

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

The Board of Directors ("Board") of Newport Municipal Utility District ("District") met at 16703 Golf Club Drive, Crosby, Texas, on Monday, October 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 Jeremy Cochran, Delilah Arolfo, Andrea Martin, Brandon Smith, David Kasper, and Jeraine Root.

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. He noted that the Board had authorized award of the contract for Section 8 utilities provided that the contractor waives its right to additional compensation due to items that will be deleted from the project scope. The engineer reported that LJA Engineering has provided revised design plans and specifications for review of a detention pond located within the boundaries of Section 8. The plans are currently under 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. He also mentioned an inquiry from a developer who is proposing a large commercial development on a tract currently located in dormant Harris County MUD No. 19. The property would need to be annexed into Newport MUD before receiving services. The engineer provided a set of plans for review and discussion with the Board.

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 provided documentation received from TxDOT. TxDOT requested maps showing District utilities for the areas that will be under construction when FM 2100 is widened.

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 September 30, 2015 was 101.854 million gallons. Total ground water produced was 1.294 million gallons, and total surface water produced was 25.116 million gallons. Billed water was 22.7125 million gallons with an accountability of 86%.

The operator reported on work completed at the surface water treatment plant, which included installing Booster Pump No. 3. Dun-Rite Plumbing roughed in the plumbing for the new laboratory, and the slab was poured for the laboratory by Hawthorne. Pending work includes changing the oil in the air compressors and blowers, and framing of the new laboratory building by Hawthorne.

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 then reported on the status of the wastewater system in the District. Total flow for September amounted to 19.335 million gallons, with an average daily flow of 0.645 million gallons. There was 6.8" 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, adding a weight bar to Clarifier No. 1 rake and adjusting the level, repairing a broken pressure gauge on the grit snail unit, changing out blower filter and topping off the oil in Blower No. 1 and Blower No. 2, cleaning the effluent channel for Clarifier No. 1, and greasing and tightening the chain for the grit removal unit. Spring Waste performed a sludge haul on Digester No. 1, and Chlorinator Maintenance performed preventative maintenance on the chlorine and SO2 feed equipment.

Mr. Cochran next discussed the operations of the District lift stations. The operator deragged Lift Pump No. 1 and Lift Pump No. 2 at Dunes, responded to a high wet well level callout at Diamondhead lift station, and changed out the radio RTU at several lift stations.

Mr. Cochran then reported on the District work. There were 15 water leaks and main line repairs, four sewer back-up and sewer line repairs, 11 taps, three meters were changed out, and six maintenance items.

Mr. Cochran provided the Board with an estimate for sampling stations that would be purchased and installed in the distribution system. The sample points would be used to collect daily chlorine residuals and monthly bacteriological samples in lieu of using resident faucets on the side of homes. The cost to purchase 10 units is \$4,649.50. Upon unanimous vote, the Board approved the purchase at a cost of \$4,649.50 as presented.

Mr. Cochran next provided the Board with a Power Point presentation on automated meters. A cost and equipment comparison was performed between Kamstrup, Badger, and Zenner. A thorough discussion was held on the pros and cons of each type of meter. Upon unanimous vote, the Board authorized the operator to enter into an agreement with

Kamstrup for a 20-meter trial run period, as long as there was no cost to the District. The operator will move forward on scheduling the software and meter installation to begin the trial.

Lastly, the operator discussed a request made by Gary Hassey to install a grinder pump station at the County Club to serve the installation of a drink/food service area. There was discussion of the scope of the work and the Board asked the operator to have the contractor provide a written request and schematic drawing of the proposed project for the Board's consideration.

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