

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

The Board of Directors (“Board”) of Newport Municipal Utility District (“District”) met at 16703 Golf Club Drive, Crosby, Texas, on July 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 Rich Harcrow, Debbie Shelton, Delilah Arolfo, Andrea Martin, Simon Vandyk, Michael Willett, Eileen Fashoro, Cedric Patterson, Irene Mundee-Cook, Fred Baker, Charley Lenderman, Myrtis Patterson, Archie Benham, Margaret Benham, Don Cox, and Jennifer B. Seipel, 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. There were no customer inquiries for the Board’s consideration.
2. Simon Vandyk of Touchstone District Services then approached the Board regarding election education and public outreach services. As part of his proposal, he discussed assisting the District with an open house, at which District residents could learn about why the District is calling a bond election and what projects the bond authority being sought would fund. After further discussion, upon motion duly made and seconded, the Board unanimously voted to engage Touchstone District Services. The Board requested that Mr. Vandyk begin gathering questions from residents for purposes of addressing those inquiries at the open house. The Board also elected Director Chasteen and Director Hasse to form a committee charged with monitoring this project.
3. The Board discussed the donation of property to the District by Rampart. Rich Harcrow confirmed that the neighboring landowner was not encroaching upon the property to be donated. Upon motion duly made and seconded, the Board unanimously voted to accept the donation by Rampart.
4. Delilah Arolfo and Andrea Martin presented a proposal for fire hydrant testing, inspection and maintenance performed and document hydrant valve inspections on inspection form. Per the proposal, the operator would perform bi-annual maintenance of all fire

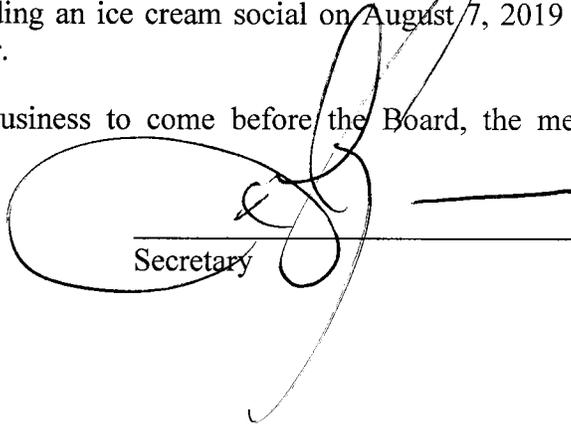
hydrants within the District for a cost of \$118,800 per year. After some discussion, upon motion duly made and seconded, the Board voted to perform annual, rather than bi-annual, hydrant maintenance subject to confirmation by the attorney that such proposal comports with the contract requirements set forth in the Water Code. Delilah Arolfo noted that the cost would therefore be reduced to \$59,400 annually for fire hydrant, valve inspection, printing of reports, photos and monthly reports to the Board.

5. The Board then had a further discussion regarding the District's need for a bond election. Several residents asked questions as to how the bond election would affect their tax bill. Debbie Shelton answered several questions regarding the rate of tax increase. No action was taken by the Board.

6. The Board then fielded additional customer inquiries. Resident, Fred Baker asked what percentage of District hydrants are currently operable in Patio Woods. Ms. Arolfo stated that Patio Woods has four (4) hydrants. All hydrants in Patio Woods were inspected, painted and all are operable.

7. Under pending business, the Board stated that they would like business cards. Ms. Arolfo stated that she would order the business cards. Director Chasteen stated that the new garbage service provider is holding an ice cream social on August 7, 2019 from 3:00 p.m. to 7:00 p.m. at the community center.

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

  
Secretary