

NEWPORT MUNICIPAL UTILITY DISTRICT
Minutes of Meeting of Board of Directors
August 24, 2015

The Board of Directors ("Board") of Newport Municipal Utility District ("District") met at 16703 Golf Club Drive, Crosby, Texas, on Monday, August 24, 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 development of Seven Oaks South, the Villas at Newport, and Newport, Section 8. The engineer noted that LJA Engineering provided review drawings to the District on August 21, 2015 for the development of a portion of Newport, Section 8.

Mr. Kasper next discussed developer inquiries. He briefly discussed the 15-acre tract on S. Diamondhead and the 10-acre tract on Golf Club Drive.

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 July 31, 2015 was 106.774 million gallons. Total ground water produced was 28.046 million gallons, and total surface water produced was 18.062 million gallons. Billed water was 37.4369 million gallons with an accountability of 81%.

The operator reported on work completed at the surface water treatment plant, which included replacing the chlorine booster pump, replacing both carbon feed pumps; installing the SC1000 turbidimeter controller, replacing the 2100N lab turbidimeters, and replacing the low water level floats in the raw water pump station. Alsay pulled Booster Pump

No. 3 for repairs. Mr. Cochran provided a the Board with a quote from Alsay to repair Booster Pump No. 3 in the amount of \$4,020. After discussion, upon unanimous vote, the Board approved the quote from Alsay in the amount of \$4,020. Pending work includes changing the oil in the air compressors and blowers, and repair to Booster Pump No. 3 by Alsay.

Mr. Cochran then discussed the status of the water wells in the system. Completed work at Water Plant No. 1 included replacing the solenoid valve on the chlorine feed system. Pending work at Water Plant No. 1 includes replacing a leaking check valve, and repair and installation of the well motor by Alsay at Water Plant No. 2.

Mr. Cochran then reported on the status of the wastewater system in the District. Total flow for July amounted to 18.944 million gallons, with an average daily flow of 0.611 million gallons. There was 2.3" 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 pressure washing the spiral screen and brushes, and cleaning Chlorine Contact Chamber No. 1 and No. 2. Pending work includes cleaning rags from the RAS channels and having sludge hauled from Digester No. 1.

Mr. Cochran next discussed the operations of the District lift stations. The operator installed degreaser blocks in the lift station wet wells, and EFS adjusted the pump level settings on all of the lift pumps in order to optimize run time and reduce wear and tear on the pumps.

Mr. Cochran then reported on the District work. There were 20 water leaks and main line repairs, 10 sewer back-up and sewer line repairs, 14 taps, four meters were changed out, and five maintenance items.

Next Mr. Cochran discussed several issues with new construction that is occurring on Jib Ct. A driveway had to be removed at 16719 Jib Ct. to conduct the sewer tap for 16723 Jib Ct. The driveway appeared to be encroaching onto the property at 16723 Jib Ct. and cannot be returned to its original location. The resident is disputing the property lines and was informed by the operator to have a survey performed to rectify the situation. In addition, the home being constructed at 16723 Jib Ct. was not built with a high enough elevation to connect to the tap that was conducted on the sewer main. Kendall Homes was informed prior to construction to build the elevation up high due to the shallowness of the sewer main. The operator informed the Board that Kendall Homes is requesting the ability to install a grinder pump to connect sewer service because their elevation is not at the appropriate grade. The Board discussed the matter and acting upon the operator's recommendation denied the request. Kendall Homes will need to adjust their service line to tie into the tap.

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

3. Mr. Cochran then discussed the District parks meeting that was held on August 19, 2015. Mr. Cochran provided the Board with additional information regarding the key fobs and internet service. The Board discussed the options presented. After discussion, upon unanimous vote, the Board authorized the operator to work with Verizon for internet service at

Port O'Call Park and S. Diamondhead Park. Director Cox suggested that the Board defer approval of internet service with Comcast at Flying Bridge Park until he made contact with a Comcast representative as he has questions regarding the services they provide.

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


Secretary