

NEWPORT MUNICIPAL UTILITY DISTRICT
Minutes of Meeting of Board of Directors
January 25, 2016

The Board of Directors ("Board") of Newport Municipal Utility District ("District") met at 16703 Golf Club Drive, Crosby, Texas, on Monday, January 25, 2016, 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. Mr. Kasper discussed ongoing development within the District and provided an update on Newport, Section 8, Newport Villas, the partial replat of Newport, Section 4, and Newport Court. The engineer requested that the Board approve award of the construction contract to Crostex Construction for water, sewer, and drainage facilities to serve Newport Court. After discussion, upon unanimous vote, the Board authorized award of the construction contract to Crostex Construction.

Mr. Kasper then reported on developer inquiries and noted that his firm had continuing correspondence from the International Union of Operating Engineers who is proposing a large commercial/industrial development on a tract currently located in dormant Harris County MUD No. 19. The District engineer has been corresponding with the developer's civil and electrical engineers regarding the proposed lift station.

Lastly, Mr. Kasper discussed the 2016 bond application. Mr. Kasper reported that the application is complete and is being reviewed in detail at this time. Mr. Kasper also stated that he provided a list of items that are needed from the developer to complete the full packet.

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 December 31, 2015 was 93.032 million gallons. Total ground water produced was 5.549 million gallons, and total surface water produced was 18.312 million gallons. Billed water was 17.0834 million gallons with an accountability of 74%.

The operator reported on work completed at the surface water treatment plant, which included replacing belts on the D2 air compressor, installing storage for equipment on the clarifier catwalks, servicing the filter blower and both clarifier gear boxes, servicing the motor on Clarifier No. 1, painting plant piping per code, and spraying nonslip coating on the clarifier stairs. The contractor completed the interior framing of the new laboratory building. Pending work includes replacing the check valve in the high service building and the contractors completing the electrical, plumbing, and interior work of the new laboratory building.

Mr. Cochran then discussed the status of the water wells in the system. During the month, the operator repaired a leak on the chlorine feed line at Water Plant No. 1. Pending work includes replacement of the roof by the contractor.

Mr. Cochran then reported on the status of the wastewater system in the District. Total flow for December amounted to 21.678 million gallons, with an average daily flow of 0.699 million gallons. There was 4.15" 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 removing the solenoid valve from RAS No. 1 air line and using 2" galvanized pipe in its place. Other work completed during the month: installation of a new chlorine leak detector, installation of a new impeller and wear plate on Grit Pump No. 1, replacement of the light switch in the sampler room, installation of new belts on Grit Pump No. 2, and using the jet machine to clean out the digester overflow boxes. Pending work includes repair to the grit removal unit cause by Aggressive Waste's garbage truck. The Board asked the operator to look into an audible sensor to be placed near the grit unit that would sound an alarm if something came in too close proximity.

Mr. Cochran next discussed the operations of the District lift stations. The operator deragged lift pumps at Handspike, Helmsman, and S. Diamondhead lift stations.

Mr. Cochran then reported on the District work. There were eight water leaks and main line repairs, nine sewer back-up and sewer line repairs, 12 taps, zero meters were changed out, and three maintenance items.

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

3. Andrea Martin then provided the Board with the write-off list to review prior to the Wednesday meeting.

4. Mr. Cochran informed the Board of an inquiry from Eastex Forest Products for the purchase of groundwater credits. Eastex is requesting 2.2 million gallons for 2016 and 2.7 million gallons for 2017. Mr. Cochran also informed the Board that he was contacted by Banyan Foods and Houston Garden Center with inquiries about purchasing water credits.

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


Secretary