

NEWPORT MUNICIPAL UTILITY DISTRICT

Minutes of Meeting of Board of Directors

May 21, 2018

The Board of Directors ("Board") of Newport Municipal Utility District ("District") met at 16703 Golf Club Drive, Crosby, Texas, on May 21, 2018, in accordance with the duly posted notice of said meeting, with a quorum of directors present, as follows:

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

and the following absent:

None.

Also present were Dave Kasper, Christine Matzonkai, Andrea Martin, Richard Harcrow, Cullen Francis, Josh McKethan, Delilah Arolfo, George House, Dan Webb, and Chad Rochester.

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. He presented a punch list of items related to the IUOE lift station. With regard to new developments, Rochester Engineering is working on the design of an 11-acre subdivision on Golf Club across from the surface water treatment plant. Rochester is also working on the design of a six-acre subdivision on North Diamondhead, west of Port O'Call. The engineer and operator are reviewing plans for the proposed Section 7 detention pond facility.

Work is complete on the ground storage tank, and the plant is back in service. The water meter replacement project is continuing without any issues, and the work is approximately 89% complete.

The construction contracts have been signed by the contractor, with bonds and required forms, for the water line crossing under Gum Gully.

Taylor Power Equipment is planning to deliver the generator in May, 2018. The engineer reported that once the generator arrives and is found to be in good condition, and is operational, Taylor Power Equipment will be due the amount of \$197,827. The engineer reported that EFS is working on a quote to perform the electrical installation of the generator and they are currently installing a concrete pad for the generator. Electrical installation of the generator will need to coordinate with the actuator and valve replacement at the surface water treatment plant, so that at least one of the water production facilities is in place. Installation of the generator will require Water Plant No. 1 to be out of service for up to one week.

Discussion then turned to Water Well No. 2. The engineer reported that Weisinger, Inc., is in the process of inspecting and evaluating Water Well No. 2 which was previously the District's back up water supply source. The purpose of the inspection is to determine the cost and feasibility to return the water well to service, thereby eliminating the need to drill a new well at a different site.

The engineer next discussed the actuator and valve replacement project at the surface water treatment plant. The contractor, Watertech Services, is under contract in the amount of \$225,950 to replace the automatic valves and actuators on the filter unit at the Surface Water Treatment Plant. When the valves arrive on-site, the contractor will be due the purchase cost of the valves, less 10% retainage held back. Upon completion of the project, the contractor will be due the full contract amount.

The engineer discussed wastewater treatment plant planning. The engineer reviewed the complete topographic and boundary surveying proposal from Jones and Carter. The proposal covers all of the surveying work needed for various upcoming planned work at the plant.

The engineer then discussed the erosion along Gum Gully that was reported by a homeowner on Handspike Way. The engineer reported that to make a permanent fix to the problem, he would need to purchase and place riprap boulders behind the homeowner's property at a cost of \$200,000.

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 April 25, 2018 was 197.49 million gallons, and remaining ground water as of April 25, 2018 was 197.49 million gallons. Total ground water produced was 0.0 million gallons, and total surface water produced was 27.739 million gallons. Billed water was 23.993 million gallons with an accountability of 95%.

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

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.

3. 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.

4. The Board next considered a request from Rochester Enterprises for approval to construct a fence to encroach the utility easement in Section 9. The Board tabled consideration of the request from Rochester Enterprises.

5. David Kasper addressed the Board and stated that his firm would like to resign as District engineer and facilitate a smooth transition to another firm. The Board thanked him for his years of service. The Board tabled further discussion regarding the engineer's contract.

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


Secretary