

NEWPORT MUNICIPAL UTILITY DISTRICT

Minutes of Meeting of Board of Directors

March 19, 2018

The Board of Directors ("Board") of Newport Municipal Utility District ("District") met at 16703 Golf Club Drive, Crosby, Texas, on March 19, 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

and the following absent:

None.

Also present were Christine Matzonkai, David Kasper, Andrea Martin, Richard Harcrow, Cullen Francis, Josh McKethan, George House, and DeLonne L. Johnson.

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

1. The Board considered the resignation of Jim Hembree. Upon unanimous vote, Mr. Hembree's resignation was accepted by the Board.
2. The Board tabled consideration of appointment of a director to fill the vacancy on the Board left by the resignation of Jim Hembree to allow time to consult with the District's attorney.
3. David Kasper presented an engineer's report, copy of which is attached. With regard to the IUOE facility, the developer requested that the District accept the water, sewer and drainage facilities, as well as the lift station. The attorney is drafting an agreement to accept the facilities, as well as an agreement for detention pond maintenance.

With regard to new development in the District, Rochester is working on design of the 11-acre subdivision on Golf Club Drive across from the surface water treatment plant and a 6-acre subdivision on North Diamondhead, west of Port O'Call.

With regard to 2016 bond issue projects, work continues on rehabilitation of the ground storage tank. The water meter replacement project is underway, and bids have been received for the Gum Gully crossing water distribution system improvements.

The engineer next discussed the generator purchase and reported that Taylor Power Equipment plans to deliver the generator next month.

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

4. 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 March 1, 2018 was 24.449 million gallons. Total ground water produced was 0.0 million gallons, and total surface water was produced was 25.069 million gallons. Billed water was 22.285 million gallons with an accountability of 98%.

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 repair of the hatch on the new ground storage tank, automatic transfer switch installation, and replacement of the carbon pump. EFS needs to decommission the hydropneumatic tank and diagnose Filter Pump #3 issues. At Water Plant No. 1, the operator needs to complete rehabilitation of the ground storage tank.

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 12 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.

Andrea Martin presented a billing and collections report, a copy of which is attached.

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

5. Rich Harcrow then presented a report on District parks, a copy of which is attached. There was one party request for the Board's consideration. Upon unanimous vote, the Board approved the party request as presented. Upon unanimous vote, the Board approved the District parks report.

6. The Board considered a proposal from EFS for rehabilitation of Dunes Lift Station at a cost of \$50,125. Upon unanimous vote, the Board approved the proposal as presented.

7. The Board considered a proposal from EFS for lightening rods and surge protection at nine District lift stations at a cost of \$16,920, and at the wastewater treatment plant, water plant, and surface water treatment plant at a cost of \$19,380. Upon unanimous vote, the Board approved the proposal as presented.

8. The Board reviewed and approved installation of additional security cameras.

9. There was no action taken regarding groundwater reduction contracts.

10. There was presented was presented the attached Order Designating Polling Places and Appointing Election Officers. Upon unanimous vote, the Board approved the order as presented.

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


Secretary