

NEWPORT MUNICIPAL UTILITY DISTRICT
Minutes of Meeting of Board of Directors
August 11, 2016

The Board of Directors (“Board”) of Newport Municipal Utility District (“District”) met at 16703 Golf Club Drive, Crosby, Texas, on August 11, 2016, in accordance with the duly posted notice of said meeting, with a quorum of directors present, as follows:

Jim Hembree, President
Wayne T. Scott, Vice President
Don Cox, Secretary
Margarette Chasteen, Assistant Secretary
R. Gary Hasse, Director

and the following absent:

None.

Also present were Delilah Arolfo, Brandon Smith, Andrea Martin, Jeff Baughman, Cullen Francis, Rich Harcrow, and Nino Corbett.

The President called the meeting to order and declared it open for such business as might properly come before it.

1. David Kasper presented an engineer’s report, copy of which is attached. Mr. Kasper first reported on the private residential development projects ongoing within the District. In Newport, Section 12 (formerly Newport Villas II), development was temporarily delayed, but construction is now underway. In Newport Court, water and sewer mains are substantially complete and the contractor is working on the site storm sewers. Paving activities should begin soon.

David Kasper then reported on the commercial development projects ongoing within the District. Mr. Kasper noted that his firm is continuing to correspond with the International Union of Operating Engineers regarding their large commercial/industrial development on a tract currently located in dormant Harris County MUD No. 19.

Mr. Kasper next discussed annexations. The engineer prepared a draft boundary map showing the annexation of three tracts: 1) International Union of Operating Engineers (227 acres); 2) part of Newport Court / Nino Corbett development (1.5 acres); and 3) commercial tract on North Diamondhead / Nino Corbett development (2.4 acres).

Finally, Mr. Kasper reported that his office has prepared updated cost estimates for future plant improvements.

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

2. The Board next reviewed the operations and maintenance report, a copy of which is attached. Brandon Smith reported on operations of the water system in the District.

Ground water permitted through February 28, 2017 was 175.200 million gallons, and remaining ground water as of July 27, 2016 was 137.802 million gallons. Total ground water produced was 16.746 million gallons, and total surface water produced was 38.584 million gallons. Billed water was 37.138 million gallons with an accountability of 85%.

Jeff Baughman reported on completed and pending work at the surface water treatment plant. Mr. Baughman presented a proposal to replace the leaking check valves at High Service in the amount of \$5,026.

Mr. Baughman then discussed the status of the water wells in the system.

Cullen Francis reported on the status of the wastewater system in the District. Total flow for the month amounted to 17.934 million gallons, with an average daily flow of 0.578 million gallons. There was 2.75" 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.

Mr. Francis then discussed the operations of the District lift stations. At the Handspike Lift Station, the operator deragged Pump No. 1 and No. 2, and replaced the combination lock. At the Via Dora Lift Station, NTS replaced LP #1 contactor and relay. At the South Diamondhead/FM 2100 Lift Station, the operator deragged Pump No. 1 and No. 2.

Rich Harcrow reported on the District work. There were 17 water leaks and main line repairs, four sewer back-up and sewer line repairs, and eight miscellaneous call outs.

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

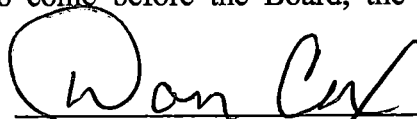
3. Brandon Smith then presented a report on District parks, a copy of which is attached. At the Port O'Call Park, McCann Security repaired the strike plate on the restroom door.

The operator presented the Board with a party request for August 20, 2016 at Port O'Call Park, and the Board approved the request.

Upon unanimous vote, the Board approved the parks and trails report as presented.

4. Andrea Martin presented a request from the Community Manager of Stonebridge requesting that the District waive the deposit on four Stonebridge accounts as they are owned by the homeowners association. After review and discussion, upon unanimous vote, the Board denied the request to waive the deposit on the accounts.

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


Secretary