

NEWPORT MUNICIPAL UTILITY DISTRICT
Minutes of Meeting of Board of Directors
January 26, 2015

The Board of Directors ("Board") of Newport Municipal Utility District ("District") met at 16703 Golf Club Drive, Crosby, Texas, on Monday, January 26, 2015, in accordance with the duly posted notice of said meeting, with a quorum of directors present, as follows:

Wayne Scott, President
Don Cox, Vice President
Robert Archer, Secretary
Dale Glazner, Assistant Secretary
Jim Hembree, Director

and the following absent:

None.

Also present were Delilah Arolfo, Jeremy Cochran, Andrea Martin, and David Kasper.

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

1. David Kasper reported on the engineering projects ongoing within the District. First he discussed the status of the apartments under construction on FM 2100 and the development of Seven Oaks South and Villas at Newport. The engineer noted that the developer's engineer prepared Change Order No. 2 in the amount of \$2,500 to change the proposed dumpster pad location.

Mr. Kasper then discussed the SCADA system improvements at the surface water treatment plant. Mr. Kasper reported that the technician has completed the work and is now in the process of training the operator's staff on how to use the system.

Mr. Kasper next discussed the 2015 bond application and stated that his firm is currently preparing a draft of the bond application report. Mr. Kasper also provided the Board with a spreadsheet outlining the current list of projects that the Board may consider funding in the 2015 bond issue.

Finally, Mr. Kasper discussed the inspection reports received from Clark Northup for the elevated storage tanks, hydropneumatic tanks, and ground storage tanks.

Upon unanimous vote, the Board approved the engineer's report.

2. Jeremy Cochran reported on operations of the water system in the District. Ground water permitted through February 28, 2015 was 165 million gallons, and remaining ground water as of December 31, 2014 was 53.270 million gallons. Total ground water

produced was 5.389 million gallons, and total surface water produced was 9.005 million gallons. Billed water was 12.998 million gallons with an accountability of 90%.

The operator reported on work completed at the surface water treatment plant, which included touching up painting in the shop building, changing out air tubing on filter blower valves, internal inspections of the elevated storage tank and hydropneumatic tank, cleaning the activated carbon mixing tank, and EFS installing the new lights on the filter basins. Pending work includes completing the SCADA system, rebuilding the actuators on filter valves, and troubleshooting Filter #1 "filter to waste" valve.

Mr. Cochran then discussed the status of the water wells in the system and noted that the ground storage tanks and hydropneumatic tanks were inspected at Water Plant No. 1 and Water Plant No. 2. Pending work including replacing a leaking check valve at Water Plant No. 1.

Mr. Cochran then reported on the status of the wastewater system in the District. Total flow for December amounted to 27.345 million gallons, with an average daily flow of 0.882 million gallons. There was 7.6" of rainfall for the month. There were no violations noted at the facility. The operator next reported on work completed at the wastewater treatment plant, which included repairing the grit removal unit, purchasing lab equipment for plant sampling, hauling sludge from Digester No. 1, and EFS repairing the solenoid valve for RAS Pump No. 2. Pending work includes analysis training with Envirodyne for laboratory sampling.

Mr. Cochran next discussed the operations of the District lift stations and noted that the operator deragged both lift pumps at Handspike, and EFS installed and programmed a new hydroranger at Via Dora Lift Station.

Mr. Cochran also reported on the District work. There were nine water leaks and main line repairs, 18 sewer back-up and sewer line repairs, eight taps, 32 meters changed out, and seven maintenance items.

Upon unanimous vote, the Board approved the operator's report as presented.

3. Mr. Cochran then discussed the status of the District parks. He noted that the operator removed dirt and debris that settled on the low water crossings due to high water and installed stabilized sand under the sidewalks and washed out areas at Stem Way and Flying Bridge crossings. At Port O'Call Park, the operator reinstalled the park bench and installed a new 2 inch meter. Pending work includes investigation and repair of the irrigation pump system at Port O'Call Park and installation of the stone bench seating near the splash pad.

The operator provided the Board with a detailed list of vandalism activity that has occurred at the parks over the last month. There was an in depth discussion regarding whether to leave the restrooms locked or unlock them for residential use and continue to deal with the ongoing vandalism. The consensus of the Board was to unlock the restrooms from 7:30 a.m. to 4:00 p.m. daily and continue to look at other avenues to curb the vandalism at these locations. The Board will look at the cost to hire an off-duty officer or security guard, the possibility of purchasing keypads for restroom entry, upgrading the security cameras in close proximity to the

restrooms, and contacting other parks to see how they deal with these types of issues. The Board tabled further discussion until the Wednesday meeting when the District's attorney is present.

Upon unanimous vote, the Board approved the parks and trails report as presented.

4. There was discussion regarding ground water reduction contracts. Mr. Cochran informed the Board that he had been working with the Harris-Galveston County Subsidence District to shop around credits and that the HGCSO had sent another potential buyer to the District. They have been in contact with the District's attorney, and she will have a contract that will be presented to the Board at the Wednesday meeting.

5. Lastly, the operator provided the Board with the 2014 write-off list in the total amount of \$11,134.44.

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


Secretary