

NEWPORT MUNICIPAL UTILITY DISTRICT
Minutes of Meeting of Board of Directors
January 22, 2018

The Board of Directors ("Board") of Newport Municipal Utility District ("District") met at 16703 Golf Club Drive, Crosby, Texas, on January 22, 2018, in accordance with the duly posted notice of said meeting, with a quorum of directors present, as follows:

R. Gary Hasse, President
Don Cox, Vice President
Margarette Chasteen, Secretary
David P. Guidry, Assistant Secretary
Jim Hembree, Director

and the following absent:

None.

Also present were Christine Matzonkai, David Kasper, Rich Harcrow, Cullen Francis, Andrea Martin, and Josh McKethan.

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

1. David Kasper presented an engineer's report, copy of which is attached. With regard to Newport, Section 8, Replat 3, water, sewer and drainage construction is complete. Remaining work is to construct the streets.

With regard to new development in the District, Rochester is working on the design of the 11-acre subdivision on Golf Club Drive across from the surface water treatment plant.

With regard to 2016 bond issue projects, CFG has completed blasting operations on the hydropneumatic tanks at Water Plant No. 1, and the contractor plans to start on the ground storage tank after the cold weather subsides and the effects on the water system are fully known. With regard to the water meter replacement project, meter installation is underway and approximately 150 meters have been installed since January 8, 2018. With regard to the Gum Gully crossing water distribution system improvements, the engineer requested authorization to advertise for bids, and the Board concurred.

The engineer next discussed the purchase of generator. Taylor Power Equipment is preparing the submittal package for the District's review and approval. Once the full drawings and submittal package are received, the engineer will obtain a quote for installation from the operator's preferred installer.

With regard to upcoming bond issue projects, the engineer requested and received a proposal from RJN Group in the amount of \$249,000 to perform District-wide smoke testing and inspection of all manholes.

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

2. The Board next reviewed the operations and maintenance report, a copy of which is attached. Josh McKethan reported on operations of the water system in the District. Ground water permitted through February 28, 2018 was 206 million gallons, and remaining ground water as of December 28, 2017 was 33.967 million gallons. Total ground water produced was 14.168 million gallons, and total surface water was produced was 6.932 million gallons. Billed water was 19.373 million gallons with an accountability of 95%.

Josh McKethan reported on completed and pending work at the surface water treatment plant and water plants. Pending work at the surface water treatment plant includes replacement of the hatch on the new ground storage tank, EFS to decommission the hydropneumatic tank, and replacement of the carbon pump. The operator presented quotes from Total Energy Solutions for removal of the generator from the trailer and addition of an automatic transfer switch in the amounts of \$24,999 and \$2,960, respectively. Upon unanimous vote, the Board approved the quotes as presented. At Water Plant No. 1, the operator needs to rehabilitate the ground storage tank, repair Booster Pump No. 2 due to damage sustained during Hurricane Harvey, and repair the Booster Pump No. 4 valve. At Water Plant No. 2, the operator needs to replace the two-inch air relief valve.

Cullen Francis reported on the status of the wastewater system in the District, work completed at the wastewater treatment plant and District lift stations.

Rich Harcrow reported on the District work. There were 11 water leaks and main line repairs and 10 sewer back-ups and sewer line repairs. The operator responded to various miscellaneous call outs during the month.

Upon unanimous vote, the Board approved the operator's report.

3. Rich Harcrow then presented a report on District parks, a copy of which is attached.

Upon unanimous vote, the Board approved the District parks report.

4. Andrea Martin presented a billing and collections report, a copy of which is attached. There was no garbage report to present.

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


Secretary