

**NEWPORT MUNICIPAL UTILITY DISTRICT**  
Minutes of Meeting of Board of Directors  
June 25, 2018

The Board of Directors ("Board") of Newport Municipal Utility District ("District") met at 16703 Golf Club Drive, Crosby, Texas, on June 25, 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 director absent:

None.

Also present were Andrea Martin, Delilah Arolfo, Rich Harcrow, Clint Sutton, Josh McKethan, Jeff Baughman, Jim Carpenter, and Lori G. Aylett, attorney for the District.

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

1. The Board President announced that the purpose of today's meeting was to review the statements of qualifications from selected engineers, interview those engineers, and select the most qualified. As was determined at a previous meeting, the Board will be reviewing qualifications and interviewing the following three firms: HDR Engineering Inc., IDS Engineering Group, and LJA Engineering. Representatives of the different firms would be interviewed separately.

2. The Board first reviewed the qualifications of HDR Engineering, Inc. Representatives of HDR Engineering, Inc. in attendance included Chris Claunch, Chris Malinowski, Ryan Nokelby, John Peterson, and David Hunn. HDR Engineering, Inc.'s representatives gave a detailed presentation on their qualifications to serve as the District's engineer. The representatives also responded to questions from the Board. After the allotted time of one hour for the presentation and questions and answers, HDR Engineering, Inc. concluded its presentation, and its representatives exited the meeting.

3. The Board next reviewed the qualifications of IDS Engineering Group. Representatives of IDS Engineering Group in attendance at the Board meeting were Teague Harris and Vernon Webb. IDS Engineering Group's representatives gave a detailed presentation on their qualifications and responded to questions from the Board. After their allotted time of one hour, IDS Engineering Group concluded its presentation, and its representatives exited the meeting.

4. The Board next reviewed the qualifications of LJA Engineering. Representatives from LJA Engineering present at the meeting included Jimmy Flowers, Patrick Newton, David Tinney, and James Moehlman. LJA Engineering's representatives gave a detailed presentation on their qualifications and responded to questions from the Board. After their allotted time of one hour, LJA Engineering concluded its presentation, and its representatives exited the meeting.

5. Debbie Shelton entered the meeting in progress and addressed the Board regarding the Preliminary Official Statement and Notice of Sale for the \$4,225,000 Newport Municipal Utility District Unlimited Tax Bonds Series 2018. Ms. Shelton reviewed the Notice of Sale and Preliminary Official Statement with the Board in some detail. Upon unanimous vote, the Board approved the attached Resolution Authorizing Issuance and Distribution of Preliminary Official Statement.

6. The Board reviewed the Consumer Confidence Report. The operator noted that the report had been prepared in compliance with federal and state regulations. The report will be provided to all customers who receive a District bill by placing a unique URL on the bill which will be linked to the Consumer Confidence Report. For those customers who live in apartments and other customers on a master meter who do not receive a bill, the operator will hand deliver copies of the Consumer Confidence Report. Upon unanimous vote, the Board approved the Consumer Confidence Report and authorized its distribution as required by law.

7. The Board briefly discussed the status of an electrical contractor for the Water Plant No. 1 generator. The operator reported that the bid for the project is not yet available. Rich Harcrow noted that CenterPoint needs to show up at the site to discuss certain issues relating to the provision of power. The Board therefore took no action on the matter.

8. The Board returned to the discussion of statements of qualifications for District engineers. The Board discussed the qualifications of the various engineers in some detail. Upon motion made, seconded, and carried with a vote of 4-1, with Director Johnson opposing, the Board selected IDS Engineering Group as the most qualified engineer.

9. The attorney stated that the next step would be for the District to negotiate a contract with the most qualified engineer. She will request that IDS Engineering Group provide a contract and a Form 1295 as soon as possible, so that the Board can be prepared to take action at their upcoming meeting.

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

  
Secretary