

**NEWPORT MUNICIPAL UTILITY DISTRICT**  
Minutes of Special Meeting of Board of Directors  
June 25, 2019

The Board of Directors (“Board”) of Newport Municipal Utility District (“District”) met at 16703 Golf Club Drive, Crosby, Texas, on June 25, 2019, in accordance with the duly posted notice of said meeting, with a quorum of directors present, as follows:

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

and the following director absent:

None.

Also present were Chad Rochester, Debbie Shelton, Kelly Shipley, Bill Rosenbaum, Christine Matzonkai, Andrea Martin, Mike Nelson, Jeff Baughman, and Lori G. Aylett, the 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 noted that the first item of business was to discuss the capital improvements plan. The District engineer reviewed the capital projects and improvements with the Board in some detail. The engineer categorized projects into critical projects that are needed immediately, expansions to serve build-out, and projects that would improve operations. The engineer made assumptions regarding the older subdivisions and the need for repairs as the system ages. The surface water treatment plant expansion is not currently on the capital improvements plan. The Board reviewed the plant in some detail. At present, the capital improvements plan totals \$53,000,000 and items are anticipated to be added to the plan in response to comments received from all consultants. The Board authorized the engineer to add the surface water treatment plant expansion to the capital improvements plan. The Board noted that it would be appropriate to provide development project costs with the various developers and request their input on costs and projections. The Board noted that it would be appropriate for the financial advisor to work on growth and tax rate scenarios in conjunction with the capital improvements plan.

2. The Board discussed the status of the garbage collection company transition. Mike Nelson addressed the Board and stated that Frontier Waste picked up 876 homes on Saturday in a sweep operation to collect those home missed by Aggressive Waste. The contractor will conduct another sweep operation tomorrow, and it appears there will be a lot more garbage to be collected in this sweep operation.

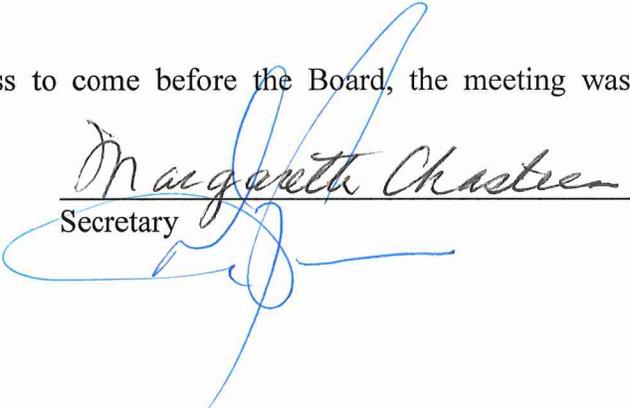
Andrea Martin and Director Chasteen will work together on a letter to residents regarding transition of services. The operator noted that it would cost approximately \$6,000 to generate brochures regarding the new service. The District can also do larger signs at a cost of \$140 each and smaller signs at a cost of \$40. After discussion, upon a vote of 4-1, with Director Florus opposing, the Board authorized the operator to put out signs at various points in the subdivision and hand deliver brochures to every door. Director Florus indicated that her opposition was only to hand-delivering brochures. Her belief was that signs would be adequate. The operator and Director Chasteen will work on a clearer map to be provided to residents that indicates the two zones.

3. The Board discussed the qualifications for selection of an architect. The Board reviewed the qualifications of BKP Design Group, LLC. Director Hasse noted that he was very familiar with some of the projects that the firm had done as well as the consultants that they use for various phases of design and construction. Upon unanimous vote, the Board selected BKP Design as qualified to perform architectural services for design and construction of the meeting and office building. The attorney will contact the architect and request that they provide a turnkey proposal and contract for services.

4. Under pending business, Debbie Shelton discussed how District voters might be educated about the upcoming bond election. She stated that she had recent experience with Touchstone District Services, a company that can assist with the District's social media and website and public relations with regard to elections and general District business. The Board agreed that it would be appropriate to put an item on the next agenda to receive a proposal from Touchstone District Services.

5. The Board also noted that at its next meeting, the District should have agenda items to approve its Bond Application No. 6, consider calling a bond election, and perform a mid-year budget review.

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

  
Secretary