

**NEWPORT MUNICIPAL UTILITY DISTRICT**  
Minutes of Special Meeting of Board of Directors  
November 6, 2018

The Board of Directors (“Board”) of Newport Municipal Utility District (“District”) met at 16703 Golf Club Drive, Crosby, Texas, on November 6, 2018, in accordance with the duly posted notice of said meeting, with a quorum of directors present, as follows:

R. Gary Hasse, President  
Margarette Chasteen, Secretary  
Deborah L. Florus, Assistant Secretary

and the following director absent:

Earl B. Boykin, Vice President  
DeLonne L. Johnson, Director.

Also present were Delilah Arolfo, Andrea Martin, Rich Harcrow, Jeff Baughman, Teague Harris, and George House.

The President called the meeting to order and declared it open for such business as might properly come before it. It was noted that Director Johnson was listening in to the meeting via conference call.

1. Delilah Arolfo reviewed pending FEMA 406 mitigation funding, project numbers 8455, 8396, 9199 and 428 Permeant Work Pilot Program in detail. The operator explained that mitigation was only for items that had damage from Harvey and that FEMA would not contribute to items that were not part of the Mitigation 406 projects. She reviewed each project that FEMA would provide funding for mitigation and what has already been completed in each project. The operator informed the Board that the District has already applied and received an extension for the 428 Mitigation Permanent Work Program, and the extension date will expire on February 25, 2019. The operator informed the Board that most likely another extension would be needed to complete the projects. Engineering is required on all projects moving forward. The ongoing mitigation projects are raising the generator at the wastewater treatment plant and raising the control building and motor control center panels, along with waterproofing the major equipment (blowers) and replacing the flood pumps and providing access by operator to control during flood conditions.

2. The engineer spoke about the berm and informed the Board that he found out it was not an option for mitigation. FEMA will only mitigate items that were damaged, and the berm had not been damaged from Harvey. Teague Harris noted he spoke with Andrew Perry, the contact from the State who is overseeing the mitigation funds from FEMA. The engineer agreed with the items of mitigation that the operator had discussed. Director Hasse asked about a holding basin inside the wastewater treatment plant. The engineer talked about an equalization basin but said they are very costly. Director Hasse discussed inflow and infiltration and what could be done to help with that. The engineer noted that there are options to investigate inflow and infiltration and gave an example of cleaning and televising lines. The operator brought up

smoke testing as an option for finding inflow and infiltration. The engineer said a combination of line repair and plant expansion would be needed to control inflow and infiltration flow issues at the wastewater treatment plant. The operator informed the Board that any modifications to the plant would have to go through TCEQ approval.

3. Director Chasteen asked what project the engineer would start mitigating first. The engineer noted they will start on the generator, then the control building and motor control center and then the effluent pump station. The operator also added that the blowers needed to be investigated regarding waterproofing as well.

4. Director Hasse asked Teague Harris about being the second chair for FEMA mitigation. Mr. Harris responded that he would take the project on if it was the Board's and operator's pleasure. The Board said they agreed that Mr. Harris should be the point of contact for FEMA. Director Hasse stated he would contact the attorney and have any paper work ready to change the point of contact at the next meeting or as soon as possible.

5. The engineer asked the operator what her thoughts were about the wastewater treatment plant projects, and "if" FEMA were not in the picture what she would want done. The operator responded she would want any repairs done at the wastewater treatment plant to comply with any and all state, local (Harris County Flood Control District), and federal standards (FEMA). She noted that Newport had approved mitigation with FEMA and all financial participation by and with FEMA and the State would be lost if the Board chose not to mitigate, and that FEMA would not contribute to any future damage at the wastewater treatment plant. The engineer felt that the operator was not responding to his question. The operator responded again that any and all work needs to comply with all state, local (Harris County Flood Control District), and federal (FEMA) standards.

6. The Board agreed that they needed to mitigate and directed the engineer to put together a time line on how long it would take to design and a cost estimate for all projects.

7. The operator handed out preliminary budget numbers to the Board along with a draft of the operator's contract for Board review.

8. The engineer asked if the Board had approved a detention pond letter for Rochester, and the Board will discuss this item at the regular meeting.

There being no further business for the consideration of the Board, upon motion made by Director Chasteen, seconded by Director Florus, and unanimously carried, the meeting was adjourned.

  
Secretary