

NEWPORT MUNICIPAL UTILITY DISTRICT
Minutes of Meeting of Board of Directors
September 21, 2015

The Board of Directors ("Board") of Newport Municipal Utility District ("District") met at 16703 Golf Club Drive, Crosby, Texas, on Monday, September 21, 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, Brandon Smith, 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 reported that the detention pond facility intended to serve Section 8 is presently out for bids, and LJA Engineering has provided design plans and specifications for review.

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.

Mr. Kasper discussed the 2015 bond application and stated that his firm is working with the financial advisor and attorney to prepare the bond application report.

Mr. Kasper was asked about the options available for providing the operator with access to the District's GIS map. Mr. Kasper informed the Board that the cheapest option would be to purchase the ESRI software and periodically provide the operator with an updated disk to view the map in the software. The software is approximately \$1,500. Upon unanimous vote, the Board authorized purchase of the software.

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 August 31, 2015 was 103.148 million gallons. Total ground water produced

was 3.626 million gallons, and total surface water produced was 42.504 million gallons. Billed water was 37.7425 million gallons with an accountability of 80%.

The operator reported on work completed at the surface water treatment plant, which included ordering rebuild kits for the Pulsafeeder pumps, replacing the chemical feed tubing on the LAS pump, and installation of the dirt pad for the new laboratory. Jach Controls repaired an issue with the PLC connection to the SCADA. 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. Fluid Meter Services performed the calibration of the well meter according to the Harris-Galveston Subsidence District requirements. Pending work at Water Plant No. 1 includes replacing a leaking check valve.

Mr. Cochran then reported on the status of the wastewater system in the District. Total flow for August amounted to 17.569 million gallons, with an average daily flow of 0.567 million gallons. There was 7.5" of rainfall for the month. There was one violation for e. Coli noted at the facility.

The operator next reported on work completed at the wastewater treatment plant, which included tightening the packing on non-potable Pump No. 1, removing sludge sediment from both chlorine contact basins, repairing the clarifier scum return line, removing built up rags in the RAS channel, replacing worn rubber on the Clarifier No. 1 arm, and having a sludge haul performed on Digester No. 1. Pending work includes cleaning rags from the RAS channels and cleaning the air diffusers.

Mr. Cochran next discussed the operations of the District lift stations. The operator deragged a lift pump at Dunes and Helmsman lift stations. It was also noted that EFS installed run status for lift pumps on the Mission Control System at the FM 2100 lift station.

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

Next Mr. Cochran discussed an insurance claim that was filed with the District's insurance for a sewer backup that occurred at 15939 Dunes Drive on September 7, 2015. The customer's sewer tap had protruded into the sewer main approximate nine feet and had restricted flow from the resident's service line.

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

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


Secretary