The District accounted for 95% of the water produced. Upon unanimous vote, the Board approved the report as presented.

10. The Board discussed the utility account write-offs. After discussion, upon unanimous vote, the Board authorized the listed accounts to be moved to the write-off list.

11. The Board discussed the proposal for property acquisition from Newport Property Owners Association ("POA"). Director Hasse updated the Board on his conversations with the POA and with the District's engineer. The POA is generally interested in conveying to

the District several parcels of property for permanent maintenance, including a small park area, some strips of land, and one tract that may be suitable for the District's administration building. The attorney reminded the Board that the District needs engineering to confirm that the property is out of the floodplain and suitable for the District's intended purposes. The Board agreed that the District should continue to pursue the property exchange. Upon unanimous vote, the Board instructed the engineer to perform due diligence on the suitability of the proposed land for the District's purposes.

12. The Board discussed a parks and recreational facilities report, a copy of which is attached. 1,420 key fobs have been distributed. Upon unanimous vote, the Board approved the parks report as presented.

13. There were no developers' reports presented.

14. Director Chasteen presented her proposal for the Newport Junior Park Rangers program. She noted that such a program could help to reduce vandalism by teaching the young residents about the value of the District's facilities and by offering them the opportunity to spend time in the District's nature preserves. Director Chasteen informed the Board that the primary costs will be printing, t-shirts, and food. The Board expressed support Director Chasteen's proposal and agreed with her strategy to implement a program. Upon unanimous vote, the Board approved \$1,000, to be taken from the District's security budget, as seed funding for the Newport Junior Park Rangers program.

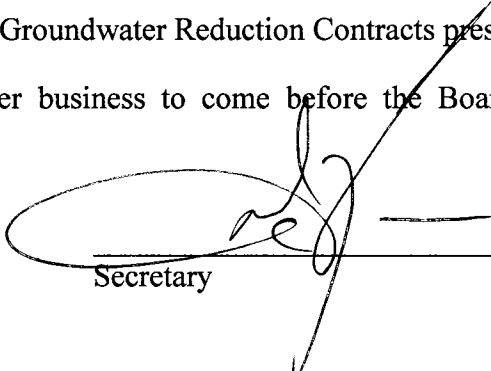
15. There was presented the attached Order Declaring Unopposed Candidates Elected and Canceling Election. The attorney noted no applications from individuals other than the Board members up for reelection were received by the deadline, so the District can cancel its previously called election. Upon unanimous vote, the Board adopted the Order as presented.

16. Director Chasteen will work with Andrea Martin to publish information regarding the Newport Junior Park Rangers program. Director Johnson suggested that the Board consider publishing information on important topics, such as the Junior Park Rangers program and hurricane preparedness, for multiple months.

17. Under public education and outreach, Ms. Aylett presented an amendment to the District's contract with Touchstone District Services ("Touchstone"). Ms. Aylett explained that the Amendment will permit Touchstone to manage the District's email addresses. Upon unanimous vote, the Board approved the amendment to the District's contract with Touchstone.

18. There were no Groundwater Reduction Contracts presented.

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


Secretary