

**NEWPORT MUNICIPAL UTILITY DISTRICT**  
Minutes of Meeting of Board of Directors  
June 22, 2015

The Board of Directors ("Board") of Newport Municipal Utility District ("District") met at 16703 Golf Club Drive, Crosby, Texas, on Monday, June 22, 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, Delilah Arolfo, 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 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. LJA is also working with potential developers on a 15-acre tract on S. Diamondhead, a 10-acre tract on Golf Club Drive and County Club, and an 11-acre tract on Golf Club Drive near the SJRA canal. Mr. Kasper then informed the Board of an inquiry from an undeveloped MUD (MUD 525) on Foley Road. MUD 525 is interested in entering into a water supply or groundwater reduction agreement with the District. There was discussion regarding the possibility of selling groundwater credits to MUD 525 and the possibility of an interconnect between the District and MUD 525 to meet MUD 525's long term water needs. The engineer and Director Hembree provided cost breakdowns to treat drinking water. There will be further discussion on the matter if an agreement is made between the District and MUD 525, and a wholesale price will be determined.

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 178.1 million gallons, and remaining ground water as of May 31, 2015 was 161.445 million gallons. Total ground water produced was 3.467 million gallons, and total surface water produced was 17.2 million gallons. Billed water was 20.667 million gallons with an accountability of 90%.

The operator reported on work completed at the surface water treatment plant, which included rebuilding the actuator on the Filter No. 1 filter to waste valve and replacing the worm gear, rebuilding all of the air scour actuators, replacing the air tubing on filter actuators, removing and rewiring the chlorine booster pump, staffing the facility during Tropical Storm Bill, and replacing the 4" water meter that feeds the treatment plant. Pending work includes changing the oil in the air compressors and blowers, and installation of surge protectors on the EST pressure transmitters.

Mr. Cochran then discussed the status of the water wells in the system. Pending work at Water Plant No. 1 includes replacing a leaking check valve. Mr. Cochran informed the Board that Alsay pulled the well motor at Water Plant No. 2 for repair. Installation of the well motor is pending Alsay's repair.

Mr. Cochran provided the Board with a draft of the 2014 Consumer Confidence Report for their review and approval. The Board will review the report for discussion and approval at the Wednesday Board meeting.

Mr. Cochran then reported on the status of the wastewater system in the District. Total flow for May amounted to 33.332 million gallons, with an average daily flow of 1.075 million gallons. There was 14.5" 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 the decant pump for dewatering the digesters, replacing a bus fuse on Blower No. 1, pressure washing the spiral screen unit and brushes, cut up and removing a fallen tree at the facility, replacing a bad HOA switch on Flood Pump No. 1, clearing a stoppage in the sludge thickener line, and staffing the facility during Tropical Storm Bill. Also during the month, EFS installed a new scum pump, and Chlorinator Maintenance replaced the yoke on SO2 Regulator No. 1. Analysis training with Envirodyne for laboratory sampling has started and should be completed on June 24, 2015.

Mr. Cochran next discussed the operations of the District lift stations. At Dunes lift station, the operator cleaned rags and debris from the floats. At Via Dora lift station, Lift Pump No. 1 was pulled and deragged, and at Helmsman lift station a broken check valve and gate valve on the sump pump discharge line was replaced.

Mr. Cochran then reported on the District work. There were nine water leaks and main line repairs, seven sewer back-up and sewer line repairs, 26 taps, no meters were changed out, and nine maintenance items.

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

3. The Board next considered the Emergency Preparedness Plan. The operator gave a brief description of the changes that were made to the report in 2014 and noted no recommended changes at this time.

4. Mr. Cochran then discussed the District parks meeting that was held on June 17, 2015. Mr. Cochran presented quote for solar motion sensor lighting to be installed on the pavilion at Port O'Call Park. The solar motion sensor lighting will aid the cameras in capturing video at night. The cost of the lighting unit is \$130. The Board authorized purchase and installation of the light on the pavilion by the operator as presented.

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

  
Secretary