

**NEWPORT MUNICIPAL UTILITY DISTRICT**

Minutes of Meeting of Board of Directors

March 21, 2016

The Board of Directors ("Board") of Newport Municipal Utility District ("District") met at 16703 Golf Club Drive, Crosby, Texas, on Monday, March 21, 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 Delilah Arolfo, Andrea Martin, Cullen Francis, Jeff Baughman, Rich Harcrow, David Kasper, and Margarett Chastain.

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, which is currently in the construction phase. On the Newport Villas project, the property is currently being cleared. On the partial replat in of Newport, Section 4, the property is currently being cleared. On the Newport Court project, the project is in the construction phase, and the site has been completely cleared.

Mr. Kasper then reported on developer inquiries and noted that his firm had continuing correspondence from the International Union of Operating Engineers regarding 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.

Mr. Kasper next discussed the 2016 bond application. The TCEQ has confirmed receipt of the bond application. If the application is deemed to be administratively complete, the expedited review period will be up to 60 days.

Lastly, Mr. Kasper discussed annexations. The Union has deposited their check, and the annexation process has begun.

Upon unanimous vote, the Board approved the engineer's report.

2. Delilah Arolfo informed the Board that she had been contacted by Daniel Robinson regarding a construction trailer tap for Union Park. Ms. Arolfo will provide the requested information.

3. Ms. Arolfo next reported on operations of the water system in the District. Ground water permitted through February 28, 2016 was 178.100 million gallons, and remaining ground water as of February 28, 2016 was 79.362 million gallons. Total ground water produced was 0.364 million gallons, and total surface water produced was 34.719 million gallons. Billed water was 35.803 million gallons with an accountability of 84%.

Jeff Baughman reported on work completed at the surface water treatment plant, which included replacing tubing on the clarifier turbidimeters, servicing all online turbidimeters, connecting water and sewer lines to the new building, replacing bull horn lights near lagoons, painting interior of the new building, and straightening the south side of the facility fence due to heavy erosion. Carden Air completed installation of the air conditioning unit on the new building, and NTS repaired and reinstalled the flocculating motor on CL #2. Rawlins Services completed the electrical work in the new building, and Fluid Meter calibrated the raw water meter. Pending work includes installation of flashing on the existing building to prevent leaks. The operator is currently performing a cost and equipment analysis for the surface water treatment plant modifications.

Mr. Baughman then discussed the status of the water wells in the system. During the month, the contractor completed installation of a new blind flange on the ground storage tank drain, installed two 12" repair clamps around welds that were leaking in the main valve, and opened and closed the valve feeding from Water Plant No. 1. Pending work includes replacing leaking check valves on booster pumps, replacing existing air relief and adding secondary air relief on header, and replacing meter on header and adding clamps to leaking weld. The operator is currently performing a cost and equipment analysis for the Water Plant No. 1 modifications.

Cullen Francis reported on the status of the wastewater system in the District. Total flow for February amounted to 18.164 million gallons, with an average daily flow of 0.626 million gallons. There was 1.70" of rainfall for the month. There were no violations noted at the facility.

Mr. Francis next reported on work completed at the wastewater treatment plant, which included installation of a 2" plug in the non-potable hydropneumatic tank, replaced light bulbs in the CL2 feed room and auto sampler building, pumped out Aeration Basin No. 3 and No. 4, put Aeration Basin No. 3 back online, removed rages from the RAS channel, repaired Blower No. 1 intake arm, changed out blower filters and greased and oiled blower unit, cleaned sludge from Contact Chambers No. 1 and No. 2 and flow channel, and repaired a 2" water line. Pending work includes installation of a non-potable pump in CL2 Contact Chamber No. 1, and repair the fence at wastewater treatment plant. The operator is currently performing a cost and equipment analysis for the wastewater treatment plant modifications, which should not exceed \$12,000.

Mr. Francis next discussed the operations of the District lift stations. The operator deragged Pump No. 1 and No. 2 at the Handspike Lift Station. At the Via Dora Lift Station, the

operator removed a brick from Pump No. 2. At the Helmsman Lift Station, the operator changed light bulbs in the lift station and replaced a 10-inch plug valve. At the Seven Oaks Lift Station, the operator replaced a bulb in the visual high level alarm. Mr. Francis reported that there was a high wet well call out on March 9, 2016.

Rich Harcrow reported on the District work. There were eight water leaks and main line repairs, 11 sewer back-up and sewer line repairs, two taps, zero meters were changed out, 15 miscellaneous call outs, two back charges. Mr. Harcrow reported on an incident at S. Diamondhead at Gum Gully Bridge where a hydrant was hit by a vehicle. A claim for damages will be filed.

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

4. Brandon Smith discussed a Wholesale Provider Consumer Confidence Report Letter received from the Texas Commission on Environmental Quality. Mr. Smith stated that after further research, it appear that the TCEQ may have made a clerical error in listing the District as a wholesale provider. Mr. Smith will continue to work with the TCEQ to resolve the matter.

5. Mr. Smith then updated the Board on activities discussed during the parks and trails meeting. It was reported that the operator cleaned the pavilion, put down Kiddie Kush around play sets, and changed the time set on the key fobs as requested by the Board.

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

  
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Secretary