

**NEWPORT MUNICIPAL UTILITY DISTRICT**  
Minutes of Meeting of Board of Directors  
April 20, 2015

The Board of Directors ("Board") of Newport Municipal Utility District ("District") met at 16703 Golf Club Drive, Crosby, Texas, on Monday, April 20, 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 Jeremy Cochran 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 he is waiting for the engineers and developers to close out the construction contracts for the Seven Oaks South and Villas at Newport projects so that his firm may proceed with preparing the 2015 bond application. Mr. Kasper next discussed developer inquiries and stated that LJA has a client looking at a 200-acre tract located near the proposed new high school. The developer inquired about the possibility of the District providing water and wastewater service. This tract is located outside of the District's boundaries.

Mr. Kasper then discussed the SCADA system improvements at the surface water treatment plant. Mr. Kasper reported that the technician has completed the project and contract closeout paperwork has been prepared.

Finally, Mr. Kasper discussed the 2015 bond application and stated that his firm is preparing a draft of the bond application report.

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, 2016 was 178.10 million gallons, and remaining ground water as of March 31, 2015 was 169.927 million gallons. Total ground water produced

was 6.161 million gallons, and total surface water produced was 11.527 million gallons. Billed water was 15.973 million gallons with an accountability of 91%.

The operator reported on work completed at the surface water treatment plant, which included repairing air line on Filter No. 1 and No. 2 air scour valves, and pressure washing the exterior of the metal buildings. Chlorinator Maintenance repaired a chlorine regulator. The operator received a quote from HACH for additional online analyzers to connect to the SCADA system. Pending work includes rebuilding the actuators on filter valves and replacing Filter No. 1 "filter to waste" valve.

Mr. Cochran then discussed the status of the water wells in the system and noted that Chlorinator Maintenance repaired a chlorine regulator at Water Plant No. 1. Pending work includes 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 March amounted to 29.821 million gallons, with an average daily flow of 0.962 million gallons. There was 9.9" 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 replacing a damaged electrical line and plug on the decant pump, using the jet machine to clean out the drain line from the dumpster pad, installing a sprayer line and sprayers on Aeration Basin No. 2, and installing limestone in potholes in the driveway. Pending work includes analysis training with Envirodyne for laboratory sampling.

Mr. Cochran next discussed the operations of the District lift stations and noted that on April 10, 2015, the operator responded to a power failure at Dunes lift station caused by a blown fuse on CenterPoint's main line. The operator also repaired a water leak on the irrigation line at Seven Oaks lift station and filled in a low spot with sand. Lastly, the operator purchased and installed degreaser in four of the District's lift stations.

Mr. Cochran then reported on the District work. There were 14 water leaks and main line repairs, 10 sewer back-up and sewer line repairs, 15 taps, 11 meters changed out, and six 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 contractor completed repairs to the splash pad controls and piping. The operator purchased commercial grade weed killer for use in park landscaping, and reinstalled the park rules sign that had been pulled out of the ground at Flying Bridge Park. Pending work includes filing an insurance claim for a shorted out DVR at Port O'Call Park, S. Diamondhead Park, and several cameras due to lightning.

The operator provided the Board with a detailed list of vandalism activity that occurred at the parks over the last month. There was then discussion regarding what corrective actions could be taken to minimize vandalism. After discussion, it was decided that the restrooms would only be open during the time the parks are staffed, which is daily from 7:30

a.m. to 4:00 p.m., as a majority of the vandalism occurs between 4:00 p.m. and 8:00 p.m. There was discussion regarding the installation of signs at the restrooms to address vandalism and the fines that would be levied. The signs would also address the hours that the restrooms would be open to the public. Each Board member will draft a sample of the wording for the signs for review. A selection will then be made so that the signs can be fabricated and installed in a timely manner.

The operator presented the Board with a party request at Port O'Call Park on May 2, 2015. Upon unanimous vote, the Board approved the party request.

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

4. Lastly, there was discussion regarding ground water reduction contracts. The operator informed the Board that both of the inquiries made last month had made contact with the District's attorney and were moving forward with ground water reduction contracts.

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

  
Secretary